

Sunny with a Chance of...?

Forecasting Florida's Economic Resilience



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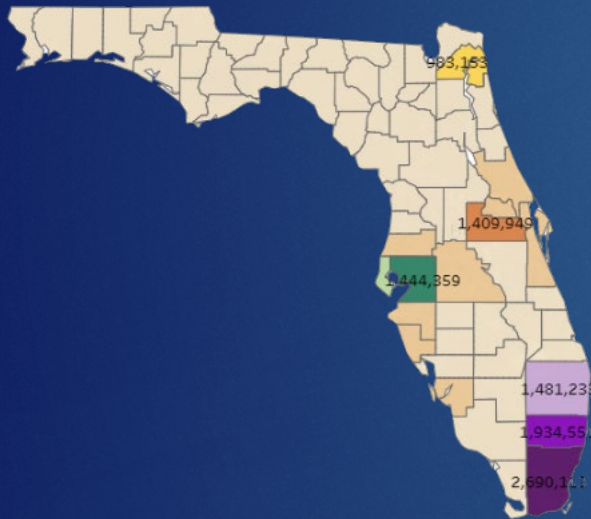


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Economic Resilience Project: Introduction



- ▶ The Economic Resilience Project is the sequel to the FIU Metropolitan Center's "COVID-19 Economic Recovery Index"
- ▶ The COVID-19 Economic Recovery Index tracked the progress South Florida counties were making relative to the state and U.S. in returning to pre-COVID economic numbers
- ▶ The purpose of the Economic Resilience Project is to assess and monitor (Dashboard) the resilience capacity of Florida and its largest counties to absorb the brunt of an economic shock and restore essential economic functions quickly



The Pillars of Economic Resilience

Diversification



Stability

Prosperity



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Pillars of Economic Resilience

Diversification

Industry sector diversification in terms of the variety of high growth/wage sectors and diversification in job skills and educational attainment of workers

Stability

An economic environment in which vitality, affordability, and innovation continually stimulate employment, business, and population growth

Prosperity

The presence of critical socio-economic factors, including economic opportunity, mobility, and equity

Economic Diversification: Overview

- ▶ Why does it matter? Economically diversified communities are less susceptible to economic downturns.
- ▶ Metrics include:
 - ▶ Job churn rate
 - ▶ Educational attainment
 - ▶ Top industries by number of employees
 - ▶ Percent change in job postings (year over year)
 - ▶ Occupations by project number of employees
 - ▶ Job skills listed in unique job postings

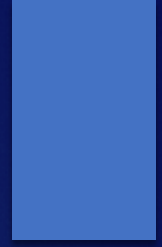
Economic Diversification: Data

- ▶ Restaurant employment is 7-10 percent across Florida as top employment sector
- ▶ Finance makes it to top-5 in Hillsborough and Duval, nowhere else;
- ▶ Media and Communications is 1st or 2nd sought skill statewide; IT is 7th statewide and most metros bottom half of top ten
- ▶ Palm Beach and Orange have the highest BA-level achievement

Economic Diversification: Policy Implications

- ▶ Miami is more diversified than New York or Denver, but concentrations are low-wage and susceptible to economic shocks (Great Recession, COVID)
- ▶ South Florida mirrors the U.S. with U-shaped job growth at low- and high-end of wages
- ▶ South Florida, and Florida in general, need to assess how they can maintain a healthy tourist sector while developing the healthcare, manufacturing, technology, and education sectors.

Economic Stability: Overview



- ▶ Why does it matter? This pillar is foundational to resilience as it involves the major ways we interact with the economy daily, including the housing market, job market, and cost of living.
- ▶ Metrics:
 - ▶ Housing:
 - ▶ Median home sales price for single-family homes (\$)
 - ▶ Median rent (\$)
 - ▶ Foreclosures: Lis pendens and REO rates per 10,000 housing units
 - ▶ Job Market:
 - ▶ Unemployment rate
 - ▶ % Change in the size of the labor force and employed population (seasonal)
 - ▶ Cost of Living:
 - ▶ Consumer Price Index (CPI)



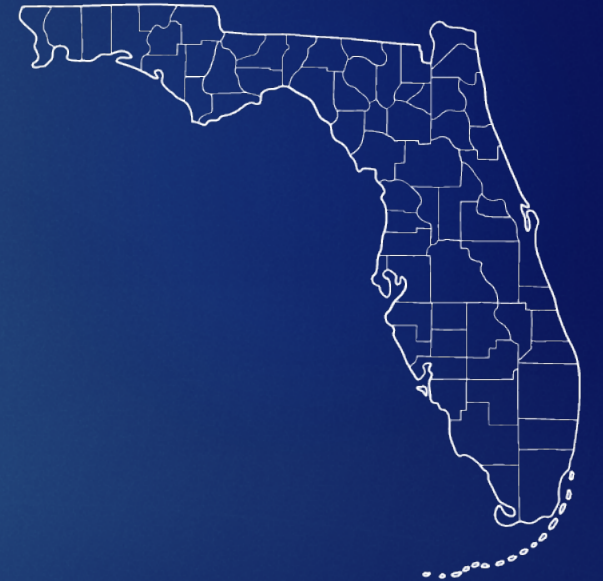
Economic Stability: Data

- ▶ Median rent is highest in the 3 South Florida counties and increased from the last quarter.
- ▶ The cost of living has increased in all areas, with South Florida consistently having the highest cost of living. The U.S. city average CPI rate in March 2024 was 312.2.
- ▶ Unemployment rates in Q1 2024 were 3.5% or less in all counties measured. Miami-Dade was the lowest at 2%. The U.S. rate in March 2024 was 3.8%.
- ▶ Lis pendens and REOs fell during the pandemic and have since picked up.



Economic Stability: Policy Implications

- ▶ Florida should be viewed not as one unified economy but as a mosaic of different regional economies.
- ▶ South Florida has very low unemployment rates, much lower than the nationwide average, this points to a tight labor market that might hinder business and economic growth.
- ▶ The cost of living is extremely high as evidenced by housing costs, and consumer price index resulting in locals moving out and people with higher incomes moving in.
- ▶ The unemployment rate is low, but are the wages enough to afford the high cost of living?



Economic Prosperity: Overview

- ▶ Why it matters? Economic prosperity is summative. Can individuals/families afford to go beyond surviving and thrive?
- ▶ Metrics include:
 - ▶ Average monthly earnings: overall, by sex, race and ethnicity
 - ▶ Average weekly wages overall and for the top industries by number of employees
 - ▶ Percent change in business formations from one quarter to the next
 - ▶ Percentage of workforce in businesses with fewer than 20 employees

Economic Prosperity: Data

- ▶ The trajectory of housing costs surpasses that of incomes; recent increases in housing costs have far outpaced wage growth across most counties.
- ▶ In all counties, Black or African American (alone) and Women workers respectively had the lowest average weekly earnings.
- ▶ Pre- and post-pandemic, businesses with 19 or fewer employees constitute a significant portion of Florida's economy.

Economic Prosperity: Policy Implications

- ▶ Resiliency measures are needed across the state to ensure that Florida remains accessible to its current populations. Wages have stagnated so long that few are of the state can be considered affordable (while earning a local income).
- ▶ An economy that preponderantly creates low-wage jobs exacerbates racial, ethnic, and gender disparities by limiting economic opportunity and mobility.
- ▶ Entrepreneurship alone does not uplift communities. Traditional funding (banks and venture capital) and support models underserve small businesses. Small businesses require a funding ecosystem that builds entrepreneurial capacity.

Dashboard Guide

Link: go.fiu.edu/JPMCresilience/dashboard

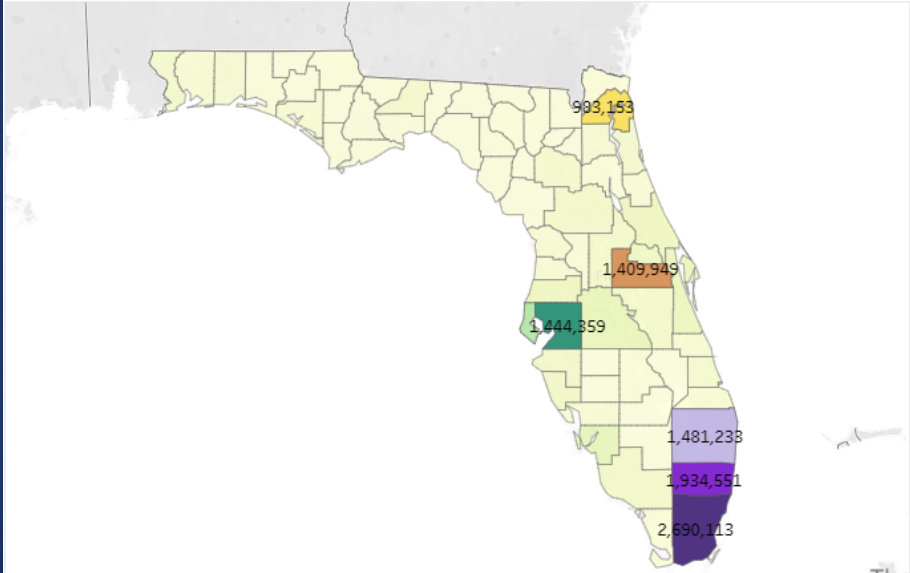
Jorge M. Pérez Metropolitan Center Economic Resilience Dashboard

The Economic Resilience Dashboard tracks the economic resilience of the seven most populous counties in Florida, and the State of Florida, through three pillars of resilience:
Economic Stability, Economic Prosperity, and Economic Diversification

Policy Brief


Methodology

Total Population of Florida's 7 Most Populous Counties



County	Population
Orange	983,153
Alachua	1,409,949
Volusia	1,444,359
Polk	1,481,238
St. Johns	1,934,551
Franklin	2,690,113

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For more information, please visit
metropolitan.fiu.edu

For more on the job market, cost of living, and housing market, click here:

[Economic Stability](#)

For more on wealth, standard of living, and financial security, click here:

[Economic Prosperity](#)

For more on job skills, educational attainment, and job market diversification, click here:

[Economic Diversification](#)