

FLORIDA ECONOMIC FORECAST

2025 - 2034

Florida
TaxWatch

Q2 2025



2025

Sunny Start,
Afternoon
Showers



2026

Increasing
Clouds, Cooler
Temperatures



2027

Afternoon
Thunderstorms



2028

Storms
Clearing



2029

Mostly Sunny



2030

Sunny With Some
Passing Clouds



2031

Partly Sunny



2032

Partly Sunny



2033

Partly Sunny



2034

Partly Sunny



INTRODUCTION

Fueled by a strong global presence in tourism, trade, and real estate development, Florida's economy has grown to \$1.76 trillion in Q1 of 2025.¹ Florida entered 2025 with strong growth trends, ranking number one in terms of economic strength.² One question to be answered is whether Florida's impressive economic growth is sustainable over the next several years.

This is the second in a series of quarterly Florida TaxWatch economic forecasts for calendar year 2025. 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:

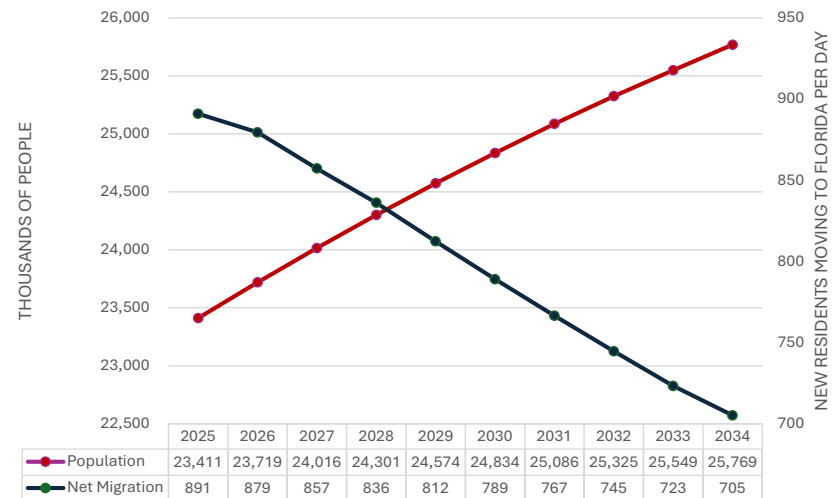
- Population—Florida's resident population;
- Net Migration—the flow of population moving into Florida minus the flow of population moving out of Florida;
- Total Non-Farm Employment—the number of workers in Florida's economy, excluding proprietors, private household employees, unpaid volunteers, farm 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 for Florida's economy through 2034. Florida TaxWatch will use 2025 as a baseline for this forecast.

POPULATION AND NET MIGRATION

As shown in Figure 1, Florida's population is projected to increase by about 2.3 million people (from 23.4 million to 25.7 million) from 2025 to 2034. Although the state's overall population is projected to continue to increase, the number of new people moving to Florida (after subtracting those moving out of Florida) each day is projected to decrease from 891 in 2025 to 705 in 2034. 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 1.4 percent and is projected to decrease to 0.8 percent by the end of 2034. As Florida's net migration decreases from 891 new residents each day to 879 over the next year (a negative 1.3 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 Foundation, "2025 Florida Business and Economic Mid-Year Report," July 2025.

² CNBC – Scott Cohn, "These are America's 10 Strongest State Economies Best Prepared for A Recession," retrieved from <https://www.cnbc.com/2025/07/12/10-strongest-us-economies-recession-top-states-for-business-rankings.html>, accessed on August 18, 2025.

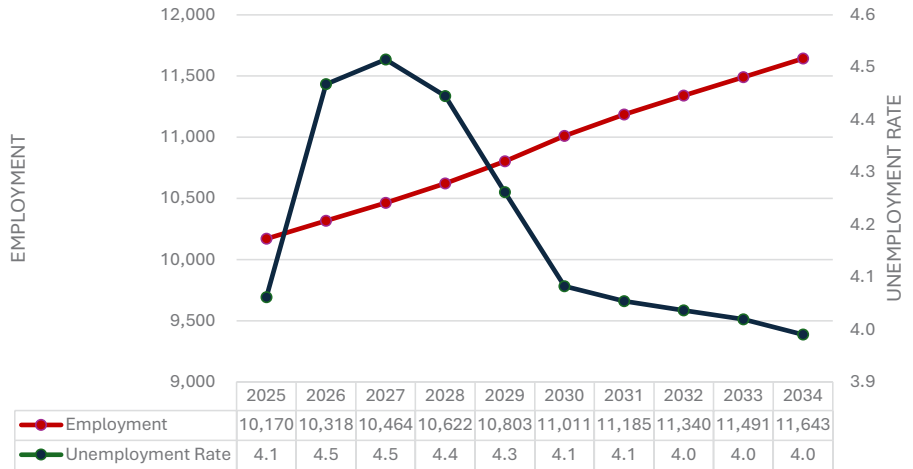
The projected decrease in the growth rate of population and decrease in net migration into the state can be attributed in large part to Florida’s past growth and the problems that come with it. An abundance of natural amenities, low cost of living, and no personal income tax have fueled Florida’s rapid 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 are 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 states with no personal income tax (e.g., Tennessee, Texas) or a lower cost of living than Florida (e.g., Georgia, North Carolina).³

EMPLOYMENT

As shown in Figure 2, the number of employed Floridians is projected to increase from 10.1 million in 2025 to 11.6 million in 2034. During this same period, Florida’s unemployment rate is projected to increase from 4.1 percent in 2025 to 4.5 percent until 2027, before decreasing slowly back to 4.0 percent by 2034. Like the 2025 Q1 forecast – this forecast shows an increase in the unemployment rate until 2027 and then a gradual decrease until 2034. The projected unemployment rate for 2025 as of Q2 2025 is the same as reported in Q1 2025.

FIGURE 2.
EMPLOYMENT IS INCREASING AT A SLOWER RATE, UNEMPLOYMENT
WILL RISE BEFORE DECREASING



Source: REC Group

As of May 2025, there are 1.11 job openings for every unemployed worker.⁴ 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 2027 can be attributed to the actions of the Federal Reserve to attempt to rein in inflation through higher interest rates.⁵ 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,⁶ interest rates are increased as a way to stem inflation. It is important to note that since December 2024, the Federal Reserve interest rate has remained between 4.25 and 4.50 percent. This reflects the same rate for the past eight months.⁷

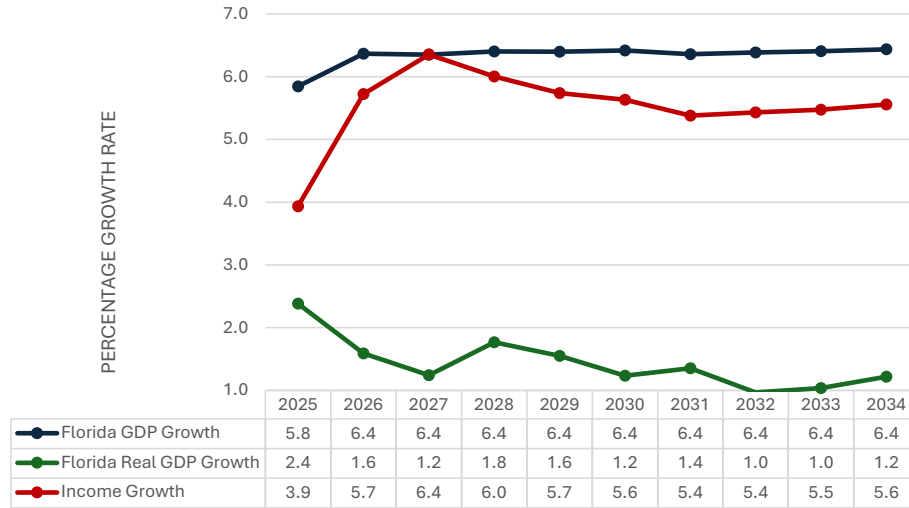
3 Fox13News, “Why are people flocking from Florida in record numbers?,” retrieved from <https://www.fox13news.com/news/why-people-flocking-from-florida-record-numbers>, accessed on May 16, 2025.
4 U.S. Bureau of Labor Statistics, “Florida Jobs Openings and Labor Turnover – May 2025,” retrieved from https://www.bls.gov/regions/southeast/news-release/jobopeningslaborturnover_florida.htm, accessed on July 18, 2025.
5 Office of Economic and Demographic Research, “Florida: An Economic Overview,” January 22, 2024.
6 The “full employment” unemployment rate is presumed to be about four percent.
7 Federal Reserve Bank of New York, “Effective Federal Funds Rate,” retrieved from <https://www.newyorkfed.org/markets/reference-rates/effr>, accessed on July 18, 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 is expected to have a real GDP growth rate of 2.4 percent in 2025, which is projected to decrease to 1.2 percent by 2034. Comparing the difference in the growth rate of Florida's GDP and real GDP, one can see that the difference is becoming bigger in the long run. This suggests that the rate of inflation is expected to increase until 2028, before decreasing temporarily and finally seeing a stagnant increase in the coming years.

FIGURE 3.

FLORIDA WILL SEE A VERY SLOW INCREASE IN INCOME GROWTH AND ECONOMIC GROWTH



Source: REC Group

In terms of income growth, Figure 3 shows a 2.1 percentage point increase, from 3.9 percent to 6.4 percent through 2027, followed by a decline to around 5.4 percent through 2032. This projection follows the same pattern from Q1 but at a more increased level. It shows that the spending capabilities of Floridians will increase, but at a slower rate in the coming years. The difference in inflation and income growth will be reflected in the purchasing power of Floridians.

8 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.

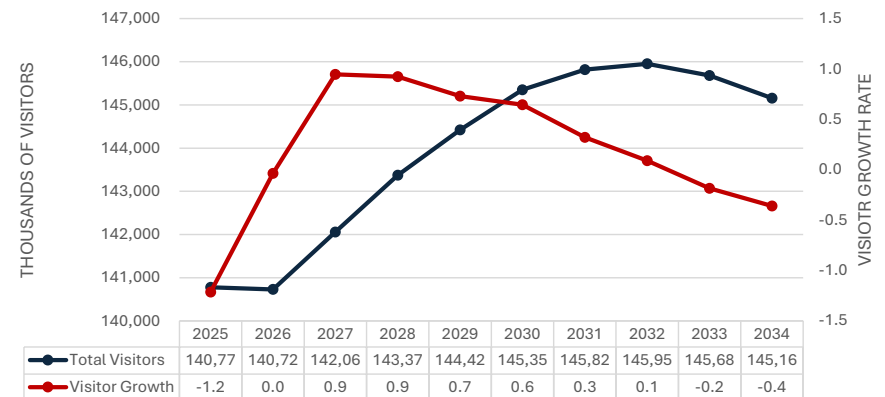
9 Florida Politics, "Florida Hits Tourism Record in Q2, Ron Desantis Says," retrieved from <https://floridapolitics.com/archives/752400-florida-hits-tourism-record-in-2q-ron-desantis-says/>, accessed on August 27, 2025.

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. In 2023, 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.⁸ As shown in Figure 4, tourism is projected to drop this year—with a negative growth rate of 1.2 percent. Although tourism is projected to drop, Florida saw a record number of visitors—34.3 million—in Q2 of 2025.⁹ The growth rate of visitors is projected to increase until 2028 before decreasing again, to a negative growth rate of 0.4 percent by 2034.

FIGURE 4.

THE NUMBER OF VISITORS AND THE VISITOR GROWTH RATE INCREASES BEFORE DECREASING AGAIN



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 is expected 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 may be a result of long-term reversion – meaning that it portrays a return to a growth rate which was normal to Florida pre-pandemic.

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 1.4 percent in 2025, increasing to 2.3 percent in 2027, before decreasing again. Florida's real GDP growth rate is forecasted to be 1.0 percentage point higher than the national rate in 2025 and in the long-term forecast, remaining below two percent until 2030. As of Q1 of 2025, Florida's real GDP was 1.4 percent—outpacing the U.S. real GDP rate which was a negative 0.5 percent.¹⁰

Additionally, Florida's unemployment rate remains below the national rate in 2025; while both the U.S. rate and Florida rate remain above 4.1 percent through 2030, Florida is consistently above the national average in unemployment rate through the next five years.

Income growth, which determines the spending capacity of the population, increases before decreasing 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 2025, Florida's income growth rate (3.9 percent) was lower than the national growth rate of 4.3 percent; however, it is projected to be higher than the national rate thereafter.

TABLE 1. SUMMARY OF THE U.S. ECONOMIC FORECAST 2024 - 2029¹¹

	2025	2026	2027	2028	2029
U.S. Economic Growth	1.4%	1.5%	2.3%	2.0%	1.8%
Thousands of New Jobs	1,476	840	1,056	900	648
Unemployment Rate	4.3%	4.6%	4.2%	4.1%	4.1%
Income Growth ¹²	4.3%	4.8%	5.2%	4.7%	4.5%
<i>Source: Deloitte Insights and TD Economics</i>					

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

¹⁰ Supra, refer to footnote 1.

¹¹ Deloitte Insights, "United States Economic Forecast Q2 2025 – Figure 18," retrieved from <https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html>, accessed on August 19, 2025.

¹² TD Economics, "Forecast Tables," retrieved from <https://economics.td.com/ca-forecast-tables#lt-us>, accessed on August 19, 2025.

¹³ Office of Economic and Demographic Research, "Florida: An Economic Overview," August 19, 2024.

SUMMARY

Overall, Florida's economy is now set to return to pre-pandemic growth rates over the next five years, after experiencing high economic growth in the past three years. Florida's economic growth through 2030 is summarized in Table 2. This includes a forecast only until 2030 to remain consistent in comparison to the national level economic forecast.

TABLE 2. SUMMARY OF FLORIDA'S ECONOMIC FORECAST 2025 - 2030

	2025	2026	2027	2028	2029	2030
Florida's Economic Growth	2.4%	1.6%	1.2%	1.8%	1.6%	1.2%
Thousands of New Jobs	216	148	146	159	181	208
Unemployment Rate	4.1%	4.3%	4.5%	4.4%	4.3%	4.1%
Income Growth	3.9%	5.7%	6.4%	6.0%	5.7%	5.6%
<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.¹³ There is a possibility of more drastic changes, like the difference between Florida's nominal and real GDP in this forecast, to be projected as a result of ongoing uncertainty regarding international trade agreements.

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.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves since 1979.

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The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please contact us if you believe that this paper contains any factual inaccuracies.

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