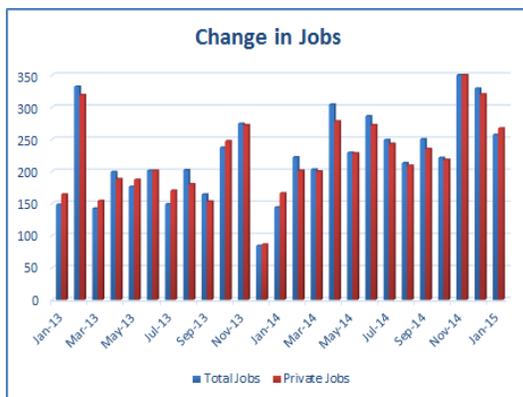


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U.S. Economy – 1 Million New Jobs in Just the Last 3 Months

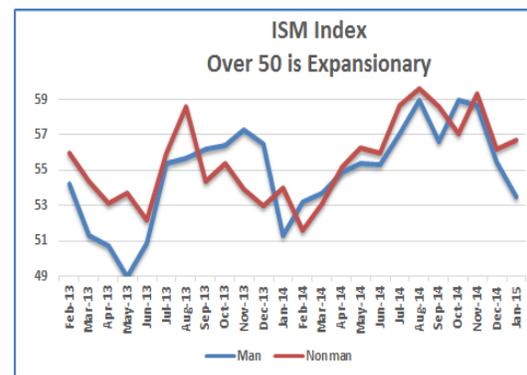
Payroll employment rose 257,000 in January, and the significant upward revisions to the November and December data combined to total over 1 million new jobs over the last 3 months. Lower energy prices are affecting the energy industry including oil and gas extraction and support services, but this impact is more than offset by the benefits to consumers. On balance low energy prices are a clear net positive for the economy.



The unemployment rate ticked up to 5.7% in January, because of a strong increase in the labor force. Formerly discouraged workers are flocking back into an improving labor market.

Average hourly earnings rebounded with growth of 0.5%. Earnings should continue to rise with this buoyant job market growing at about a 3% annual pace by midyear.

The strong dollar combined with the drop in oil prices and a weaker global economy is weighing on U.S. manufacturing. The ISM manufacturing index dropped from 55.1 to 53.5 in January for its lowest reading since January 2014. Manufacturing is clearly losing some momentum, but it is still expanding albeit at a slower rate. The nonmanufacturing Index rose to 56.7 offsetting some of the impacts on manufacturing. With business investment and manufacturing slowing, it's encouraging that the nonmanufacturing part of the economy continues accelerating.



Florida Economy: Retail Sales Remain Strong

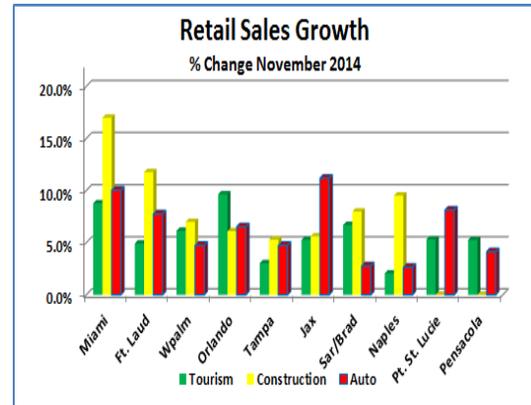
Florida's strong economy was on display in stores over the last few months. Sales were up 7.6% in November (the latest period available) compared to last year. Although auto sales cooled a bit growing just 6.4%, the other major sectors continue rising strongly. The improving housing market drove construction spending up 8.1% and durable good sales by 9%.



All of Florida's major metro areas enjoyed strong gains in sales over the 12 months ending in November with the notable exception of Tampa Bay. In Tampa Bay retail sales were only up 6.7% compared to last year. Sales gains were particularly strong in Southwest Florida with sales gains of 11% over the year in Naples and Ft. Myers.



Construction activity is booming in Miami-Dade County pushing up construction sales by 18% over the last year. But tourism and auto sales were also very strong. Tourism sales continue accelerating in Orlando where they rose 10% marking the third year in a row in which tourism sales rose at double digits in Orlando. Jacksonville's auto sales bucked the statewide cooling by jumping 11% over the year.



While retail sales grew strongly in Florida's major metro areas, a number of smaller metros areas had very weak gains in sales. For example, over the last 12-months retail sales were up a paltry 3% in Ocala, only 4% in Gainesville and just 5% in Tallahassee. In the panhandle, sales were up a bit faster in Ft. Walton Beach and in Panama City, but their gains were well below the statewide average of 7.6%.

