

FLORIDA ECONOMIC FORECAST

2024 - 2030

Florida
TaxWatch

Q1 2025



2025

Overcast with
light showers



2026

Variable
clouds,
sunbreaks in
the afternoon



2027

Afternoon
thunderstorms



2028

Clouds thinning
toward evening



2029

Skies clearing,
warm front
arriving



2030

Mostly sunny and
settled



INTRODUCTION

Fueled by a strong global presence in tourism, trade, and real estate development, Florida's economy has grown to nearly \$1.5 trillion. Despite this impressive growth, Florida slipped from the fifteenth largest economy in the world to the sixteenth.¹ Florida entered 2025 with strong growth trends, ranking number one in terms of economic growth. One question to be answered is whether Florida's impressive economic growth is sustainable over the next several years.

This is the first, for calendar year 2025, in a series of quarterly Florida TaxWatch economic forecasts. The data upon which these forecasts are based are provided through a partnership with the Regional Economic Consulting Group ("REC Group"), a research-based consulting firm that provides economic studies to help guide and inform business leaders and policy makers. Each quarter, beginning in the first quarter (Q1) of calendar year 2025, the REC Group provides Florida TaxWatch with annual data on the following:

- Population—Florida's resident population;
- Net Migration—the flow of population moving into Florida minus the flow of population moving out of Florida;
- Total Non-Farm Employment—the number of workers in Florida's economy, excluding proprietors, private household employees, unpaid volunteers, farm employees, and unincorporated self-employed;
- Unemployment Rate—the number of unemployed persons as a percentage of the workforce;
- Florida Gross Domestic Product (GDP)—the total market value of goods and services produced;
- Florida Real GDP—the total market value of goods and services produced, adjusted for price changes;
- Personal Income Per Capita—the total statewide income divided by the population; and
- Total Visitors—the total number of visitors coming to Florida.

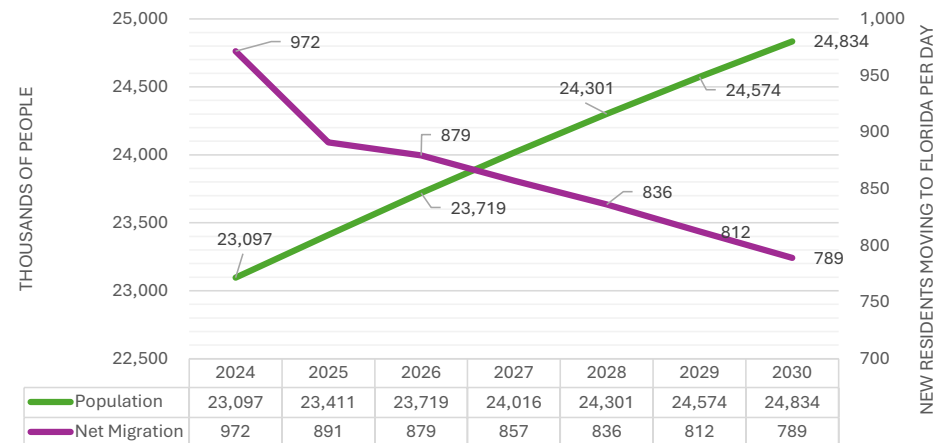
Florida TaxWatch will use the REC Group data (which uses past trends and current data to project future conditions) to prepare a forecast of Florida's economy through 2030. Florida TaxWatch will use 2024, the last full year for which data are available, as a baseline for this forecast.

POPULATION AND NET MIGRATION

As shown in Figure 1, Florida's population is projected to increase by about 1.4 million people (from 23.4 million to 24.8 million) from 2025 to 2030. Although the state's overall population is projected to continue to increase, the number of people moving to Florida each day is projected to decrease from 972 in 2024 to 789 in 2030. This reflects a shift in the balance between people moving into Florida and people moving out of Florida. The current growth rate of population is 1.6 percent and is projected to decrease to 1.1 percent by the end of 2030. As Florida's net migration decreases from 972 new residents each day to 891 over the next year (a negative 8.3 percent growth rate), the population will continue to increase, but at a decreasing rate.

FIGURE 1.

Florida's Population Continues to Increase, But At A Decreasing Rate



Source: REC Group

¹ Florida Chamber of Commerce, "Florida's Economy Shows High Growth, Dips One Spot to 16th Largest Global Economy," retrieved from <https://www.flchamber.com/floridas-economy-shows-high-growth-dips-one-spot-to-16th-largest-global-economy/>, accessed on January 8, 2025.

The projected decrease in the growth rate of population and decrease in net migration into the state can be attributed in large part to Florida's past growth and the problems that come with it. An abundance of natural amenities, low cost of living, and no personal income tax have fueled Florida's rapid growth over the past several decades, as the number of people moving into Florida increased and the number of people moving out of Florida remained steady.

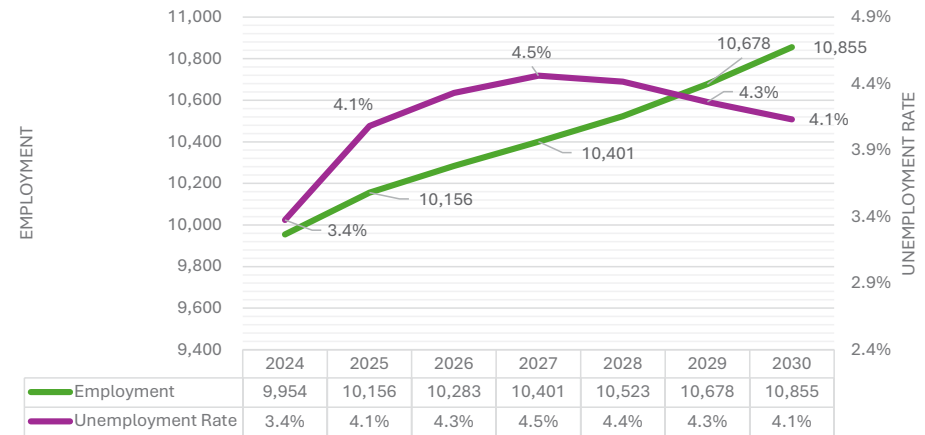
Recently, an increasing number of Floridians is leaving the state, often citing increased costs of living, rising property taxes, rising property and automobile insurance, rising housing costs, and more frequent and severe weather events, as reasons for leaving. Top destinations for those leaving Florida are either Georgia, Texas, Tennessee or North Carolina, states with no personal income tax and/or a lower cost of living than Florida.²

EMPLOYMENT

As shown in Figure 2, the number of employed Floridians is projected to increase from almost 10.0 million in 2024 to 10.9 million in 2030. During this same period, Florida's unemployment rate is projected to increase from 3.4 percent in 2024, slowly, to 4.1 percent in 2030. Unlike the 2024 Q4 forecast – where the unemployment rate was consistently increasing, this forecast shows an increase until 2027 and then a gradual decrease until 2030. The projected unemployment rate for 2025 as of Q1 2025 is 0.7 percentage points higher than reported in Q4 2024.

FIGURE 2.

Employment Is Increasing At A Slower Rate, Unemployment Will Rise Before Decreasing



Source: REC Group

As of January 2025, there are 1.25 job openings for every unemployed worker.³ This indicates that there are not enough unemployed people to fill all of the current job openings. The projected increase in the unemployment rate from 2024 to 2030 can be attributed in large part to the actions of the Federal Reserve to attempt to rein in inflation through higher interest rates.⁴ Given the Federal Reserve's role in achieving sustainable employment rates, when unemployment rates become too high, interest rates are lowered as a way to stimulate job creation. Conversely, when unemployment rates become too low,⁵ interest rates are increased as a way to stem inflation. It is important to note that since September 2024, the Federal Reserve lowered its interest rate by one whole point, to between 4.25 and 4.50 percent. These are the first rate-cuts in more than four years and comes on the heels of 11 rate hikes dating back to March 2022.⁶

² Fox13News, "Why are people flocking from Florida in record numbers?," retrieved from <https://www.fox13news.com/news/why-people-flocking-from-florida-record-numbers>, accessed on May 16, 2025.

³ U.S. Bureau of Labor Statistics, "Florida Jobs Openings and Labor Turnover – January 2025" retrieved from https://www.bls.gov/regions/southeast/news-release/jobopeningslaborturnover_florida.htm#:~:text=In%20January%2C%20Florida%20had%20377%2C000,have%20averaged%20355%2C000%20per%20month., accessed on May 16, 2025.

⁴ Office of Economic and Demographic Research, "Florida: An Economic Overview," January 22, 2024.

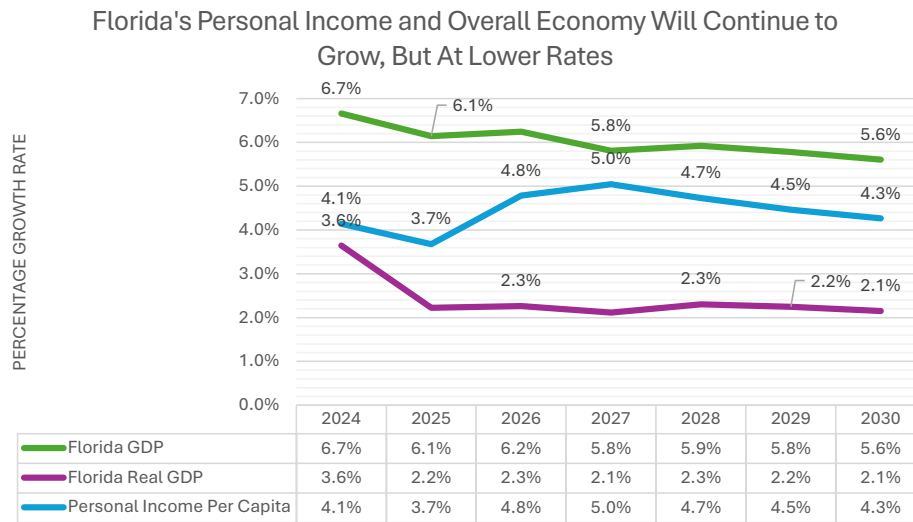
⁵ The "full employment" unemployment rate is presumed to be about four percent.

⁶ Todd Campbell – The Street, "Goldman Sachs revamps Fed interest rate cut, recession forecast," retrieved from <https://www.thestreet.com/fed/goldman-sachs-resets-interest-rate-cut-forecast-recession-outlook#:~:text=The%20Fed%20is%20trapped%20in,supporting%20jobs%20but%20increasing%20inflation.>, accessed on May 19, 2025.

GDP AND INCOME GROWTH

All the factors mentioned so far—population, migration, employment, and unemployment—ultimately affect the economy of Florida. As shown in Figure 3, Florida had a real GDP growth rate of 3.6 percent in 2024; projected to decrease to 2.1 percent by 2030. Comparing the difference in the growth rate of Florida's GDP and real GDP, one can see that the difference is becoming smaller in the long run. This suggests that the rate of inflation is expected to increase until 2027, before decreasing in the coming years.

FIGURE 3.



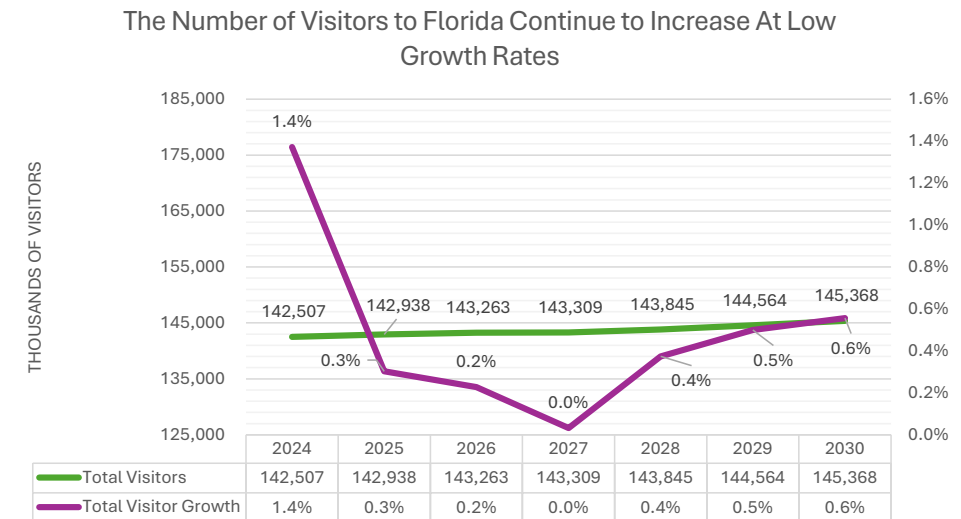
Source: REC Group

In terms of personal income per capita, Figure 3 shows a 0.9 percentage point increase, from 4.1 percent to 5.0 percent, through 2027, followed by a decline back to 4.3 percent through 2030. This projection differs from Q4 2024 (which showed a sharp increase followed by a gradual decrease), showing that the spending capabilities of Floridians will show slow changes in the coming years. This change in the purchasing power of Floridians will be a result of changing inflation in the state.

TOURISM

Tourism plays a major role in Florida's economy. Visitors from all over the world come to experience Florida's spectacular natural features, theme parks, and other natural and man-made attractions. An impact study conducted by the Florida Restaurant and Lodging Association in 2023 estimated 156.9 million visitors spent a record \$131 billion, an average of \$359 million per day. Tourism directly supports 2.1 million jobs and is responsible for \$76.4 billion in employee wages. Thanks to tourism and the revenue tourism generates, every Florida household saves \$1,910 a year on state and local taxes.⁷ As shown in Figure 4, tourism is projected to increase through 2030. The growth rate of visitors in the state is expected to see a sharp drop in 2025, after which it further decreases to zero before rising to 0.6 percent by 2030.

FIGURE 4.



Source: REC Group

In 2024, Florida had a record number of visitors to the state – totaling more than 142.9 million. Although Florida's tourism industry continues to grow, it is projected to take a hit this year, as a possible result of uncertainty regarding new trade policies. The overall dip in total visitor growth rate through 2030 is a result of long-term reversion – meaning that it portrays a return to a growth rate which was normal to Florida pre-pandemic.

⁷ Florida Restaurant & Lodging Association, "Florida Again Shatters Tourism Records; Posts Highest Visitation Numbers in State History in 2023," retrieved from <https://frla.org/news-release/florida-again-shatters-tourism-records-posts-highest-visitation-numbers-in-state-history-in-2023/>, accessed on January 8, 2025.

FLORIDA ECONOMY VS U.S ECONOMY

Looking at Table 1 and Table 2, Florida's economy is expected to grow at around the same rate as the U.S. economy in most aspects. The U.S. economy is forecasted to have a real GDP growth rate of 2.6 percent in 2025 declining to 1.7 percent in 2029. Florida's real GDP growth rate is forecasted to be 0.4 percentage points lower than the national rate in 2025 and in the long-term forecast, remaining a little above two percent until 2030.

Additionally, Florida's unemployment rate also remains below the national rate throughout the next five years; while both the U.S. rate and Florida rate remain above 4.1 percent through 2030, Florida is consistently a little lower than the national average in unemployment rate.

Personal income growth, which determines the spending capacity of the population, gradually decreases at the national level. At the state level, we see a drop in 2025, followed by an increase through 2027 before it cools down again. As of 2024, Florida's income growth was lower than the national growth rate of 5.3 percent, at 4.1 percent; however, it is projected to be higher than the national rate from 2027 through 2030.

TABLE 1. SUMMARY OF THE U.S. ECONOMIC FORECAST 2024 - 2029⁸

	2024	2025	2026	2027	2028	2029
U.S. Economic Growth	2.8%	2.6%	2.1%	2.2%	1.9%	1.7%
Thousands of New Jobs	2,076	1,536	660	876	684	684
Unemployment Rate	4.0%	4.4%	4.6%	4.4%	4.5%	4.6%
Income Growth ⁹	5.3%	5.0%	5.0%	4.4%	4.2%	4.2%
<i>Source: Deloitte Insights and TD Economics</i>						

Overall, Florida's economic growth pattern matches or surpasses the national economic growth pattern in most economic indicators for the next five years.

SUMMARY

Overall, Florida's economy is now set to return to pre-pandemic growth rates over the next six years, after experiencing high economic growth in the past three years. Florida's economic growth through 2030 is summarized in Table 2.

TABLE 2. SUMMARY OF FLORIDA'S ECONOMIC FORECAST 2024 - 2030

	2024	2025	2026	2027	2028	2029	2030
Florida's Economic Growth	3.6%	2.2%	2.3%	2.1%	2.3%	2.2%	2.1%
Thousands of New Jobs	200.3	201.2	127.8	117.6	121.9	155.0	177.4
Unemployment Rate	3.4%	4.1%	4.3%	4.5%	4.4%	4.3%	4.1%
Income Growth	4.1%	3.7%	4.8%	5.0%	4.7%	4.5%	4.3%
<i>Source: REC Group</i>							

Florida's economic growth, expressed as real GDP, will continue to grow through 2030, albeit at a reduced rate. The number of new jobs available in Florida is projected to decline until 2027 before rising again. The unemployment rate follows the same pattern, increasing until 2027 before gradually decreasing. This can be, in part, attributed to the easing GDP of Florida after 2027.

Overall, Table 2 reflects a projected slowdown in the rate of growth of Florida's economy through 2030, showing pre-pandemic growth rates. The economic experts that comprise the state's Revenue Estimating Conference attribute this primarily to the transition of businesses and consumers from a high inflation/high-interest rate environment to more normal conditions. There is a possibility of more drastic changes to be projected as a result of ongoing uncertainty regarding international trade agreements.

⁸ Deloitte Insights, "United States Economic Forecast Q1 2025 – Figure 18," retrieved from <https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html>, accessed on May 19, 2025.

⁹ TD Economics, "Forecast Tables," retrieved from <https://economics.td.com/ca-forecast-tables#lt-us>, accessed on March 3, 2025.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the taxpayers of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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