

Incoming

Despite all the talk of hurricanes and skyrocketing insurance and property taxes, Florida is still gaining an average of more than 1,000 people a day.

By Art Levy - 2/1/2007

Florida's Average Daily Growth (2006)

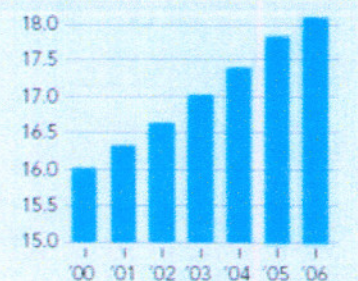
Daily in-migration	+1,932
Daily out-migration	-966
Births minus deaths	+115
Daily growth	1,081

Source: University of Florida's Bureau of Economic and Business Research

It's a perception common across Florida in these days of fast-climbing insurance rates and property taxes: "I'm seeing a lot of people moving out, to be honest, and they're moving to places like Georgia and North Carolina," says Elad Shabtai, CEO of Flat Rate Moving and Storage in North Miami.

Meanwhile, some would-be Floridians are taking a look at the state and deciding they're better off where they are. William T. Abare Jr., president of Flagler College in St. Augustine, bemoans the business professor who got away: Abare says the college interviewed a qualified candidate from a Kentucky school last fall and offered him the job for \$65,000 a year, but when the professor started shopping for homes in the St. Augustine area, he chose to stay in Kentucky. "It just wasn't the higher cost of housing," he says. "It was the cost of taxes and insurance."

Florida Population (millions)



Source: U.S. Census Bureau

While Shabtai's and Abare's comments may accurately reflect some real frustration over the rising cost of living in the state, the numbers tell a different story about in- and out-migration. The arithmetic that has helped create Florida's healthy economy for the past six years appears to be holding: About 1,932 people a day are still moving in, and about 966 a day are moving out.

While Florida's growth has fallen on a percentage basis — the state grew only 1.8% in 2006 after two consecutive years of adding more than 2% to its population — the absolute number of new residents in 2006 exceeded 2005's gain, according to the University of Florida's Bureau of Economic and Business Research. In 2005, 401,495 new residents moved into the state. In 2006, Florida's population increased by 430,905 — one of the largest single population increases in state history and the equivalent of adding two Orlandos. The increase, it can be noted, came after nationwide publicity of the hurricane-heavy 2004 and 2005.

Biggest Population Gains

(July 1, 2005, to July 1, 2006)

State	Increase
Texas	579,275
Florida*	321,697
California	303,402
Georgia	231,388
Arizona	213,311
North Carolina	184,046
Washington	103,899
Colorado	90,082
Nevada	83,228
Tennessee	83,058

* According to the University of Florida's Bureau of Economic and Business Research, Florida picked up 430,905 new residents for all of 2006.

Source: U.S. Census Bureau

Population estimates from the Census Bureau also show large increases — and other indicators bear out BEBR's estimates, as well. The Florida Division of Driver Licenses, for example, reports that Florida will have 15.7 million licensed drivers in 2006-07, up from 15.4 million drivers in 2005-06 and 15.1 million in 2004-05.

BEBR, meanwhile, predicts that Florida will continue to grow at a hefty rate during 2007 — although maybe not quite as hefty as it did during 2006. "I'm guessing it will be closer to 370,000 or so," says David Denslow, a UF economics professor and a BEBR researcher.

Stanley Smith, BEBR's director, says that despite increases in taxes and insurance, Florida still enjoys some comparative price advantages over other areas. "People have always taken into account the cost of living in different places, which would include tax levels and insurance and so forth," he says. "But Florida is still a relatively low tax state, with the lack of an income tax. Even property taxes are lower in Florida than in a lot of Northeastern and Midwestern states." Indeed, while Florida's combined per capita state and local tax burden has risen to nearly \$3,000, the state still ranks in the lower half of states, according to Florida TaxWatch.

Property Taxes

City	Millage Rate
Jacksonville	18.18
Orlando	20.45
Fort Lauderdale	22.11
St. Petersburg	23.16
Miami	24.64
Buffalo, N.Y.	20.75
Pittsburgh	29.41
Bloomfield, Mich.	36.37
Detroit	53.07

Source: Property appraisers' offices

Taxes, in fact, are one reason Dawn Villone moved to Lakewood Ranch from California last summer. A 42-year-old business owner, she pays less in taxes here than she did in California — and she can afford more home in Florida, as well. "The housing here is nearly half of what it cost in Santa Barbara," she says. "Everything is a lot more affordable here." Is she worried about hurricanes? Not so much. "California has earthquakes, and the Midwest has tornados," she says. "It's all

perspective."

Still, researchers say it's too soon to tell that Florida's growth won't be affected by concerns over taxes, insurance, housing costs and hurricanes. Scott Cody, a BEBR demographer, says we're still a few years away from knowing for sure, particularly in determining the impact of the 2004 and 2005 storm seasons. In Georgia, often mentioned as a place to which Floridians are moving, the only evidence is anecdotal. Judy Hadley, a statistical research analyst with Georgia's Office of Planning and Budget, says she hasn't seen any statistical evidence that would support an accelerated Florida-to-Georgia migration. "But there's a lag factor in getting the numbers," she says. "It's not unusual for me to get data a year and a half or two years after the actual date."



"Everything is a lot more affordable here," says recent Santa Barbara, Calif., transplant Dawn Villone, with son Nicholas, 9. "California has earthquakes, and the Midwest has tornadoes. It's all perspective."

Smith thinks the health of the nation's economy has more potential, anyway, for altering growth than do taxes, insurance or storms. "Going back 30 to 40 years, we've seen that migration tends to slow down during recessions. The population increase dropped from more than 400,000 people a year in the early 1970s to less than 200,000 a year in the mid-1970s. We also saw declines in the early 1980s and early 1990s," Smith says. Overall, demographic trends should continue to favor Florida growth. "The Baby Boomers are hitting retirement age, and even if you have these higher property taxes and higher insurance rates, there are simply more people out there to move here," Denslow says. "And many of these Baby Boomers are very affluent."

Florida Trend, Copyright © 2007, All Rights Reserved.