

APRIL 2010



# ECONOMIC REVIEW

**The Economic Review is a comprehensive quarterly analysis of current economic conditions in Brevard County, Florida. Covering multiple areas of the local economy, the Review is based on data compiled from local, state and federal sources. The most recent data at time of preparation is used throughout.**

## HIGHLIGHTS

Unemployment falls to 12.6% in February.  
*(page 2)*

Building permits register their highest monthly total since August 2008.  
*(page 4)*

Brevard's Index of Retail Activity increases 0.4% in January.  
*(page 5)*

Port Canaveral posts 4<sup>th</sup> consecutive year-over-year gain in cruise passengers.  
*(page 6)*

By most accounts, the U.S. economy may finally be limping toward recovery. Two consecutive quarters of positive GDP growth, although largely jobless and fueled in part by fiscal stimuli, are soon expected to be joined by a third, further decreasing the likelihood of a double-dip recession.

Just as the severity of the recession was felt unevenly across the country, so too is the onset of the recovery proving inconsistent. Like many communities, optimism in Brevard County remains tempered by continuing challenges.

Among recent positive developments: the ranks of the newly-unemployed continue to decrease each month; consumer confidence, while still fragile, is proving resilient in its stabilization; and both Port Canaveral and Melbourne International Airport have recently posted considerable year-over-year gains in passenger traffic.

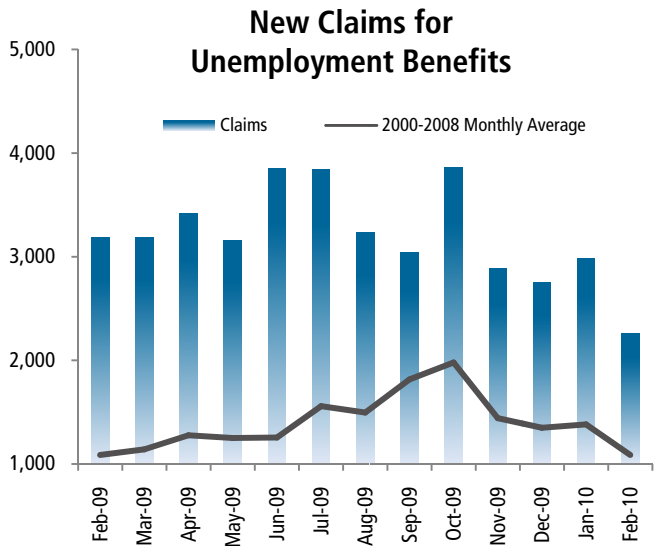
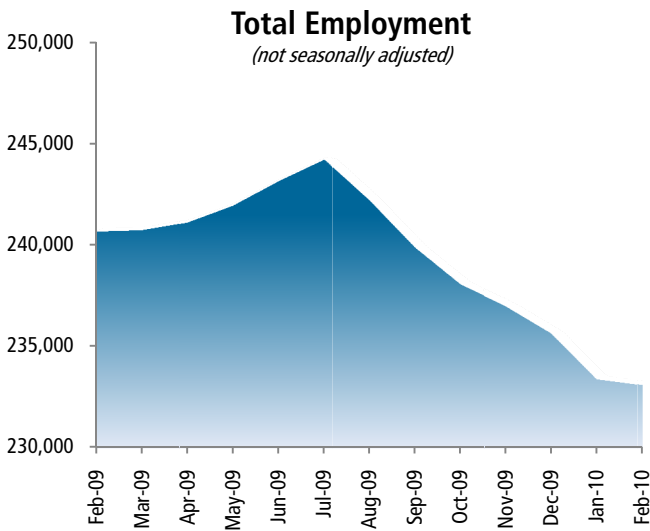
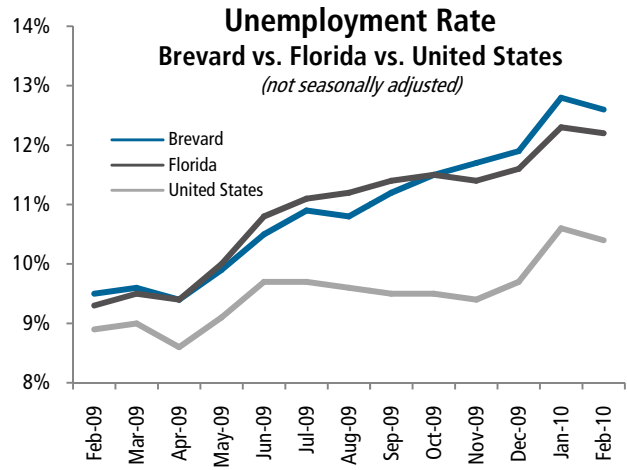
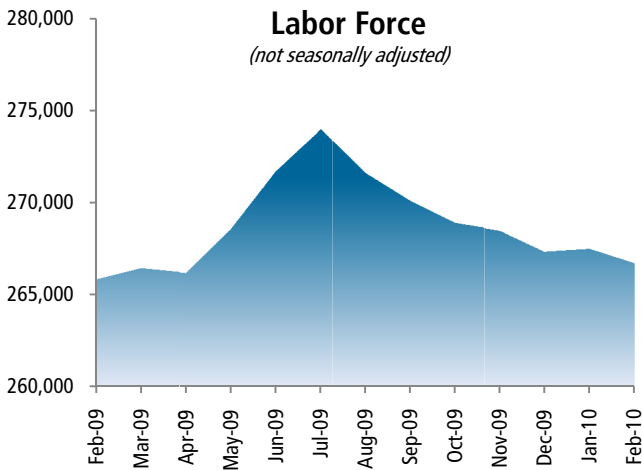
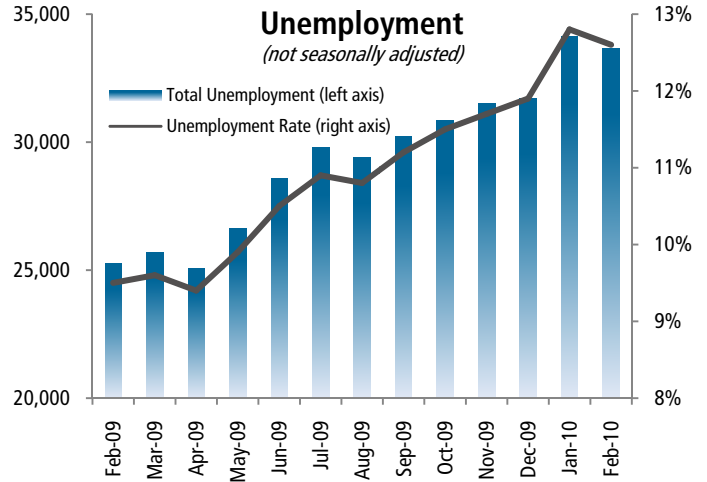
Giving rise to lingering economic concerns: real recovery in the labor market remains elusive; progress in the housing market, already stuttering, faces a significant hurdle with the expiration of the first-time homebuyer's tax credit at the end of April; and transition in our nation's Space Program, against which all else must be considered, looms ever nearer.

We hope you find this first issue of the Economic Review both useful and informative.



# Labor Market

- Brevard’s civilian labor force fell to 266,700 in February, a 0.3% decrease from January.
- Total employment fell by 0.1% after a decline of 1% in January. February’s total represented a net loss of 7,570 jobs from February 2009.
- Unemployment fell 2 percentage points to 12.6% - an increase of 3.1% from one year earlier and marginally higher than the statewide rate of 12.2%.
- New claims for unemployment benefits dropped to their lowest monthly total since July 2008.



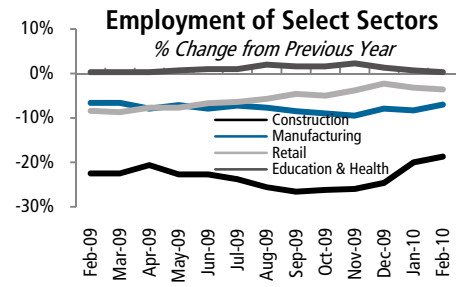
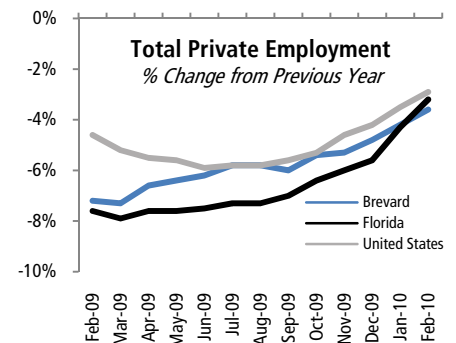
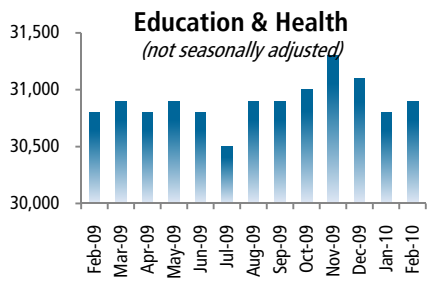
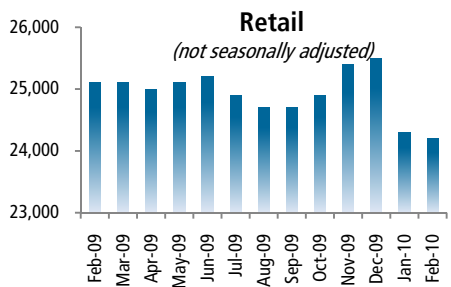
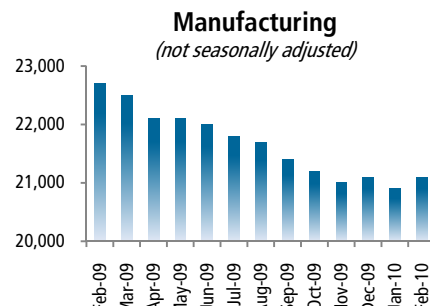
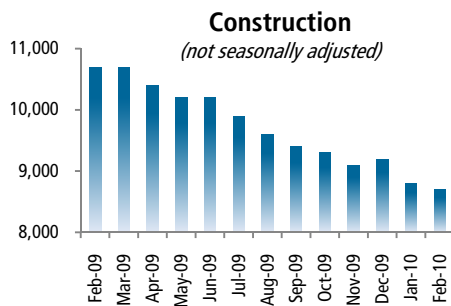
Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center



## Industry Focus

- Private sector employment increased by 900 in February after a decline of 3,100 in January. A net loss of 6,200 jobs was recorded between February 2009 and February 2010.
- At 3.6%, the contraction in private employment since Feb 2009 was marginally higher than the state and nation but continued a trend of diminishing year-over-year losses.
- Just 2 of 11 sectors (construction and retail) lost jobs in February. The leisure/hospitality industry contributed 600 of the total net gain in employment.
- Year-over-year trends continued to show retail and education/health outperforming the market; manufacturing and construction continued to underperform.

| Industry                                   | Employment |         |         |                      |         |                      |         |
|--|------------|---------|---------|----------------------|---------|----------------------|---------|
|  | Feb-10     | Jan-10  | Feb-09  | Change from          |         |                      |         |
|  |            |         |         | Jan 2010 to Feb 2010 |         | Feb 2009 to Feb 2010 |         |
| Level                                      | Percent    | Level   | Percent | Level                | Percent | Level                | Percent |
| TOTAL PAYROLL EMPLOYMENT                   | 193,300    | 192,200 | 199,100 | 1,100                | 0.6%    | -5,800               | -2.9%   |
| PRIVATE                                    | 163,800    | 162,900 | 170,000 | 900                  | 0.6%    | -6,200               | -3.6%   |
| Construction                               | 8,700      | 8,800   | 10,700  | -100                 | -1.1%   | -2,000               | -18.7%  |
| Manufacturing                              | 21,100     | 20,900  | 22,700  | 200                  | 1.0%    | -1,600               | -7.1%   |
| Wholesale Trade                            | 5,300      | 5,300   | 5,300   | 0                    | 0.0%    | 0                    | 0.0%    |
| Retail Trade                               | 24,200     | 24,300  | 25,100  | -100                 | -0.4%   | -900                 | -3.6%   |
| Transportation, Warehousing, and Utilities | 2,800      | 2,800   | 3,000   | 0                    | 0.0%    | -200                 | -6.7%   |
| Information                                | 2,800      | 2,800   | 3,100   | 0                    | 0.0%    | -300                 | -9.7%   |
| Financial Activities                       | 7,700      | 7,700   | 7,900   | 0                    | 0.0%    | -200                 | -2.5%   |
| Professional and Business Services         | 32,300     | 32,100  | 32,700  | 200                  | 0.6%    | -400                 | -1.2%   |
| Education and Health Services              | 30,900     | 30,800  | 30,800  | 100                  | 0.3%    | 100                  | 0.3%    |
| Leisure and Hospitality                    | 20,700     | 20,100  | 21,300  | 600                  | 3.0%    | -600                 | -2.8%   |
| Other Services                             | 7,300      | 7,300   | 7,400   | 0                    | 0.0%    | -100                 | -1.4%   |
| GOVERNMENT                                 | 29,500     | 29,300  | 29,100  | 200                  | 0.7%    | 400                  | 1.4%    |

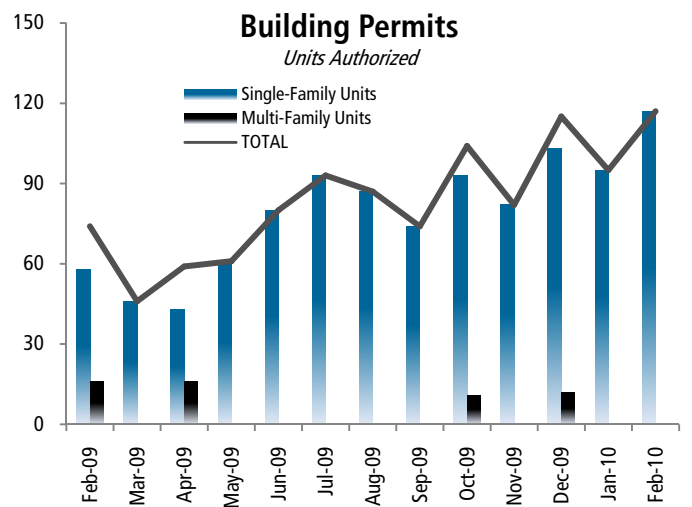
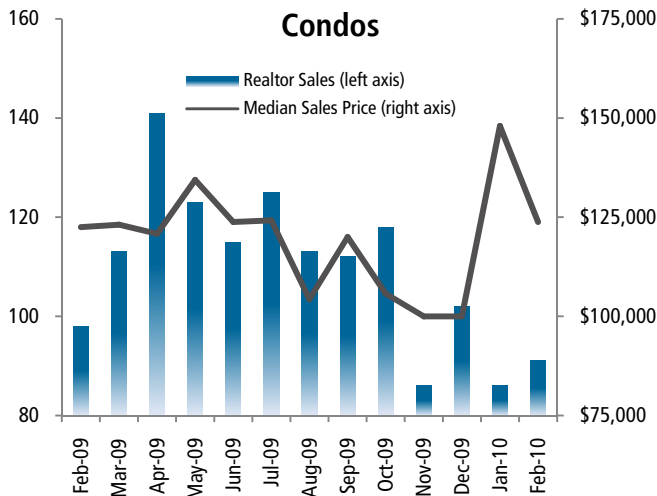
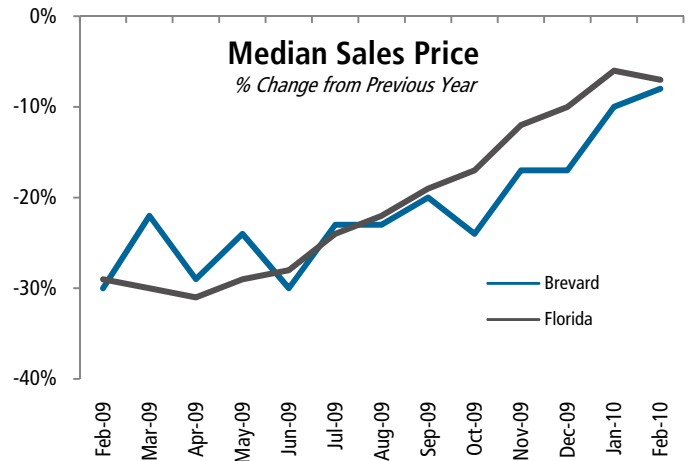
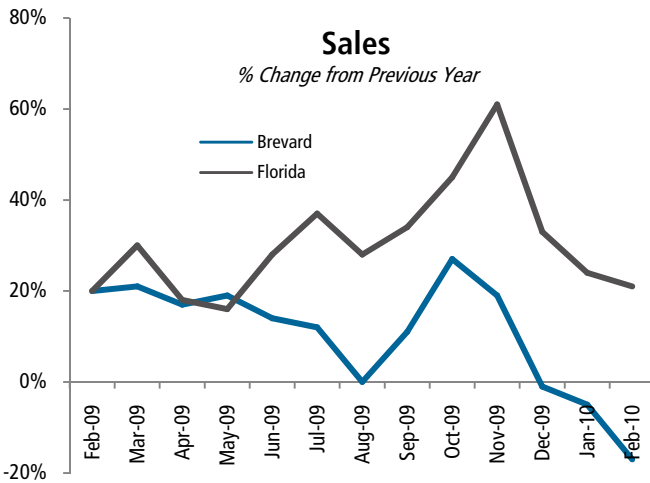
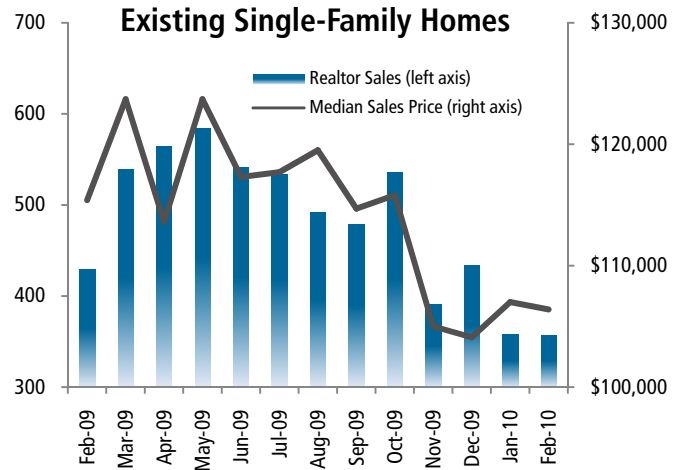


Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center



# Real Estate

- February home sales were unchanged from January; the median sales price fell to \$106,400 from \$107,000.
- Sales declined 17% from February 2009 – the third consecutive month of negative annual sales growth.
- An 8% decline in median sales price between February 2009 and February 2010 extended a 3-month trend of diminishing decline – a trend mirrored statewide.
- 117 new housing units (all single-family) were authorized in February – the highest monthly total since August 2008 and fifth consecutive year-over-year increase.

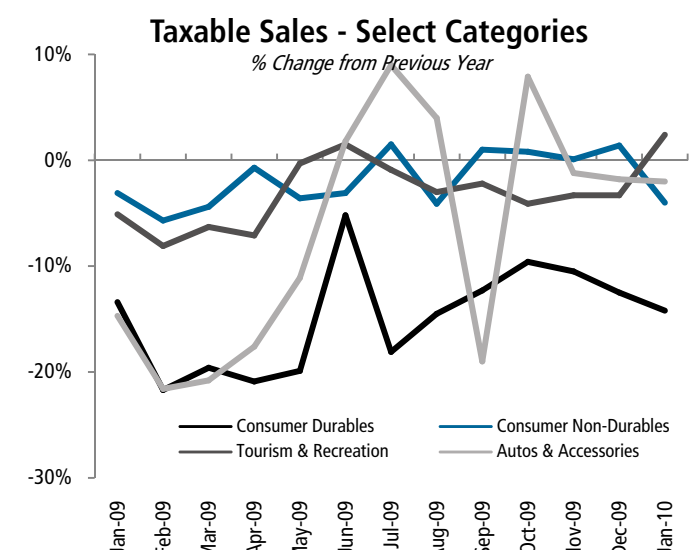
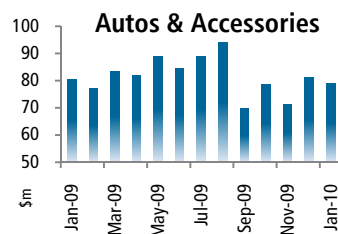
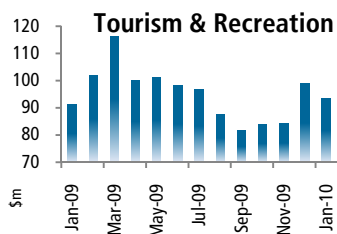
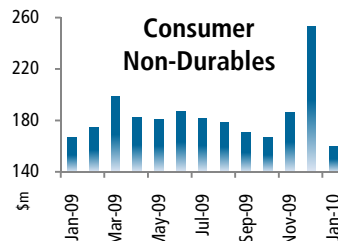
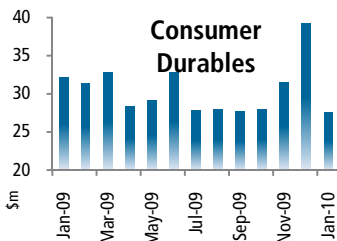
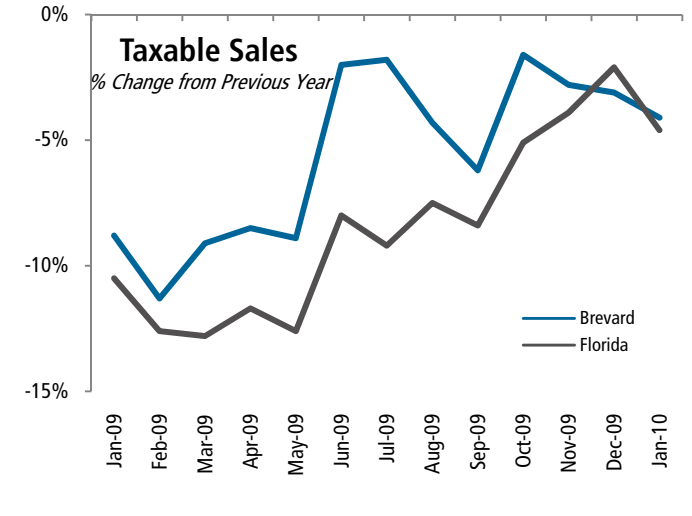
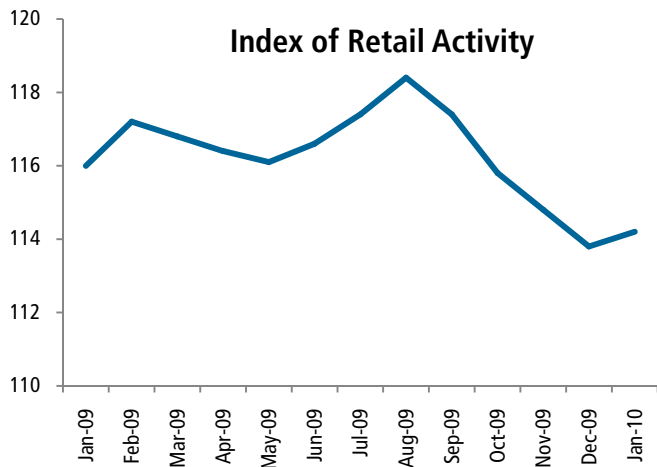
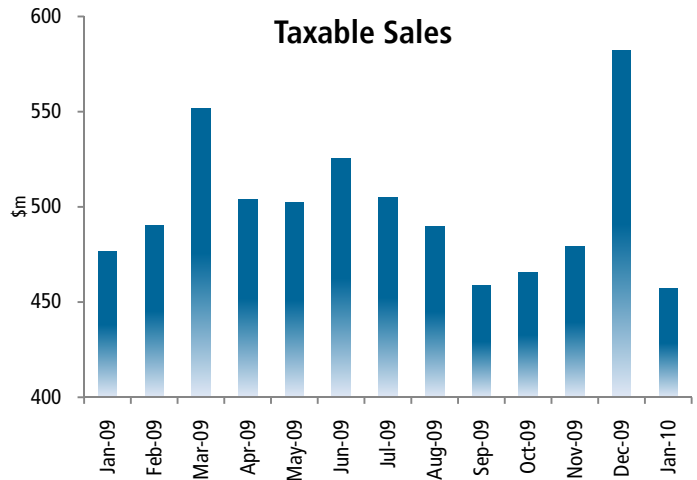


Sources: Florida Association of Realtors, Home Builders & Contractors Association of Brevard



# Retail

- Taxable sales (which comprise 45% of all retail sales) fell 22% in January from an expected seasonal high in December.
- January's total represented a 4.1% decrease from January 2009; statewide, sales decreased 4.6% over the same period.
- Brevard's Index of Retail Activity (a 4-month moving average analogous to personal consumption) inched upward in January after a 4-month period of decline.
- Year-over-year recreational spending turned positive in January for the first time in 7 months; volatility continued in the more 'big-ticket' consumer durables and auto categories.

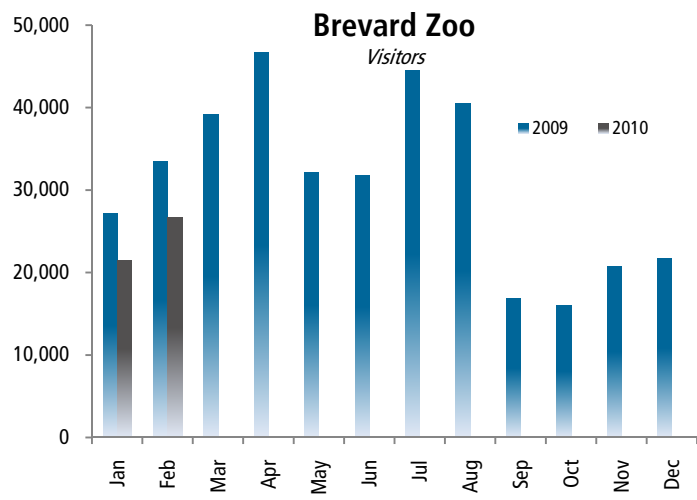
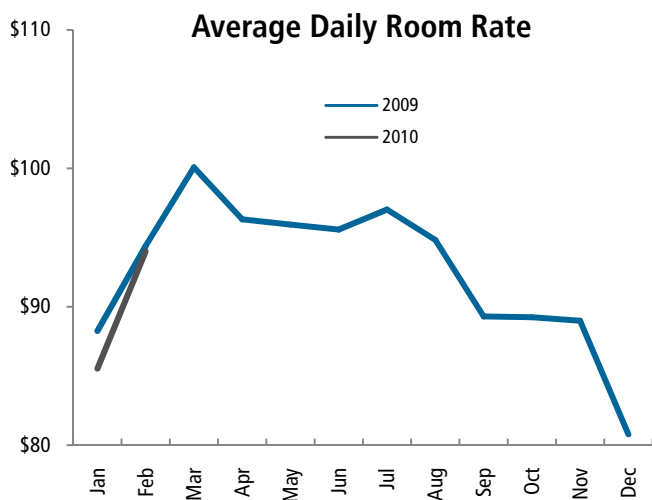
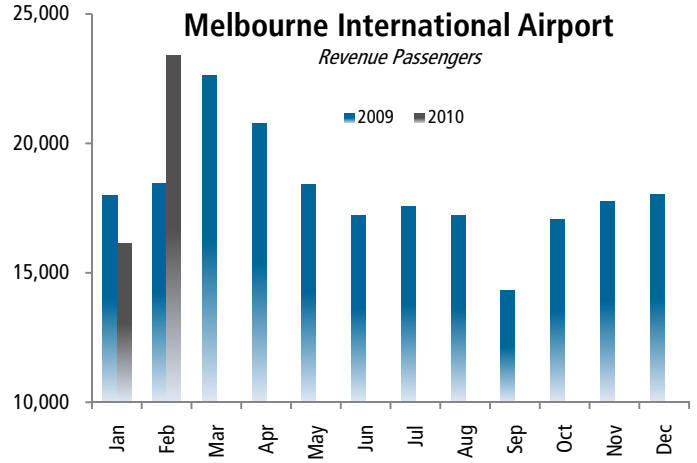
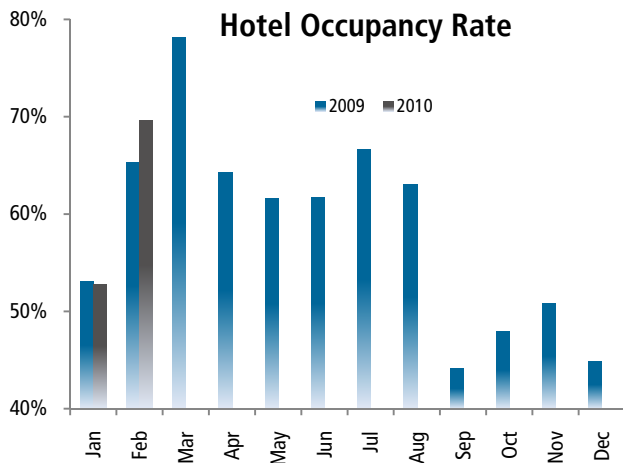
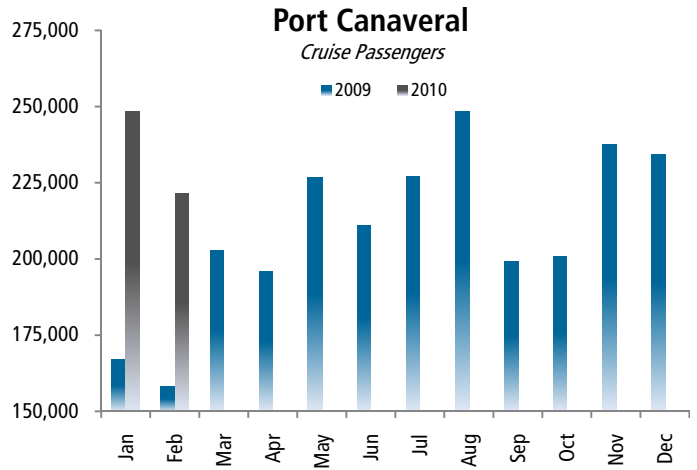


Source: The Florida Legislature, Office of Economic & Demographic Research



# Tourism

- Hotel occupancy rose to 69.6% in February, increasing 4.3 percentage points from February 2009; the average daily room rate fell nominally (0.4%) to \$93.99.
- February marked the fourth consecutive year-over-year increase in multi-day passengers through Port Canaveral, increasing 40% from February 2009.
- Melbourne International welcomed 45.1% more passengers in February than in January; traffic rose 26.9% from Feb 2009.
- Cold weather impacted visitor counts at Brevard Zoo in both January and February. The Zoo ended 2009 with a 12% increase in attendance over 2008.



Sources: Space Coast Office of Tourism, Canaveral Port Authority  
Melbourne Airport Authority, Brevard Zoo



## Monthly Snapshot

The Monthly Snapshot serves as a quick reference tool for those interested in the general direction of the Brevard economy, highlighting monthly and annual percentage changes for a series of key indicators. For the very latest data, including interactive charts, readers are encouraged to visit our online Economic Indicators application at <http://www.spacecoastedc.org/DataCenter/EconomicIndicators.aspx>

| INDICATOR                  | MONTHLY % CHANGE     | ANNUAL % CHANGE      | INDICATOR  | MONTHLY % CHANGE     | ANNUAL % CHANGE      |
|----------------------------|----------------------|----------------------|--|----------------------|----------------------|
| <b>LABOR MARKET</b>        |                      |                      | <b>REAL ESTATE</b>                                   |                      |                      |
|                            | Jan 2010 to Feb 2010 | Feb 2009 to Feb 2010 |  | Jan 2010 to Feb 2010 | Feb 2009 to Feb 2010 |
| Labor Force                | ↓ 0.3%               | ↑ 0.3%               | Homes Sales  | ↓ 0.3%               | ↓ 16.8%              |
| Total Employment           | ↓ 0.1%               | ↓ 3.1%               | Median Sales Price                                   | ↓ 0.6%               | ↓ 7.8%               |
| Total Unemployment         | ↓ 1.4%               | ↑ 33.2%              | Housing Units Authorized                             | ↑ 23.2%              | ↑ 58.1%              |
| Unemployment Rate          | ↓ 0.2%               | ↑ 3.1%               |  |                      |                      |
| <b>INDUSTRY EMPLOYMENT</b> |                      |                      | <b>RETAIL</b>  |                      |                      |
|                            | Jan 2010 to Feb 2010 | Feb 2009 to Feb 2010 |  | Dec 2009 to Jan 2010 | Jan 2009 to Jan 2010 |
| Construction               | ↓ 1.1%               | ↓ 18.7%              | Taxable Sales  | ↓ 21.5%              | ↓ 4.1%               |
| Manufacturing              | ↑ 1.0%               | ↓ 7.1%               | Index of Retail Activity                             | ↑ 0.7%               | ↓ 1.5%               |
| Retail                     | ↓ 0.4%               | ↓ 3.6%               |  |                      |                      |
| Education & Health         | ↑ 0.3%               | ↑ 0.3%               | <b>TOURISM</b>                                       |                      |                      |
|                            |                      |                      |  | Jan 2010 to Feb 2010 | Feb 2009 to Feb 2010 |
|                            |                      |                      | Hotel Occupancy Rate                                 | ↑ 16.8%              | ↑ 4.3%               |
|                            |                      |                      | Cruise Passengers - Port Canaveral                   | ↓ 10.8%              | ↑ 40.2%              |
|                            |                      |                      | Revenue Passengers - Melbourne International Airport | ↑ 45.1%              | ↑ 26.9%              |

Sources: Florida Agency for Workforce Innovation, Labor Market Statistics Center; Florida Association of Realtors; Home Builders & Contractors Association of Brevard; The Florida Legislature, Office of Economic & Demographic Research; Space Coast Office of Tourism; Canaveral Port Authority; Melbourne Airport Authority



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