

# Palm Beach County sees robust job growth, lackluster pay increases

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In a hiring spree that's welcome news for workers, Palm Beach County added jobs at a robust pace in 2015.

But when might strong demand for workers translate to hefty raises?

"That's the big question," said University of Central Florida economist Sean Snaith.

Palm Beach County employment grew by nearly 20,000 jobs, a 3.4 percent pace, from January 2015 to January 2016, matching the state's job gains over the past year, Florida's labor department said Monday. Palm Beach County, with a concentration of higher-paying jobs that makes it unusual in Florida's low-wage labor market, had trailed the state's job growth in recent months.

Keeping pace with Florida's hiring is no small feat. The state had the highest rate of job growth among large states over the past year, easily outpacing California's 2.8 percent, Texas' 1.6 percent and Ohio's 1.5 percent.

Now for the disconnect: Despite stronger-than-average job growth, Palm Beach County has seen lower-than-average pay increases.

In a separate report released last week, the U.S. Labor Department said Palm Beach County wage growth is trailing the nation's. Palm Beach County workers saw wages climb by 2.2 percent from the third quarter of 2014 to the third quarter of 2015, lagging the national average of 2.6 percent.

"It's taken a long, long time for the wages to catch up with the demand," said Rand McDermott, manager at staffing firm Robert Half International in West Palm Beach.

Even so, he offers a bold projection for wages.

“2016 is going to be the year of wage growth,” McDermott said. “Now that employers realize there’s this drain of talent, and this uptick in demand, wages are going to have to start to pick up. The demand for the skilled talent is so high.”

But economists say it’s unclear when job growth might translate to fatter paychecks. That’s in part because many Americans have been sitting out the formal job market since the Great Recession.

“Florida’s labor market has a lot of momentum right now,” Snaith said. “But despite all this job growth, there is still slack in the job market.”

Palm Beach County’s unemployment rate rose to 4.9 percent in January, the state’s labor department said Monday, up from 4.5 percent in December but down from 5.3 percent a year ago. Palm Beach County unemployment typically hits its lowest level in December, amid the holiday hiring spree.

In a show of strength, every industry tracked by the state added jobs over the past year. Palm Beach County gained 19,700 jobs overall, led by professional and business services (4,200 jobs), education and health services (3,700 jobs) and trade, transportation and utilities (3,200 jobs).

Even laggards like construction, manufacturing and information added jobs over the past year. Still, many employers have remained tight-fisted with raises.

“It’s a function of employers getting by with what they have,” said Mason Williams, chief investment officer at Coral Gables Trust Co. “With the sluggish economy, corporations are still reluctant to spend cash they have on the balance sheet.”