Florida Payrolls Climb in October

Employers added 51,600 jobs during October, while the unemployment rate fell to 6.5%. Despite a cooler overall pace of hiring and rising COVID case counts, Florida’s economic recovery remains firmly on track.

Solid Job Gain but Growth Is Cooling

Nonfarm employers added 51,600 jobs during October, the sixth straight monthly gain. October’s monthly gain was solid, yet was smaller than the 56,000 rise registered in September. The shortfall appears to be due to a decline in federal workers, likely tied to the ending the decennial Census. Private payrolls added 61,100 jobs in October, which is stronger than the prior month. Florida’s job market continues to regain ground lost during the lockdowns. Employment peaked in February. Florida lost nearly 1.2 million jobs in March and April and has since regained 699,700 jobs.

Most major industries saw payrolls advance during October. The leisure & hospitality industry added more than any other, with overall headcounts expanding 29,600. Arts, entertainment & recreation employment rose 8,500, while payrolls at bars, restaurants and hotels added 21,100. The drop-off in travel continues to disproportionately hit tourism driven markets such as Miami and Orlando. Hotel occupancy in those areas was just 38.6% and 27.3%, respectively, during the week ending November 14. The lack of visitors has reverberated throughout the two metros, impacting restaurants, entertainment venues and retailers.

Professional & business services added 13,000 jobs. Retailers recouped 5,500 jobs, while wholesalers gained 3,100. Education services payrolls rose by 2,600. Manufacturing has held up remarkably well, and the factory sector added 4,400 jobs during the month. That increase was bolstered by 3,800 gain in durables manufacturing, which is one of Florida’s few major industries that have seen payrolls climb back above prior year levels. Finance & insurance and professional & technical services, added 1,600 and 4,900 jobs, respectively, and are also now up on a year-over-year basis.

There were some notable declines during the month. Transportation and warehousing lost 2,600 jobs. Healthcare & social assistance fell 3,000 jobs. Government payrolls were the other weak spot, losing 9,500 jobs, most of which were likely temporary Census jobs.

While Florida’s recovery is clearly moderating, labor market conditions still continue to improve. During October, the unemployment rate fell to 6.5% from 7.2%. The labor force contracted slightly, however, while household employment increased 58,000. Household employment captures workers such as independent contractors not included in the payroll survey. New COVID case counts in Florida are once again trending in the wrong direction, although testing has increased markedly and positivity rates have not risen as much. That noted, trepidation about the upcoming holiday season, which is when cold and flu cases tend to spike, could potentially slow down Florida’s recovery. However, the latest data show improvement. Jobless claims for the week ending November 14 fell to 21,538, marking the fewest applicants since the onset of the crisis. Overall, weekly claims are still elevated. For context, there were 6,300 jobless claims per week on average during 2019. The drop in claims is particularly encouraging, as nationally new applications rose during the same period.

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