



Will Florida's Future Also Be America's?

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Every year, U-Haul gathers all its data on its two million annual one-way truck rentals into a U-Haul Growth Index. It's an effective gauge on how well cities and states are both attracting and keeping residents

The hands-down “winner” since the COVID-19 pandemic began has been Florida. Ten Florida markets are among the top 25 growth cities in the country, U-Haul reported earlier this year.

“We have lower cost (of living) than other states. There is no state income tax—that’s a huge factor. The warm weather,” explains Mario Martinez, U-Haul Vice President of Southern Florida. “Jobs play a very important part in people moving into Florida. And during this pandemic for the past two years, we’ve also pretty much been open the entire time.” Other experts add that crime concerns in many other locales are a key reason so many people are seeking

out Florida's freedom and security

Nor is U-Haul data the only indicator that people are flocking to the Sunshine State. Verizon is citing a "massive, pandemic-related influx of people into Florida" for its decision to invest \$149 million in Florida. The company says that from January 2020 to April 2022, over 250,000 Verizon wireless customers moved to Florida, causing network congestion. During that time, peak-hour Verizon wireless traffic volume was up 408 percent in Orlando, 364 percent in Miami, 173 percent in Fort Myers and 165 percent in West Palm Beach.

Moving With The Flow

For decades, the states attracting the most refugees have been low-tax, low-regulation places like Texas, Florida, Utah and Idaho. In recent years, the states bleeding the most people are big government states like California, Illinois and Michigan. U-Haul vans can be three, four or five times more expensive to rent for a move to Florida from, say, New York than the reverse routing.

Florida-based Blue Line Moving has become famous among conservatives who want to move to red states. Owner John Rourke, a 16-year Army veteran, says, "I want to angle my business to be the mover of the Conservative party. His trucks feature an American flag, and his employees often wear "Let's Go, Brandon" T-shirts.

Last year, Donald Trump Jr. hired Blue Line to transport a piano. It's since also moved Florida GOP Congressman Brian Mast and Fox's Sean Hannity.

His customers aren't just celebrities. Carl David and his wife Arlyn used Blue

Line to move their fourth-generation fine art gallery from Philadelphia to Palm Beach last year. "Florida is wonderful. This is America," he told the New York Post. "It's business-friendly, politically friendly and the weather is great."

Florida has now surpassed New York to become the nation's third largest state, with 23 million people. Between 2010 and 2020 its population grew at double the national rate, and that has only accelerated during the pandemic. It is now adding 1,000 new residents a day. With eight of the top ten beaches in the world, it's no surprise Florida has become the top destination of foreign tourists as well as foreigners moving to America, supplanting California in both categories. Florida has become emblematic of much of America and central to all of it. The state is on the rise," the Economist magazine reports.

The Powerhouse

Florida's economy is now a powerhouse. If it were a country, it would be the world's 15th largest economy, bigger than all of Mexico. As of July 2022, Florida's unemployment rate is only 2.7 percent, and its private sector job growth has also exceeded the nation's for the last 14 months.

Politically, Florida is clearly the nation's biggest manifestation of a rightward shift in the electorate.

In 2012, Florida had 558,000 more registered Democratic voters than Republicans; today Republicans have the lead by more than 100,000 voters and climbing.

All but one of Florida's statewide elected officials are Republicans, both houses of the legislature are Republican as are both of its

U.S. Senators. The state currently sends 16 Republicans and 11 Democrats to the U.S. House, but a new redistricting map will likely shift that margin to 19 Republicans and nine Democrats.

All this is happening even as the state is increasingly diverse. More than one in five Floridians were born in another country.

“Even as Florida becomes more diverse it is becoming more Red, contrary to what the Left likes to say when they argue ‘Demographics are destiny’” says Bob McClure, president of The James Madison Institute, the state’s premier think tank. McClure is a 7th-generation Floridian, with his great grandfather having served on the state’s Supreme Court.

If Florida resident Donald Trump doesn’t become the Republican nominee in 2024, its GOP Governor Ron DeSantis is the clear front-runner. Both men have helped fuel a move to the GOP among Hispanic voters of all backgrounds, not just those from Cuba.

But former New York Times journalist David Shribman points out that Florida is chock full of potential presidential talent: “Trump, DeSantis, and Florida’s two Senators, Rick Scott and Marco Rubio, are all possible candidates from the same state at the same time,” he writes. “Florida, modern mother of presidents.”

Sound Policy

Lastly, Florida matters because it offers a case study in sound economic policy.

It charges no income tax, which enhances its appeal, as do the pro-business attitudes of the state’s leaders. The pandemic has prompted people and firms to

reconsider where they want to be based, leading many to move out of high-tax, high-regulation states (such as New York and California) to Florida and Texas, which are pro-business and tax-light. Silicon Valley and Wall Street types are attracted to a place where politicians welcome them and never condemn their success.

What are the specific factors that have pushed Florida forward?

Interviews with a variety of experts in the state say its advantages have the following roots:

DIVERSIFICATION OF THE ECONOMY

Once rooted in recreation and theme parks, the Interstate-4 corridor between Tampa and Orlando has joined Miami in becoming a new national tech hub.

Film and video production startups, a new Disney campus that feeds that company’s demand for entertainment product, and an influx of engineers has created a vibrant local version of Silicon Valley. The growing private space industry promises to bring even more high-tech jobs to Florida in the future.

THE LATIN CONNECTION

Miami has always been a gateway to Latin America. Today the familial connections of its immigrant population have led to the explosive growth of financial services and Spanish language film and video production. “As Latin America becomes more volatile, Miami’s connections are cross-cultural and multi-cultural and create a stability many Latins are seeking,” says Rodolfo Milani, who runs Miami’s Freedom Forum meeting.

EDUCATION

Jeb Bush, who was Florida's governor from 1999 to 2007, began a dramatic period of education reform in the state. Charter schools, new rules that permitted more home schooling, and educational choice opportunities for many lower-income students have improved the state's test scores and prospects for its high school graduates. Ron DeSantis has improved the pay of teachers so that it is now an attractive profession that can retain talent.

SMALL GOVERNMENT

A big advantage Florida has is that California and Northeastern states seem to be doing all they can to push people out.

Florida is a model of lean governance. It has the lowest number of government employees per head of all 50 states. State spending per citizen is also the lowest in America at \$3,845 a year, 40 percent below the national average. "Florida actually reduced inflation-adjusted expenditures per person for more than a quarter of a century starting in the 1990s," says Randy Holcombe, a professor at Florida State University. "That's remarkable."

A half dozen states are now following Florida's model of no income tax and moving to abolish theirs.

Florida's Pandemic Response

A new working paper by the National Bureau of Economic Research (NBER) compares COVID outcomes in all 50 states based on three variables: the economy, education and mortality.

The top 10 in the rankings are smaller states with the notable exception of Florida, which ranks sixth. That will strike many

people as remarkable given the media coverage that Florida's refusal to lockdown its economy and beaches was the height of folly. Governor DeSantis was smeared with the moniker "Governor Death Sentence."

In reality, Florida ranks 28th in mortality, in the middle of the pack and about the same as California, which ranks 27th despite its far more stringent lockdowns and school closures. But Florida ranks third for the least education loss and 13th in economic performance. California ranks 47th overall because its shutdowns crushed the economy (40th) and in-person school (50th).

The Wall Street Journal concluded: "Florida did about average on mortality as other states, but it did far better in protecting its citizens from severe economic harm and its children from lost schooling."

FINANCIAL SERVICES

Miami was once known for being a sleepy refuge for Latin American capital flight. It is now fast becoming a hub for technology and venture capital investment.

The current surge began when technology investor Delian Asparouhov sent out a message to friends during the height of the pandemic in 2020: "Ok guys hear me out, what if we move Silicon Valley to Miami."

Miami Mayor Francis Suarez promptly replied: "How can I help?" He followed up by taking out a billboard in San Francisco. "Thinking of moving to Miami?" it read. "DM me."

He quickly rolled out the red carpet. Soon Elon Musk, Peter Thiel and a host of other tech giants were tramping through his Art Deco office in the former headquarters

of Pan American Airlines in Miami.

Suarez's pitch was simple. Along with zero state and local income taxes, new arrivals would find the services of a responsive government that encourages innovation. Miami offers an expedited electronic-permitting process and a host of incentive programs and grants to local companies. Mayor Suarez is bent on making his city a vibrant high-tech entrepreneurial hub. He has even embraced Musk's idea of building a \$30 million tunnel for electric vehicles under downtown Miami to ease the city's growing traffic congestion.

Venture capitalists Keith Rabois, David Sacks and Sherwin Pishevar have moved to Miami following Suarez's aggressive outreach efforts.

NICHE INDUSTRIES

Florida has long been known for retirement, tourism and trade with Latin America. But it is now attracting niche industries.

Take conservative media. NewsMax has been based in Florida since its inception in the 1990s. Now many companies are joining it. Trump Media & Technology, which owns the social media app Truth Social, is a new Florida company. So too is Rumble, a video platform commonly used by conservatives. Radio host Dan Bongino has moved his company to Florida. Jimmy Finkelstein, the former publisher of the Capitol Hill website The Hill, is starting a new media company in Florida.

WHERE IS THE SUNSHINE STATE'S FUTURE CLOUDY?

Granted, Florida currently has many advantages that have fueled its growth. But what about its challenges and shortcomings?

Despite the fact that Florida's government has been run almost completely by Republicans for the last quarter century, its politics often remain parochial and short-sighted. "We don't have a principled, free-market legislature," says Sam Staley, an expert in the state's economic development at Florida State University. "We have one focused on the politics of the moment."

As much as Florida governors from Jeb Bush through Ron DeSantis have tried to improve the state's business climate, there are gaps.

There has been little privatization of government services at the local level, and while taxes remain low there are many cities that use petty fines to raise revenue and harass residents. Only this year did the state begin to tackle its archaic property insurance market, which had long impeded real estate transactions.

The state still has a bias towards excessive litigation, driven by a well-entrenched corps of trial lawyers, many of whom block reform from positions of power in the legislature.

Since the 1980s, the state has followed a highly top-down approach to land planning and environmental regulation. The cleanup of the Everglades has largely been a success story, but it could have come faster if local flexibility had been encouraged.

The state still has severe infrastructure gaps.

The state could do much more to develop its system of ports, expanding trade and making it easier for companies based in the state to coordinate their logistics.

In addition, Staley says “We have terrible cross-Florida transportation linkages. It’s astonishing how weak our local city airline services are. Getting from Jacksonville or Tallahassee to south Florida is very difficult.” A promising development is Brightline, a new private train line that uses existing railroad rights of way and promises passenger links between the Orlando area and all south Florida within the next few years.

WHAT IS FLORIDA’S FUTURE?

The state has come a long way from the time it had only one million people in 1920 and was ridiculed as a swamp-infested backwater with insufferable summer heat and an array of dangerous predators from alligators to mosquitos.

The New Deal-funded authors of the Federal Writers Project 1939 guide to the state called it “a flood-lighted stage of frivolity and a behind-the-scenes struggle for existence.”

Today, the reality is far different.

Historian Gary Mormino writes in his new book on Florida called “Dreams In The New Century” that: “In almost every significant index of American life—the sheer numbers and influence of the foreign born, the old and new nuances of race, the jigsaw patterns of residential life, environmental challenges, the pursuit of happiness and political melodrama—Florida matters.”

Mormino boldly says that Florida has now challenged California to become America’s cultural and demographic touchstone.

As Florida looks forward to its future, it increasingly will dictate what America’s future will be.

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