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Survey: South Floridians are budgeting well despite lack of jobs and ongoing foreclosure crisis

By Donna Gehrke-White, Sun Sentinel

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South Florida has been burdened with the weakest job-creation record and the worst foreclosure rate of the nation's 12 largest metro areas. Yet, South Floridians are holding tough, managing well what money they have, said the creators of a national Consumer Distress Index.

South Floridians' budget handling — spending less than what they earn — ranks higher than the national average, according to CredAbility, a nonprofit credit counseling agency that surveyed the nation's largest metro areas in categories such as employment, housing, families' credit, household budget and net worth for its Consumer Distress Index.

Because of South Floridians' belt-tightening, Broward, Palm Beach and Miami-Dade counties are slowly emerging from the Great Recession and are no longer in crisis, according to CredAbility's quarterly report.

In fact, South Florida's economy should further improve as the real estate sector continues to rebound, said economist William B. Stronge, a professor emeritus at Florida Atlantic University.

"I expect to see an upswing," he said.

Still, South Florida is the sixth-most-distressed metro area in the country, according to CredAbility's national survey. Orlando remains No. 1, followed by Tampa-St. Petersburg. The three account for half of the nation's six most economically distressed metro areas, because the Florida metro areas were all hit hard by the housing bust, foreclosures and layoffs from the Great Recession, said Mark Cole, CredAbility's executive vice president.

So far, South Floridians have done a better job of handling their household budgets than people in Orlando, Cole said.

In South Florida, "people are managing their household budgets pretty well," he said. "That tells me people are controlling what they can."

Todd Templin, of Pembroke Pines, said his family started watching their spending once the recession hit.

"I think the recession make everyone think," he said. With a son soon to go to college, Templin said, his family wanted to especially make sure they had money to help pay.
"We didn't want to over-extend," he said.

Friends and neighbors also have become more careful. There's not as much "keeping up with the Joneses" as there once was in South Florida, Templin added.

Indeed, most South Floridians aren't spending more than what they earn, CredAbility's Cole said. "That's not easy," especially with a weak job market preventing some from getting work or putting in more hours for a larger paycheck, he said.

A report this month from the U.S. Bureau of Labor Statistics showed South Florida has been last in job creation among the nation's 12 largest metro areas from September 2011 to September 2012. South Florida had only a 0.3 percent rise in jobs compared to the 1.4 percent national average increase. Of the nation's largest metro areas, Houston had the largest jump in jobs — 3.7 percent.

Still, South Florida's economy is better than it was, said Jeff Burto, president and chief operating officer of Fort Lauderdale-based Sunbound, that specializes in coordinating meetings, conferences and incentive travel in Florida and the Bahamas.

His company had to reduce its staff from 22 to five during the depths of the recession. "We're now back up to eight," he said. Sunbound hopes to add more as the economy further improves, he added.

South Florida's economy should pick up more steam, economist Stronge said.

It started out brisk earlier this year, only to falter this spring before the South Florida economy regained speed late summer, he said.

"It's definitely coming back," Stronge said.