

**WELLS  
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# Florida Economic Outlook

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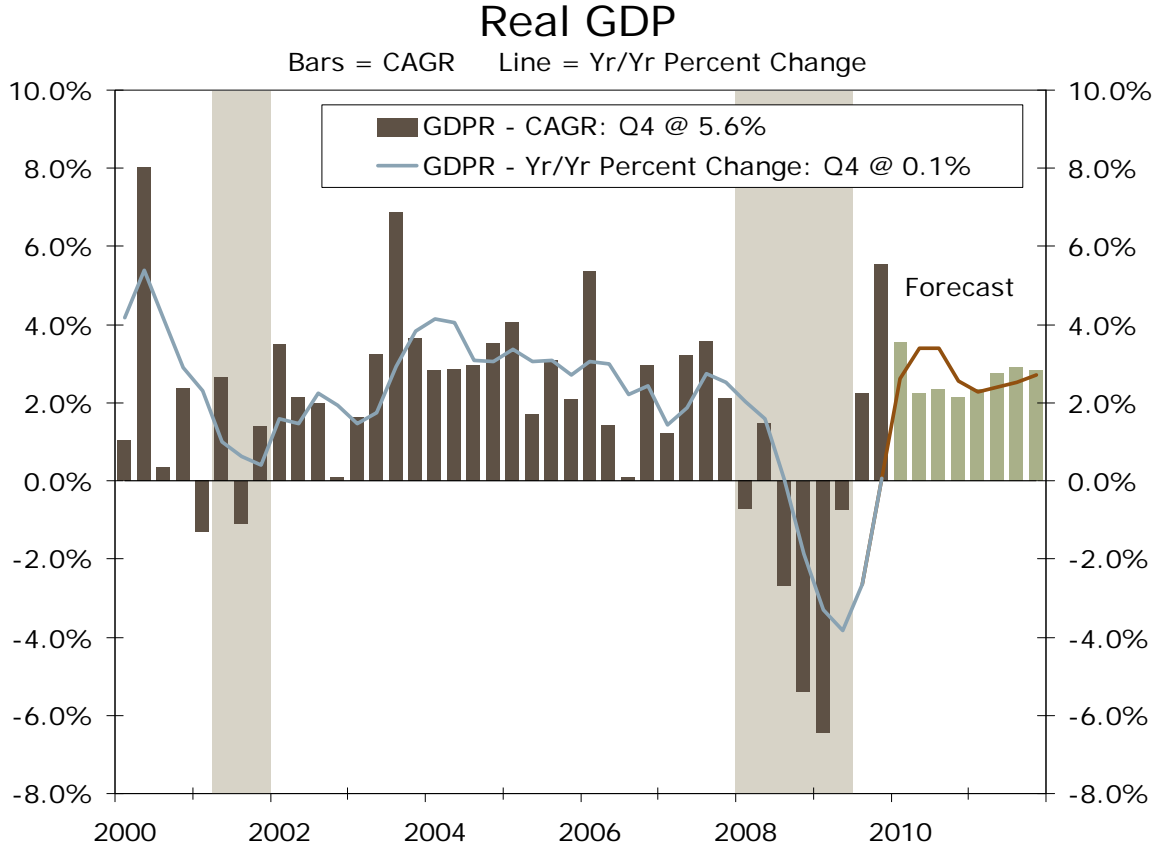
Mark Vitner, Senior Economist

April 27, 2010

**Together we'll go far**

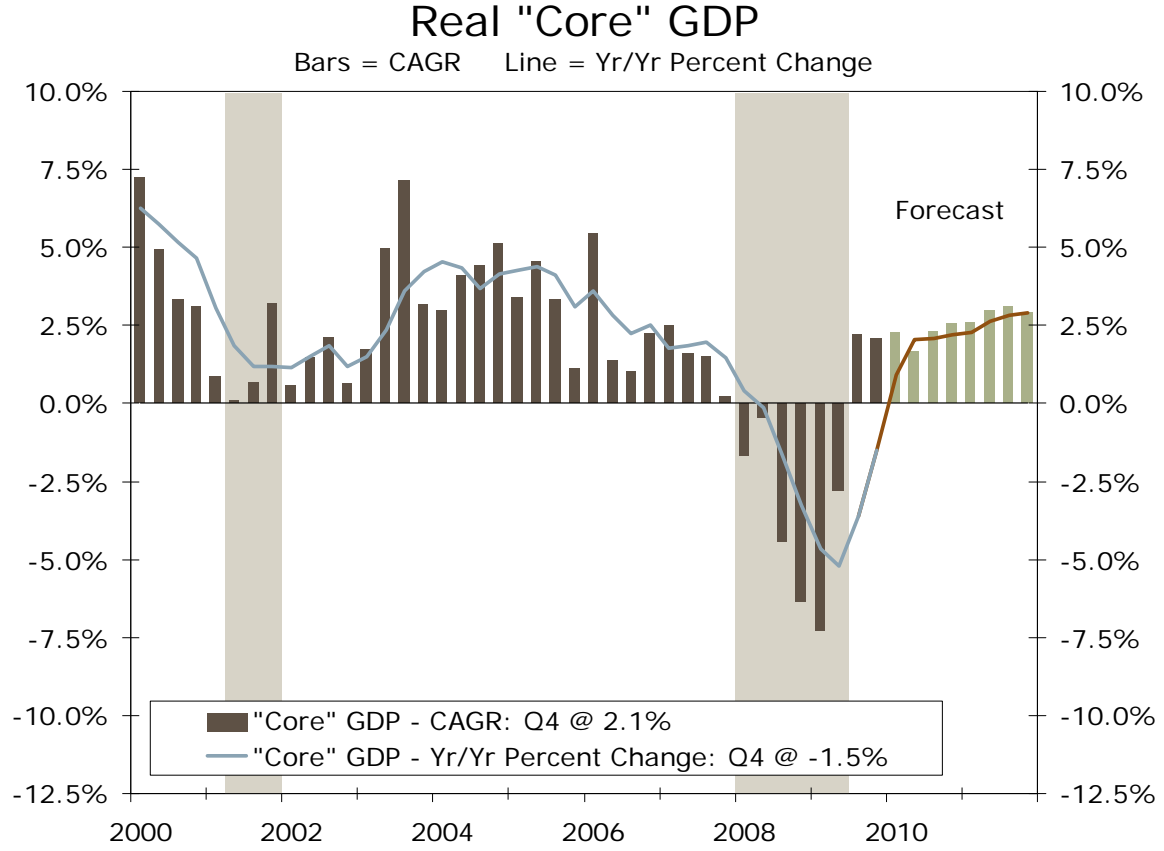


Real GDP has received a boost from fiscal and monetary stimulus and the winding down of inventory liquidations



Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

Stimulus dollars have helped boost private demand

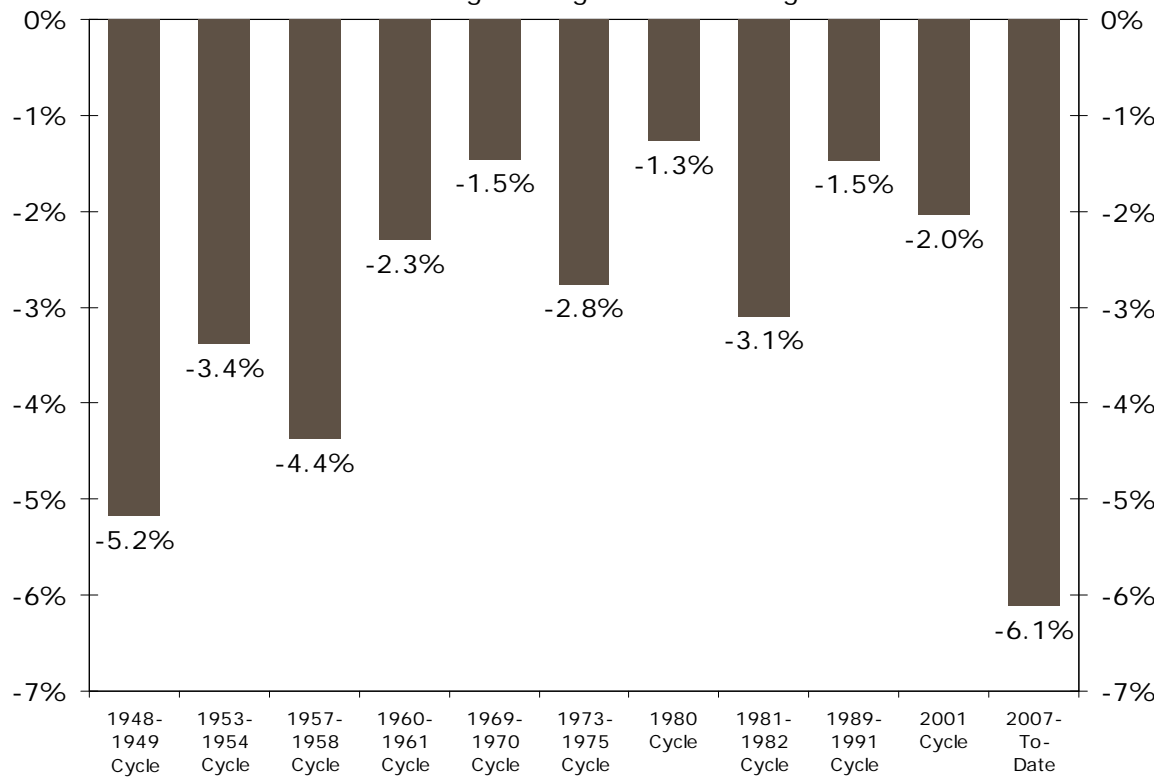


Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

The labor market remains the primary concern as job losses have exceeded every post-World War II downturn

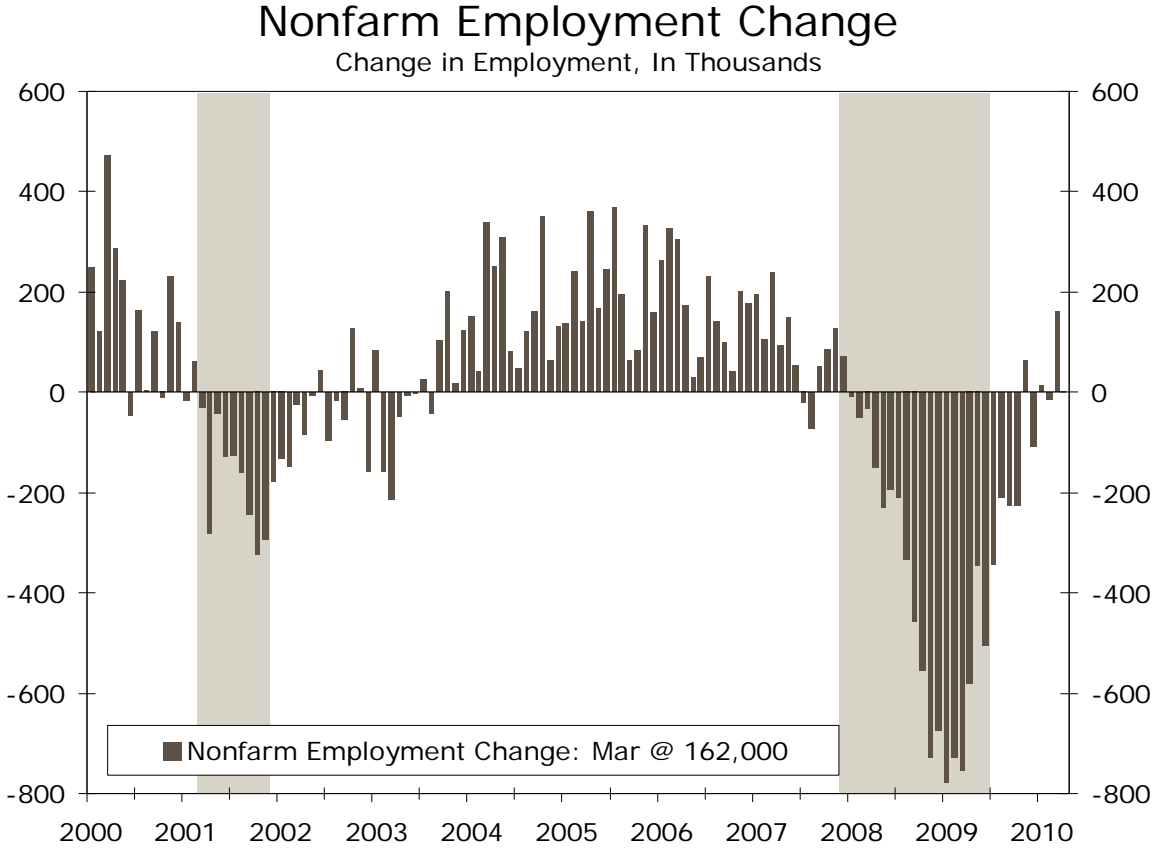
### Employment Change in Recessions

Percentage Change Peak-to-Trough



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

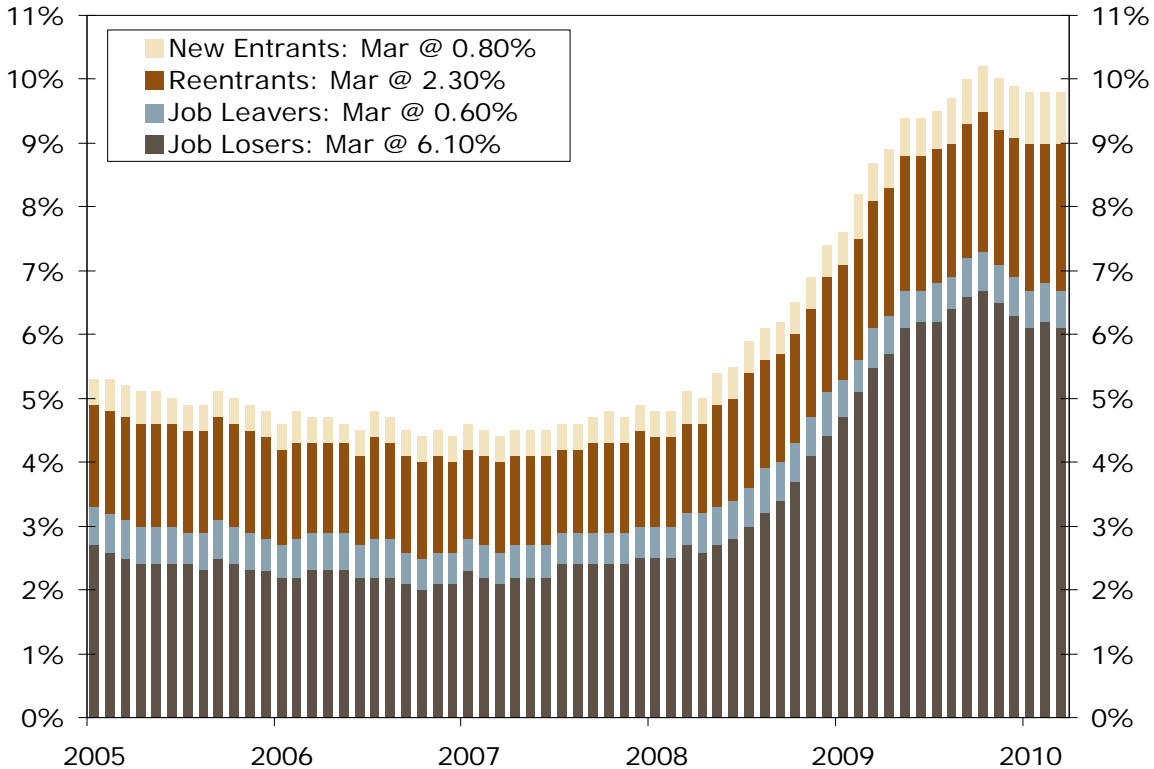
Employment has finally turned positive but the recovery still looks very tentative



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

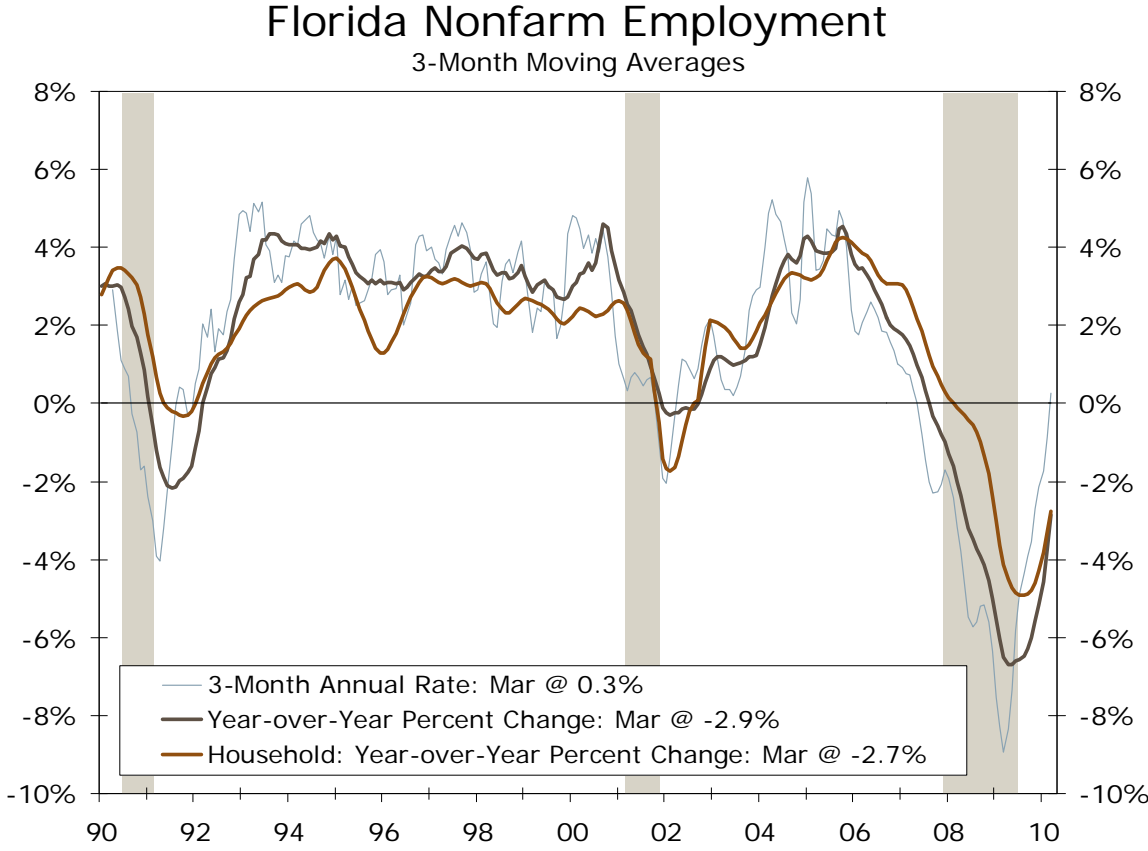
Reentrants and new entrants will likely account for a larger share of the unemployment rate

Unemployed by Reason for Unemployment  
As a Percent of the Civilian Labor Force



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

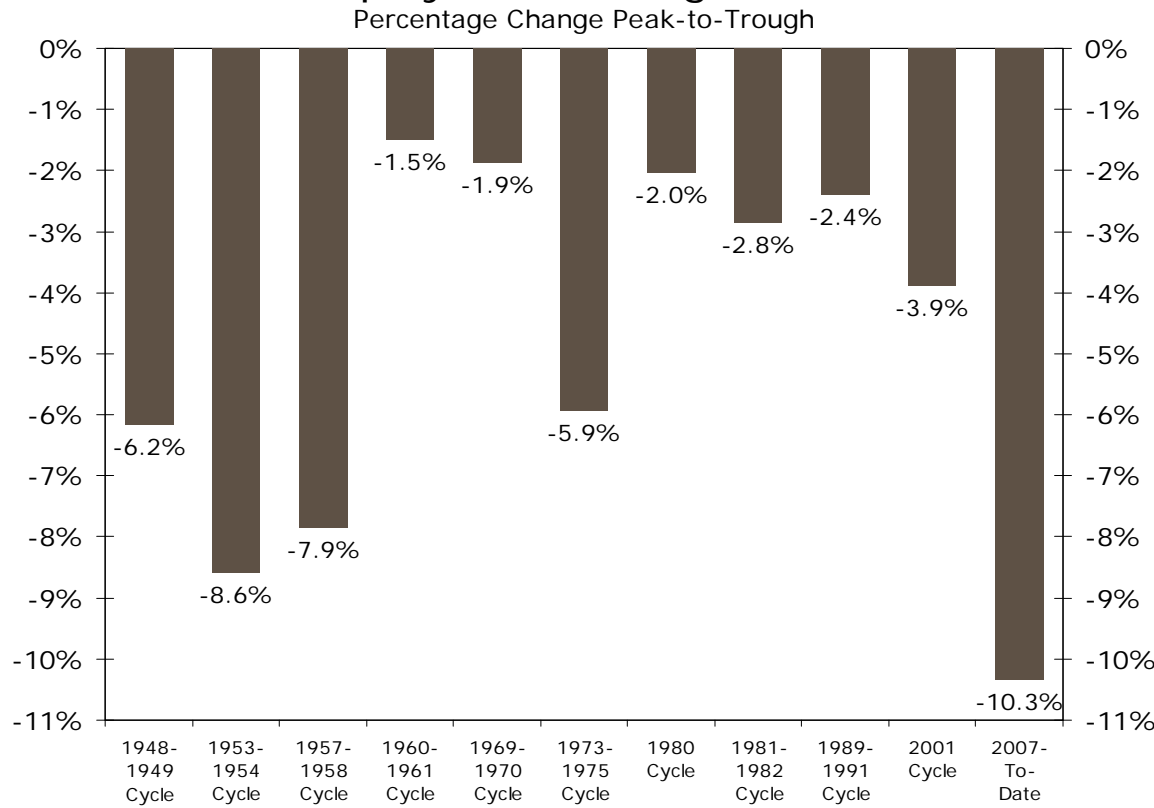
The pace of job losses is slowing across Florida just as it did near the end of the last two recessions



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

Florida's job losses have been more severe than the nation's and are the worst in the modern era

Florida Employment Change in Recessions

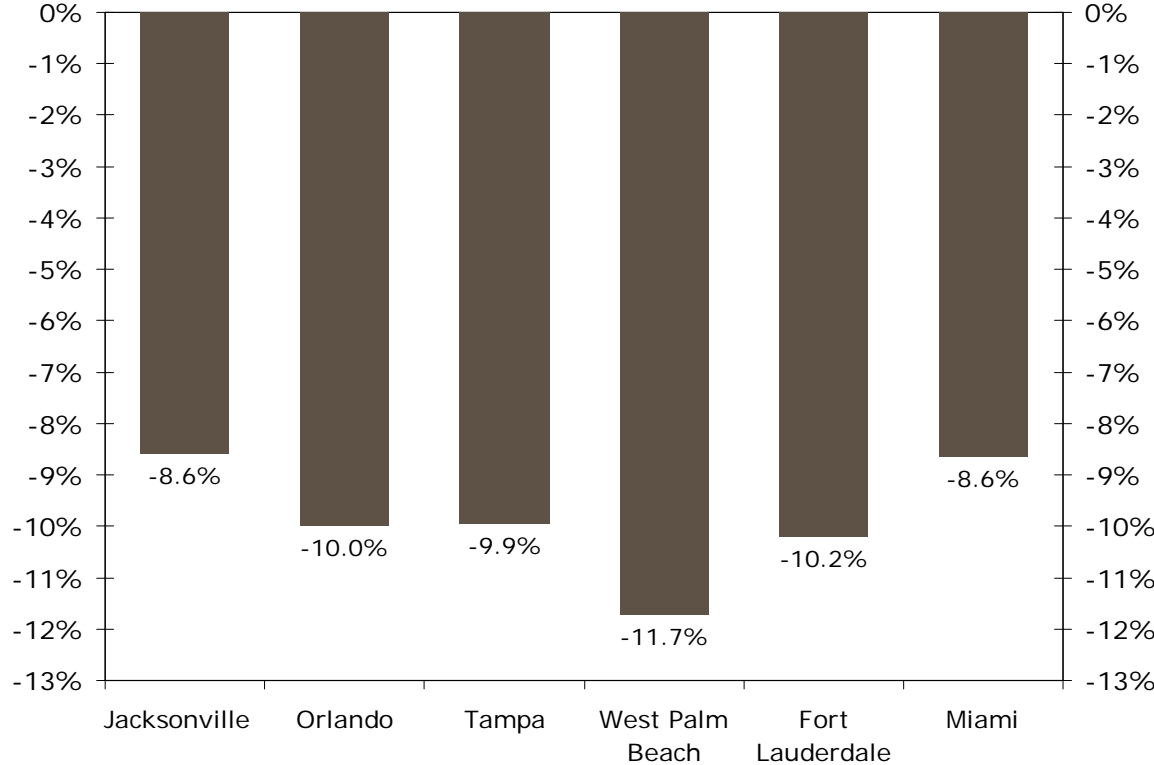


Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Job losses have been intense across most parts of Florida

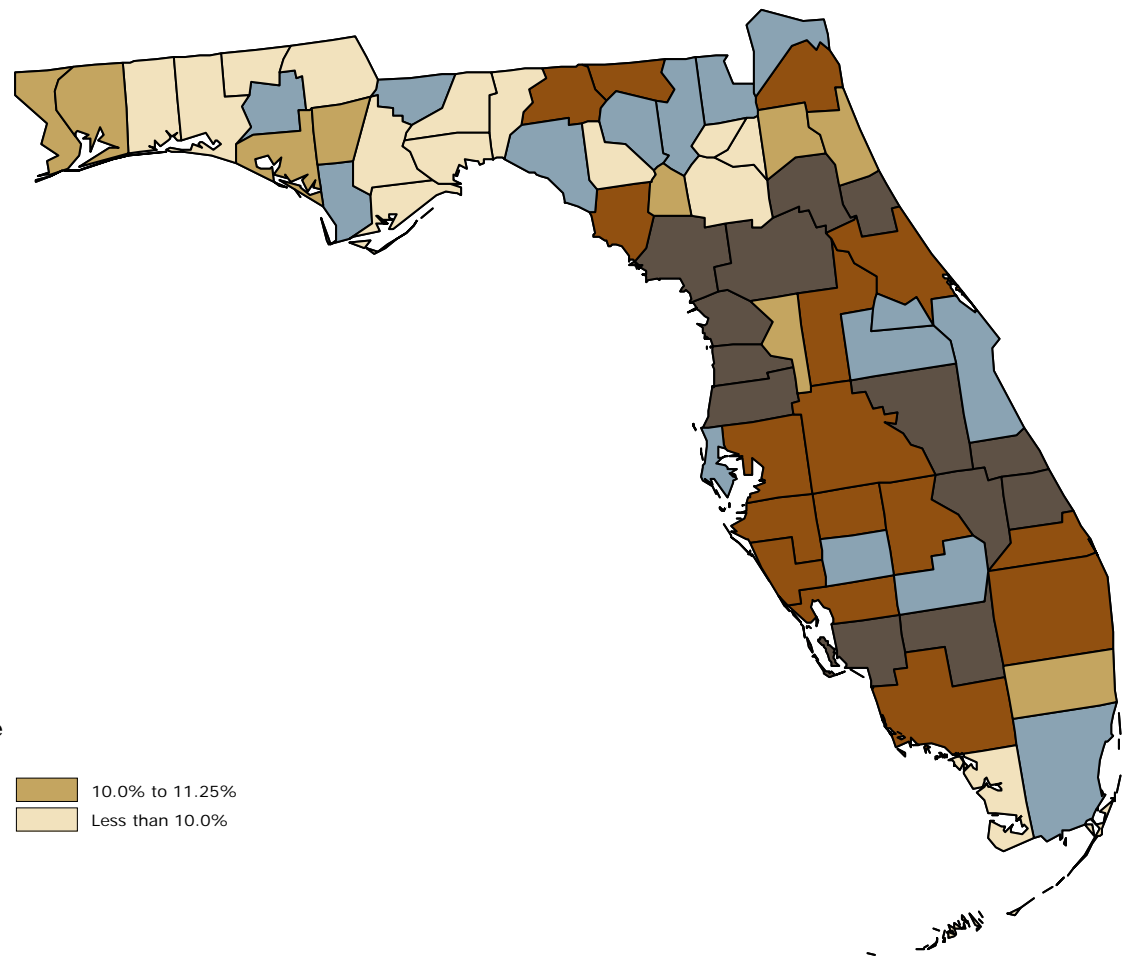
### Employment Change by MSA in Florida

Percentage Change Peak-to-Trough, 2007 Recession



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

## Unemployment Rate



**Unemployment Rate**  
February 2010

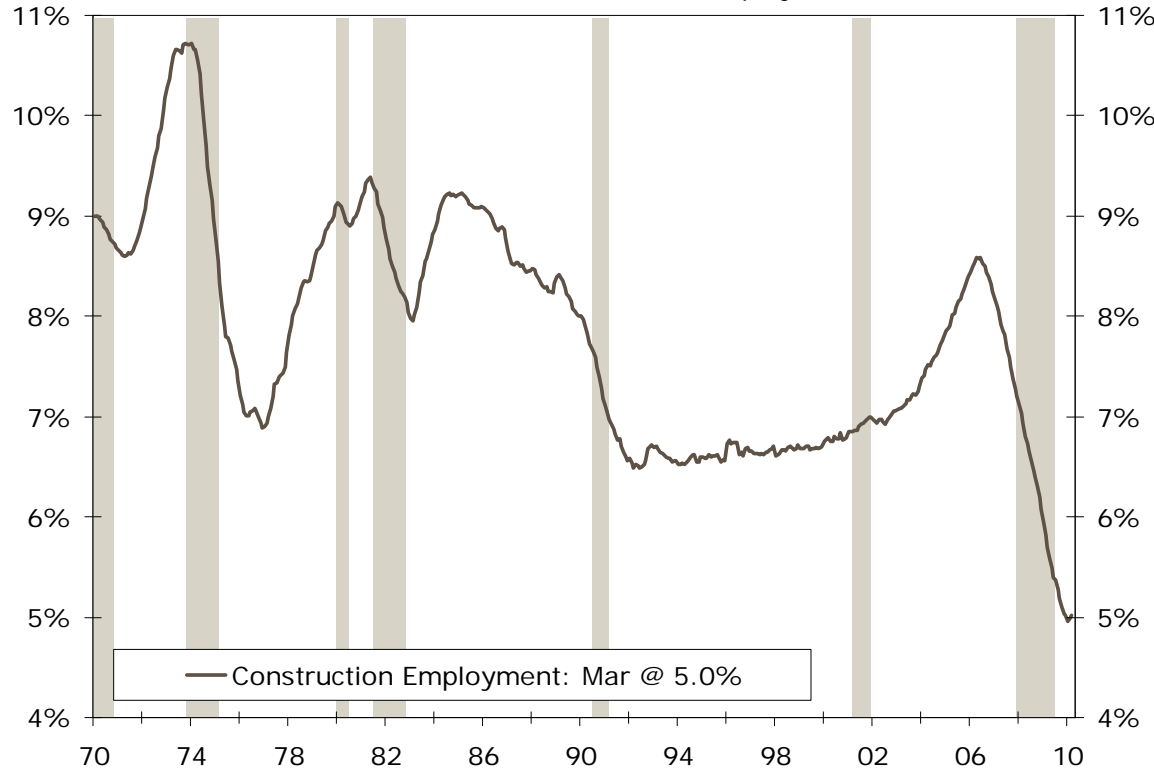
Greater than 13.5%	10.0% to 11.25%
12.5% to 13.5%	Less than 10.0%
11.5% to 12.5%	

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

The construction industry suffered most during the recession

## Florida Construction Employment

As a Percent of Total Nonfarm Employment

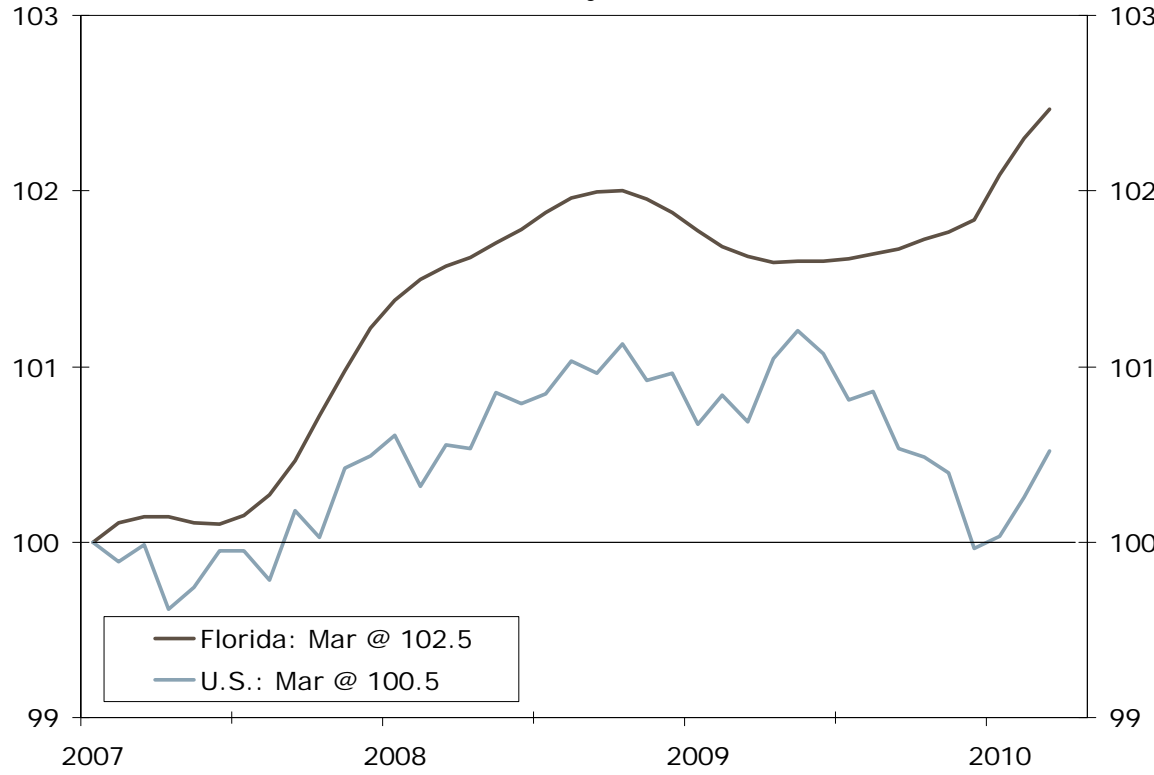


Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Florida's labor force has grown much more than the nation's, contributing to a much higher unemployment rate

## Florida & U.S. Labor Force

Index, January 2007 = 100

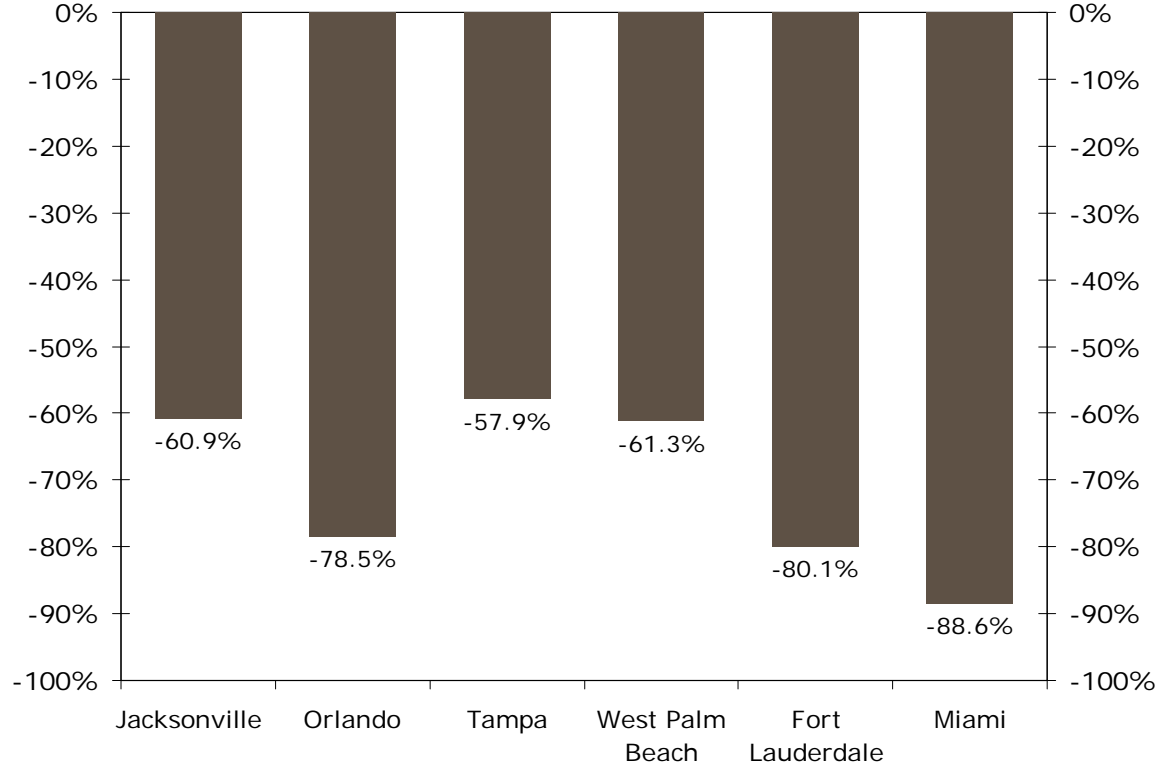


Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Housing permits have fallen severely across the state

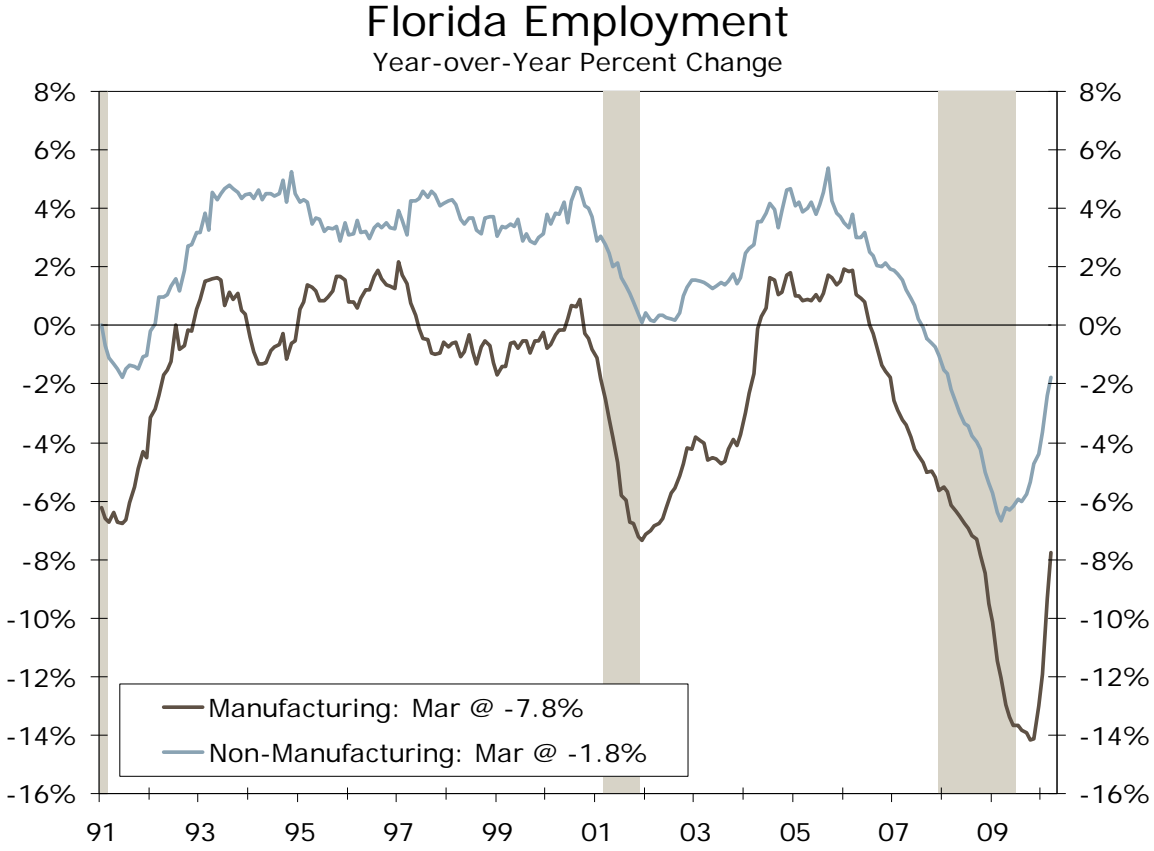
## Housing Permits Change by MSA in Florida

Percentage Change Peak-to-Trough, 2007 Recession



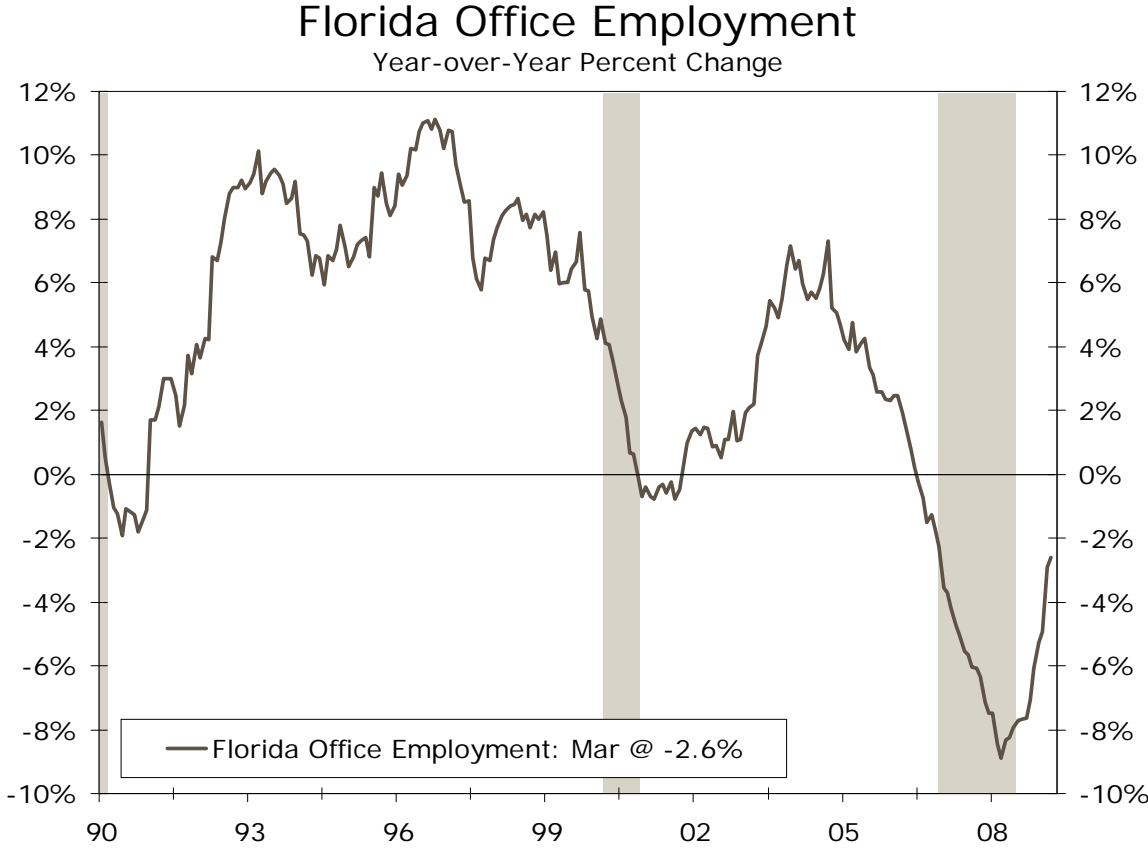
Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

Manufacturing employment declined much more than non-manufacturing employment



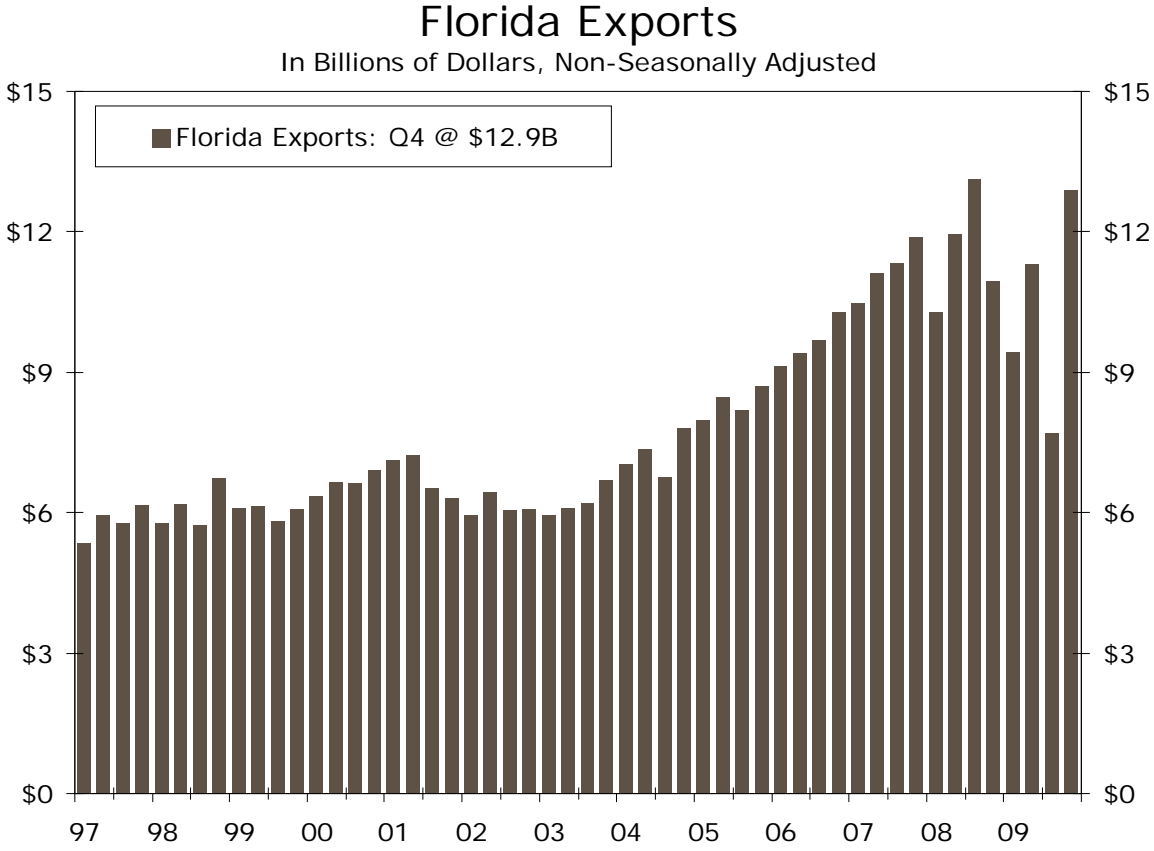
Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Office employment fell much more than in the past two recessions but is now declining at a more modest pace



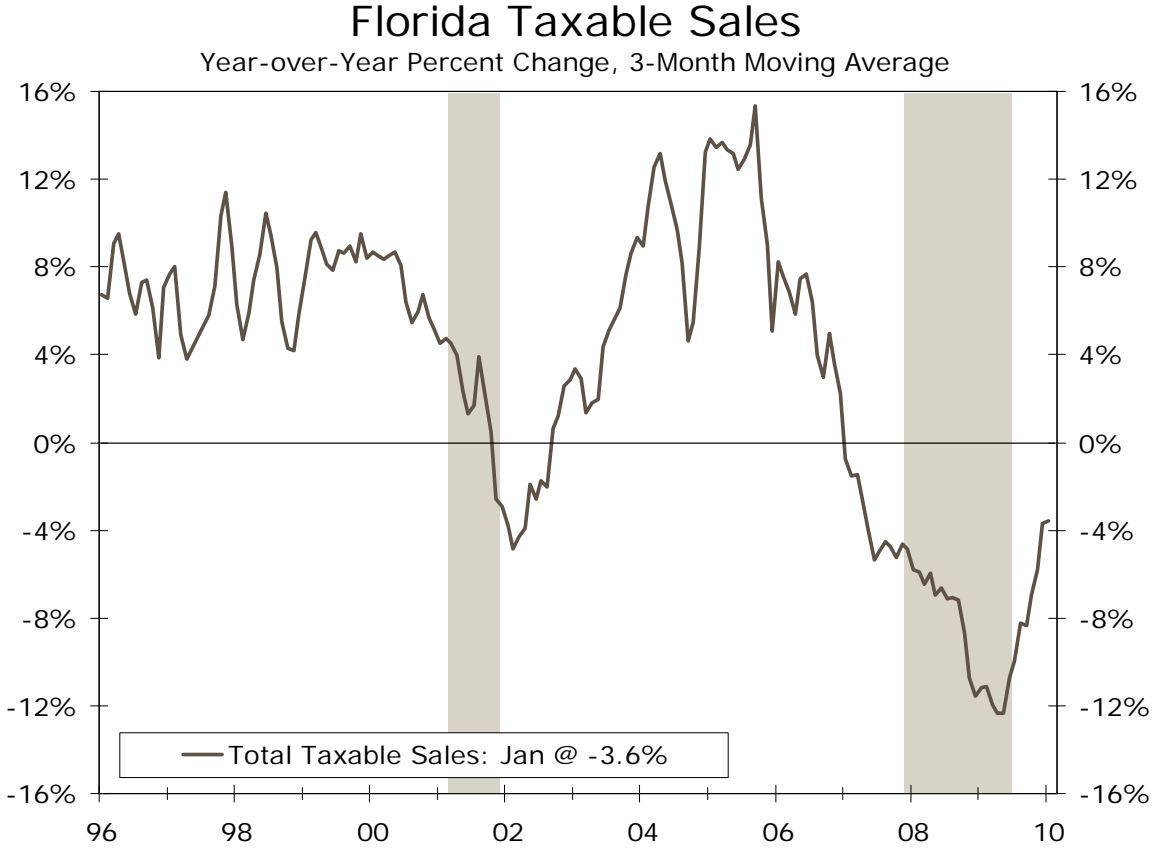
Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Exports declined sharply during the recession but have picked up more recently



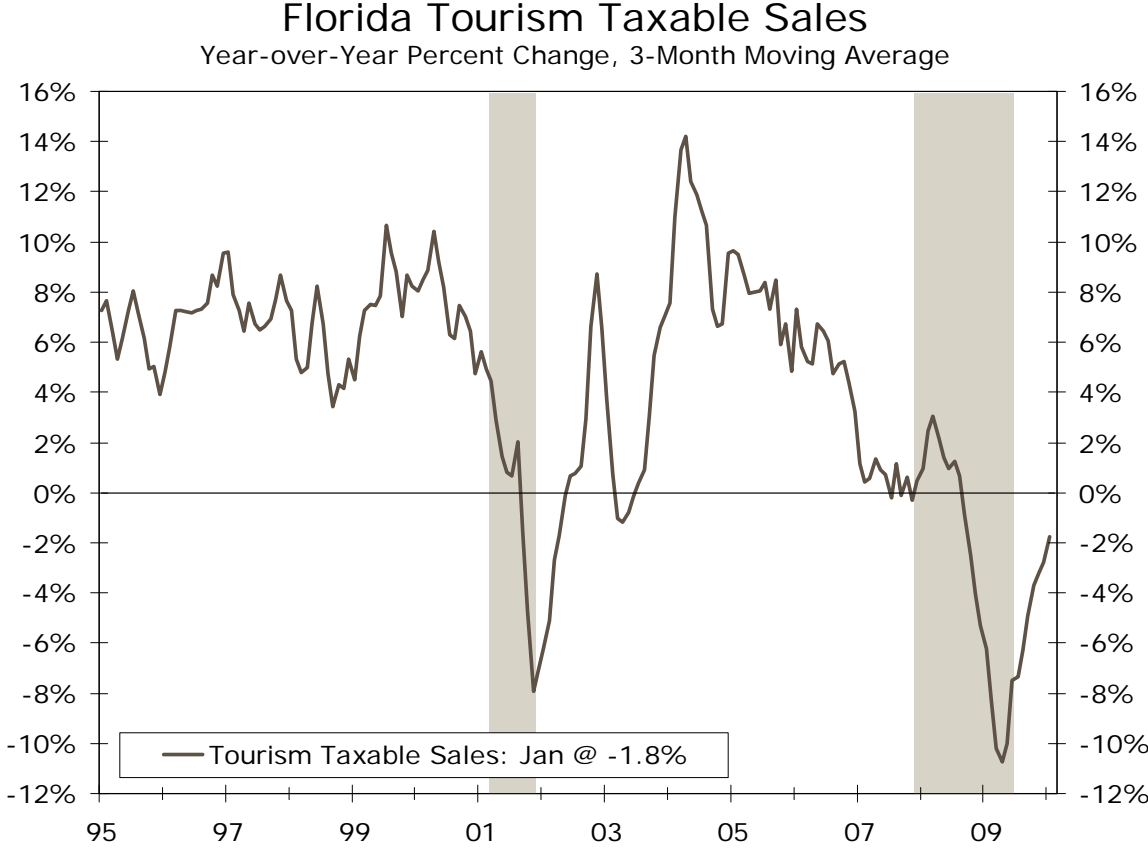
Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

The pace of decline in taxable sales has moderated



Source: Office of Economic & Demographic Research of the Florida Legislature and Wells Fargo Securities, LLC

The long decline in tourism spending appears to be coming to an end



Source: Office of Economic & Demographic Research of the Florida Legislature and Wells Fargo Securities, LLC

## The Sunshine State Faces a Long Road to Recovery

### Florida Economic Outlook

	2007	2008	2009	Forecast		
				2010	2011	2012
Real Gross Domestic Product by State, Millions	613,351.0	603,462.0	579,100.0	594,000.0	611,575.0	635,100.0
Annual Rate	(0.0)	(1.6)	(4.0)	2.6	3.0	3.8
Nominal Personal Income, \$ Millions	713,489.9	719,707.7	700,361.0	718,000.0	745,284.0	779,567.0
Nominal Personal Income, Percent Change	3.4	0.9	(2.7)	2.5	3.8	4.6
Population, Thousands	18,277.9	18,423.9	18,538.0	18,660.0	18,825.0	19,020.0
Change in thousands	189.4	146.0	114.1	122.0	165.0	195.0
Households, Thousands	7,400.0	7,459.1	7,505.3	7,554.7	7,621.4	7,700.3
Change in thousands	77.0	59.1	46.2	49.4	66.7	78.9
Nonfarm Employment, Thousands	8,018.1	7,735.5	7,259.1	7,307.4	7,475.0	7,710.0
Change in thousands	16.0	(282.6)	(476.4)	48.3	167.6	235.0
Unemployment Rate, Annual Average	4.0	6.3	10.5	12.0	10.4	9.2
Total Housing Permits	105,726	62,643	36,116	45,000	65,000	80,000
Single-Family Permits	73,200	39,788	27,515	34,400	48,000	60,000
Multi-Family Permits	32,526	22,855	8,601	10,600	17,000	20,000

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

# Appendix

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A Sampling of Our Recent Special, Regional & Industry Commentary

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Recent Special Commentary		
Date	Title	Authors
April-20	Character of Recovery II: Differences Persist	Silvia & Iqbal
April-14	Housing Chartbook: April 2010	Vitner & York
April-06	Does Another Debt Crisis Await Argentina?	Aleman
March-23	A Few Brief Comments on Healthcare Reform	Silvia & Vitner
March-16	Reflections on 25 Years Following the U.S. Economy	Vitner
March-10	Treasury Outlook: A Closer Look	Silvia, York & Whelan
March-08	State Finances Poised to Face a Tough Road Ahead	Vitner, Khan & Kamar.
February-24	Character of Recovery: Yes, It Is Very Different	Silvia & Iqbal
February-22	Is Greece the Tip of the Iceberg?	Bryson
February-17	Commercial Real Estate Chartbook: Quarter 4	Vitner, Khan & Kamar.
February-12	Housing Chartbook: February 2010	Vitner & York
February-09	Texas Economic Outlook: February 2010	Aleman & Vitner
February-05	The Long Road Ahead for Greece (and Others)	Bryson
February-01	Employment: Growth is Finally Coming	Silvia, York & Whelan
January-28	2010: Year of the Tiger or Asian Bubble?	Bryson & Kamaruddin
January-28	U.S. and Chinese Labor Markets: Interdependencies	Silvia
January-12	Colorado Economic Outlook: January 2010	Anderson & Kashmarek
December-31	Georgia Economic Outlook: December 2009	Vitner & Kamaruddin
December-31	Florida Economic Outlook: December 2009	Vitner & Kamaruddin
December-31	California Economic Outlook: December 2009	Anderson
December-30	New Jersey Economic Outlook: December 2009	Vitner, Khan & Kamar.
December-15	Pennsylvania Economic Outlook: Spotlight on Jobs	Bryson & Quinlan
November-18	Santa Tightens His Belt Another Notch	Vitner & York
November-13	North Carolina Faces Difficult Road to Recovery	Silvia, York & Whelan
November-11	Commercial Real Estate Chartbook: Q3	Vitner, Khan & Kamar.
November-04	Did the Nation Overdose on Debt?	Silvia & Whelan
November-04	An Economy at Non-Market Prices	Silvia

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