



2026 FLORIDA ECONOMIC OUTLOOK

The Florida Chamber Foundation's economic insights and predictions for the year ahead

JANUARY 2026

THE FLORIDA STORY IN 2026

Florida is entering 2026 with more stability than at the beginning of 2025, when unknowns at the national level left business leaders and consumers with questions about Florida's economic future. But this year, despite unknowns, national economic policies and strategies are expected to be more stable, which is a good thing for Florida businesses.

Now that the economic policy path seems more established, the outlook for Florida's economy in 2026 is upward growth, outpacing the national economy, but by a smaller margin than in recent years. National projections give us insights into the foundation on which Florida's economy will rest: a bullish approach to interest rates expected in the middle of the year could stimulate GDP and the labor market, with prices also pushing upward.

Zooming further into the Florida story, despite the slowing in net migration, Florida will still rank among the top in the nation for new residents. The rapid population growth of recent years is still sustaining a strong economy, and an attractive business climate is fueling Florida's role as a national economic leader.

As always, many factors influence the direction of the economy, which is why the Florida Chamber Foundation keeps a pulse on the economy throughout the year, arming business leaders with the data they need to make informed decisions. As we begin the year, all signs point to a slower, yet steady and sunny year for Florida's economy.

-FLORIDA CHAMBER FOUNDATION

FLORIDA'S 2026 ECONOMIC OUTLOOK:

By the Numbers



GDP GROWTH

2.5% - 2.7%



INTEREST RATE CUTS

2 Predicted



UNEMPLOYMENT RATE

4.2% - 4.3%

& Lower than the nation



INFLATION RATE (CPI)

2.4% - 2.5%



JOB GROWTH

1.0% - 1.2%

& Outpacing the nation



MEDIAN SINGLE FAMILY SALE PRICE

\$405k - \$415k



POPULATION GROWTH RATE

Strong, but Slower Population Growth Due to Declining Domestic Migration

1.4% - 1.5%

FLORIDA'S ECONOMIC GROWTH

Florida's GDP is expected to grow at a faster pace than the U.S., although the lead will narrow. This gives confidence that the Sunshine State's economic outlook will remain bright in 2026.

Florida's 2026 Projected Annual Real GDP* Growth By the Numbers

2.5% - 2.7%

*Real GDP adjusts for inflation, showing actual growth, not just higher prices

What will fuel Florida's growth?

The size of the economy is measured by GDP (Gross Domestic Product), which is the value of the final goods and services in an economy. There are four components: Consumer Spending, Business Investment, Government Spending, and Net Exports.

Expectations for each component of GDP in 2026:



Consumer spending is $\frac{2}{3}$ of GDP - and it is strong in Florida. The population and income base are high in the state, contributing to the high levels of consumer spending. However, it will slow overall in 2026 as population growth and employment cool.



Florida has a strong business climate, fueling a strong year for business investment. This business investment will likely be most highly concentrated in a few industries, the highest being sectors related to AI.



Government spending is expected to be stable and not see significant change in 2026.



Small but positive movement is expected in international trade. After a year of uncertainty surrounding trade policies, they are beginning to stabilize.

Over the last 4 years, Florida's annual Real GDP growth has been an average of 2.2 percentage points higher than the national rate. However, that gap was significantly larger in the first half of that period. Between 2021 and 2023, Florida's average annual Real GDP growth rate was 3.6 percentage points higher, compared to 0.8 percentage point in the most recent 2 years. This shows that Florida's economic advantage over the U.S. has remained but is not as large as the immediate post-pandemic years.

Florida vs. U.S. Percentage Change in Real GDP from a Year Ago



Bureau of Economic Analysis

Average Gap in Growth Rate Florida vs. U.S.

● U.S. ● Florida

Last 4 Years: +2.2%

2021-2023*: +3.6%

2023-2025**: +0.8%

*Q3:2021 - Q3:2023, **Q3:2021 - Q3:2025

The Bottom Line:

FLORIDA IS NOT EXPECTED TO SEE
A RECESSION

FLORIDA'S ECONOMIC ENVIRONMENT

Interest rate cuts are made at the national level and inflation rates are measured for the country overall – but they are significant for Florida's unique outlook in 2026. National economic decisions ripple into the realities of Florida's economy.

Interest Rates and Inflation in 2026

By the Numbers

Interest Rate Cuts

2 Predicted

Inflation Rate (CPI)

2.4% - 2.5%

FLORIDA'S OUTLOOK:

So, what does all this mean for Florida's consumers and business owners? Lowering interest rates is a strategy used to stimulate the labor market. For example, when interest rates are lower it can be cheaper for businesses to finance their operations, allowing them to invest in hiring more employees. The Fed's expected focus on stimulating the labor market means that Floridians can expect to see modest boost to our already strong labor market.

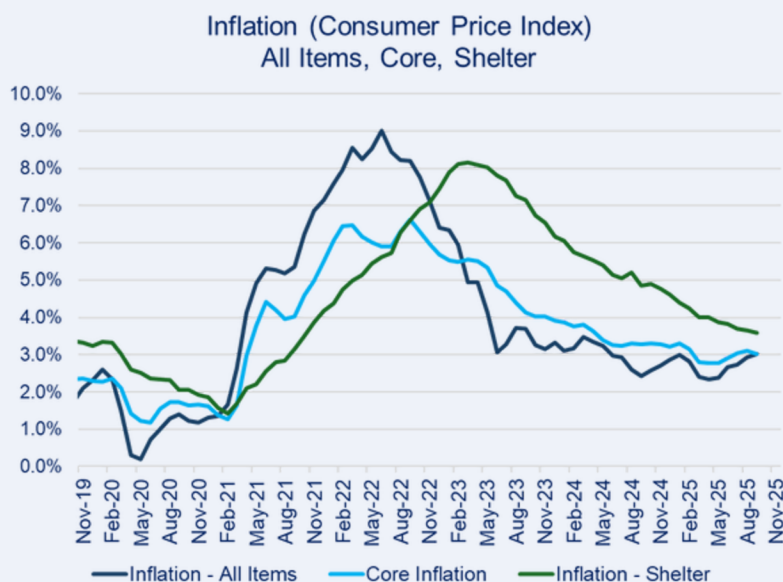
Currently, prices are 2.7% higher than they were a year ago (CPI inflation). By the end of 2026, we expect inflation to drop to the 2.4% to 2.5% range. This is still above the Federal Reserve target rate of 2%, and Floridians will still be feeling the pressure of prices in some areas. However, our expectation of cooling in the housing market and pickup in the labor market at the end of 2026 will help balance some of that pressure.

NATIONAL OUTLOOK:

There were two chapters for the story of inflation in 2025. In the first few months of the year, uncertainty surrounding national policy and little movement in inflation and labor market dynamics led to no change in interest rates. However, as the labor market cooled in the second half of 2025, the Federal Reserve began to lower interest rates, entering an easing cycle.

Looking ahead to 2026, the Federal Reserve is signaling, as of now, a moderate year for interest rate cuts, likely just one cut. However, the shift in policy at the end of 2025 that led to three consecutive cuts has shaped our predictions. We anticipate 2 cuts in 2026.

Since 2019, inflation spiked in 2022 and has since returned to lower levels, though not to pre-pandemic lows. While small upward spikes occurred in 2025, overall inflation is down 0.2 percentage points since December 2024. Larger declines are seen in core inflation (inflation excluding food and energy) and shelter inflation. Shelter (housing) inflation has experienced the steepest drop, falling 1.6 percentage points to 3.0%. This trend further supports expectations that 2026 will be a cooler year for housing prices. The more modest declines in all-items inflation and core inflation, combined with an expected labor market focus by the Federal Reserve, point to only a small percentage point drop in inflation to our expectation of 2.4%-2.5%.



The Bottom Line:

LOWER INTEREST RATES CAN STIMULATE THE LABOR MARKET, BUT EXPECT LITTLE MOVEMENT IN INFLATION IF POLICIES PAN OUT AS ANTICIPATED.

FLORIDA'S LABOR MARKET

There will be a modest boost to the labor market across the country in 2026, and Florida will follow suit. However, as in recent years, growth and unemployment will be slightly more stable in Florida.

Florida's 2026 Labor Market Outlook

Unemployment Rate
4.2%-4.3%

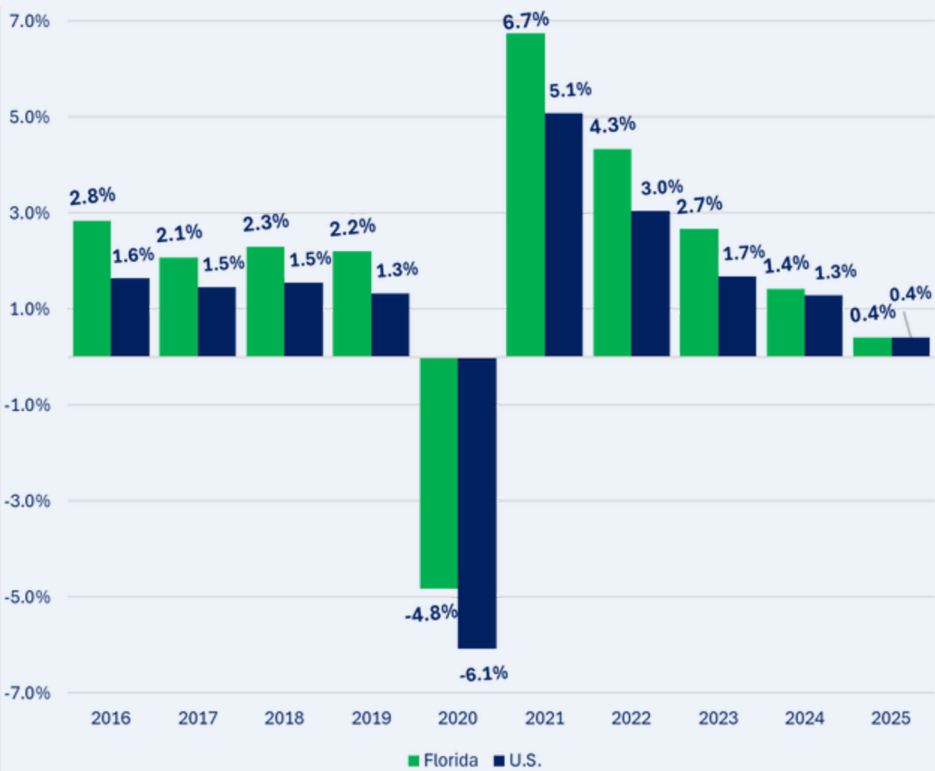
& Lower than the nation

Job Growth
1.0%-1.2%

& Outpacing the nation

Experts at the national level project a national unemployment rate of 4.4% in 2026 and anticipate relief into 2027 as the unemployment rate dips to the range of 4.2% to 4.3%. Florida's unemployment rate has been lower than the nation since September of 2020, and 2026 is not expected to be any different. By the end of this year, we predict unemployment to be around 4.2% to 4.3%. The unemployment rate could trend upward, peak in the middle of the year, and come down as potential interest rate cuts stimulate the job market.

Florida Job Growth
Annual, Nonfarm



Florida's annual job growth has outpaced the U.S. for over a decade, with only a modest dip in early 2025. Because recent data is still being adjusted following disruptions to government data collection, we are placing greater emphasis on longer-term trends, which continue to support a positive outlook. In 2026, Florida is expected to continue to outpace the nation in annual job growth, although the margin will be smaller than previous years.

The Bottom Line:

FLORIDA'S LABOR MARKET MAY SEE DIPS IN THE BEGINNING OF 2026, BUT IS EXPECTED TO STABILIZE BY END OF YEAR AND GROW FASTER THAN THE NATION.

FLORIDA'S HOUSING MARKET

Affordability has long been a pressure point in Florida, but 2026 could bring some relief in the form of steady prices. Inventory is growing, prices are stabilizing, and demand is strong.

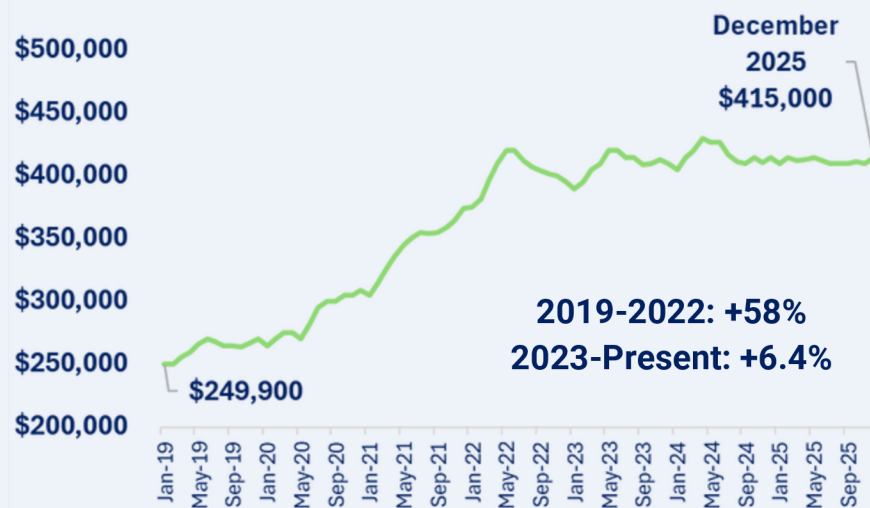
Florida's 2026 Housing Outlook By the Numbers

**Median Single Family
Sale Price:**
\$405k to \$415k

Yes, Florida's single-family housing market is less affordable now than it was prior to 2021, but the increase in prices was quick and steep, and has been stabilizing since. The median sale price rose by 58% from 2019 to 2022. However, from 2023 to now, it has only grown by 5%. In fact, **the median single-family home price in December 2025 was unchanged from the price in December 2024.** No movement in housing prices in 2025 is one of a few reasons that we expect 2026 to be a stronger year for the housing market.

Rapid migration led to an increase in sales in 2021, while low mortgage rates threw even more fuel on the fire. In the years since, sales have been slowing due to a combination of slowing migration, higher mortgage rates, and a spike in prices. However, the single-family housing market started to turn a corner in 2025. Prices saw little movement, and mortgage rates started to fall due to Federal Reserve interest rate cuts in the second half of the year.

Median Single-Family Home Prices Florida



Source: Florida Realtors

Annual Single-Family Home Sales Florida



Source: Florida Realtors

2025 was also the first year since 2021 that housing sales saw an annual increase. It may have been slight, but it is a good sign that demand will continue to be strong in 2026.

FLORIDA'S HOUSING MARKET

Home prices and mortgage rates only represent a couple parts of affordability. Property insurance rates have long been a conversation in Florida, as historic lawsuit abuse kept insurance rates high—or in many cases, drove insurer competition out of the state. However, key Florida Chamber-backed legislative reforms in 2022 and 2023 are changing the story. The impact of these reforms have been felt across the state. Since they took effect, 17 new insurance companies have entered Florida's market, boosting competition. According to Florida's Office of Insurance Regulation, approximately 5.9 million homeowners will see either a rate decrease or no increase at all when they renew their policies, something almost unheard of in recent years. This relief is expected to continue into 2026.

Regional Snapshot

The state level outlook sets the direction for the single-family housing market, but the regional look is also essential.

2025 Change in Sales:

Florida: +0.9%

Over half of Florida's Metropolitan Statistical Areas (MSAs) saw an annual increase in sales. The Villages had the highest increase (+15.1%), while the Lakeland-Winter Haven MSA had the largest decline (-5.9%)

2025 Change in Median Price:

Florida: -1.4%

Over half of Florida's MSAs saw an annual decrease in prices. The Sebastian-Vero Beach MSA had the largest decrease (-6.2%). The Crestview-Fort Walton Beach MSA had the largest increase (+4.5%).

Sales are expected to continue to increase in 2026, but what will it take for affordability to be the headline? Inventory will need to keep rising, the positive impacts of insurance reform will need to persist, and mortgage rates will need to stay put, if not drop further. Trends heading into the next year are promising, and 2026 is expected to be a stable and healthy year for a single-family housing market that has been adjusting post spike.

The Bottom Line:

SALES ARE EXPECTED TO INCREASE IN 2026, WITH AFFORDABILITY HINGING ON HIGHER INVENTORY, STABLE INSURANCE CONDITIONS, AND STEADY OR LOWER MORTGAGE RATES.

FLORIDA'S PEOPLE

Rapid population growth has been fuel for economic growth in Florida and will continue to be in 2026. Population growth will be slower, but still strong and among the top in the nation.

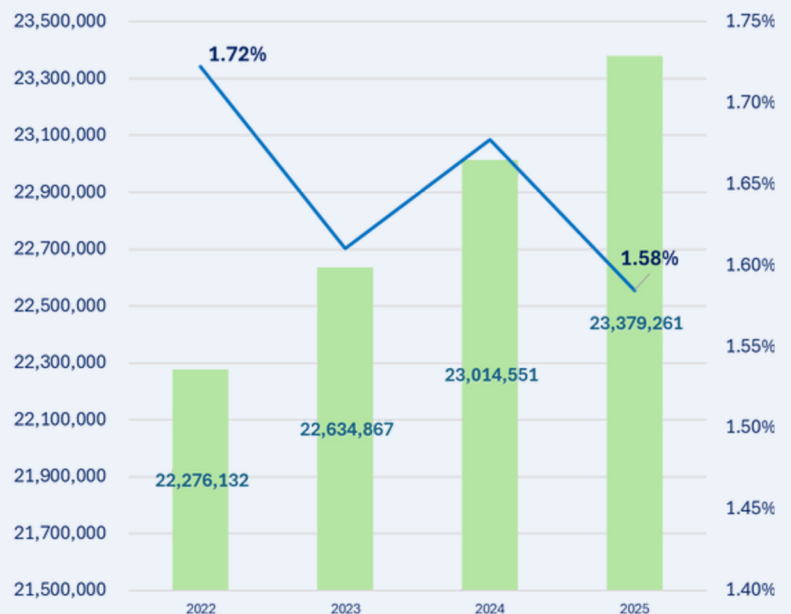
Florida's People in 2026

Strong, but Slower
Population Growth Due to
Declining Net
Domestic Migration

**Population
Growth Rate**
1.4%-1.5%

In 2022, Florida's population grew by the highest annual rate in recent years. Florida has continued to add new residents each year since, but the rate at which Florida's population has grown is slowing. Annual growth was 1.58% in 2025, compared to 1.72% in 2022.

Florida's Population
and Annual Population Growth Rate

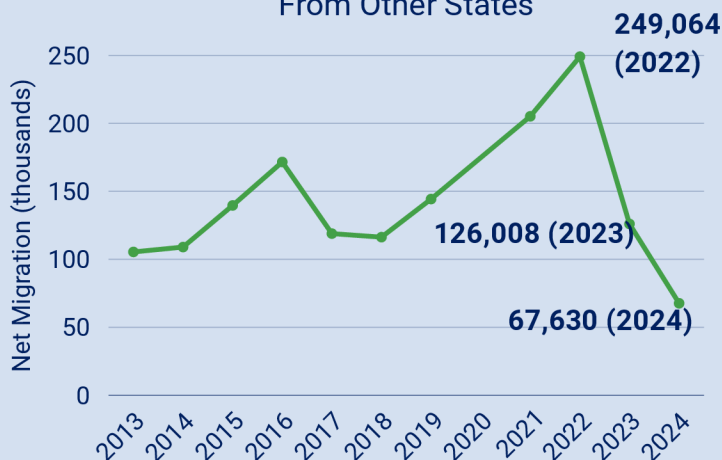


Source: Bureau of Economic and Business Research

State to State Migration Data Tells Florida's Population Story

- ➔ **573K** Moved Into FL
- ➔ **506K** Moved Out of FL
- ➔ **Net Migration: +67K**

Florida's Net Migration From Other States



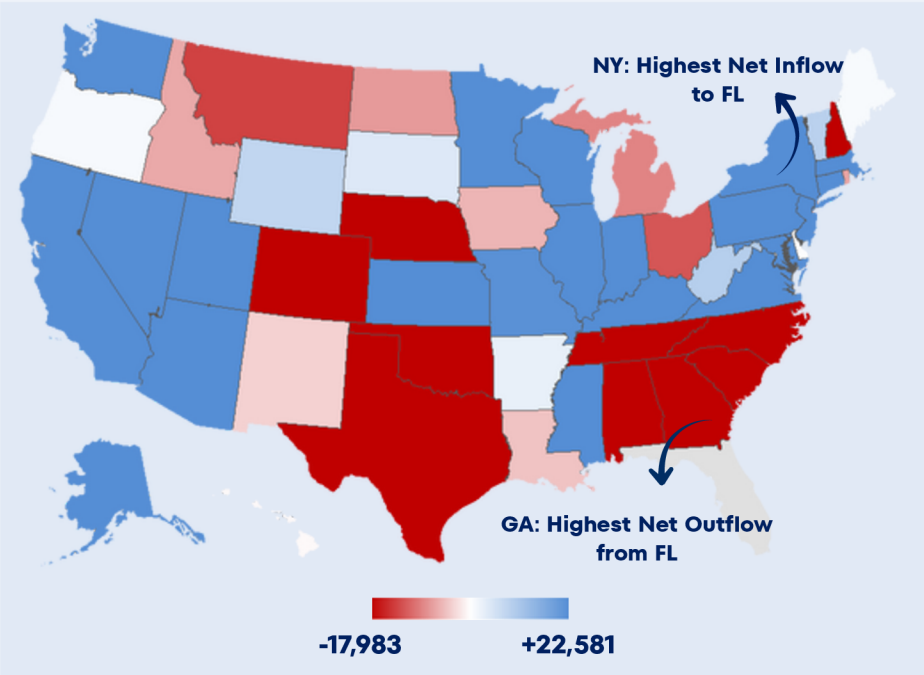
Note: No data was reported in 2020

Florida has more deaths than births annually. This means that all of Florida's population growth is from migration into the state. Migration into the state in 2026 is expected to be positive, but slower, based on trends in the past few years. Florida's latest state-to-state migration data reveals that there was a net inflow of 67,630 new residents into the state in 2024, a little over half the number in 2023 (126,000). However, this slowing migration is paired with Florida's sunny business and economic climate and a housing market that is shifting towards more affordability. With those things in mind, our expectation is that although Florida's population growth rate will decline, it will not be a large drop. In 2026, the prediction is for an annual population growth rate of 1.4%-1.5%

FLORIDA'S PEOPLE

Top states for Net Migration like Texas (#1) and North Carolina (#3) also saw significant drops in net migration. The numbers are showing that migration is cooling across the country, and Florida remains among the top amidst this slowdown. So, although we expect Florida's population growth and migration to slow in 2026, this doesn't mean that the state's economy will fall behind other states.

Net Inflow to Florida by State (2024)



The same trend is happening with New Jersey, Pennsylvania, Connecticut and others. Migration from these states is high compared to other states, but the levels are getting lower and the margin is narrowing. However, other states have a different story. Florida saw higher net migration from states like North Carolina, Arizona, Texas, and Indiana. This may signal the stabilizing of inflow from high-cost, high-tax states. In 2026, we may see a return to states with similar cost of living and similar economic environments being the source of in-migration. Migration trends remain inherently fluid, and therefore hard to project, but it seems that the extraordinary movements of the post-pandemic period may soon give way to more stable growth.

Top 3 States for Net State to State Migration 2023 vs. 2024

State	Net Migration 2023	Net Migration 2024	Change 2023 to 2024
1. Texas	133,372	72,680	(60,692)
2. Florida	126,008	67,630	(58,378)
3. North Carolina	106,592	58,587	(48,005)

New York, California, Illinois, and Massachusetts have topped the list of where people are moving to Florida from for years, and the latest data is no different. Since 2020, the migration story has been rising net migration from these northern, high-cost states. However, the amount of people moving from these places has declined significantly. In 2023, a net 46,000 moved from New York, but in 2024 it was 22,000.

The Bottom Line:

FLORIDA'S POPULATION GROWTH WILL REMAIN STRONG, BUT SLOWING IN-MIGRATION WILL SOFTEN THE ECONOMIC IMPACT SEEN BY RAPID INFLUX OF NEW FLORIDIANS IN RECENT YEARS.

WANT TO LEARN MORE ABOUT FLORIDA'S ECONOMY IN 2026?

Experts across all areas of Florida's economy shared exclusive insights on Florida's economic and business landscape at the 2026 Florida Economic Outlook & Jobs Solution Summit.

Highlights include:

- 2026 National Economic Outlook
- Florida's Workforce in 2026
- Florida's Housing Outlook: Planning for Growth in 2026
- What's Ahead for Aerospace, Tourism, Manufacturing, and Healthcare
- Preparing for Regional Growth Across Florida in 2026
- Navigating Florida's Tax Landscape in 2026



To hear from the experts, you can still purchase a digital pass.
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TOOLS AND RESOURCES TO MOVE THE NEEDLE

THE FLORIDA CHAMBER FOUNDATION OFFERS THE FOLLOWING TOOLS AND RESOURCES TO HELP FLORIDA LEADERS LEAD:

THE FLORIDA SCORECARD METRICS TO HELP SECURE FLORIDA'S FUTURE

Hundreds of state and county metrics showing Florida's economic progress on its way to becoming a top 10 global economy by 2030.

TheFloridaScorecard.org

FLORIDA By the Numbers

Each month, the Florida Chamber Foundation team provides an overview of Florida's latest job numbers and economic data in the *Florida By the Numbers* series.

FLChamber.com/BTN

THE FLORIDA TALENT CENTER **DATAHUB**

This tool is a centralized and user-friendly platform that brings together data across the cradle-to-career continuum. Designed to empower decision-makers, it offers essential insights spanning the entire talent pipeline.

FLTalentData.org

The Florida **GAP MAP**

This data visualization and analysis tool helps users identify the poverty root cause challenges Florida's children and families face that ultimately impact Florida's workplace and economy.

TheFloridaGapMap.org

RESEARCH

The Florida Chamber Foundation produces and partners on a number of important studies that have provided insights to business leaders and an intellectual framework for state policy.

FLChamber.com/research

UPCOMING EVENTS

Join us as we unite the Florida business community for good at our upcoming Florida Chamber and Foundation events.

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**The Florida Chamber Foundation's mission is made possible by
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If you are interested in supporting the work of the Florida Chamber Foundation to help make research like this possible, visit FLChamber.com/CDP to learn more, or contact our Vice President of Research, Dr. Keith Richard, at krichard@flchamber.com.





Thank You

Thank you for your interest in the Florida Chamber Foundation's research aimed at achieving our *Florida 2030 Blueprint* mission of making Florida a top 10 global economy by 2030. If you would like to view additional research, please **visit our website**.

Unite With Us in Our Mission Efforts

To learn how you can get involved with our initiatives and efforts to unite Florida leaders in securing the future of Florida's businesses, residents and economy, please contact us at **research@flchamber.com**.