Florida’s Recovery Shows Signs of Moderating

Employers added 47,300 jobs in September, continuing the string of moderating employment gains. COVID-19 infections eased in September, allowing more economic engagement and more businesses to re-open.

Florida’s Hardest Hit Sectors Struggle to Regain Lost Jobs

Nonfarm employment rose 0.6% in September, as public and private employers added 47,300 jobs, following a gain of just 18,000 the prior month. Government payrolls rose 1.0%, with virtually all of the gain coming from local government, reflecting the rehiring of workers at local school systems. The restart of the school year often wreaks havoc on the employment data this time of year. With more students attending school virtually, household employment and the civilian labor force both declined by more than they usually do this time of year—a big reason why Florida’s unemployment rate rose in September. Even with the increase, Florida’s unemployment rate remains slightly below the national rate, despite the vicious hit that the virus has dealt the state’s important tourist sector.

Unemployment rates in many of Florida’s smaller metropolitan areas and rural counties have fallen well below the state average. The Florida Panhandle is a notable standout, with unemployment rates in Fort Walton Beach, Panama City and Pensacola now back down to 4.1%, 4.6% and 4.8%, respectively. Gainesville (4.3%) and Tallahassee (4.9%), home to the University of Florida and Florida State, have also seen their jobless rates come back down, as have many of the state’s retiree-driven metros and rural areas. The Sarasota-Bradenton (5.6%), Punta Gorda-Port Charlotte (5.9%), The Villages (6.0%) and Tampa-St. Petersburg Clearwater (6.1%) all have jobless rates at least one and a half percentage points below the state. The lowest unemployment rates in the state are in Lafayette (3.4%), Wakulla (3.6%), Union (3.7%) and Gilchrist (3.9%) counties, all located in Florida’s mostly rural North Central and Big Bend regions.

One thing that all Florida counties with low unemployment rates have in common is that they are less dependent on tourism. Florida’s retiree-driven markets are also proving more resilient, as more residents are staying year round. Some areas will face a test this winter, however, which is likely to see fewer snowbirds arrive from Canada and Europe.

Restaurant, hotel, hair salon, fitness studios, retail trade and administrative workers accounted for the bulk of Florida’s job losses during the lockdown period. These sectors accounted for 71.6% of Florida’s job losses in March and April. While the recovery in these sectors has largely matched the broader recovery in the state, these sectors have a large hole to climb out of. On an overall basis, Florida lost 1,178,000 jobs in March and April and has since regained 639,000 jobs, or 54%. Collectively, the leisure & hospitality, retail trade, other services, and administrative services lost 843,800 jobs in March and April and have since regained 458,100 jobs or 54.2% of their losses.

Tourism, particularly international tourism, faces a long road back and will not likely fully recover until a vaccine is fully approved and widely administered. Miami-Dade (13.0%) and the Orlando metro area (9.8%) have the highest unemployment rates in the state. Both areas are recovering but after falling so hard, what recovery there has been is of little solace to those workers displaced by the pandemic. Miami’s density presents additional challenges, making it tougher to implement and maintain social distancing.

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