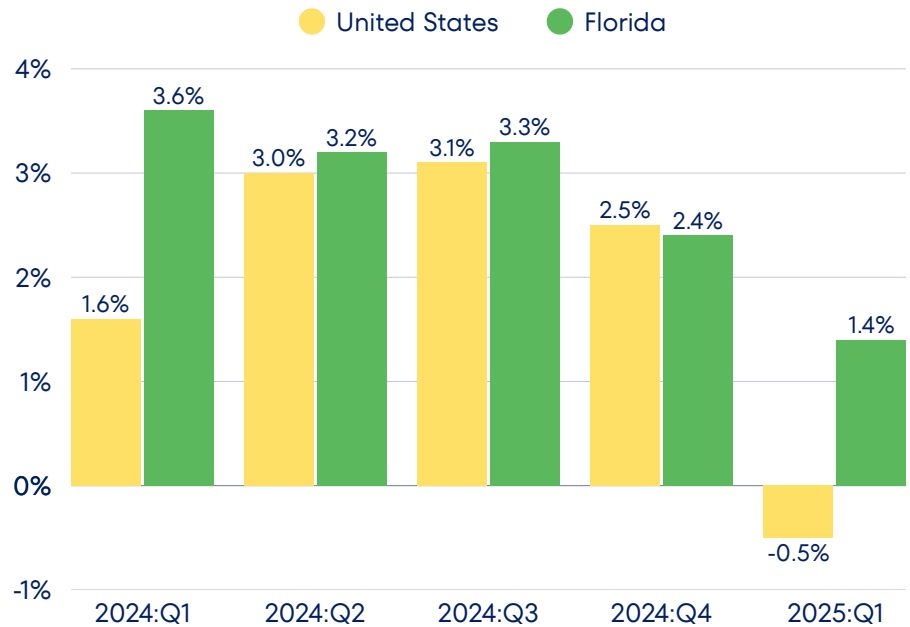


HEADLINES IN FLORIDA'S ECONOMY

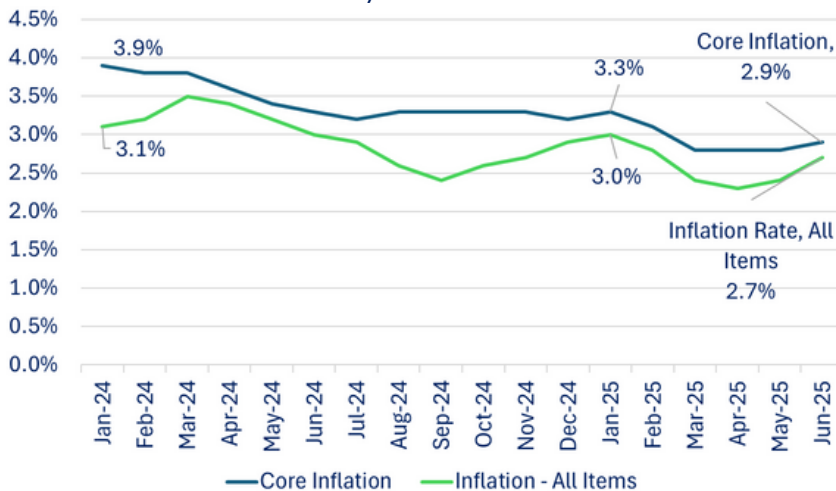
There are many economic indicators that help gauge the economy's health, but some of the metrics dominating the latest headlines are Gross Domestic Product (GDP), inflation, and interest rates.

In the first quarter of 2025, the annualized rate of growth for Florida's economy was 1.4%. During the same time period, the nation saw a **decline** in real GDP. One definition of a recession is a drop in real GDP for two consecutive quarters, so this decline in the value of the U.S. economy is significant.

Real GDP Growth Rate Florida and United States, Annualized



United States Inflation January 2024 - June 2025



After inflation rates peaked at over 9.0% in mid-2022, inflation has moved toward the Federal Reserve's target rate of 2.0%. Currently, the overall inflation rate (measured by the Consumer Price Index) is 2.4%, not too far above the target. When you look at core inflation, which removes energy and food from the measurements due to their volatility in prices, inflation is 2.8%.

What decision-makers are saying

- The majority of the Federal Reserve (the Fed) is **not expecting inflation to return to the 2% goal until 2027**.
- The Fed is still **wary of cost shock from tariffs**, choosing to keep **interest rates steady** for the foreseeable future.
- Despite inflation uncertainty, **unemployment is low (3.7% in Florida, 4.2% in the U.S.)**, and the **labor market is solid**.

What this means for businesses

- Elevated input costs and operational costs are expected, necessitating strategic business decisions and investments.
- The Fed's **clarity** about interest rates provides some **predictability in interest rates** – helpful for forecasting borrowing costs.
- The Fed's confirmation at the national level of low unemployment & a solid labor market signals confidence in the economy—and **Florida has a lower unemployment rate & stronger job growth than the nation U.S.**