



Economic Council

Making Cents! Economic Indicator Updates

Martin County Compared Globally

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Understanding a Local Economy

Local economies are often described by a “leaky bucket” model in which the bucket represents the local region and money can both circulate within the bucket while flowing in and out. Money circulates within the region when money that is earned locally is also spent locally. This requires that some money exists in the bucket to begin with—one way this happens is when local goods and services are purchased by consumers outside the region. Another source of inflow comes from businesses which decide to set up shop locally and generate jobs that pay local workers. The “leak” in the bucket that allows money to escape from the community is created when goods and services from outside the region are purchased with local money. It is typically assumed that a robust economy requires both the availability of capital and its circulation within a region.

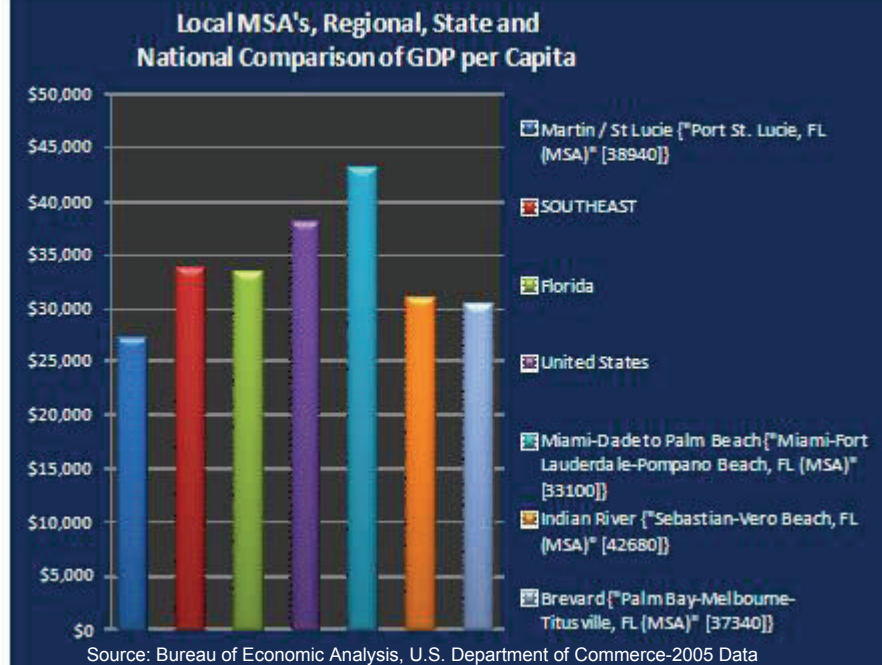
<http://www.umich.edu/~econdev/imports/sub/index.html>



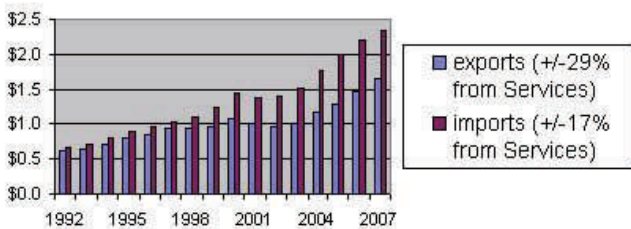
An economy which suffers from “leakage” is unsustainable!

Once inside the local economy, dollars “leak” to outside economies in three possible ways. **First**, dollars spent on goods and services purchased from outside the local area flow to outside economies. These purchases are called imports. **Second**, dollars leave the local economy when taxes are paid to national and state governments. **Third**, dollars flow outside the local economy when investments are made outside the local area.

Solution: *Increase primary jobs with higher wages above local average (and purchase locally!).*



US International Trade in Goods and Services
(Trillions of Dollars)



Source: <http://www.bea.gov/>

The Gross Domestic Product (GDP)

GDP measures the total value of all final goods and services (output) of a region or country. Florida is ranked 4th, (due to our size) with California being 1st, Texas ranking 2nd, and New York ranking 3rd. In the fourth quarter of 2007 it sank to 0.58%, its lowest level in five years.

Florida ranks below the average in the more relevant statistic, the GDP per capita, and our local region even lower! (Cont. pg 2—GDP Trends)

GDP Trends



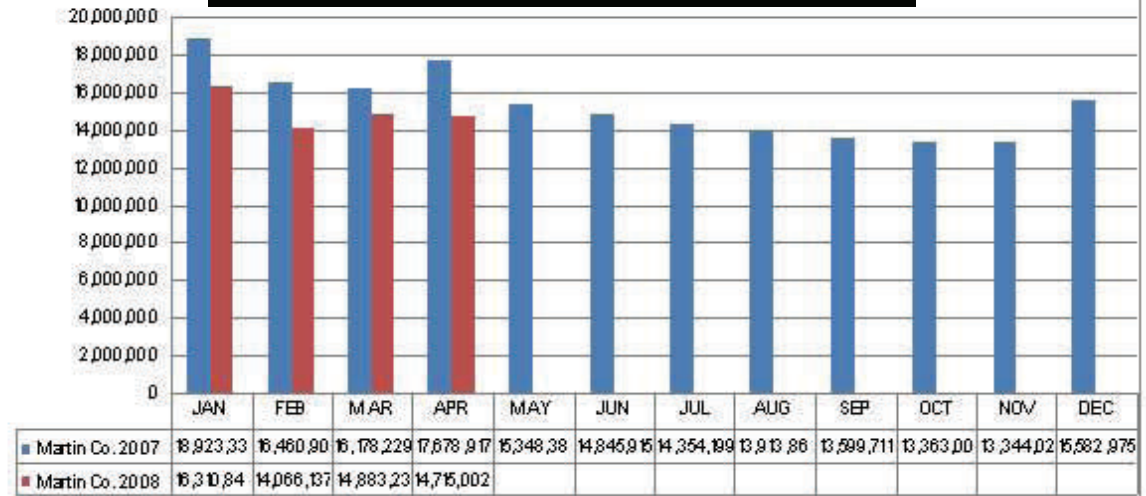
History: GDP grew 2.5% in 2003, as the economy began its recovery from the 2000 recession. In 2004, GDP growth rebounded to 3.6%. The effects of Hurricane Katrina in Q4 caused 2005 GDP to slow to a still healthy 3.1%. The economy recovered from Katrina in Q1 2006 with a growth rate of 4.8%, and housing markets peaked. However, high oil prices during the summer caused the economy to slow below 2.5% for the rest of the year. As a result, overall 2006 GDP growth was 2.9%, about flat with 2005 growth.

In 2007, the economy stunned analysts by slowing to .6% in Q1, as the housing market started to decline. However, a declining dollar boosted exports in Q2, driving GDP to 3.8% and an even more surprising 4.8% in Q3.

GDP Outlook: The Congressional Budget Office (CBO) forecasted GDP growth to be 2.2% in 2007 (which was accurate), 1.7% 2008 (Q1 2008 was 1.0%) and 2.8% in 2009. It expects GDP to turn to a healthy 3.1 % each year after that until 2013.

Source: GDP News Release 1/29/08
Outlook Source: CBO Budget and Economic Outlook

Martin County Sales Tax 2007 vs. 2008



Source: Florida Department of Revenue

Consumer Price Index for All Urban Consumers (CPI-U) in the U.S. and South

The Consumer Price Index for All Urban Consumers (CPI-U) increased 1.0 percent in June, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reports. The June level of 218.815 (1982-84=100) was 5.0 percent higher than in June 2007.

	U.S. City Average			South Region		
	Jun 2008	Percent change from		Jun 2008	Percent change from	
		1 month ago	1 year ago		1 month ago	1 year ago
All Items	218.815	1.0	5.0	212.324	1.1	5.3
Food and Beverages	213.383	0.5	5.2	210.802	0.8	5.5
Housing	217.941	1.0	3.5	201.949	1.2	3.8
Apparel	117.019	-3.1	-0.2	129.881	-2.5	-0.8
Transportation	211.787	3.2	12	211.165	2.8	12.7
Medical Care	363.616	0.1	4	347.224	0.1	4.5
Recreation (1)	112.991	0	1.3	113.152	-0.4	0.8
Education and Communication (1)	122.828	0.4	3.4	118.883	0.5	2.3
Other Goods and Services	345.885	0.3	3.8	334.776	0.3	4
U.S. City Average All Items (1967 = 100)	655.474					
South Region All Items (December 1977 = 100)				344.419		

Footnotes(1) December 1997=100.

Source: Bureau of Labor Statistics.



Local impacts to the Economy

Florida's investment in its creative economy, *the arts and cultural resources*, has declined by over 40% in the last twelve years.

Annually our country's arts and cultural non-profits contribute over \$29.6 billion in revenue to local, state, and federal governments.

In Martin County, estimates indicate nearly \$80 million in arts and cultural spending annually.

Source: Arts Council of Martin County

Price Increases at a Glance

Gasoline	+10.1%
Energy	+10.1%
Food	+0.7%
Commodities	+1.9%

Source: Bureau of Labor and Statistics (May/June)

Employment Outlook

Employment arguably adds the greatest amount of uncertainty to the economic outlook as it is a key driver of consumer and retail spending.

The **nations payrolls** have declined for seven consecutive months having shed another **62,000** jobs in June. This brings the 2008 job losses to **431,000**.

The Current **5.5%** unemployment rate is the product of **78,100** jobs lost statewide over the last year. **Florida's job rate** remains negative by **1.0%** continuing a trend that began in September 2007. ↓

Florida's job market is still reacting to declines in the housing market. Construction, for example lost **81,600** jobs year over year. The **Construction industry** is down **13.5%** and construction losses now account for **52%** of the jobs lost in the state over the last year. ↓

Manufacturing has lost **24,900** jobs year over year, resulting in a **6.4%** of the state total job loss. ↓

Business and Professional Services within the state lost **24,100** jobs, **Financial Activities** lost **7,700** jobs and **Information Services** lost **5,300** jobs. ↓

↑ **Total Government Jobs** increased with **31,000** new jobs over the year. This seems counter-intuitive given the well publicized cut back in Government at both the state and local level.

↑ **Education and Health Services** also added **29,800** jobs

↑ **Leisure and Hospitality** Sectors gained **18,400** jobs.

Source: William Pittenger, Seacoast National Bank and Bureau of Labor and Statistics.



MC Bed Tax Collection
Oct 2007 to - Mar 2008

\$376,513

That results in \$52 Million local Economic Impact

(based upon 2 people spending the state average of \$138 per person,

Source: Martin County CVB

Jobs Growing in Florida

Job Title	Annual Growth
Network Systems and Data Communications Analysts	5.41%
Computer Software Engineers, Applications	5.27%
Physician Assistants	5.21%
Medical Assistants	4.85%
Paralegals and Legal Assistants	4.60%
Computer Software Engineers, Systems Software	4.51%
Home Health Aides	4.50%
Database Administrators	4.30%
Recreational Vehicle Service Technicians	4.28%
Court Reporters	4.26%
Network and Computer Systems Administrators	4.10%
Dental Hygienists	4.02%
Veterinary Technologists and Technicians	4.00%
Physical Therapist Assistants	3.96%
Environmental Engineers	3.96%
Survey Researchers	3.96%
Entertainment Attendants and Related Workers	3.94%
Occupational Therapist Assistants	3.93%
Dental Assistants	3.92%
Medical Scientists, Except Epidemiologists	3.86%

Source: Agency for Workforce Innovation

Unemployment

June 08

Martin County - 6.2%

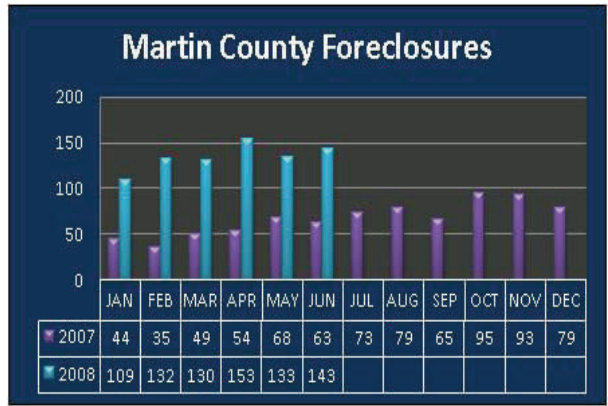
State of Florida - 5.5%

Source Agency for Workforce Development

Martin County Real Estate 2007 vs. 2008

MC	Units sold		MC Inventories		Months of Supply	
	June 08	June 07	2008	2007	2008	2007
Residential	152	134	2409	2836	15.85	20.38
Condo	45	35	1168	1281	25.96	28.02

Source: This update is based on the listings in the REALTOR® Association of Martin County Multiple Listing Service



Source: Business Development Board of Martin County

Martin County Permitting 2007 vs. 2008



	JAN	FEB	MARCH	APRIL	MAY	JUNE
2008						
Non-Residential Permits:	69	69	47	57	48	51
Value:	\$2,146,672	\$4,158,616	\$8,207,548	\$2,678,140	\$1,860,718	\$4,575,065
2007						
Non-Residential Permits:	92	86	90	71	73	70
Value:	\$2,004,034	\$7,478,907	\$17,559,425	\$1,904,653	\$2,951,508	\$5,094,359

	JAN	FEB	MARCH	APRIL	MAY	JUNE
2008						
Residential Permits:	456	497	571	573	631	581
Value:	\$12,350,601.	12,595,206	16,087,505.	20,034,638.	18,206,760	18,223,576
2007						
Residential Permits:	594	510	556	591	768	621
Value:	\$20,529,766	\$13,382,776	\$16,953,796	\$12,328,017	\$26,551,334	\$23,146,044

Source: Martin County Building Department



Join us as we continue to strive for Economic Sustainability in Martin County!

Special Thanks to the following members of the Economic Indicator Committee for this month's contributions to the Economic Update publication:

- Sandra Smith, Miller Legg, Chair
- Dawn Mitchell, Realtors Association of Martin County
- Gwenda Thompson, Workforce Development
- Jeff Dougherty, Treasure Coast Builders Association
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Making Cents! is designed to be a concise snapshot for our members regarding **Martin County's Economics**. The intentions of these indicators are to measure and strengthen the links between economy, environment and society, which will in turn, improve our long range sustainability and help maintain the quality of life we all enjoy. We welcome your feedback!

Economic Indicators Committee