Economic Outlook

Sarasota County

Sarasota, FL
May 21st, 2025

Institute for Economic Forecasting

"It's Tough to Make Predictions, Especially About the Future"

--Yogi Berra

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The Election is Over

Trump v2.0

- Tariffs and trade wars and DOGE.
- Oh, My!

The National Debt

$36.8 trillion problems…

And now Fitch is one

- The unrelenting increase is what prompted Fitch Ratings to issue a surprise downgrade of the nation's long-term credit score in mid-2023.
- The agency cut the U.S. debt by one notch, from its pristine AAA rating in exchange for an AA+ grade.
- In making the decision, Fitch cited alarm over the country's deteriorating finances and expressed concerns over the government's ability to address the ballooning debt burden amid sharp political divisions.

The National Debt

Debt to GDP Ratio (IMF)

Country	Debt/GDP (%)
Sudan	280.3
Japan	254.6
Singapore	162.5
Greece	158.8
Italy	139.2
Bahrain	126.0
United States	123.1
Maldives	121.1
Lao P.D.R	115.5
Cabo Verde	112.2
Bhutan	111.4
Barbados	107.5
Spain	106.3

The National Debt

Interest payments on the National Debt are now greater than $1 trillion per year.

Projected to hit $1.4 trillion this year.

Can D.O.G.E pull us back from the abyss?

The National Debt

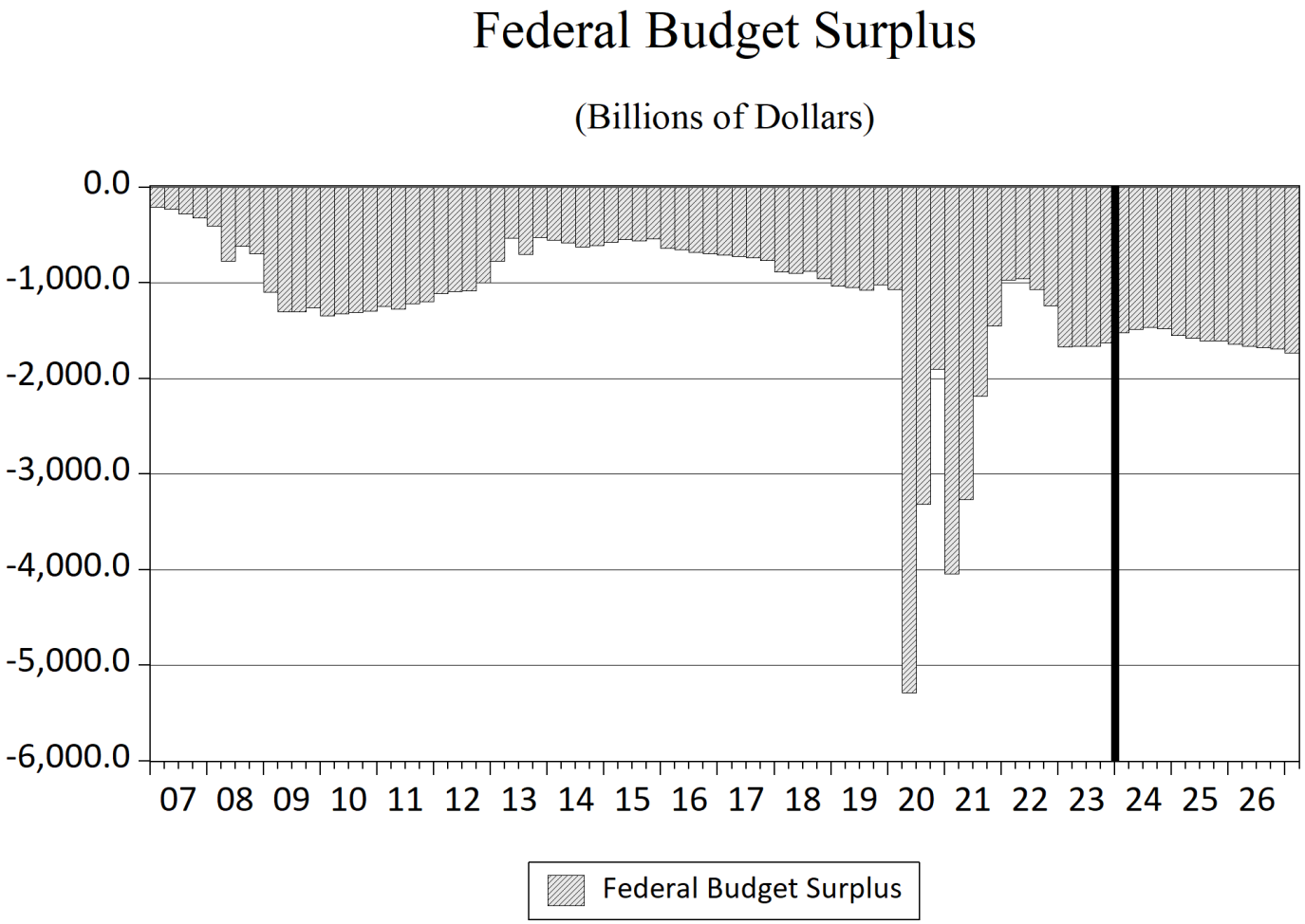
In Ernest Hemingway's *The Sun Also Rises*, there is the following exchange between two characters, Bill Gorton and Mike Campbell:

"How did you go bankrupt? Bill asked.

"Two ways," Mike said.

"Gradually and then suddenly."

The National Debt



The National Debt

D.O.G.E.

$422 billion in cuts to date

Budget deficit is currently $2 trillion

Lasting and meaningful fiscal reform will necessitate congressional participation

Tariffs and Trade

How and why tariffs are used:

- Protecting domestic businesses from foreign competition by raising the price of imported goods
- Addressing trade practices such as subsidies provided by foreign governments
- Supporting national security
- As a source of government revenue, although this is generally much less important for advanced economies
- Securing concessions in other areas*

Tariffs and Trade

Impacts:

- Tariffs may slow global economic growth, while shifting supply chain relationships between the US and other countries or regions, most notably with mainland China, Mexico and Canada.

- The Trump administration has taken several actions, including new tariffs on imports and shipping from mainland China, additional duties on steel and aluminum, a national security review of copper and forestry imports, delayed actions against Canada and Mexico and a detailed country-by-country reciprocal tariff policy. Reviews of the pharmaceutical and semiconductor sectors are pending.

Tariffs and Trade

Impacts:

- Options for reaction by other countries or regions include reciprocal tariffs (pursued by mainland China, Canada and the EU), targeted purchase programs or policy alignment.
- Corporations may face higher procurement costs for intermediate goods, while imported assembled goods may mean higher consumer prices for these products.
- Previously established strategies for pricing, supplier negotiations, inventory management and reshoring will be rolled out.

Tariffs and Trade

Impacts:

- Rapid changes have raised uncertainty –> stock market's tariff tantrum, Increased risk of recession in the near term
- Extent to which midstream and downstream products are affected by the tariff increases will vary by industry and supply chain composition

The Federal Reserve

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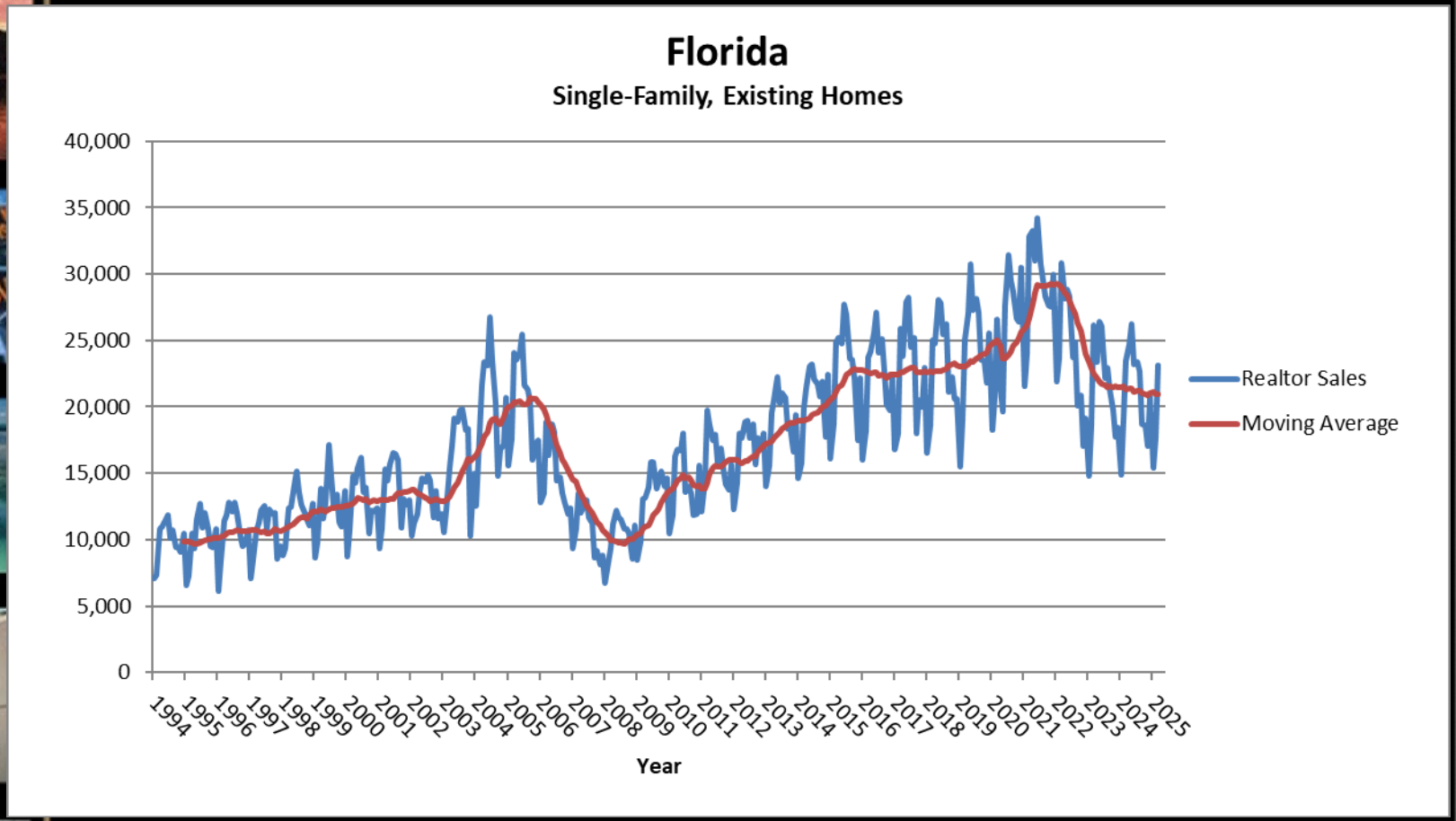
U.S. Forecast

	2023	2024	2025	2026	2027	2028
Real GDP % Change, Annual Rate	2.9	2.8	1.5	1.9	1.8	1.9
Unemployment Rate %	3.6	4.0	4.2	4.5	4.7	4.6
Payroll Employment % Change Year ago	2.2	1.3	1.1	0.2	-0.1	0.1
Consumption % Change, Annual Rate	2.5	2.8	3.0	2.2	2.3	2.7

U.S. Forecast

	2023	2024	2025	2026	2027	2028
Consumer Prices (Annual Rate)	4.1	3.0	2.9	3.0	2.3	1.9
Excl. Food & Energy (Annual Rate)	4.8	3.4	3.2	3.0	2.3	2.2
Producer Prices, Finished Goods (Annual Rate)	1.5	1.2	2.8	1.5	1.2	1.7

Florida Forecast



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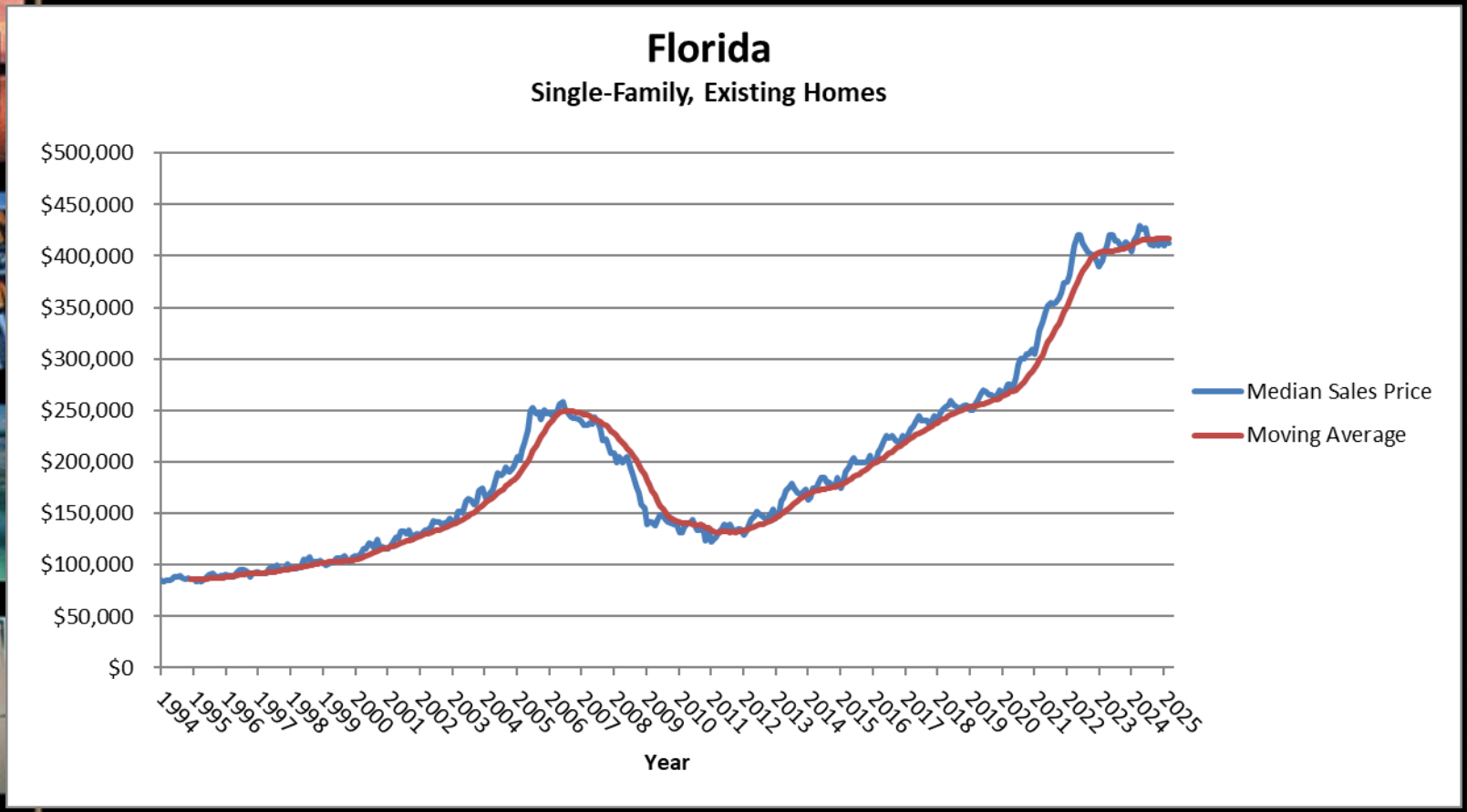
Florida Forecast



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Florida Housing Market

	March 2025	March 2024	Percent change
Closed Sales	23,128	23,435	-1.3%
Median Sale Price	$412,500	$420,600	-1.9%
Median Days on Market	47	40	17.5%
Inventory (Months Supply)	5.5	4.1	34.1%

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Sarasota Housing Market

Single-Family	March 2025	March 2024	Percent change
Closed Sales	1,485	1,453	2.2%
Median Sale Price	$485,000	$500,000	-3.0%
Median Days on Market	43	45	-4.4%
Inventory (Months Supply)	6.1	4.7	28.8%

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Sarasota Housing Market

Condos	March 2025	March 2024	Percent change
Closed Sales	624	686	-9.0%
Median Sale Price	$340,000	$373,900	-9.1%
Median Days on Market	52	53	-1.9%
Inventory (Months Supply)	9.0	6.6	36.4%

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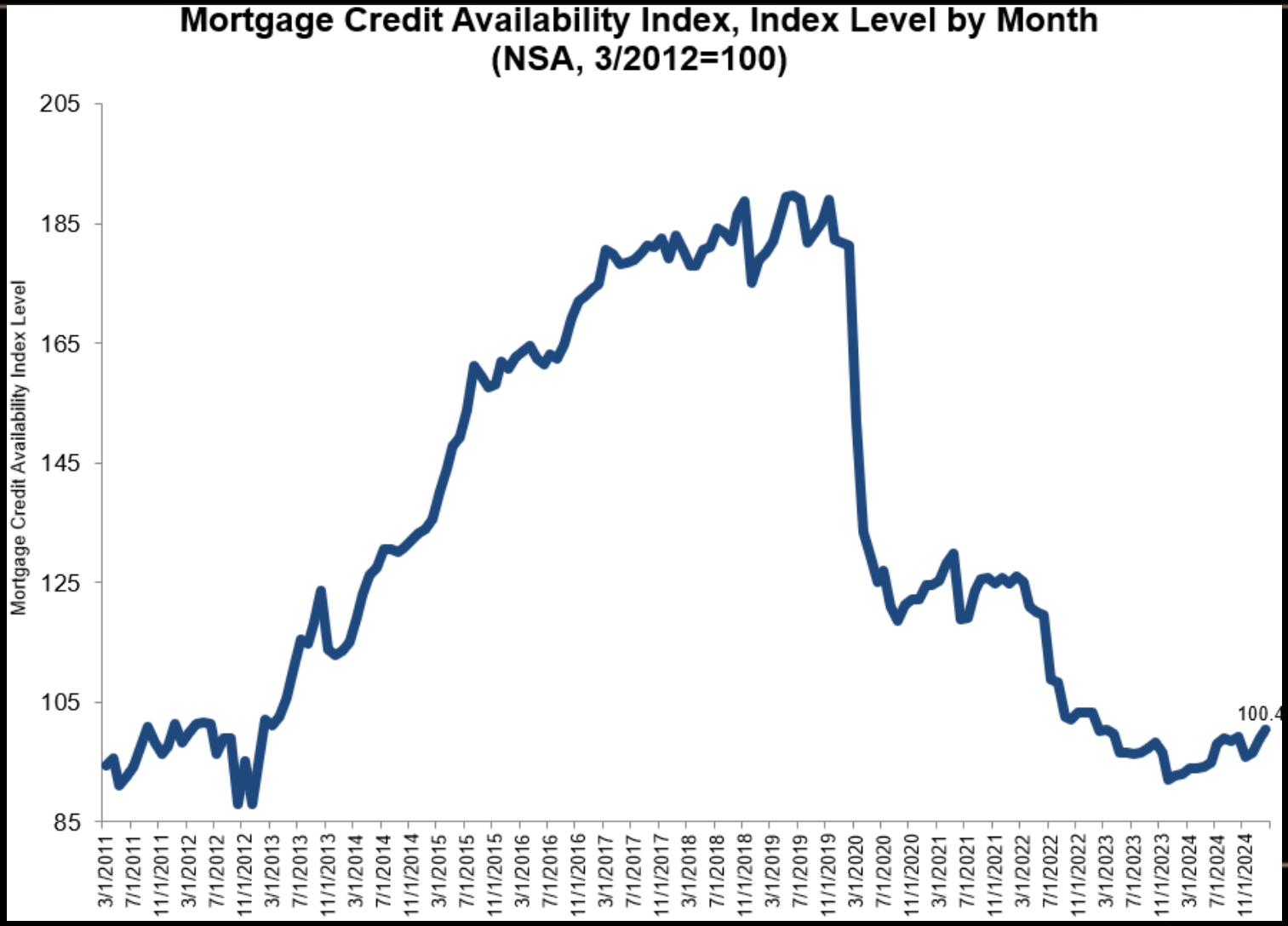
Housing Market

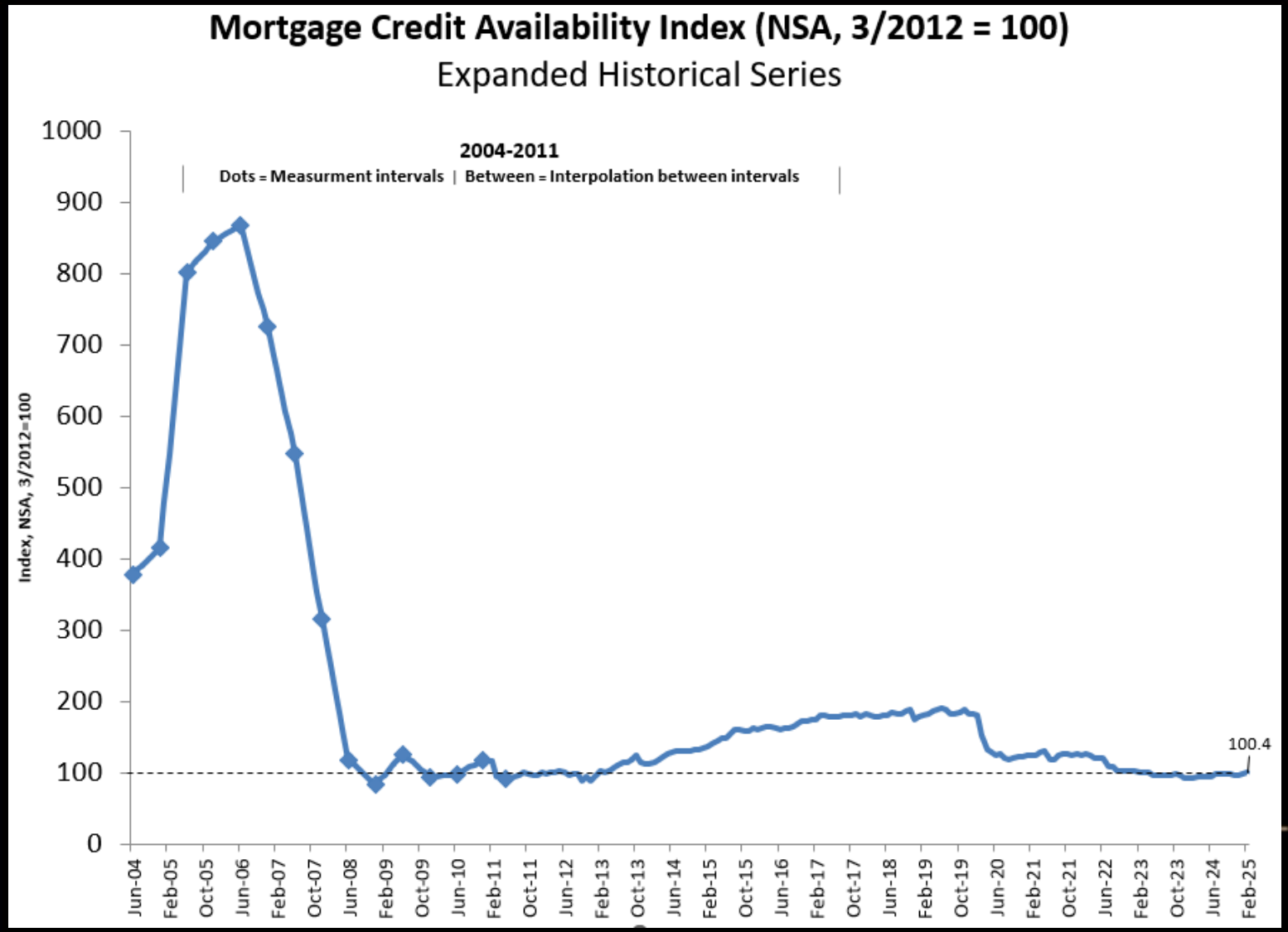
The surge in housing prices from 2020 to 2023 are not the same as were experienced in 2004-2006.

- Mortgage lending standards tightened during the pandemic and were far from the easy lending that fueled the housing bubble of 2004-2006.
- Recent values of the mortgage credit availability index are a fraction of the levels in 2004-2006.

Housing Market



Housing Market



Florida Forecast

	2023	2024	2025	2026	2027	2028
Real State GDP % Change, Year Ago	4.3	3.6	2.4	2.1	1.7	2.0
Unemployment Rate %	2.9	3.3	3.5	3.8	3.9	3.9
Payroll Employment Thousands	9,754	9,954	10,086	10,153	10,182	10,242

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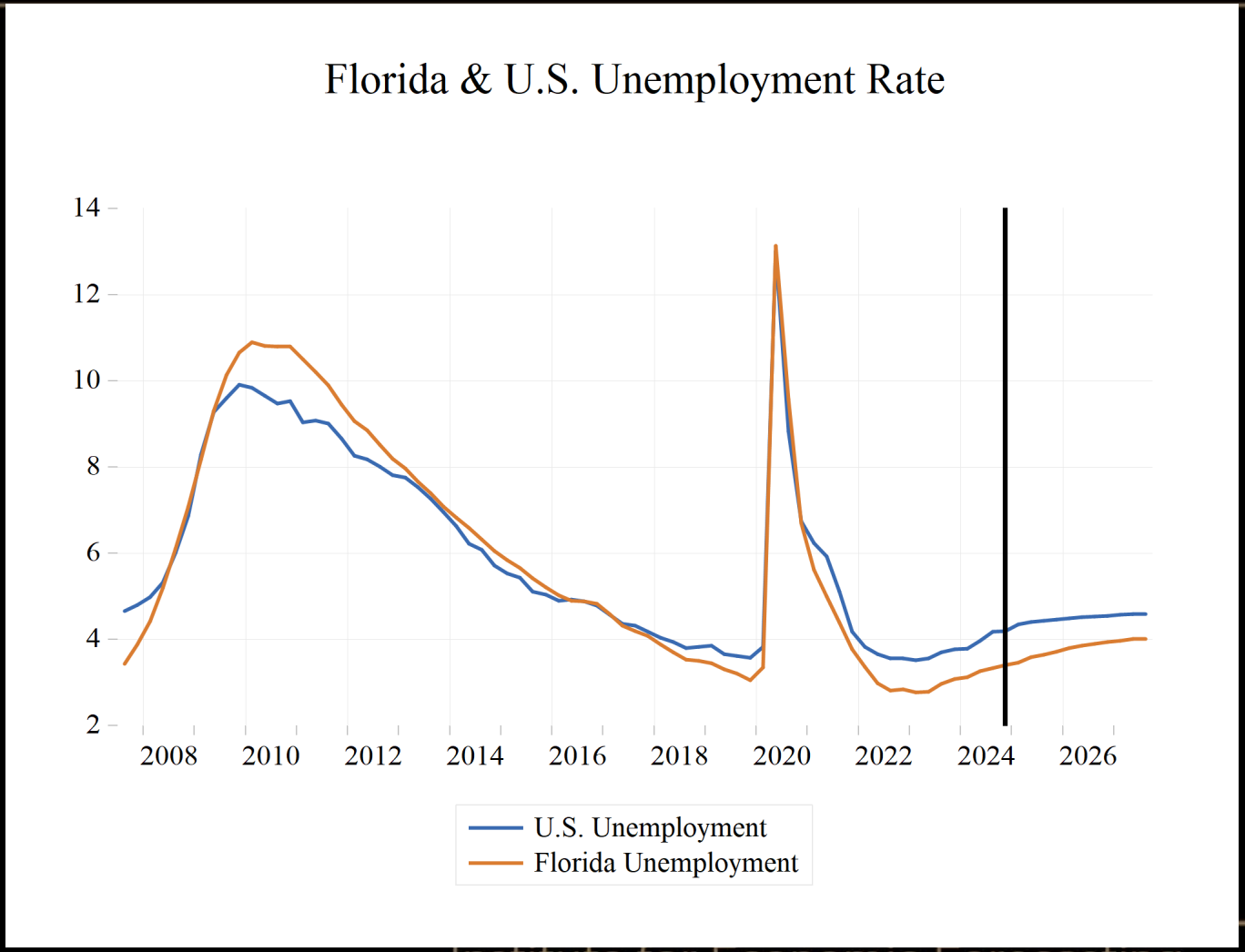
Florida Forecast



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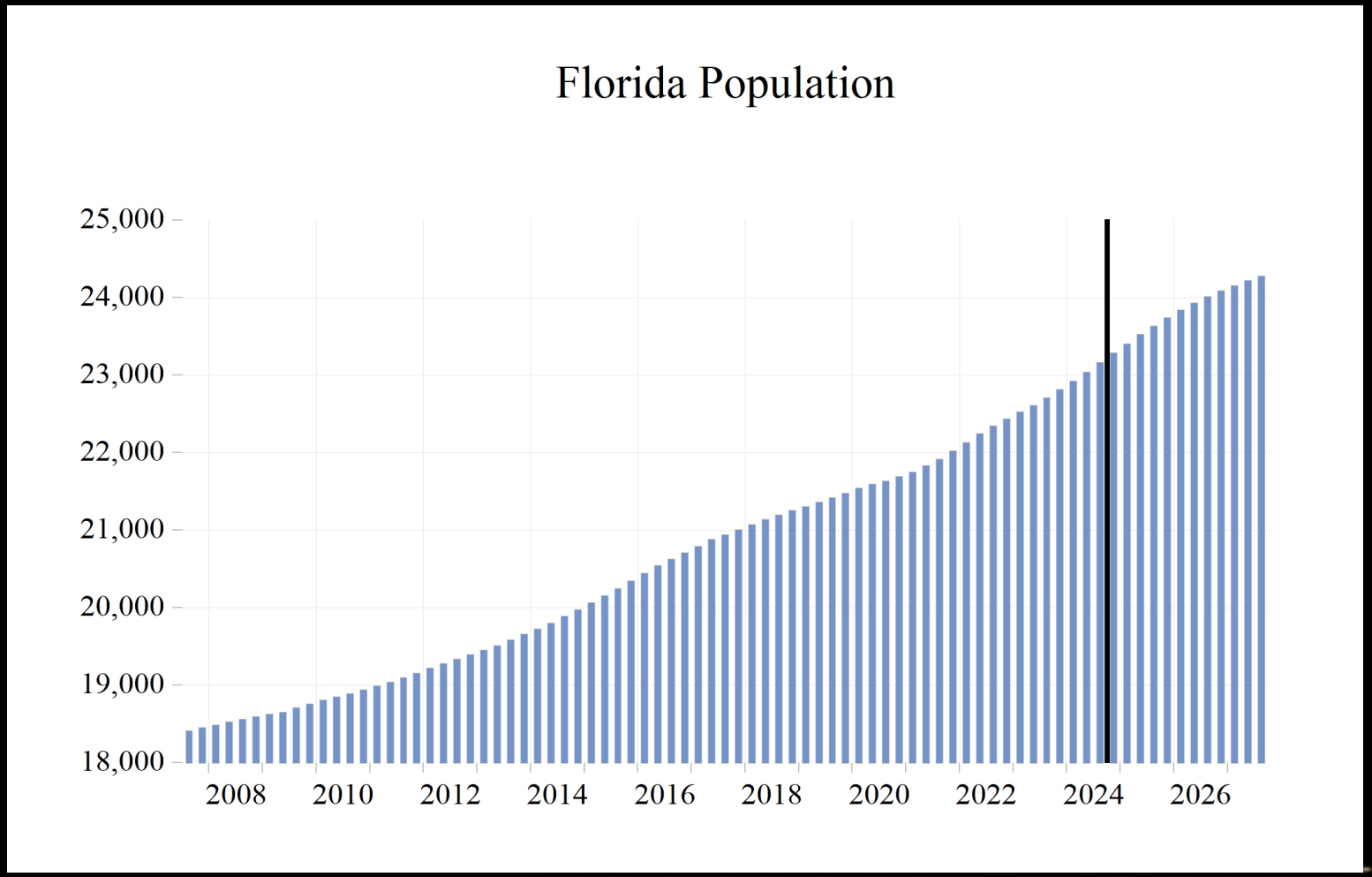
Florida Forecast



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2025-2028 Averages; Winter 2025 Forecast

Florida	
Sector	% Average Annual Growth
Education-Health Services	2.3
Leisure & Hospitality	1.6
Construction	1.6
State & Local Government	0.9
Federal Government	1.2
Financial	0.0
Trade, Transportation & Utilities	0.4
Professional & Business Services	0.0
Information	-1.5
Manufacturing	-0.9

Sarasota Forecast

	2023	2024	2025	2026	2027	2028
Real Metro GDP Billions $	45.4	47.1	48.3	49.5	50.4	51.5
Unemployment Rate %	3.0	3.5	3.7	3.9	3.9	3.8
Payroll Employment Thousands	342.2	347.8	353.4	356.8	358.8	361.9

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2025-2028 Averages; Winter 2025 Forecast

Sarasota	
Sector	% Average Annual Growth
Construction	2.2
Leisure & Hospitality	1.7
Federal Government	1.7
Education-Health Services	1.5
State & Local Government	0.9
Trade, Transportation & Utilities	0.4
Information	0.4
Professional & Business Services	0.0
Financial	-0.1
Manufacturing	-1.0

Quarterly Forecast Publications Available

Florida & Metro Forecast

U.S. Forecast

Download both here:
WWW.BUSINESS.UCF.EDU

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Thank you

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