

## ECONOCAST™ UPDATE – May 19, 2014

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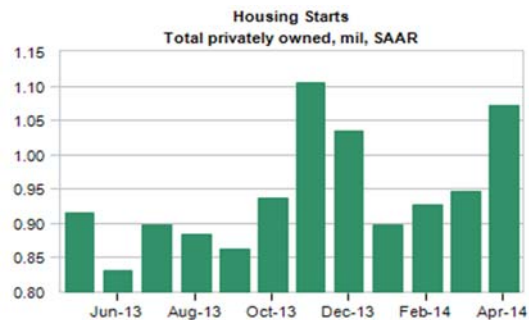
### U.S. Economy – Mixed Signals

The data sent some mixed signals last week. Retail sales only rose a weak 0.1% in April. However, the rise confirms that their strong and upwardly revised 1.5% jump in March was no fluke. Some of April's weakness is statistical artifice. Easter was in April this year and seasonal adjustments are never perfect. The two months are best viewed together. April sales were 4% above last year's level, modest, but well above winter lows.

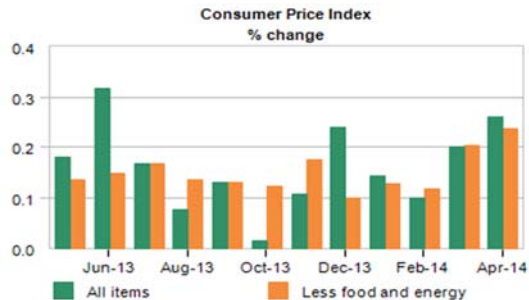


Housing starts rebounded strongly in April to 1.072 million annualized units propelled by a sharp gain in multifamily. This m/m gain of 13.2% confirms that housing is coming out of its winter hibernation. Housing starts are 26.4% above their year-ago pace. Although this was a very strong report, concerns remain. Single-family starts barely increased housing

rebound. Compared with this time last year, permits are up by 3.8% and completions have gained by more than 21%. The fundamentals remain strong, but they have yet to ignite the single-family segment.

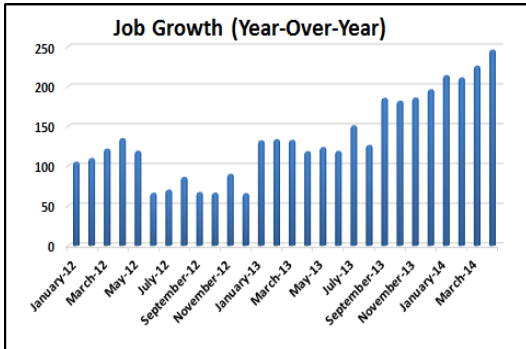


The CPI jumped 0.3% in April for its strongest gain in almost a year. Rising prices for gasoline prices and food prices drove the headline gains. The core CPI again rose a healthy 0.2% on broad gains across several prominent categories. Consumer prices will rise through the year returning to a normal pace.

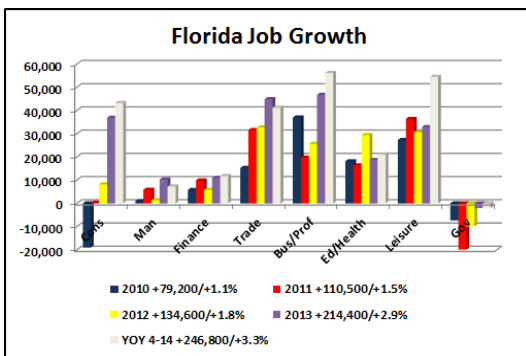


## Florida Economy: Strong Job Growth

Job growth accelerated again in April up 3.2% with over 245,000 jobs generated over the last 12 months. The gains may overstate growth a bit since Easter fell in April this year compared to March last year. Nevertheless, it was a very strong report.

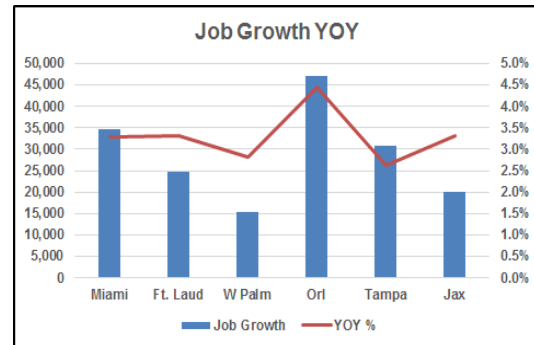


Gains in construction, retail establishments, business and professional services, and leisure/hospitality were largely responsible for the strength. A rise of 32,000 in employment services (temp services primarily) was particularly positive since firms often ramp up temporary help before permanent hires rise.



Orlando led all metro areas posting a whopping gain of 47,200 jobs over the last 12-months as tourism boomed. Job growth was also very strong in Miami-Dade with strong growth in

nearly all sectors reflecting the buoyant increases in population. Ft. Lauderdale and West Palm also enjoyed strong gains for the same reasons. Rounding out the major metro areas Jacksonville recorded a 3.3% annual gain with 20,000 more jobs.



Job growth was also strong in Southwest Florida from Bradenton to Naples. Rebounding construction and population-related services paced these gains. Growth in Port St. Lucie was modest, and the balance of Florida's metro areas experienced relatively slow job growth, below the U.S. average of 1.9%. Very slow growth in government employment retarded the overall pace of job growth in Pensacola, Gainesville, and Tallahassee. Their economies are heavily concentrated in and dependent upon their slow growing government sectors. These trends are likely to continue for the foreseeable future.

