

January 18, 2013

TO: Interested media
FROM: Rebecca Rust, Chief Economist, Department of Economic Opportunity
RE: Background on Labor Market Estimates

This document is provided as background information on Florida's labor market statistics for unemployment rates and jobs counts released today.

In December 2012, Florida experienced a decline in the unemployment rate over the month from 8.1 percent to 8.0 percent, and also experienced a decrease in total nonagricultural jobs. These labor statistics come from two separate surveys and are not designed to track on a monthly basis but instead will show long-term trends. As the economy continues to improve, long-term trends in unemployment rates will show declines and long-term trends in jobs will show increases. On a month-to-month basis, these numbers fluctuate and can move in opposite directions compared to the long-term trends.

TWO DIFFERENT SURVEYS

The source for unemployment rates is the Current Population Survey (CPS), which is collected by the U.S. Census Bureau, and the source for nonagricultural job counts is the Current Employment Statistics Survey (CES) collected by the U.S. Bureau of Labor Statistics. There are many differences between these two surveys. The CPS is a survey of approximately 2,500 individual households to determine the labor force status of residents. The CES is a survey of 15,000 individual establishments (businesses) to determine the number of jobs. The CPS includes self-employed and agricultural workers while the CES does not. These factors contribute to fluctuations on a monthly basis. These surveys are consistent across all states and at the national level.

LONG-TERM TRENDS SHOW ECONOMIC GROWTH

When judging the health of Florida's economy, it is essential to focus on long-term trends for labor statistics and other economic indicators that are key to Florida's continuing improvement. Florida's unemployment rate declined 0.6 percentage point in the second half of 2012 with more than 53,000 jobs created during that time. Long-term trends also show continued improvement, with the state's unemployment rate dropping 3.1 percentage points since December 2010, which is the second largest drop in the nation as of November. Over the same time period, all 67 counties had declines in their local unemployment rates and the state created 188,400 private sector jobs.

Florida has now experienced positive annual job growth for 29 consecutive months. Prior to this period of growth, the state had been losing jobs for three years.

LABOR FORCE INCREASING

Florida's labor force is defined as employment plus unemployment which includes all of those working and actively seeking a job. Over the year, the labor force increased by 44,000 or +0.5 percent to reach a level of 9,347,000 for December 2012. The state's labor force can increase because either employment is up and/or unemployment is up, one being a positive indicator and one not. In Florida's case, the gain in labor force is all due to employment gains over the year as the number of unemployed has dropped by 173,000 (-18.8 percent). In terms of job growth by industry, five industries in particular are leading the way in over-the-year gains: Leisure and Hospitality, Trade Transportation and Utilities, Professional and Business Services, Education and Health Services, and Manufacturing.

ECONOMIC GROWTH ACROSS STATE

Florida continues experiencing growth in a number of economic indicators, including increases in housing starts, median home prices, online job ads, job placements and migration into the state. Florida's long-term trends show a steady and modest economic recovery. Florida's unemployment rate has shown significant improvement, declining from the recession high of 11.4 percent to the current 8.0 percent. Florida jobs have also shown significant advances recovering from losses of -7.0 percent during the recession to the current positive level of +0.7 percent over the year.