



# Economic Outlook

## Coronavirus Recession and Recovery



Florida Government  
Finance Officers  
Association

Orlando, FL  
November 19<sup>th</sup>, 2020

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Institute for Economic Forecasting

# U.S. Forecast

- The U.S. has exited a deep recession
  - Recession began in March and likely ended in May.
  - Deeper than the Great Recession
  - “Bent V” shaped recovery
    - Recovery will not mirror the recession as in a “V” shape but rather, while still sharp, the recovery will not be as steep as the recession.
    - Public health measures flipped the off switch for large swaths of the economy
    - Reimplementation of shut-downs would plunge economy into an even more severe recession.



# The National Debt

We got \$27 trillion problems...

But Fitch ain't one


Yet




# The National Debt



How does this level of debt compare to other countries?



At the peak of the debt crisis, Greece had \$380 billion in debt.



The U.S. has run deficits in a *single quarter* greater than the total Greek debt



What matters is the ability to service the debt



# The National Debt

## Debt to GDP Ratio

Country	Debt/GDP (%)
Japan	235.6
Greece	183.5
Barbados	149.1
Lebanon	145.5
<b>United States</b>	<b>137.0</b>
Eritrea	132.8
Italy	132.0
Portugal	129.9
Republic of Congo	128.7
Cabo Verde	127.6
Mozambique	121.6
Bhutan	114.2
Jamaica	113.6





# The National Debt

In Ernest Hemingway's *The Sun Also Rises*, there is the following exchange between two characters, Bill Gorton and Mike Campbell:

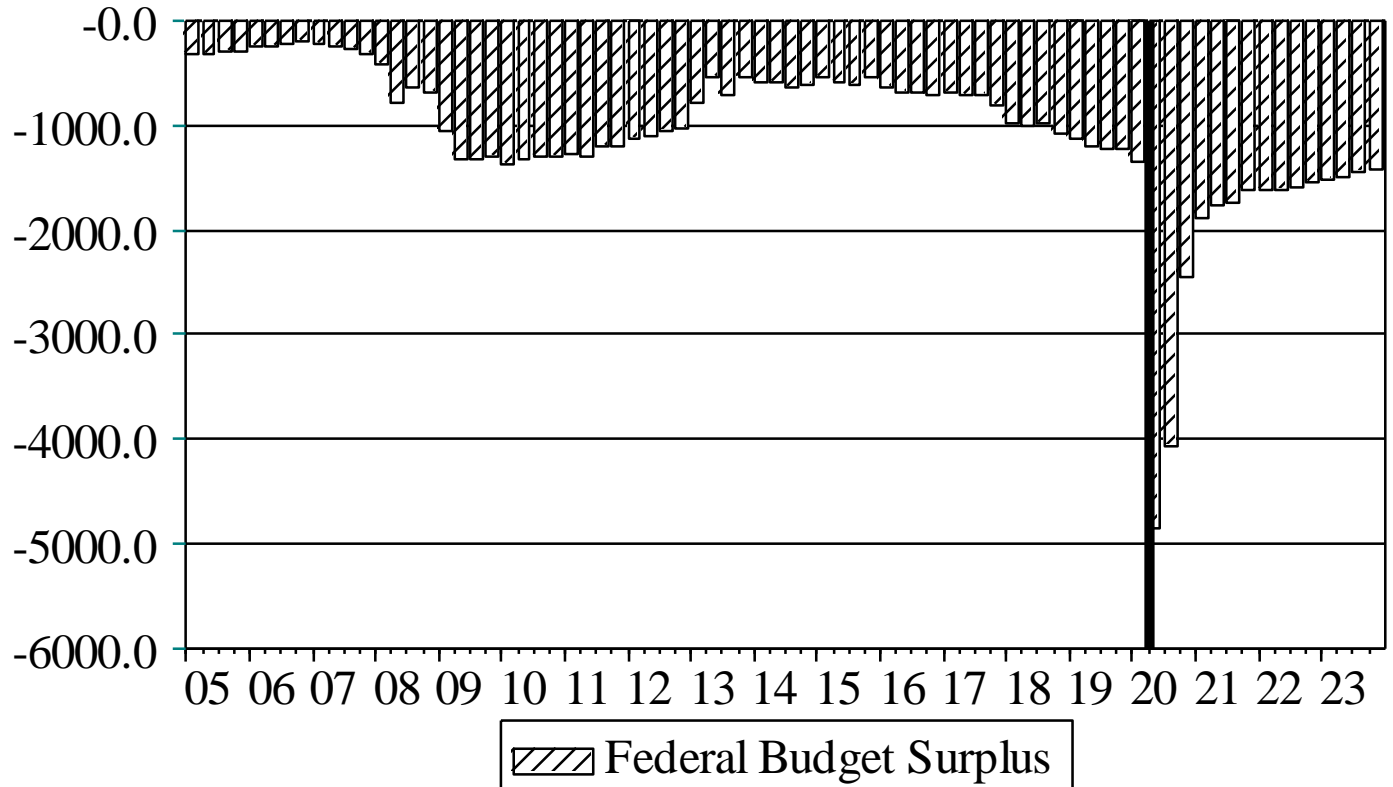
"How did you go bankrupt? Bill asked.  
"Two ways," Mike said.  
"Gradually and then suddenly."



# U.S. Forecast

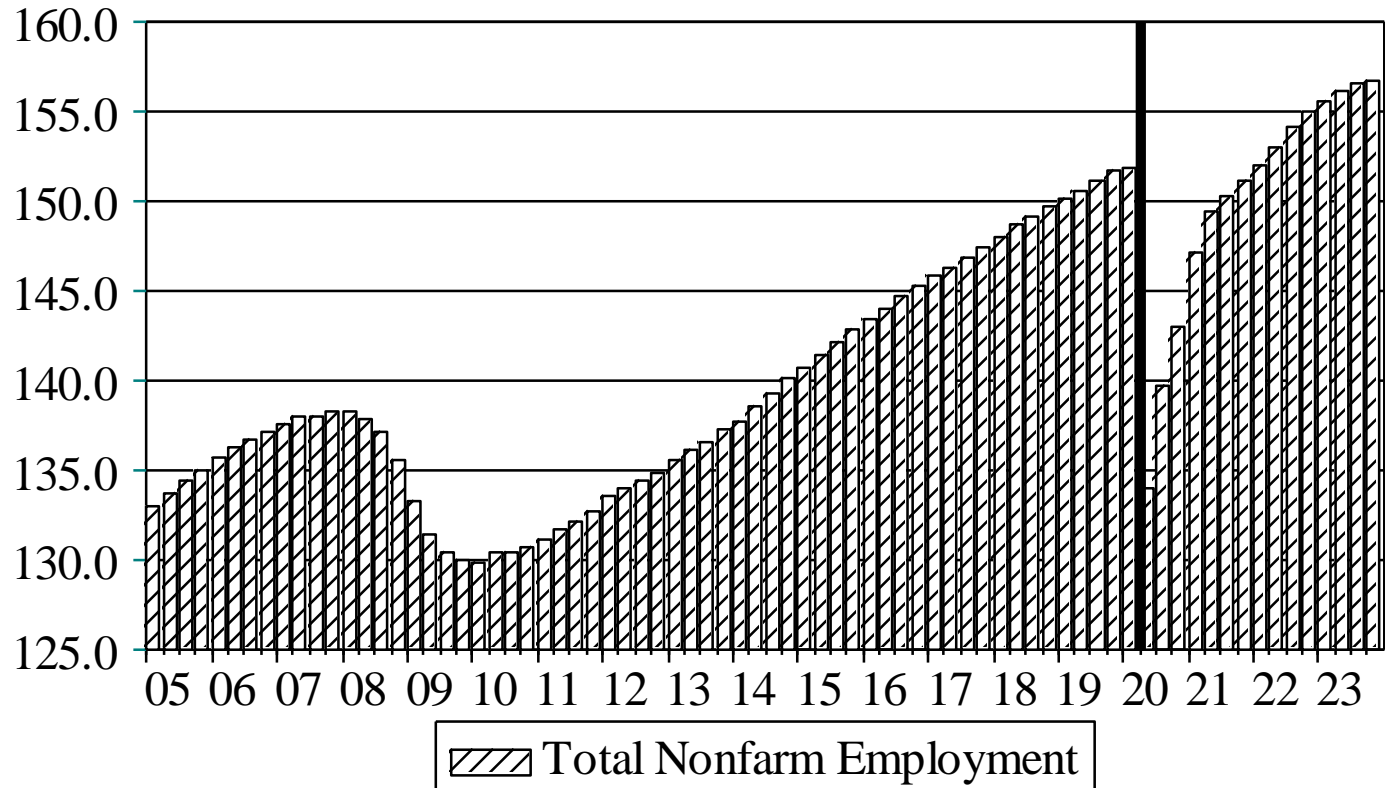


## Federal Budget Surplus (Billions of Dollars)



# U.S. Forecast

## Total Nonfarm Payroll Employment (Millions)







<https://tracktherecovery.org>



- How is the COVID-19 pandemic affecting the economic prospects of people, businesses, and communities across the United States?
- Traditional economic indicators lack the timeliness and granularity needed to answer these questions rapidly.
- The Opportunity Insights Economic Tracker combines anonymized data from leading private companies – from credit card processors to payroll firms – to provide a real-time picture of indicators such as employment rates, consumer spending, and job postings across counties, industries, and income groups.

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# U.S. Forecast



	2019	2020	2021	2022	2023
<b>Real GDP % Change, Annual Rate</b>	2.3	-2.6	5.3	1.9	1.5
<b>Unemployment Rate %</b>	3.7	8.1	5.6	4.4	4.0
<b>Payroll Employment % Change Year ago</b>	1.4	-4.9	4.0	2.2	1.8
<b>Consumption % Change, Annual Rate</b>	2.6	-3.2	6.8	2.1	1.5

# U.S. Forecast



	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
<b>GDP</b> % Change, Annual Rate	-5.0	-31.8	38.7	5.8	5.3	2.1
<b>Unemployment</b> Rate	3.8	13.0	8.4	7.2	6.2	5.8
<b>Payroll</b> Employment % Change Year ago	0.35	13.0	8.4	7.2	6.2	5.8
<b>Consumption</b> % Change, Annual Rate	-6.8	-34.1	43.2	5.2	7.1	4.5

# Florida Forecast



	2019	2020	2021	2022	2023
<b>Real State GDP % Change, Annual Rate</b>	2.8	-6.0	7.6	4.3	4.4
<b>Unemployment Rate %</b>	3.1	8.2	5.5	3.6	3.2
<b>Payroll Employment Thousands</b>	8,954.8	8,334.5	8,850.6	9,162.2	9,421.8



# Florida Forecast



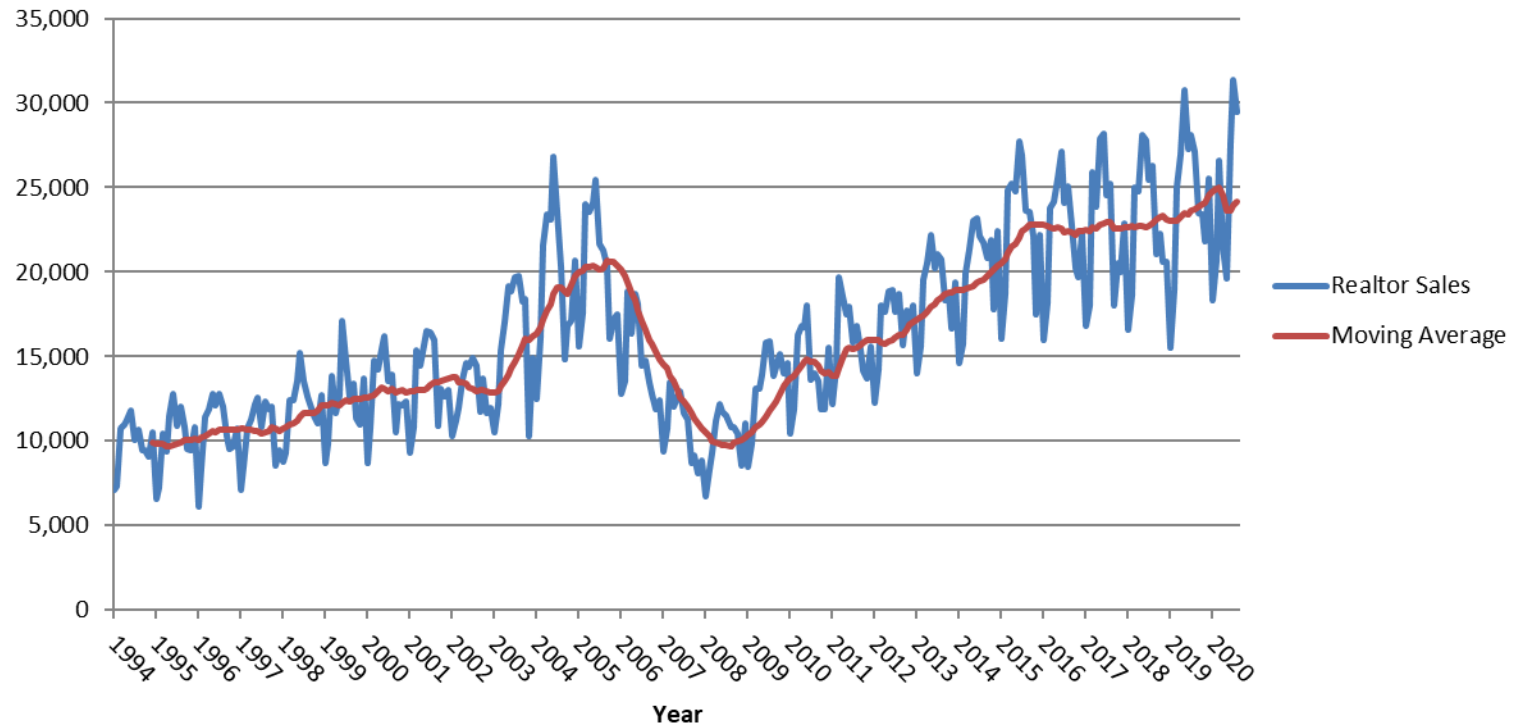
	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
<b>State GDP % Change Year ago</b>	0.8	-11.3	-8.3	-5.2	-1.2	0.8
<b>Unemployment Rate %</b>	3.3	11.8	9.0	8.6	6.5	3.3
<b>Payroll Employment (thousands)</b>	9,058	7,796	8,123	8,361	8,680	8,836



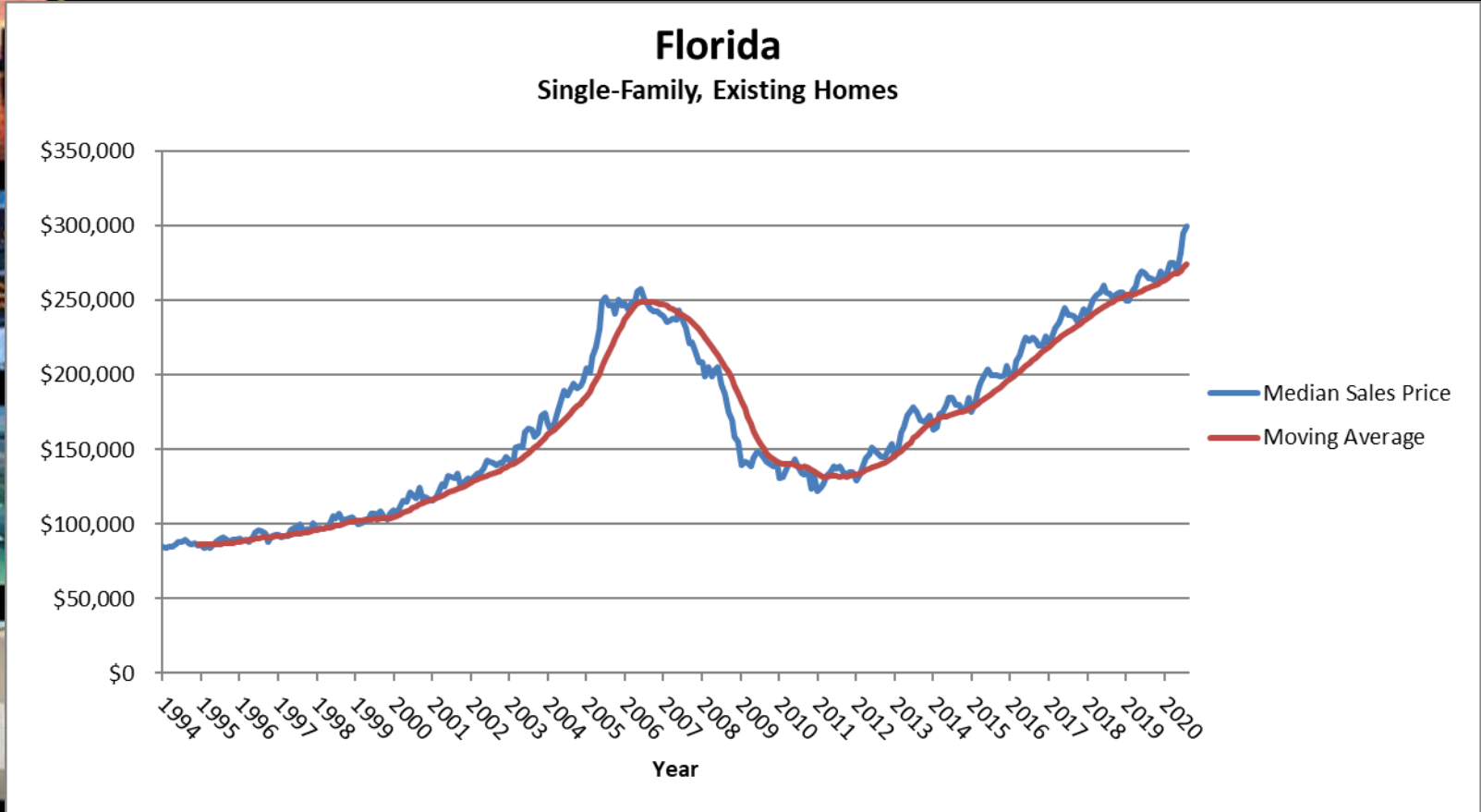
# Florida Forecast



**Florida**  
Single-Family, Existing Homes



# Florida Forecast





# Florida Housing Market



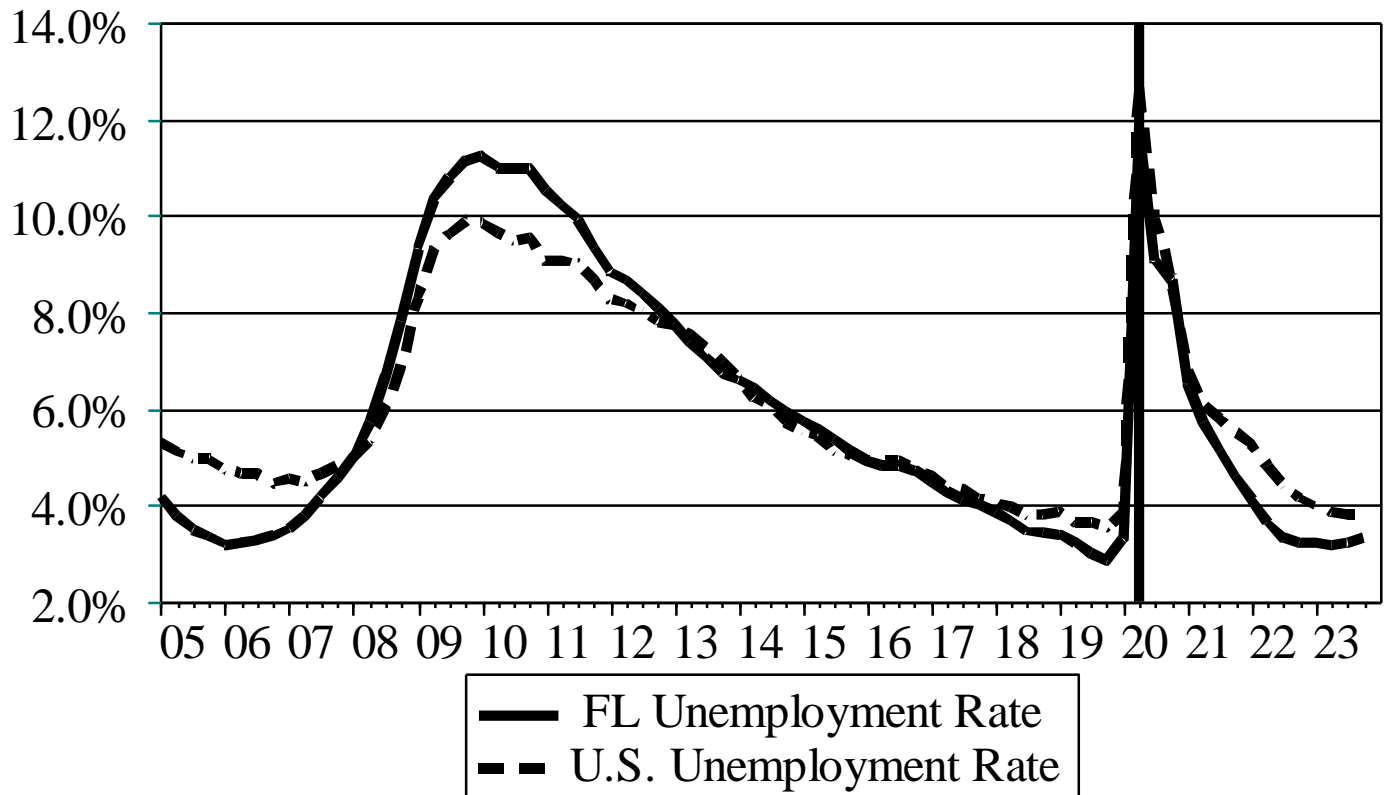
	September 2020	September 2019	Percent change
Closed Sales	28,675	23,510	22.0%
Median Sale Price	\$300,000	\$265,000	13.2%
Median Days on Market	23	39	-41.0%
Inventory (Months Supply)	2.2	3.6	-38.9%

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# Florida Forecast



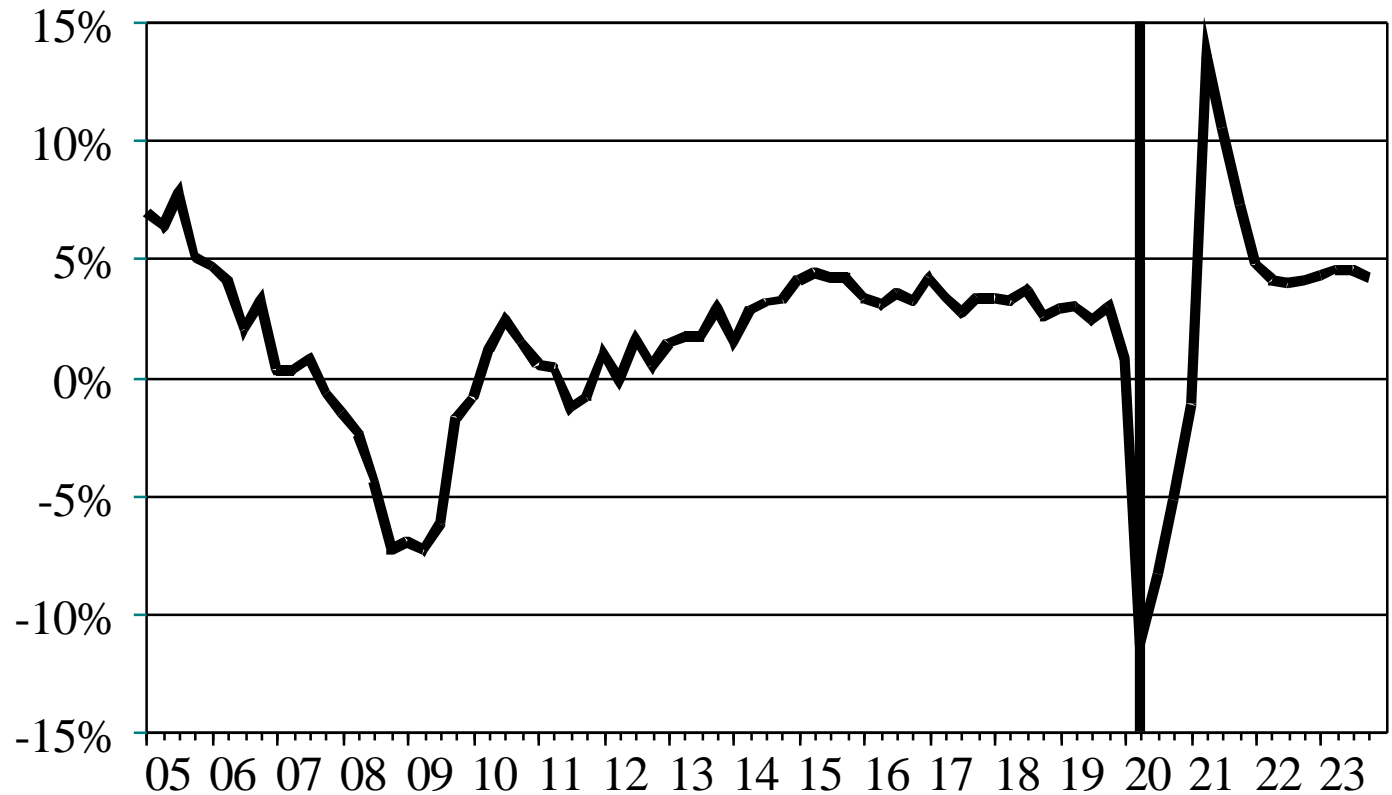
## Florida & U.S. Unemployment Rate (%)



# Florida Forecast



## Florida Real Gross State Product (% change year ago)

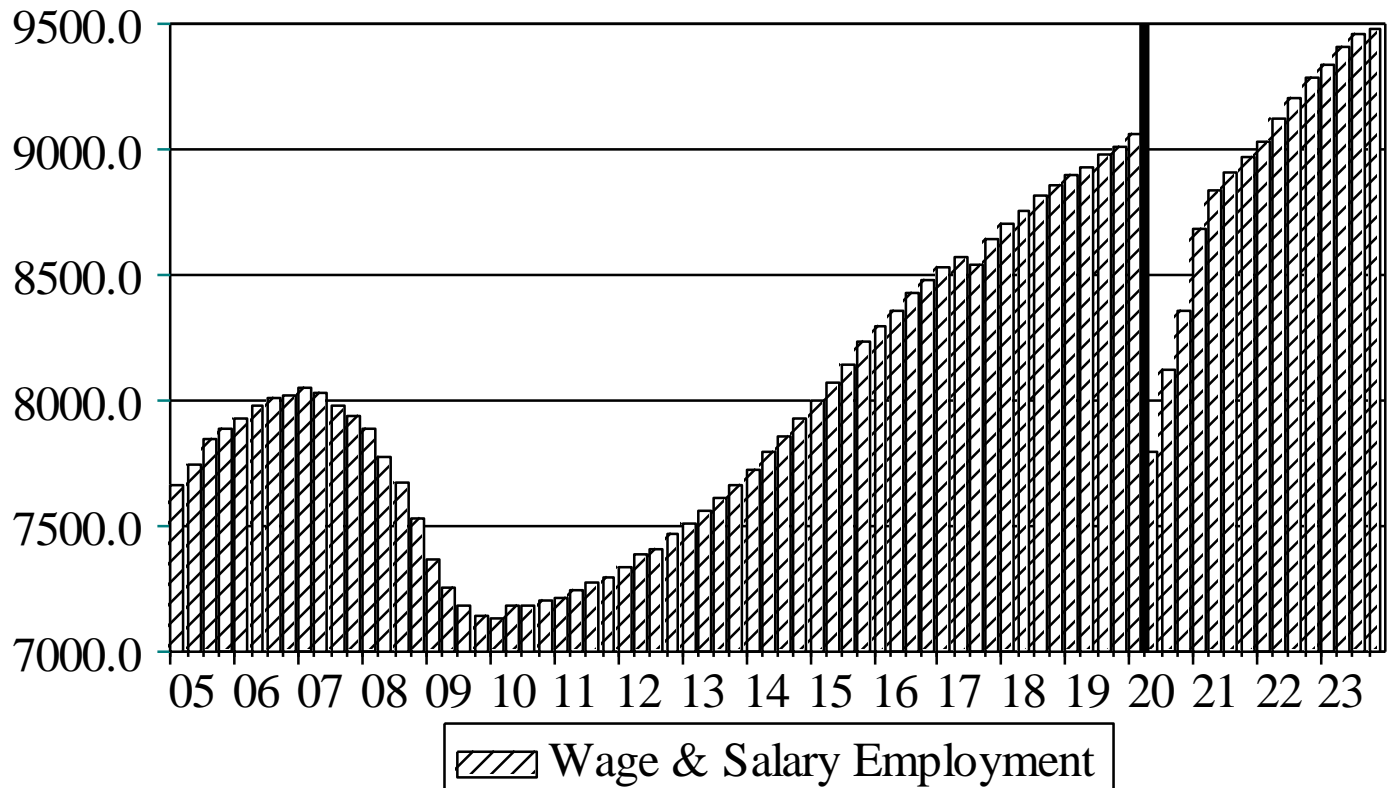




# Florida Forecast



## Florida Employment (Thousands)





# 2020-2023 Averages; Q3 2020 Forecast



Florida	
Sector	% Average Annual Growth
Leisure & Hospitality	4.8
Professional & Business Services	4.2
Education-Health Services	3.5
Trade, Transportation & Utilities	1.2
Financial	1.1
State & Local Government	1.0
Construction	0.9
Information	0.9
Federal Government	0.8
Manufacturing	-1.7



# 2020-2023 Averages; Q3 2020 Forecast



Region	Population Growth	
	Average % Chg	Rank
<b>Florida</b>	1.0	---
Deltona	1.1	5
Gainesville	0.1	11
Jacksonville	1.3	3
Lakeland	1.7	1
Miami	0.6	9
Naples	1.5	2
Ocala	1.2	4
<b>Orlando</b>	<b>1.4</b>	<b>3</b>
Palm Bay	0.9	7
Pensacola	0.7	8
Tallahassee	0.5	10
Tampa	1.0	6



# 2020-2023 Averages; Q3 2020 Forecast



Region	Employment Growth	
	Average % Chg	Rank
<b>Florida</b>	1.5	---
Deltona	0.7	10
Gainesville	1.0	6
Jacksonville	1.4	3
Lakeland	0.8	7
Miami	0.8	8
Naples	2.2	1
Ocala	1.2	5
<b>Orlando</b>	<b>2.0</b>	<b>2</b>
Palm Bay	1.0	6
Pensacola	0.5	12
Tallahassee	0.7	9
Tampa	1.3	4



# Quarterly Forecast Publications Available

Florida & Metro Forecast



U.S. Forecast



Download both here: [WWW.IEC.UCF.EDU](http://WWW.IEC.UCF.EDU)

Starting in 2021 IEF will provide forecasts for all Metropolitan Statistical Areas in Florida

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# Thank you

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