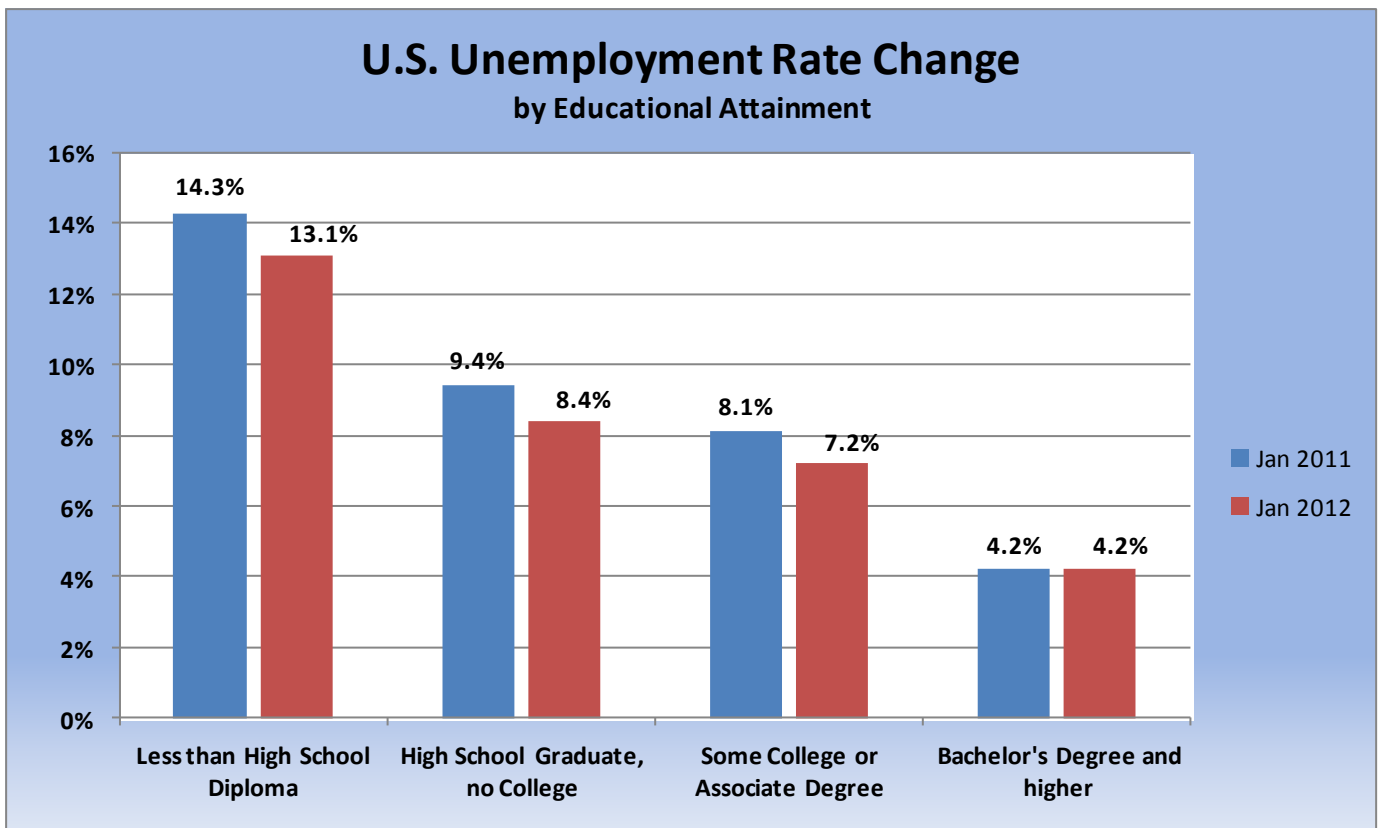


A monthly look at Florida's Economy

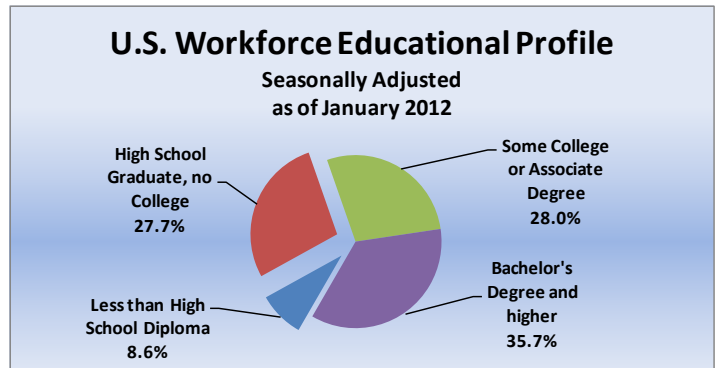
 The Florida TaxWatch Center for Competitive Florida ... Resolving issues vital to Florida's global economic competitiveness.

Unemployment and the Florida Workforce

Florida's unemployment rate at the end of 2011 (the most recent state-level data available) was 9.9 percent, down from 12.0 percent at the end of 2010. However, it is difficult for a single statistic, such as the unemployment rate, to tell the story of what demographic groups are the most affected by the recent high rates of unemployment. One of the difficult things economists face when analyzing the Florida economy is that many of the statistics at the state level are reported less frequently than national statistics. To get a sense of recent improvements to various detailed unemployment rates, national data must be consulted. The chart below shows U.S. data, indicating how varied the unemployment rates are for groups with differing levels of educational attainment. The difference in the unemployment rates between those who have a bachelor's degree or higher, versus the other groups, is significant. Compared to the group with bachelors degrees, those with a high school diploma have more than double the unemployment rate. Even more significantly, those with less than a high school diploma have more than three times the unemployment rate as those with a bachelor's degree or higher. The chart also indicates that each of the groups with less than a bachelor's degree have shown improvement over the 12 month period shown.

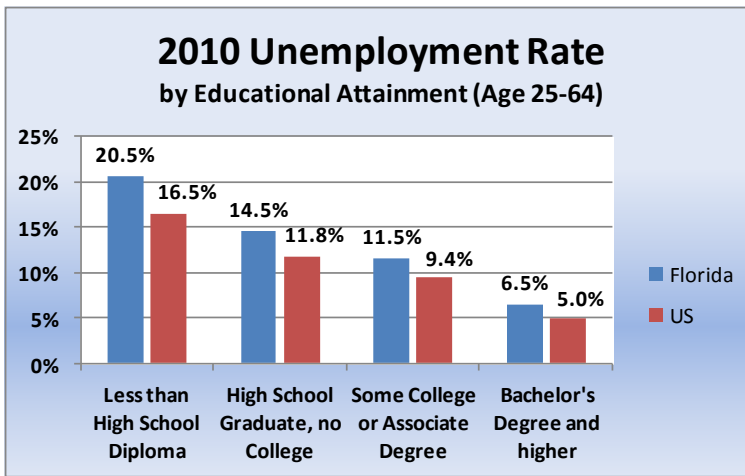


The chart to the right shows the percentage of the U.S. workforce in each of those categories of educational attainment. Notable is that 36.1 percent of the U.S. workforce are in the categories of either less than high school diploma, or high school graduate with no college—the two categories with the highest unemployment rates.



Details for Florida's Unemployment Rates

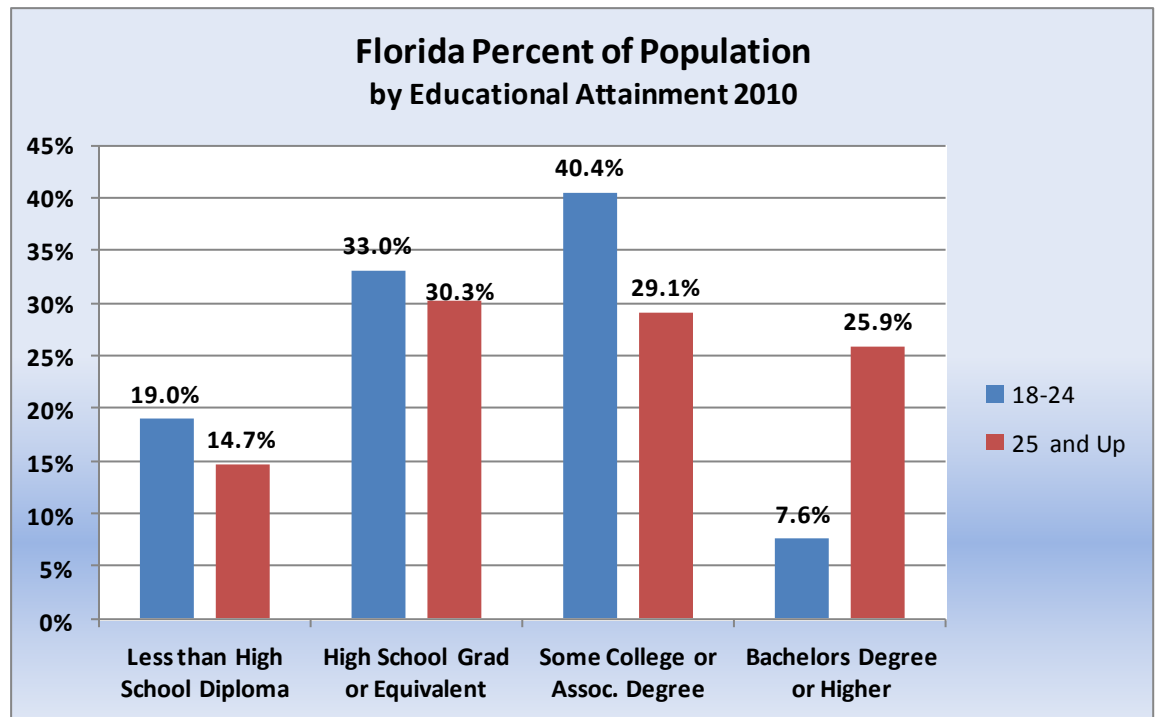
There is not directly comparable data available for Florida, which makes a comparison a little more difficult. The U.S. Census Bureau's American Community Survey, which is the source of the state-level data, is only available



with data from 2010, making it difficult to compare to the current U.S. rates. The chart to the right shows the Florida data compared to the 2010 national data from the same survey, one can see that Florida's unemployment rates are all higher than the U.S. rates from the same time period.

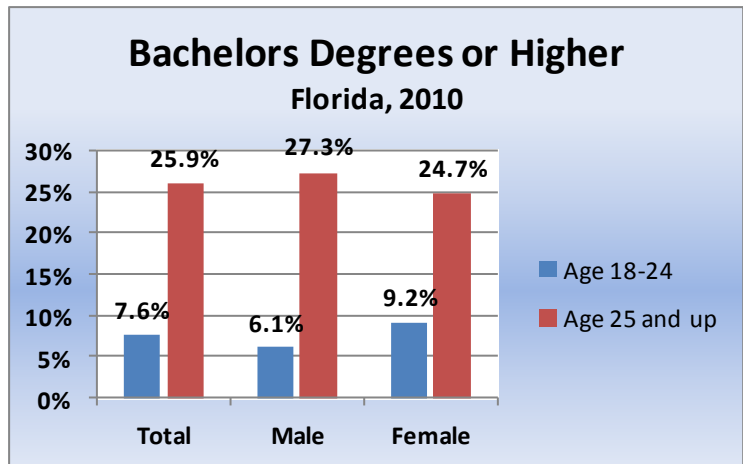
To see more detail of the Florida data, the chart below shows the breakdown, by age group, for the Florida workforce. One can see that in most categories, the "25 and up" age group has lower educational attainment than the "18 to 24" age

group. However, the big difference is with the "Bachelors degree or higher" group, where more than three times, on a percentage basis, have bachelors degrees or higher in the "25 and up" group. There is no doubt that some, but an unknown number, of the younger group will complete bachelors degrees, and some of those will also

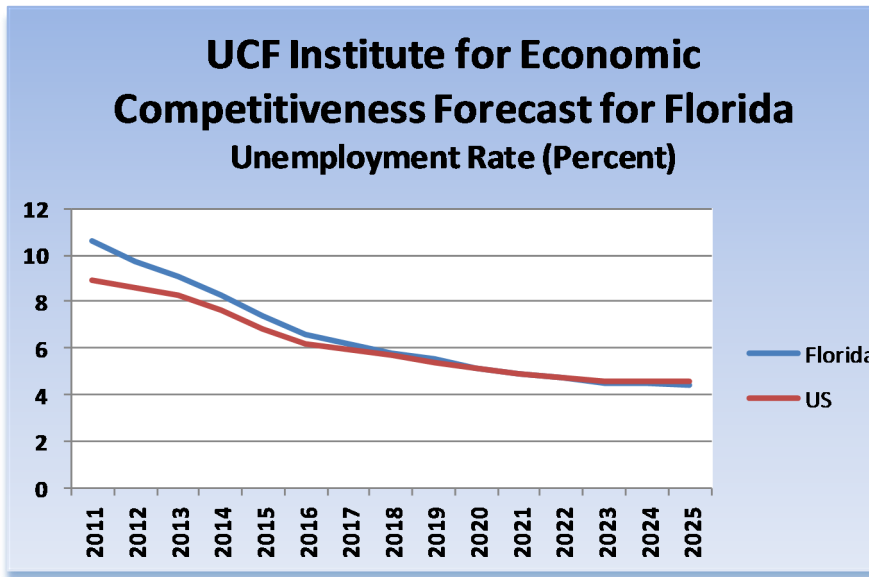


receive graduate degrees. That will decrease the amount in the “some college or associates degree” category, and increase the number in the “bachelors degree or higher” category.

The chart to the right shows details of the group in Florida that have bachelors degrees or higher. Of the older group, the difference between male and female is less than a 10 percent difference. What is striking is that of the “18 to 24” year old group, females have finished bachelors degrees at a rate of more than 50 percent higher than males in this group. This is significantly higher than the percentage gap in the “25 and older” group and could indicate a trend that bears watching for Florida’s future.



Where is the Florida Unemployment rate headed?



To get an idea of where Florida’s unemployment rate is headed, the *Florida & Metro Forecast 2011-2014* was consulted. This publication is a regular forecast published by Dr. Sean Snaith of the Institute for Economic Competitiveness at the University of Central Florida (UCF). In his forecast of Florida’s and the U.S. unemployment rates shown in the graph to the left, Dr. Snaith expects Florida’s unemployment rate to approach the U.S. unemployment rate, but not until 2018. The forecast indicates that Florida’s unemployment rate will not be less than the U.S. rate until after

2020. One of the key things to note is that these rates discussed don’t include those who are part-time and who would like to work full-time, as well as discouraged workers who have given up looking for work. According to an Atlanta Federal Reserve report, Florida’s most recent rate available that includes those two groups (the U6 rate) is now 17.6 percent, versus the U.S. rate of 15.6 percent.

What Can be Done to Close the Gap More Quickly?

Florida must address two significant items to start to start to decrease the unemployment rate. First, is to start to close the skills gap between our workforce and the available jobs. Training and education must be prioritized so Florida can be on the path to correct this gap. Secondly, Florida must also increase efforts to both expand existing Florida companies and recruit new ones to our state. This can be aided by policies that increase recruitment and expansion efforts, as well as those that reward private capital investment in Florida.

Data Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics

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Economic Commentary written by **Jerry D. Parrish, Ph.D.**, Chief Economist, Director of the Center for Competitive Florida at Florida TaxWatch with the assistance of **Katie Furtick**, Research Analyst.

Marshall Criser, III, Chair, Florida TaxWatch; **John Zumwalt, III**, Chair, Center for Competitive Florida; **Dominic M. Calabro**, President, Publisher, and Editor.

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