

Securing Florida's Future

*Job loss in the recession and job creation
for a sustainable economy*



Center for Labor Research and Studies
Florida International University
Miami, FL 33199
www.risep-fiu.org

by
Emily Eisenhauer
Cynthia S. Hernandez
Marcos Feldman
Yue Zhang

June 2009

Executive Summary

The steep recession which was triggered by the bursting of Florida's housing "bubble" also had deeper roots. For decades wage growth has not kept up with increasing productivity. Expanding consumer debt and widening income inequality occurred even during the good times. Florida needs a sustainable economy over the long term, and that will require more than restarting the housing market. Job growth must provide middle class incomes, and prosperity must be broadly shared. The current downturn is an opportunity to rethink Florida's economic strategy and work on creating a much more diversified and vibrant economy and improving our ability to ride out future downturns.

This report examines recent job loss in Florida and argues for investment in three key areas which will produce short, medium, and long term growth of middle class jobs for Florida which will put our economy on a more stable footing.

Job Loss in Florida

Florida began to experience job loss in April 2007, long before the nation as a whole. Unemployment grew from 3.4% in March 2007 to 9.6% in March 2009. The construction industry was hit worst, but virtually all industries have sustained significant losses. All categories of workers, whether grouped by age, race/ethnicity, gender, or education level, have felt the effects, although minority workers, younger workers and less educated workers continue to have higher unemployment levels. Both high- and low-wage jobs have disappeared.

While the state needs short term recovery, it also needs to focus on long term sustainability and creating good quality jobs if we want to protect and expand middle class opportunities in this state. We argue that a focus on three areas will do so:

- 1) Stimulating construction jobs through balanced housing investments;
- 2) Investing in health care; and
- 3) Investing in education.

Stimulating construction jobs through balanced housing investments

Investing in housing development will help revive our lagging construction industry, but it should be done by focusing on the shortage of affordable housing. Florida cities have some of the highest foreclosure rates in the country, and the state's renters rank among the most cost-burdened in the country. The same is true of homeowners with mortgages. The decline in housing prices has not eased the shortage of housing at the low end of the market.

Low-income properties, both owner and renter occupied, also urgently need to be weatherized and rehabilitated. As of early 2005, 69% of public housing units in the state were over 30 years old and only 5% were less than 20 years old. Low-income households spend up to a third of their incomes on home energy costs, compared to 10% or less for those earning higher incomes. Two major components of the American Recovery and Reinvestment Act (ARRA) can be used to address the state's affordable housing needs

and revitalize local labor markets either through new construction or the rehabilitation and weatherization of existing units.

Investing in Health Care

The health care industry contributes over \$40 billion per year in wages to the Florida economy and employs almost a million people. But 21% of the population is still uninsured, with higher rates for Hispanics (33% uninsured) and African Americans (26% uninsured). The ARRA provides necessary funding to avoid loss of coverage for many workers through COBRA and Medicaid funding which will also give the state an economic boost and avoid the loss of health care jobs.

But the state should also focus on the health care industry as part of the medium and long-term economic development strategy for the state by encouraging the creation of job ladders whereby workers can upgrade their skills and move progressively to higher skill, higher wage jobs. Linking the industry and educational programs to create job ladders would translate directly into better jobs for workers and more productivity for employers. ARRA spending should call for the creation of good jobs along a “high-road” economic development model, jobs with family wages and benefits and structured opportunities for advancement.

Improving & Investing in Education = Better Economy

Investing now in education will pay off in two ways: 1) saving and creating jobs in the short term; and 2) long term development of an educated workforce. Florida per pupil spending is well below the national average – by some measures 50th of the 50 states. Low achievement levels among high school students persist. Low graduation rates especially among minority students will make it that much harder for Florida students to compete for jobs as young adults and contribute to the state’s economy.

This report argues that the economic crisis has exposed major weaknesses in Florida’s economy related to economic development. We now face a situation of:

- Under-productivity in the construction industry which has a surplus of skilled and unskilled labor, at the same time as people are losing their homes and there is a shortage of affordable housing;
- Under-coverage of health care which is major drain on public budgets and businesses, and holds back economic growth;
- Under-funding of education which hinders our ability to create the good jobs of the future.

In order to position our state for a robust recovery we must address these weaknesses through high road development—by creating good jobs with middle class wages and benefits and training and advancement opportunities, and that address pressing social and economic needs in housing, health care and education. The ARRA presents the opportunity to create these jobs in key industries such as construction, health care, and education that will take care of short and medium term job needs while putting us on the path to sustainability.

Introduction

Florida now stands near the bottom of a bust that perhaps hasn't been seen since the 1930's. Crashing real estate prices and investment values, layoffs, and declines in production and spending are affecting every region of the country, but as one of the main contributors to the housing bubble Florida has taken a particularly big hit. The bubble in home prices, which grew 114% from 2001 to 2006¹, has popped, sending prices back to 2003 levels, and taking down with it the large financial firms, home buyers, bankers and speculators that fed it. But what has made this crash so severe, akin to 1929, are the larger forces at work—increasing productivity that is not tied to wage growth, expanding consumer debt, widening income inequality, and now also globalization. If we want to avoid future recessions as severe as this one, we will have to find a way to address these issues as well.

With all the uncertainty about our economic future it is hard to know where to look for recovery. But a few things are certain: Florida's economy is not on sound footing and it will take more than restarting the housing market to put us on the road to sustainability. Florida has become dependent on growth based on real estate markets and tourism, but this is not sustainable and will not create the middle class jobs we need. When real estate agents, mortgage brokers and construction workers lose their jobs, there is nowhere for them to go. Tourism is and will always be a source of jobs in Florida but few of these jobs pay decent wages and benefits, and barring large scale unionization most are unlikely to be able to support middle class lifestyle.

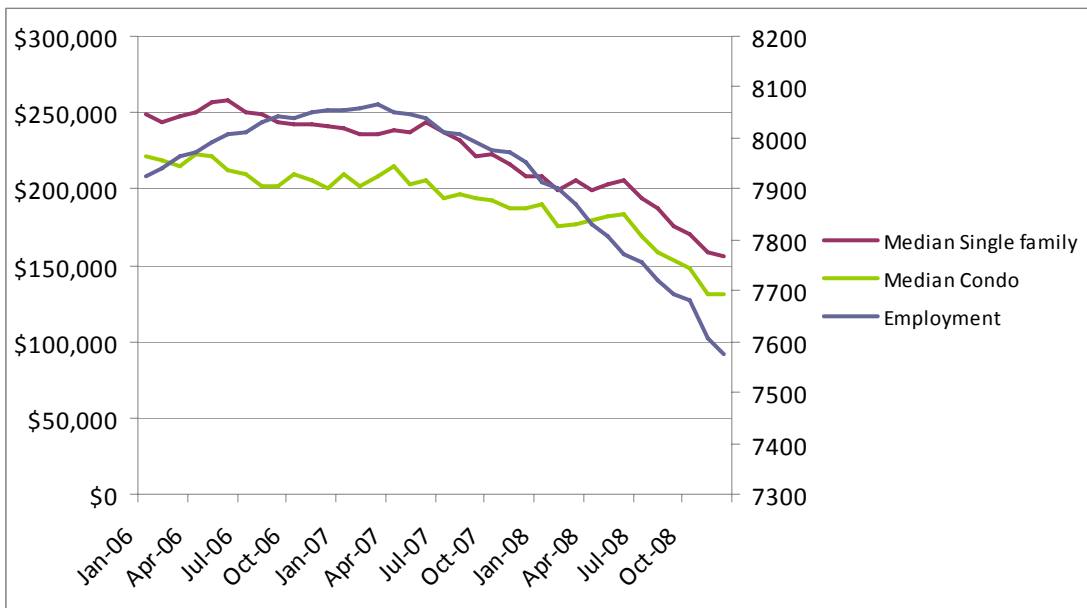
That leaves us the much more difficult task of developing new economic engines that will allow us to compete in the 21st century. Leading economists now say that the source of America's prosperity is innovation, creativity, and drive, and that only by upgrading our skills will we be able to maintain economic competitiveness over the long term.²

This report is about investing in three key areas which will produce short, medium, and long term growth of middle class jobs for Florida, and put our economy on a more stable footing. These jobs must have middle class wages and benefits to get the most bang for our buck out of job creation investment, and they fulfill critical social needs as well so that growth will be sustainable. We argue that by recognizing the current downturn as an opportunity for rethinking Florida's economic strategy we can create a much more diversified and vibrant economy and improve our ability to ride out future downturns.

Job Loss in Florida

The National Bureau of Economic Research dates the beginning of the recession to December 2007³, but Florida began losing jobs as early as May 2007. This coincides with the beginning of the slide in housing prices, which began to drop sharply in June as demand declined. Since that time there has been a steady decline with no let up in job loss through the beginning of 2009. The largest drop occurred between November and December 2008 when Florida lost 71,000 jobs in a single month. The longer our economy continues to shed jobs, the longer it will take to recover.

Table 1
Total Nonagricultural Employment (in thousands, seasonally adjusted), and Home Prices in Florida, 2006-2008



Source: Bureau of Labor Statistics, Current Employment Statistics and Florida Association of Realtors

From the peak of economic activity in December 2007 to December 2008 over 375,000 jobs were lost in Florida. The crash of the real estate market produced losses in construction first, but other industries have been losing jobs as the effects spread throughout the economy and consumer confidence dropped. The construction industry lost the most jobs in 2008, with over 100,000 jobs lost, followed by trade, transportation and utilities, of which the most significant losses were in retail trade. Professional and Business services also saw large losses, mostly in administrative support. Even tourism has been affected, with losses in accommodations and food service. The only industries to gain jobs were Education and Health Services, which gained 23,000 jobs during 2008.

Table 2
Total Nonagricultural Employment in Florida by Industry, Seasonally Adjusted,
2007-2008 (in thousands)

Industry Title	Dec-07	Dec-08	Job loss/gain
Total Nonagricultural Employment	7,951.3	7,576.1	-375.2
Construction	573.6	465	-108.6
Trade, Transportation, and Utilities	1,619.30	1,518.70	-100.6
Professional and Business Services	1,193.30	1,120.40	-72.9
Retail Trade	1,012.90	944.5	-68.4
Administration and Support and Waste Manage	649.6	592.3	-57.3
Leisure and Hospitality	959.8	920	-39.8
Accommodation and Food Services	772.4	741.2	-31.2
Manufacturing	387.8	357.7	-30.1
Transportation, Warehousing, and Utilities	251.6	231.1	-20.5
Financial Activities	539.3	519	-20.3
Finance and Insurance	362.4	347.3	-15.1
Professional, Scientific and Technical Services	462.2	447.2	-15
Other Services	346.7	334.8	-11.9
Wholesale Trade	354.8	343.1	-11.7
Information	159.4	149.8	-9.6
Arts, Entertainment, and Recreation	187.4	178.8	-8.6
Real Estate, Rental, and Leasing	176.9	171.7	-5.2
Total Government	1,128.40	1,124.20	-4.2
Local Government	785	783.6	-1.4
Management of Companies and Enterprises	81.5	80.9	-0.6
Educational Services	136.7	140.5	3.8
Health Care and Social Assistance	900.3	919.7	19.4
Education and Health Services	1,037.00	1,060.20	23.2

Source: Bureau of Labor Statistics, Current Employment Statistics

Unemployment and Underemployment

The severe jobs losses have led to worsening unemployment, with over 725,000 Floridians unemployed in December 2008, a 71% increase from one year earlier. As table 3 shows, the rate of unemployment went from 4.7% in December of 2007 to 7.8% in December of 2008. Unemployment began increasing in June 2007 when it jumped 0.6 percentage points in one month, and it continued to rise through the rest of 2007 and 2008. The beginning of 2009 has seen the worst yet, with unemployment increasing to 9.6% in March.

Table 3
Number and Rate of Unemployment in Florida, 2007-2008 (not seasonally adjusted)

	2007 Unemployment		2008 Unemployment		Percent change	2009 Unemployment	
	Number	Rate	Number	Rate		Number	Rate
Jan.	334,767	3.7%	452,608	5.0%	35.2%	820,971	8.9%
Feb.	317,245	3.5%	438,018	4.8%	38.1%	872,938	9.5%
Mar.	311,804	3.4%	460,024	5.0%	47.5%	881,996	9.6%
Apr.	315,579	3.5%	449,385	4.9%	42.4%	856,638(p)	9.3%(p)
May.	323,685	3.6%	508,880	5.5%	57.2%	na	na
Jun.	380,893	4.2%	563,818	6.1%	48.0%	na	na
Jul.	412,748	4.5%	620,334	6.6%	50.3%	na	na
Aug.	409,723	4.5%	649,936	7.0%	58.6%	na	na
Sep.	414,645	4.5%	645,293	6.9%	55.6%	na	na
Oct.	406,492	4.5%	661,079	7.1%	62.6%	na	na
Nov.	406,349	4.4%	684,038	7.4%	68.3%	na	na
Dec.	425,764	4.7%	725,857	7.8%	70.5%	na	na

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics
 (p) preliminary

Although the unemployment numbers present a devastating picture for Florida, other indicators of workers' ability to find work are even more troubling. Long-term unemployment, the percent of the unemployed who have been looking for work for 27 weeks or longer, increased 8.4 percentage points from 2007 to 2008, to almost a quarter of the unemployed. Underemployment, which includes not only people out of work but also people working part-time because they cannot find full-time work, increased 3.9 percentage points from 2007 to 2008, to nearly 12% of the labor force. These figures show that the recession is causing significant hardship for Floridians who must find a way to survive through long periods of unemployment or reduced earnings from part-time employment, and the more this situation is prolonged the harder it will be for them to recover.

Table 4
Unemployment and Underemployment Rate in Florida, 2007-2008

	2007	2008	Increase
Unemployment	4.1%	6.2%	2.1%
Long-term unemployment share	15.1%	23.5%	8.4%
Underemployment	8.0%	11.9%	3.9%

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

Who is affected?

Just as job losses have affected nearly every industry in Florida, workers from every industry with the exception of public administration and education and health services were more likely to be unemployed in 2008 than in 2007. Workers who had been employed in the construction industry were the most likely to be unemployed in 2007 (5.5%) and 2008 (10.8%), which along with professional and business services had the only statistically significant increases in unemployment. The increase in unemployment in Information and Financial activities shows that the housing market crash and financial crisis have hurt highly skilled workers, and the increase for Leisure and Hospitality shows the tourism industry has also been affected, hurting many lower skilled workers. All of these blows have affected Professional and Business services, whose workers faced a doubling of the unemployment rate from 2007 to 2008.

Table 5
Average Unemployment by Industry in Florida, 2007-2008

	2007		2008		Difference significant
	Unemployment		Unemployment		
	Number	Rate	Number	Rate	
Construction	51,956	5.50%	92,353	10.80%	Yes
Leisure and hospitality	48,210	5.10%	84,187	8.80%	No
Professional and business services	39,024	3.40%	80,254	6.70%	Yes
Information and financial activities	30,315	3.00%	53,515	5.60%	No
Manufacturing	19,035	3.70%	26,718	5.10%	No
Wholesale and retail trade	63,078	4.30%	69,900	4.80%	No
Other services	18,369	3.90%	23,936	4.60%	No
Transportation and utilities	15,559	3.10%	21,071	4.20%	No
Educational and health services	49,208	2.80%	50,239	2.90%	No
Public administration	9,619	2.40%	8,749	1.90%	No

Source: Current Population Survey, 2007-2008

Education

Table 6 reflects the job losses across industries, with workers of all education levels being affected. Less educated workers had higher unemployment in 2007 and 2008, but more educated workers saw greater increases in unemployment. Workers with less than a high school education were unemployed at a rate of 13% in 2008, a 37% increase from 2007. The largest number of unemployed workers in 2008 were high school graduates, with nearly 200,000 average annual unemployment in 2008. The largest unemployment increase, 64%, was seen among workers with some college education.

Table 6
Number and Rate of Unemployment by Education in Florida, 2007-2008

	2007 Unemployment		2008 Unemployment		Change 07-08	
	Number	Rate	Number	Rate	Number	Percent
Less than High School	83,777	8.5%	115,003	13.1%	31,226	37%
High School graduate	137,625	4.7%	197,045	7.0%	59,420	43%
Some College	90,585	3.4%	148,986	5.3%	58,401	64%
Bachelor's or higher	61,589	2.3%	98,898	3.6%	37,310	61%

Source: Current Population Survey, 2007-2008

Gender

In 2008, Florida had 4.9 million males and 4.3 million females in the labor force for a total of 9.2 million workers. Men were more likely to be unemployed than women in both 2007 and 2008, and men also saw a greater increase in unemployment, 53% more unemployed in 2008 than in 2007, compared with 46% for women. This is mostly due to losses in the construction industry which employs many more men than women and was one of the hardest hit industries.

Table 7
Average Unemployment by Gender in Florida, 2007-2008

	2007 Unemployment		2008 Unemployment		Change 07-08	
	Number	Rate	Number	Rate	Number	% Change
Male	210,311	4.3%	320,782	6.6%	110,471	53%
Female	163,265	3.8%	239,151	5.5%	75,885	46%

Source: Current Population Survey, 2007-2008

Race and Ethnicity

Unemployment increased for all racial/ethnic groups during 2007 and 2008. White non-Hispanic workers saw the greatest increase, 53%, although Black non-Hispanic workers had the highest unemployment rate, at 8.4%. This was followed by Hispanic workers at 7.4%.

Table 8
Number and Rate of Unemployment by Race in Florida, 2007-2008

	2007 Unemployment		2008 Unemployment		Change 07-08	
	Number	Rate	Number	Rate	Number	Percent
Non-Hispanic White only	186,902	3.3%	286,300	5.1%	99,399	53%
Non-Hispanic Black only	78,600	6.2%	108,416	8.4%	29,816	38%
Hispanic	98,983	4.8%	145,294	7.4%	46,311	47%
Others	9,092	3.2%	19,922	6.1%	10,830	119%

Source: Current Population Survey, 2007-2008

Age

Young workers age 16 to 24 had by far the highest unemployment rate in 2007 and 2008, at 9.2% and 12.8% respectively. This is important because these young people who are looking for work are not getting the experience that will help them build solid careers, start saving, and establish themselves as independent adults. The largest increases in unemployment have been for older workers however, who also increasingly rely on work as pensions and retirement benefits are diminishing. From 2007 to 2008 workers 55 years and older saw a 74% increase in unemployment.

**Table 9
Number and Rate of Unemployment by Age in Florida, 2007-2008**

	2007 Unemployment		2008 Unemployment		Change 07-08	
	Number	Rate	Number	Rate	Number	Percent
16-24 yrs	112,674	9.2%	142,960	12.8%	30,286	27%
25-54 yrs	212,670	3.4%	332,913	5.3%	120,243	57%
55 yrs and older	48,233	2.7%	84,060	4.6%	35,827	74%

Source: Current Population Survey, 2007-2008

Discussion

These job loss and unemployment figures show just how vulnerable Florida is to an economic downturn. Almost no industry has escaped without significant losses, and all demographic groups—whether age, race/ethnicity, gender, education level—have felt the effects. The losses in every educational level group show the need to create jobs at a wide variety of skill levels. It is not only workers at the bottom who have been affected by the recession, but there has been a significant loss of jobs for more educated workers as well, the result of Florida’s weak foundation in middle class jobs. Higher unemployment levels for Black and Hispanic workers, which have sometimes been described as a “permanent recession⁴” for minority workers, clearly deserve special attention as well. Finally, while males have suffered higher unemployment due to large losses in industries such as construction that took the brunt of the housing market crash which played a large role in bringing about the recession, other industries have begun to feel the effects of reduced spending by consumers, including industries where females are employed such as retail trade and administrative support.

We now turn to suggestions for addressing these weaknesses by targeting investment in areas that will create jobs and promote investment in key social and infrastructure needs as well. Florida must keep a focus not just on short term recovery but on long term sustainability and creating good quality of jobs if we want to protect and expand middle class opportunities in this state.

A Sustainable Economic Future

Florida needs short, medium, and long term job creation strategies in a diversity of industries in order to build a sound economy. But jobs alone are not enough if they are not good jobs, and if other economic supports such as infrastructure, housing, health care and education are lacking. We argue that the American Recovery and Reinvestment Act presents an opportunity for Florida to take the “high road” of economic development by creating good jobs and addressing social needs such as housing, health care and education without which sustainability is impossible.

Short, medium, and long term job growth

Given Florida’s critical unemployment situation, there is an urgent need for short term job creation. Without an immediate increase in employment opportunities hundreds of thousands of Floridians will fall deeper into economic hardship, and the longer this persists the longer the recovery will take. The largest out-of-work segment of the population is construction workers, and so starting construction projects must be a part of any short-term strategy. The other part of the strategy is to prevent further lay offs, and the quickest intervention is to prop up state and local government budgets to prevent layoffs of public sector workers. Both of these strategies in turn will put more money into local economies which will save jobs in the private sector.

Beyond the short term needs, Florida also needs to focus on medium and long-term job growth. Medium term growth will come from investments in industries in which Florida has a competitive advantage but which need smart investment to realize their full potential. The health care industry in Florida is positioned for this kind of growth and will be a major source of jobs over the next couple of decades. Finally, long term job growth will come from the industries which reflect America’s position in the globalized economy of the 21st century. Leading economists believe that the future of America’s job creation lies in creativity and innovation, which require a highly educated population. Unfortunately Florida continues to lag behind in education, which does not bode well for our ability to compete in the economy of the future. In order to prepare ourselves for this future, it will be absolutely essential to build a world-class education system.

High Road economic development

In previous research⁵ we have found that, in the case of large, publicly funded investment projects such as, for example, professional sports stadiums or hospital expansions, the most public benefits can be created by: (1) *applying wage standards that allow workers to achieve self-sufficiency*,⁶ (2) *hiring locally whenever possible*, (3) *providing health care insurance to all workers on the construction projects*, (4) *utilizing small and minority contractors for some of the work to the extent possible*, (5) *making use of registered apprenticeship programs to supply a portion of the construction labor force*,

and (6) *employing a “best-value” rather than “lowest bid” method for the procurement of contractors.* These practices represent the “high road” of economic development, in contrast to taking the “low road” which takes the lowest cost option in carrying out construction. Research shows that “high road” development in the end is more cost-effective than the lowest-cost options which result in higher employee turnover, greater safety hazards, delays and project cost overruns, and greater long-term healthcare costs for the local workforce.⁷ Cutting corners in this way does not generate the maximum benefits from public projects.

In this report we argue that beyond saving money and time on projects, taking the “high road” also boosts the job skills and living standards of the local workforce, therefore having positive community-wide ripple effects that go beyond any specific project. The “high road” is a paradigm shift in economic development that Florida badly needs. For example, two major pushes towards 1) building the economic infrastructure of the 21st century such as transportation and information technology, and 2) investing in green technologies such as renewable energy, mass transit, energy efficiency and modernization of the nation’s electrical grid to diversify our industrial base and reduce energy consumption, represent a golden opportunity for states like Florida to lay the groundwork for a more sustainable economic development strategy. However, to echo one of the nation’s leading thinkers on job creation, “in our haste to create a large *quantity* of new green jobs, we [may] pay too little attention to their *quality*”.⁸ Public investments in these necessary areas do not alone create jobs with middle class wages and benefits. There is therefore a “high road” and a “low road” in job creation, in which the former forges a new, sustainable path forward while the latter continues to widen social and economic inequalities in the United States.

Three principles should guide Florida’s immediate strategy:

1. “high road” of economic development which creates good jobs,
2. the need for short, medium and long term job creation,
3. the goal of moving towards a more sustainable economic future.

We will examine three areas where Florida can maximize the impact of federal stimulus dollars. We argue that investments in construction, education, and health care will give Florida the most “bang for our buck” in terms of community-wide ripple effects by simultaneously creating jobs and addressing pressing social and economic needs.

Stimulating Construction Jobs through Balanced Housing Investments

Florida needs to get the construction industry going again to deal with the immediate need for jobs, but we cannot go back to the same conditions that led to the creation of a housing bubble and subsequent housing bust.

Affordable and Emergency Housing

- \$1.5 billion for homeless prevention and rapid re-housing, including rental assistance, housing relocation, housing search support, credit repair and other stabilization assistance.
- \$4 billion for the Public Housing Capital Fund. Of this, \$3 billion will be distributed by the capital fund formula and \$1 billion will be distributed by competitive grants for 'priority investments' to leverage private sector funding for renovations and energy conservation.
- \$2.25 billion for Project-based Housing, including \$2 billion for Section 8 assistance. \$250 million is for HUD to provide grants and loans to upgrade its project-based stock to increase energy efficiency.
- \$2 billion to fund the Neighborhood Stabilization Program to redevelop foreclosed and abandoned homes through a competitive process.
- \$2.25 billion for capital investments in low income housing tax credit projects to be distributed to state housing tax credit allocating agencies competitively.
- \$1 billion for the Community Development Block Grant program.
- Additional funds including \$100 million for HUD's lead hazard control and healthy homes program and \$510 million in Native American Housing Block Grants.

In this section we examine the need for affordable housing and explore ways to invest in housing construction that will create jobs, provide housing where it is needed, and bring greater balance to the uneven and unequal ways that the housing market has operated over the last decade and more.

Florida's urban areas were heavily impacted by the housing boom and bust of the last six years. Different parts of the state (like Miami, Orlando, Jacksonville and even Cape Coral) and the state overall have had some of the highest foreclosure rates in the country at different points in the last two years.⁹ Our recent research brief based on 2007 Census data illustrates the extent to which housing costs have out-stripped incomes.¹⁰ With over one-quarter of the state's renters spending more than 50% of their monthly income on rent and utilities, Florida's renters ranked as the 4th most cost-burdened in the country in 2007, behind only Michigan, California and New York. The same Census statistics reveal that almost one-fifth of the state's mortgaged homeowners are similarly cost-burdened by their housing expenses, the 2nd highest rate in the country behind only California.

The research brief also reveals that the greatest areas of affordable housing need in the state are in lower income housing markets: in the case of renters, households earning less than \$35,000 annually and in the case of homeowners, households earning less than \$50,000. There is therefore a clear need not only to invest in housing development to help revive our lagging construction industry, but to focus heavily on the state's crisis shortage of affordable housing,

particularly for renters.¹¹

Beyond investing in the construction of new affordable housing, there is also a great and growing need to rehabilitate and weatherize the relatively older homes in lower income communities across the state, and especially in urban areas. In addition to making homes safe and healthier for families, rehabilitating older homes is crucial to the economic stability of lower-income neighborhoods by helping the growth in neighborhood home values to keep pace with that of surrounding communities (it is the relative de-valuation of lower-income housing that makes them vulnerable to redevelopment, demolition or continued disinvestment).

Weatherization¹⁴ is also essential as low-income households typically spend a much greater share of income on energy for the home, such as electricity or heating fuel, compared to wealthier households. Thus weatherization represents greater savings for households and the community as a whole.

The present community development system which addresses housing rehabilitation in lower income communities is not large enough nor does it have enough resources to address the existing need.¹⁵ The need to rehabilitate and weatherize low-income properties is large and growing as units get older. As of early 2005, there were 38,827 public housing units in Florida but the majority of these units (69%) are over 30 years old and only 5% are under 20 years old.¹⁶ Although there is no precise information on the extent of the need for rehabilitation and weatherization in the private sector, the lack of reliable, systematic funding for this work¹⁷ means the demand is much greater among older, private sector properties than for government assisted housing.

The recent passage of the ARRA provides several opportunities for addressing the state's affordable housing needs, which will be implemented at state and local levels. Two major components of the Recovery Act, allocations for Affordable and Emergency housing and for Energy Efficiency-related investments, can be used to address the state's affordable housing needs and revitalize local labor markets either through new construction, or the rehabilitation and weatherization of existing units.

The energy efficiency portion of the ARRA includes housing and infrastructure allocations directly to cities and counties who apply for the funds, as well as additional funds for rehabbing or retrofitting homes with "green" technologies to increase energy efficiency and improve conservation through existing programs, like project-based

National Energy Cost Inequality Facts:

- Lower-income households, such as those making less than \$20,000, spend on average between 12% and 35% of their annual income on home energy costs, compared to less than 10% for higher income brackets or less than 5% for households making \$70,000 or more.¹²
- On average, households with incomes under \$20,000 spend between \$1,730 and \$2,300 on energy for their homes.
- The U. S. Department of Energy estimates that weatherization services customers an average of \$358 annually and return an average of \$2.69 in energy and non-energy related benefits for every dollar invested.¹³

Energy Efficiency:

- \$3.5 billion for [Energy Efficiency and Conservation Block Grants \(EECBG\)](#) directly to cities, some to states. Every city and county will get funded and must submit strategy plans.
- \$5 billion for weatherization program retrofitting low income homes.
- \$2.25 billion for increasing energy efficiency of HUD housing.
- \$2.25 billion to HOME program to help local communities build and rehabilitate low-income housing using green technologies.
- \$8 billion loan guarantee for energy generation under existing program.
- \$100 million for transmission grid upgrades including for job training in grid infrastructure jobs.

assisted housing or the HOME program, which focuses on building and rehabilitating homes in low income neighborhoods (see the details in box at right). The weatherization program is designated specifically for low-income homeowners however, which means that in order to weatherize rental units, localities or organizations must apply for a separate pool of funding.

In addition, the Affordable and Emergency Housing section of the recovery plan specifically targets low income housing, including billions in federal aid for the construction of new low income and public, project-based housing, as well as the rehabilitation of older stocks of affordable housing (public and private), and assistance for service programs for homeless persons and tenants struggling to secure adequate, affordable housing (see the details in boxes at right and below).

The ARRA contains numerous opportunities to not only begin to repair the damage done by a speculative housing bubble and bust and years of disinvestment in low income housing, but also to reform the way housing is built by prioritizing affordable housing and institutionalizing the use of “green” building technologies to help households conserve energy and money. Perhaps most important, however, is that the new construction produced by these investments will generate thousands of jobs for Florida in the construction industry, a broken pillar of the state’s economy.

Advancing health care through health careers

The crisis of uninsurance hardly needs restating: one in three Americans were uninsured at some point during 2007 and 2008, and of these three-quarters were uninsured for six months or more¹⁸. In Florida the average uninsurance rate in 2006 and 2007 was 21% of the population, while recent research estimates that 506,000 more people are uninsured in 2009 than in 2007 in Florida¹⁹. There are great disparities among racial/ethnic groups. Hispanics are the most likely to be without coverage, with 36% of the population not covered, followed by non-Hispanic Blacks and Other (Native American, Asian, mixed race) at 23%, and with non-Hispanic Whites the least likely to be without coverage at 14%.

Table 10
Health Care Coverage by Race/Ethnicity for Population under 65 in Florida

	Insured	Uninsured	Total	Percent not covered
Non-Hispanic White	9,423,303	1,535,983	10,959,286	14.0%
Non-Hispanic Black	1,980,633	676,925	2,657,558	25.5%
Hispanic	2,480,421	1,397,169	3,877,589	36.0%
Other	442,167	131,177	573,343	22.9%
Total Population	14,326,523	3,741,253	18,067,776	20.7%

Source: Current Population Survey, 2007-2008 averages

Our health care system depends on employment-based health insurance, which has been eroding over the past decade. The share of firms offering coverage to employees has declined from 69% in 2000 to 60% in 2007 according to the Kaiser Family Foundation's annual Employer Health Benefits Survey, with small firms employing less than 10 employees the least likely to offer coverage – less than half do²⁰. In Florida 64% of workers have employment-based coverage, and this varies greatly by industry. Generally, higher skilled, higher wage industries are more likely to have coverage than lower-skilled industries with the exception of public sector workers who are among the most likely to have coverage.

Table 11
Employment Based Coverage in Florida by Industry, 2007-2008 average

	With Employment Based Coverage	Percent
Public administration	405,571	89.5%
Information	180,410	80.6%
Educational and health services	1,363,952	76.9%
Transportation and utilities	381,302	70.7%
Financial activities	550,201	70.3%
Manufacturing	379,025	67.6%
Wholesale trade	193,694	66.9%
Retail trade	728,503	60.1%
Professional and business services	680,727	58.9%
Armed forces	20,331	58.9%
Leisure and hospitality	500,596	51.7%
Natural resources and mining	28,344	43.8%
Other services	194,701	43.5%
Construction	383,732	42.3%
Total	5,991,086	63.7%

Source: Current Population Survey 2007-2008

Lack of health care coverage and the high cost of care is a significant drain on our economy from increased costs due to delayed care, lost health capital in the uninsured, bankruptcy and debt problems due to medical costs. Reforming our health care system to provide coverage for all is a critical national goal for our economic and social health but it is also an ideal place to target job creation efforts. Florida is an ideal place for this investment due to the size and strength of our already existing healthcare industry and Florida's need for job creation at all levels from low to high skill. The health care industry contributes over \$40 billion per year in wages to the Florida economy and employs almost a million people. It encompasses an extremely wide range of jobs from very low-skilled to very high-skilled. From home health aides who can start work after receiving as little as two weeks of training to highly trained practitioners with decades of education and experience, this industry has the potential to create jobs at every level. According to Florida's Agency for Workforce Innovation, the top 25 occupations gaining the most new jobs over the next decade include health care occupations such as registered nursing which requires at least a two-year degree, medical assisting which requires a one-year vocational certificate, and nursing assisting which requires as little as six weeks of training. The healthcare industry is also one of the few places that has not lost jobs during the recession and is projected to grow particularly in Florida, as the population ages and as health care reform efforts expand the availability of care to more people. Overall, Education and Health Services is projected to grow the fastest out of all industry categories, with growth of 2.73% by 2016 adding over 28,000 jobs, and ambulatory care, hospitals and nursing and residential care facilities will be among the top job creators over the next decade.

Table 12
Fastest Growing Industries in Florida

Industry	Employment		Annual Change	
	2008	2016	Total	Percent
Education and Health Services	1,032,133	1,257,313	28,148	2.73
Educational Services	134,366	167,875	4,189	3.12
Health Care and Social Assistance	897,767	1,089,438	23,959	2.67
Ambulatory Health Care Services	370,379	460,298	11,240	3.03
Hospitals	246,402	281,151	4,344	1.76
Nursing and Residential Care Facilities	167,026	198,689	3,958	2.37
Social Assistance	113,960	149,300	4,418	3.88
Financial Activities	548,309	652,573	13,033	2.38
Professional and Business Services	1,354,281	1,588,776	29,312	2.16
Construction	527,503	610,329	10,353	1.96
Leisure and Hospitality	943,831	1,068,962	15,641	1.66
Other Services (Except Government)	341,411	385,739	5,541	1.62
Trade, Transportation, and Utilities	1,613,980	1,778,312	20,542	1.27
Government	1,129,491	1,240,679	13,898	1.23
Information	171,211	186,295	1,886	1.10
Manufacturing	377,364	377,357	-1	0.00
Agriculture, Forestry, Fishing and Hunting	89,782	86,865	-365	-0.41
Mining	4,671	4,401	-34	-0.72

Source: Agency for Workforce Innovation, Employment Projections
<http://www.labormarketinfo.com/Library/EP.htm>

But in order to create health care career ladders that supply the industry with needed labor and Floridians with needed jobs, attention must be paid to the education and job training side of the equation. Especially for young people from disadvantaged backgrounds who are leaving school, perhaps not even with a high school degree, the ability to begin earning money at a low-skill job and continue working up through upgrading skills is one of the surest pathways out of poverty. The health field already has a wide variety of job and skill levels that could easily be tracked into formal career ladders to move workers up from lower to higher skill positions through continued education and training. For example, programs already exist for Licensed Practical Nurses to become Registered Nurses, and for RN's to receive Bachelor's degrees and move into managerial or teaching positions. With more coordination of certificate and degree programs the chain could be extended both vertically and horizontally to allow health care workers beginning at more basic levels such as Certified Nursing Assistants or Phlebotomists to move into LPN, medical assisting jobs, Home Health Aides to move into CNA jobs, and to include the laboratory and administrative sides in the ladder as well.

A focus on advancement rather than simply job placement is part of the new paradigm of workforce development, which combines sectoral- and place-based approaches that address the needs both of employers and low-income communities.²¹ Unlike other industries such as hospitality or white collar jobs where there is a wide gulf in the

educational requirement and job quality between low skill positions and higher skill, higher paid positions, health care has a range of incremental steps that workers can take advantage of to upgrade their skills step by step variety of clearly identified levels of skill building that lead to clearly identified job opportunities. With a focus on advancement it is possible to develop links between industry and educational programs to assist workers in upgrading skills within their field so that investments in training translate directly into better jobs for workers and more productivity for employers.

What does Florida need to do to invest in health care?

Florida's budget problems have unfortunately taken large sums of money out of the health care budget and while the American Recovery and Reinvestment Act will supplement some of this funding and provide critically needed care for those who are most vulnerable in the downturn, Florida must find additional sources of revenue for the future in order to maintain necessary levels of funding for health care. The ARRA includes several ways of stimulating the economy through spending on health care, including Medicaid support, extending insurance coverage for unemployed workers, and investing in Health Information Technology, research, prevention programs, and new facilities. All of these areas are critical pieces of the recovery package and will help to preserve and create jobs in Florida if used correctly.

When someone loses their job they often lose their health insurance as well, which can be a severe blow to family finances that have already become shaky because of the loss of income. In Florida 35% were uninsured at some point during a two year period, with 68% uninsured for longer than six months²². At a time when Florida has lost hundreds of thousands of jobs, a large number of people are facing this situation. Loss of coverage means that if someone gets sick a family must pour their savings into treatment, and many times face bankruptcy as well²³. The more debt and financial hardship that families have to climb out of during this recession, the slower the recovery will be. That is why Congress voted to extend COBRA as part of the recovery bill, and Florida will be able to benefit from this money because Florida already has the "mini-COBRA" program required for states to receive the COBRA funding.

Florida budget problems have put funding for Medicaid and other health services at risk for years, and the situation has worsened with the recession. The state appropriation for health and human services declined by \$300 million from 2006 to 2008²⁴, and additional shortfalls in revenue due to the economic crisis likely mean further cuts. The state has had to revise its General Revenue estimate for next fiscal year down by \$2.3 billion²⁵, and as a way to cut costs has considered cutting payments to Medicaid providers putting Medicaid recipients at risk of losing their access to care. But a study conducted by the University of Florida found that cuts to Medicaid would mean the loss of nearly 2,100 jobs in Florida and \$415 million in economic activity from reduced employment, spending and taxes²⁶. Increased Medicaid spending, on the other hand, comes with an economic benefit, according to a Families USA study which estimates that the additional

Medicaid funding from the ARRA will have a multiplier effect of \$4.1 billion and will create 42,000 new jobs in Florida.²⁷

Maintaining Medicaid funding means preserving coverage for a portion of the population that is without any other coverage, and more dollars coming into the state at a time when economic activity is reduced and the state and the nation are in danger of a prolonged recession.

The remaining pieces of the ARRA are directed at creating jobs and reducing health care costs. Health Information Technology; Biomedical Research; Prevention & Wellness Fund Including Immunizations; Comparative Effectiveness Research; Veterans Administration construction & improvements. In order to take advantage of most of this funding Florida will have to prepare competitive applications in these areas that show commitment to spending the money wisely and transparently. In addition Florida should include provisions for creating good jobs along the high-road economic development model, jobs with family wages and benefits and structured opportunities for advancement, because these will have the most beneficial impacts on the community.

Health Care Industry Investments from the ARRA²⁸

- \$19 billion for health care information technology, with \$17 billion for investments and incentives through Medicare and Medicaid and \$2 billion for a discretionary fund for grants and loans.
- \$10 billion in additional funds for National Institutes of Health, with \$8.5 billion allocated for research grants and \$1.5 billion allocated to renovate research facilities.
- \$2.3 billion for Department of Defense construction projects that seek to improve quality of life for service members and their families; the provision includes funds for construction of health and dental clinics on military bases and \$481 million for new or expanded medical and social service facilities for wounded service members.
- \$1.2 billion for the Department of Veterans Affairs to construct and renovate health care facilities and national cemeteries.
- \$1.1 billion for research to compare the effectiveness of medications and medical devices; the provision would distribute the funds among the Agency for Healthcare Research and Quality, NIH and the Health and Human Services secretary.
- \$1 billion for prevention and wellness programs.

Building a Better Economy by Investing in Education

The lack of a world class education system is perhaps the single most important reason behind Florida's failure to build a stable economy. Growing middle class jobs means not just competing to attract high tech firms through tax and other incentives, but improving education so that Floridians can take the jobs these firms offer or start new companies of their own. Investing now in education will pay off in two ways: 1) with long term development of an educated workforce and 2) by saving and creating jobs in the short term.

For decades Florida has attracted firms and workers with a sunny climate and low taxes, but this growth has not translated into a diverse economy and educated workforce. High school graduation rates are one of the chief areas of concern, especially for students from minority racial/ethnic groups. According to the Florida Department of Education 72% of 9th graders graduate within four years,²⁹ however different methods used to calculate graduation rates make national comparisons difficult. The National Center for Education Statistics found that Florida's public high school graduation rate in 2003-04 was 66.4%, ranking Florida 43rd in the nation.³⁰ There are also significant disparities between students of different racial/ethnic groups which mean that these groups are being left out of better job opportunities. Table 13 below shows completion rates (including GED recipients) for Florida public high school students.³¹ White non-Hispanic students completed high school at a rate of 83.6%, compared with 62.5% of Black non-Hispanic students and 69% of Hispanic students.

Table 13
Public High School Completion Rates by Race, 2002-03 through 2007-08

White, Non-Hispanic	83.6%
Black, Non-Hispanic	62.5%
Hispanic	69.1%
Asian/Pacific Islander	84.2%
American Indian/Alaskan Native	80.3%
Multiracial	80.5%
Total	75.4%

Source: Florida Department of Education

Graduation rates are worrying because 11 of the top 20 fastest growing occupations in Florida require at least an Associate's Degree. (See table below). Also a cause for concern is that most of these occupations are in science fields, and only 38% of Florida 11th graders tested level 3 or above (on a scale of 1 to 5) on the science portion of the Florida Comprehensive Assessment Test. Reading was similarly low, with only 38% of 10th graders scoring level 3 or above, while math scores are better, with 69% scoring level 3 or above. Low achievement levels will make it that much harder for Florida students to compete for jobs as young adults and contribute to the state's economy.

Table 14
Top 20 Fastest Growing Occupations in Florida 2008 to 2016

Rank	Title	Employment		Annual Percent Change	2008 Average Hourly Wage (\$)	Education Code
		2008	2016			
1	Network Systems and Data Communications Analysts	23,281	33,088	5.27	30.52	3
2	Computer Software Engineers, Applications	19,330	27,251	5.12	37.21	4
3	Veterinary Technologists and Technicians	6,353	8,878	4.97	12.47	4
4	Home Health Aides	32,235	42,778	4.09	10.29	3
5	Personal and Home Care Aides	11,557	15,216	3.96	9.82	3
6	Paralegals and Legal Assistants	20,864	27,362	3.89	21.67	3
7	Pharmacy Technicians	22,879	29,949	3.86	13.38	3
8	Medical Assistants	33,616	43,926	3.83	13.35	3
9	Surveyors	4,246	5,492	3.67	26.23	4
10	Financial Analysts	8,005	10,208	3.44	33.64	4
11	Tile and Marble Setters	6,454	8,220	3.42	16.52	3
12	Physician Assistants	4,468	5,687	3.41	40.53	5
13	Surveying and Mapping Technicians	11,023	14,025	3.40	16.32	3
14	Computer Systems Analysts	23,315	29,663	3.40	32.59	4
15	Computer Software Engineers, Systems Software	13,989	17,747	3.36	40.24	5
16	Database Administrators	6,240	7,893	3.31	31.70	4
17	Network and Computer Systems Administrators	14,483	18,249	3.25	32.88	4
18	Bill and Account Collectors	27,965	35,175	3.22	15.11	2
19	Medical and Public Health Social Workers	6,828	8,574	3.20	21.56	6
20	Loan Officers	31,354	39,301	3.17	28.27	4

Source: Agency for Workforce Innovation, Statewide Employment Projections

Education codes: 1) Less than a High School Diploma 2) High School Diploma or GED for employment 3) Post Secondary Adult Vocational Certificate 4) Associate Degree's 5) Bachelor's Degree 6) Master's Degree or Higher

Despite the clear need for improvement in the quality of education, Florida per pupil spending has been declining relative to the U.S. average since 1990. In 1990 Florida ranked 19th in the nation on per-pupil spending, but by 2000 had dropped to 31st in the nation and by 2006 it was 39th spending \$7,812 per student. In 2007 Florida spent \$1,116 less per pupil per year than the national average.

Table 15
Per-pupil spending, Florida and the U.S

	FL	Florida enrollment	US	Florida as a % of U.S. average
1990	\$5,051	1,862	\$4,890	103%
2000	\$6,536	2,435	\$7,146	91%
2007	\$8,567	2,675	\$9,683	88%

Source: Census Bureau's Public Elementary-Secondary Education Finance Data

Because a state may be poorer or richer than another, one of the most accurate ways of gauging spending on education is the amount spent per \$1000 of total personal income in the state. In 2006 Florida spent \$31.36 for every \$1000 of personal income³². On this measure, Florida ranked 50th in the nation for spending amounts per \$1000 of personal income in 2006. This is below the national average of \$43.34 for every \$1000 of personal income.

Where to invest?

The money from the ARRA that is coming to the states to support education will not only help avoid the consequences of cutbacks for students but will also preserve badly needed jobs. With a \$900 million shortfall statewide for education, due to falling property tax revenues, and a further decrease of \$1.1 billion expected over the next year, school districts will have to lay off hundreds of workers if budget problems are not solved³³. In Miami-Dade County for example 1,109 positions have been eliminated through a "reduction-in-force attributed to cost-saving measures and District reorganizations" since January 2008, resulting in the termination of 308 employees.³⁴ Even with the State Fiscal Stabilization fund contributing \$491 million to Florida's education budget, assuming Florida applies for and is granted the waiver it needs to receive the funds, continued budget shortfalls next year will likely mean more layoffs unless Florida can raise additional revenue.

The recession comes on the heels of last year's cuts to property taxes, the main source of education funding in Florida. Without new sources of revenue, it is not clear how Florida will continue to fund education after the stimulus money is gone. The state legislature has already had to allow districts to use funding for school construction and maintenance in other areas, and also introduced a bill that ultimately failed but that would have loosened the class size limits passed by voters in 2002 in order to save on school construction

costs³⁵. The loss of maintenance funding shortens the life of school buildings, prevents districts from borrowing interest-free from stimulus funds, and adds to job losses³⁶.

The ARRA funding is critically necessary to plug the gaps in Florida's education budget, but the state must find permanent ways of fully funding education without sacrificing quality and while maintaining and expanding access to higher education. Using this investment wisely could prevent more jobs from being lost while increasing opportunities for students and workers affected by lack of employment. As such this is an ideal time for an investment in education in Florida.

Education Investments from the ARRA³⁷

- State Fiscal Stabilization Fund of \$53.6 billion to help state and local governments avert budget cuts, \$8.8 billion of which can be used for non-educational programs. Florida will receive \$491 million but needs a waiver of the requirement that state funding be at 2006 levels since Florida has cut education recently.
- \$39.5 billion in educational block grants allocated by student and general population measures
- \$5 billion to reward innovation and strong performance on a variety of measures
- \$24.8 billion for School Construction Bonds
- \$11.3 billion for special education,
- \$10 billion for Local Educational Agencies
- \$3 billion for School Improvement Grants.
- Approximately \$30 billion for higher education loans for students
- An estimated \$15 billion for scientific research, much of which will go to universities.
- \$1.5 billion set aside for university research facilities from the National Institutes of Health.

Conclusion

This report argues that the economic crisis has exposed major weaknesses in Florida's economy related to economic development. We now face a situation of:

- Under-productivity in the construction industry which has a surplus of skilled and unskilled labor, at the same time as people are losing their homes;
- Under-coverage of health care which is major drain on public budgets and businesses, and holds back economic growth;
- Under-funding of education which hinders our ability to create the good jobs of the future.

In order to position our state for a robust recovery we must address these weaknesses through high road development—by creating good jobs with middle class wages and benefits and training and advancement opportunities, and that address pressing social and economic needs in housing, health care and education. The ARRA presents the opportunity to create these jobs in key industries such as construction, health care, and education that will take care of short and medium term job needs while putting us on the path to sustainability.

¹ Florida Association of Realtors and the University of Florida Real Estate Research Center. *Existing Home Sales Statistics*. <http://media.living.net/statistics/statisticsfull.htm>. Accessed April 16, 2009.

² Bernanke, Ben S. 2007. Education and Economic Competitiveness. Speech to the U.S. Chamber Education and Workforce Summit, Washington, D.C.
Business Cycle Dating Committee, National Bureau of Economic Research, *Determination of the December 2007 Peak in Economic Activity*, December 11, 2008. <http://www.nber.org/cycles/dec2008.html>

⁴ Austin, Algernon. 2008. What a recession means for black America, EPI Issue Brief #241. <http://www.epi.org/publications/entry/ib241/>

⁵ Nissen, Bruce, Emily Eisenhauer, Marcos Feldman, and Yue Zhang. 2007. *Public Benefits from Public Subsidies: Advantages and Disadvantages of Alternative Ways to Build the Marlins Stadium at the Orange Bowl Site*. The Research Institute on Social and Economic Policy, Florida International University, November. www.risep-fiu.org.

⁶ There are several different self-sufficiency type wages for different labor markets. For Florida see, for example, Diana Pearce with Jennifer Brooks 2002, *The Self-Sufficiency Standard for Florida*. <http://www.prosperitycampaign.com/FloridaStandard.pdf>.

⁷ Mattera, Philip, 2009. *High Road or Low Road? Job Quality in the New Green Economy*. Washington, D.C. Good Jobs First, February. www.goodjobsfirst.org/publications/; Davis, Kate and Chauna Brocht with Phil Mattera and Greg LeRoy. 2002. *Subsidizing the Low Road: Economic Development in Baltimore*. Washington, D.C. Good Jobs First. September. www.goodjobsfirst.org/publications/

⁸ Mattera, 2009, p. 5.

⁹ Bandell, Brian. 2009. Florida tops nation for delinquent mortgages. *South Florida Business Journal*, Residential Real Estate, March 5; Rho, Hye Jin, Danilo Pelletiere and Dean Baker. 2008. *The Changing Prospects for Building Home Equity: An Updated Analysis of Rents and the Price of Housing in 100 Metropolitan Areas*. Center for Economic and Policy Research, National Low Income Housing Coalition. October. <http://www.cepr.net/documents/publications/>; Jacksonville Business Journal. 2007. *Florida ranks No. 3 for November foreclosures*. December 17; Journal Staff. 2007. Foreclosures.com: Florida ranks 2nd in pre-foreclosures. *South Florida Business Journal*, August 6; Journal Staff. 2007. South Florida cities rank high in foreclosures. *South Florida Business Journal*, August 15; ACORN. 2007. *Foreclosure Exposure 2: The Cost to our Cities and Neighborhoods - Report for Miami-Miami Beach-Kendall*: Association of Community Organizations for Reform Now, Research Department. www.acorn.org.

¹⁰ Feldman, Marcos. 2009. *RISEP Research Brief: Florida's Affordable Housing Needs after the Bust*. The Research Institute on Social and Economic Policy, Florida International University (April). www.risep-fiu.org.

¹¹ For more on the crisis shortage of affordable housing, especially rentals, in Florida and nationally, see also: Harvard Joint Center for Housing Studies' *State of the Nation's Housing 2008*, <http://www.jchs.harvard.edu/>; The Affordable Housing Study Commission. 2006. *A Preservation Strategy for Florida's Affordable Multifamily Housing*. Final Report available from www.floridahousing.org; Shimberg Center for Affordable Housing. 2007. *Rental Market Study*. Shimberg Center, University of Florida. Prepared for the Florida Housing Finance Corporation, September 14.

¹² Author's analysis of 2007 national consumer expenditure data from the Bureau of Labor Statistics. Table A below reports the relevant statistics.

Table A. Average Annual Cost of Home Energy by Income Bracket, as a Percent of the Upper Limit of Income Bracket, 2007

Income Bracket	Avg. Cost	Percent
Less than \$5,000	\$1,736	35%
\$5,000 to \$9,999	\$1,760	18%
\$10,000 to \$14,999	\$2,230	15%
\$15,000 to \$19,999	\$2,422	12%
\$20,000 to \$29,999	\$2,748	9%
\$30,000 to \$39,999	\$3,072	8%
\$40,000 to \$49,999	\$3,282	7%
\$50,000 to \$69,999	\$3,697	5%
\$70,000 and over	\$4,772	n/a

¹³ See facts at website for Weatherization Assistance Program, at the Florida Division of Housing and Community Development: <http://www.floridacommunitydevelopment.org/wap/index.cfm>

¹⁴ Weatherization is the practice of protecting a building and its interior from the elements, particularly from sunlight, precipitation, and wind, and of modifying a building to reduce energy consumption and optimize energy efficiency.

¹⁵ Affordable Housing Study Commission 2006.

¹⁶ Affordable Housing Study Commission 2006, p. 7. The Commission also estimates that of the 19,872 total units in Florida's Rural Rental Housing portfolio (which is subsidized housing), 41% are estimated to be between 21 and 30 years old and another 44% are estimated to be between 11 and 20 years old, suggesting that the stock in this portfolio is aging and in need of rehabilitation.

¹⁷ Affordable Housing Study Commission 2006.

-
- ¹⁸ Families USA. 2009. *Americans at Risk: One in Three Uninsured*. Available online at <http://www.familiesusa.org/assets/pdfs/americans-at-risk.pdf>.
- ¹⁹ Holmes, Mark, Tom Ricketts, and Jennifer King. 2009. Updating Uninsured Estimates for Current Economic Conditions: State Specific Estimates. Cecil G. Sheps Center for Health Services Research University of North Carolina and North Carolina Institute of Medicine.
- ²⁰ Kaiser Family Foundation, 2008, *Employer Health Benefits 2007 Annual Survey Summary of Findings*, <http://www.kff.org/insurance/7672/upload/Summary-of-Findings-EHBS-2007.pdf>
- ²¹ Giloth, Robert P. 2000. *Learning From the Field: Economic Growth and Workforce Development in the 1990s*. Economic Development Quarterly, Vol. 14 No. 4, November 2000, 340-35.
- ²² Families USA, 2004, *One in Three: Non-Elderly Americans without Health Insurance, 2002-2003*. http://www.familiesusa.org/assets/pdfs/82million_uninsured_report6fdc.pdf
- ²³ Himmelstein, David U., Elizabeth Warren, Deborah Thorne, and Steffie Woolhandler. 2005. Illness And Injury As Contributors To Bankruptcy. *Health Affairs*, DOI 10.1377/hlthaff.W5.63.
- ²⁴ Florida Center for Fiscal and Economic Policy, 2008, *Florida's Escalating Fiscal Crisis: The Problem*, http://www.fcfe.org/Documents/FiscalCrisis_112808.pdf
- ²⁵ Florida Center for Fiscal and Economic Policy, 2009, *Florida's Fiscal Crisis: An Update*, <http://www.fcfe.org/Documents/Florida+Crisis+UPDATE.pdf>
- ²⁶ Hodges, Alan W. and Mohammad Rahmani. 2009. *Economic Contributions of Hospitals in Florida*. Florida Hospital Association.
- ²⁷ Families USA, 2009, *Critical Care: The Economic Recovery Package and Medicaid*. <http://www.familiesusa.org/assets/pdfs/critical-care.pdf>
- ²⁸ Kaiser Family Foundation, *Kaiser Daily Health Policy Report, February 13, 2009* http://www.kaisernetwork.org/daily_reports/rep_index.cfm?DR_ID=56969
- ²⁹ Florida Department of Education. 2009. Florida Information Note, *2007-08 Five-Year District Graduation Rates as Follow-up to the 2006-07 Four-Year Rates*. Education Information and Accountability Services: Series 2009-15D.
- ³⁰ Laird, J., DeBell, M., and Chapman, C. 2006. *Dropout Rates in the United States: 2004* (NCES 2007-024), table 12, and Laird, J., Lew, S., DeBell, M., and Chapman, C. 2006. *Dropout Rates in the United States: 2002 and 2003* (NCES 2006-062), tables 12-A and 12-B, data from U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Non-Fiscal Data Files," 1997-2005.
- ³¹ Florida Department of Education. 2008. Data Report, *Florida Public High School Graduation Rates, 2007-08*. Education Information and Accountability Services: Series 2009-5D.
- ³² U.S., Department of Commerce, Bureau of Economic Analysis, 2006 data.
- ³³ Kathy Bushouse and Aaron Deslatte, *Florida Legislature may raise property taxes for education*. South Florida Sun-Sentinel, March 27, 2009.
- ³⁴ Miami-Dade County Public Schools. Public Records Request, May 5, 2009.
- ³⁵ The Associated Press. Florida House votes to loosen class size limits. April 17, 2009.
- ³⁶ Mazzei, Patricia. 2009. *Florida lawmakers propose less money for upkeep of schools*. Miami Herald, April 21.
- ³⁷ Lederman, Doug. 2009. The Final Stimulus Bill. *Inside Higher Ed*. <http://www.insidehighered.com/news/2009/02/13/stimulus>