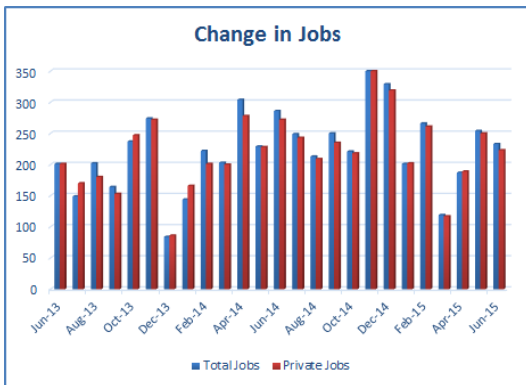


ECONOCAST™ UPDATE – July 6, 2015

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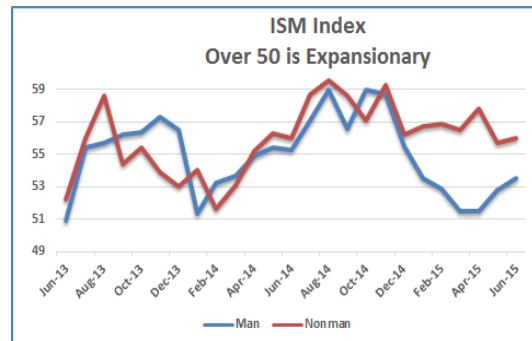
U.S. Economy – Stronger Job Growth and Risks from Greece

Job growth remained strong in June, up 233,000. While this was another good reading, job gains for April and May were revised down by 60,000 jobs, and other labor market indicators were disappointing. In particular average hourly earnings were flat. But this was because of goods-producing industries, service sector earnings were for the most part more positive. The unemployment rate fell to 5.3%, but this was because of a sharp drop in labor force participation. The take away is that labor markets continuing improving at a steady but not a spectacular pace. Full employment will be achieved by this time next year.



The ISM indices advanced in June, particularly the manufacturing index

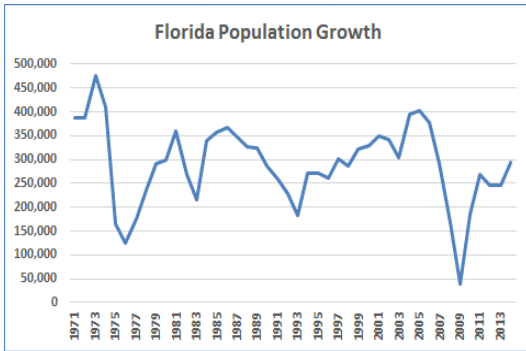
which jumped from 52.8 to 53.5 in June. This brings the cumulative increase over the past two months to 2 points. The ISM nonmanufacturing ticked up from 55.7 to 56. The gains came primarily from new orders. These gains support an estimate of 3.5% growth for real GDP this quarter.



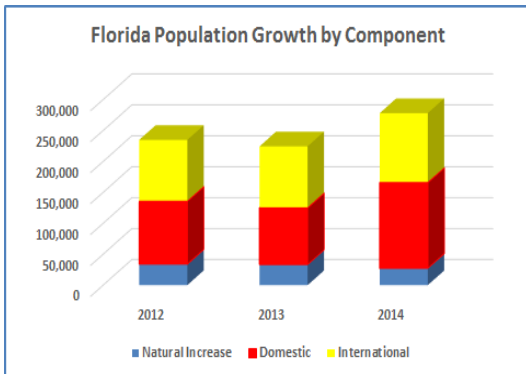
The Greek tragi-drama continued all last week overshadowing the positive economic reports. No matter what the ultimate outcome may be, Greece will have little lasting impact on the U.S. and the risk of contagion in the euro zone is lower now than it was in 2011-2012. Still, U.S. equity markets have been rattled by Greece's imposition of capital controls and the heightened uncertainty about how the situation will be resolved. There will be some immediate discomfort in financial markets, but the U.S. banking system has little exposure.

Florida Economy: Population Increased 293,000 in 2014

The Census reports that Florida's population growth accelerated to 293,000 in 2014 up from the pace of about 250,000 per year in 2011 through 2013. While this was an impressive gain, population growth has only finally recovered back to its average of about 300,000 per year over the last 40 years.



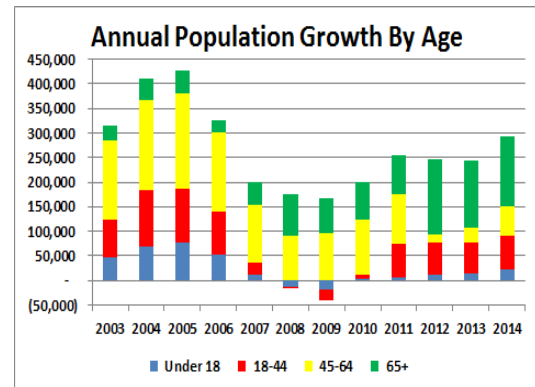
The surge in population growth in 2014 was mostly due to a 50% increase in domestic migration from about 91,500 in 2013 to nearly 140,000 in 2014. International migration also remained strong, but it only grew by 13% in 2014 to 112,300.



The big gain in domestic migration was supported by two fundamental factors. First, Florida's job market has improved strongly over the last 24 months attracting labor force aged population. Second, housing markets

have improved to the point where the values for most residential properties have recovered to levels higher than their mortgages in the states east of the Mississippi. This is the area from which Florida derives most of its domestic migrants, so the prices and levels of sales are important drivers of domestic migration to Florida.

Looking at the growth of Florida's population by age groups provides further insight into the recent acceleration in population growth. Most of the recent population gains came in the population aged 45 to 64 with lesser contributions from younger age groups. These gains are primarily due to Florida's improved labor market which is attracting back into Florida labor forced aged population along with their families. During the Great Recession Florida lost population in these younger age groups when the job market contracted.



Florida has also benefited from accelerating migration of retirees to Florida. While the growth in population 65 and over remained strong rising over 141,000, the pace was about the same as posted since 2012. The recovery in the nation's housing market along with the gains in the stock market have allowed more people aged 65+ to sell their homes and move to Florida.