

Economy slows Florida population growth to lowest level in 30 years

GAINESVILLE, Fla. — March 28, 2008 – Migration will continue to fuel Florida's growth over the next two years, with University of Florida (UF) economists projecting about 575 people moving into the state each day. The growth rate has slowed, however. Between 2002 and 2006, however, the state was a daily in-migration rate of 1,145 people.

Even at almost 600 people per day, however, the growth rate is at its lowest level in three decades, according to the latest projections from UF.

"A tremendous slowdown is forecast over the next few years compared to what we've experienced during the last five years," says Stan Smith, director of UF's Bureau of Economic and Business Research. "The state has not experienced a decline of this magnitude since the mid-'70s, when we were in a national recession."

The Sunshine State is expected to add an average of about 209,000 residents per year between 2007 and 2010, compared with annual increases of about 418,000 people between 2002 and 2006.

Although Florida remains a major destination for retirees, far more young and middle-aged people move into the state to find work than their older counterparts arrive to retire. But declining job opportunities have stanchd the influx of younger people, Smith says.

"The vast majority of Florida's population growth is due to migration, and during a recession, the rate of job creation slows down in Florida," he adds.

The biggest group moving to the state during the last four or five decades has typically been those in their 20s and 30s, with those 65 and older accounting for only about 15 percent of in-migration, Smith says. But younger people in their 20s and 30s also make up the biggest share of those leaving the state, which is why Florida became the nation's oldest state after World War II.

Robust real estate markets and burgeoning construction fueled Florida's growth from 2002 to 2006, just as it did during the boom years of 1971 to 1974, Smith says. In turn, the housing market's decline dramatically curbed population growth after 2006, just as a national recession in the '70s sharply limited expansion between 1974 and 1977.

Another reason growth typically slows during a recession, in addition to the availability of fewer jobs, is that people have difficulty selling their houses, which delays their move.

"We've certainly seen a slowdown in economic growth nationally, and it's even possible we may be in a recession right now, although we won't know for sure until later this year," he says.

Projections call for Florida's population to return to more normal growth levels of about 317,000 a year between 2010 and 2020, similar to the 1980s and 1990s. Although there also was a slowdown in growth during recessions in the 1980s and 1990s, it was nowhere near the steep decline of the 1970s or that which is taking place now.

"It's really sort of a boom-and-bust pattern that we have seen in Florida," Smith says. "The years between 2002 and 2006 were the biggest in terms of absolute increases since the early '70s, and then just as we experienced in the '70s we are going from a period of high- to low-growth numbers."

The county projected to grow the fastest in percentage terms between 2007 and 2010, Lafayette in Florida's Big Bend, is something of an anomaly because it owes its top spot to prison construction. It is predicted to grow from 8,215 in 2007 to 9,200 in 2010. Otherwise, many of the high-growth counties are the same as in past years, he said.

Flagler, which was the fastest-growing county between 2000 and 2007, jumping from 49,832 to an estimated 93,568, is expected to continue to expand at a rapid rate, to 103,500 by 2010. Its coastal location, proximity to Jacksonville and relatively low cost of living, as well as the presence of the large Palm Coast development, contribute to its high ranking.

Other rapidly growing counties are Sumter, which owes its surge in part to prison expansion and the increasing number of residents at The Villages retirement community, and Osceola County, which receives spillover from nearby Orlando.

In terms of absolute numbers, the counties expected to make the biggest gains between 2007 and 2010 are Miami-Dade, from 2,462,292 to 2,512,300; followed by Orange, from 1,105,603 to 1,154,200; and Hillsborough, from 1,192,861 to 1,234,900.

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