Florida Payrolls Rise in August

Employers added 57,900 jobs this past month. Given the size of Florida’s economy and depth of earlier job losses, the monthly increase was somewhat underwhelming. The jobless rate fell to 7.4% from 11.4%.

Slowing Job Growth but Still on the Path to Recovery
Florida’s economic recovery moderated somewhat during August, but the state is still making good progress recouping the jobs lost earlier this year from the COVID-19 induced lockdowns. Employers added almost 58,000 to payrolls during August, the fourth consecutive monthly gain. That said, the recovery is clearly losing momentum from the larger gains seen in prior months. Florida lost 1,178,000 jobs from February to April and has since regained 631,600 jobs, or slightly more than half of the lost jobs.

The moderation in job growth coincides with a resurgence in COVID-19 cases in mid-July. Although the state economy remained mostly open, the upturn in case counts brought some renewed restrictions at the local level and a widespread withdrawal in economic engagement. While trending lower, cases were still elevated in mid-August, when the payroll survey was administered. During that same period, there was also an upturn in jobless claims, which helps validate the more modest job-gain for the month.

The good news is the public health situation appears to have greatly improved heading into the fall, with cases counts falling by about 50% of where they were just a month ago. Jobless claims show a similar trajectory. The number of weekly jobless claims fell to 33,821 for the week ending September 12th, which is about half of the number of claims averaged in August. To be clear, this is still a very high number of jobless claims, which suggests layoffs are still prevalent across the state. But the labor market conditions do appear to be steadily improving. The unemployment rate fell four percentage points during the month to 7.4%.

Furthermore, most major industries continue to expand payrolls. During August, education & health services added 21,400 jobs, more than any other sector. The state’s advanced service industries also expanded payrolls solidly. Professional & business services added 9,600 jobs, while finance saw a 3,400-job gain. More of a concern was a meager 1,000 rise at the state’s hard-hit hotels, bars and restaurants. Compared to last year, hiring at these establishments remains off by almost 20%. The massive job losses in this important sector are one reason jobless have remained stubbornly high.

While challenges clearly remain, Florida is in a relatively good position to see hiring pick-up in coming months. While many parts of the country are bracing for colder weather that will make outdoor activities untenable, most of Florida will remain warm enough for open-air functions to continue. The state’s amenable winter climate and relatively open economy will no doubt draw in droves of vacation-starved visitors from the Midwest and Northeast, which could re-accelerate COVID-19 case growth. That said, Florida was one of four states invited to be part of a federal CDC vaccine pilot group, which could accelerate the widespread distribution of a potential vaccine throughout the state.

In addition to public health risk, Hurricane Sally, which battered Pensacola and parts of the Panhandle this week, is yet another reminder that hurricane season is upon us. Hurricane season in the Atlantic appears to be especially active this year, meaning the state may see more tropical storms come ashore.

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