**Economics Group**

**Florida Posts Modest Payroll Gain in November**

Nonfarm employment rose modestly in Florida in November, with 12,100 net new jobs being added during the month. Job growth remains up solidly year-over-year, however, and the unemployment rate fell to just 3.1%.

**Florida Sees Less of a Seasonal Pick Up in November**

Nonfarm employers across Florida added 12,100 jobs during November on a seasonally adjusted basis, just a 0.1% increase. The gain marks somewhat of a deceleration for Florida, which has been seeing strong, broad-based gains for much of the year. On a year-over-year basis, nonfarm employment is up 2.5%—reflecting a net gain of 217,400 jobs—or a pace roughly twice that reported for November. We doubt the smaller than usual job gain marks the start of a significant slowdown in hiring. More likely, November’s slower pace simply reflects less of a seasonal pick up than we usually see this time of year, particularly at retailers and restaurants. Construction and manufacturing payrolls dipped on a seasonally adjusted basis, even though both remain strong year-over-year.

Florida’s economy has consistently outpaced the nation since the early years of this expansion. Nonfarm employment growth has exceeded the nation every month since 2012, except September 2017, when Hurricane Irma caused employment to pull back sharply across the state. Florida is benefitting from increased in-migration from other states, as well as increased immigration from overseas. Inflows from other states have been bolstered by tax reform, which has made Florida’s low tax status an even greater comparative advantage. Inflows of retirees have increased, particularly from high tax states in the Northeast and Midwest, bolstering retirement communities like The Villages, Fort Myers and Naples.

Inflows of businesses and prime working age individuals have also increased, bolstering the state’s major metropolitan areas. The Orlando area has added the most jobs over the past year (+36,700), followed by Tampa (+30,806), Miami-Dade (+24,700), Jacksonville (+24,400), Fort Lauderdale (+11,200) and Fort Myers (+9,200). All 23 of Florida’s metropolitan areas and metropolitan divisions have added jobs over the past year. The strongest percentage increases have been in retiree areas such as Punta Gorda (+4.0%), Naples (+3.8%), Vero Beach (+3.6%) and The Villages (+3.6%).

Florida’s unemployment rate fell 0.1 percentage point to 3.1%, tying a record low last hit in March 2006. The number of employed Floridians has increased by 220,000 over the past year to a record 10.16 million, slightly outpacing the growth of the labor force, which is up by 200,000 persons. The number of unemployed fell by the difference, or 20,000, from one year ago. While the unemployment rate is low across the state, the lowest unemployment rates are found in three corners of the state: Monroe County, which includes the Florida Keys (1.8%); St. Johns County, located in Northeast Florida and part of the Jacksonville MSA (2.2%); and Okaloosa County, located in the western part of the Florida Panhandle and home to Eglin Air Force Base and Fort Walton Beach (2.3%). The highest unemployment rates are mostly found in rural areas, which are dependent upon agriculture. Hendry County has the highest unemployment rate (5.0%), followed by Hardee (4.4%), and Citrus and Sumter (both at 4.1%).

Source: U.S. Department of Labor and Wells Fargo Securities