



# The State of Working Florida 2010

Labor Day, September 6, 2010

**By Emily Eisenhauer,  
Bernardo Oseguera,  
and Carlos A. Sanchez**

Contact: Emily Eisenhauer  
*Center for Labor Research and Studies*  
*Florida International University*  
Miami, FL 33139  
Phone: 305-348-1415  
Fax: 205-348-2241  
Web: [www.risep-fiu.org](http://www.risep-fiu.org)

## Executive Summary

The last several years have been extremely hard ones for Florida's workers. The recession that started in 2007 has been one of the deepest in history, and Florida was both a leader of the recession and one of the hardest hit states due to the vulnerability of our economy to the housing market crash. In the last two years, we have seen historically high levels of unemployment and underemployment, reductions to hours for those who still have jobs, and we are beginning to see an impact on wages as well. As a result, poverty and income inequality have increased in the state.

### Employment

2009 ended with the dubious honor of being the worst year on record for employment in Florida. While the situation was bad for all workers, African Americans, Hispanics, men, and young workers had it particularly rough.

- The unemployment rate in Florida reached an all time high in March 2010 of 12.3%, three times what it had been before the recession started.
- African Americans had the highest unemployment rate, averaging 15.4% in 2009, compared to 11.6% for Hispanics and 8.9% for Non-Hispanic Whites. African Americans also had the highest increase in unemployment, adding 7 percentage points, compared to 4.2 percentage points and 3.8 percentage points respectively.
- By April 2010, Florida was missing over 900,000 jobs.
- Workers who have managed to keep their jobs are on average working fewer hours. Average weekly hours per employee fell from 35.4 in 2007 to 35.0 in 2009.
- Underemployment, which includes people who are not working enough hours and who are discouraged from looking for work, has risen from an average of 8.0% in 2007 to 18.4% in 2009, or almost one in five workers.
- Over a third of the unemployed (37.2%) have been out of work longer than 6 months in Florida.
- Men have higher unemployment levels than women for the first time due to heavy losses in industries such as construction, which are heavily male, and less impact on sectors where women tend to be employed such as Education and Health Services.

### Wages

So far the recession has had a mild impact on overall wages in Florida with the median remaining basically flat from 2007 to 2009. However, certain groups have fared worse than others, low-wage earners and African Americans in particular, and since wages typically lag employment trends, these may be signs of declining or stagnant wages in the near future for all groups.

- Wages for the top 20% of earners increased by 1.6% in 2009 while wages for the bottom 20% remained flat.
- The median hourly wage for very low-wage earners, the bottom 10%, declined from \$8.02 to \$7.97 per hour from 2008 to 2009.

- The gap between top and bottom earners increased again after the previous year's decline. The top 20% earned 3.55 times what the bottom 10% earned per hour.
- The gap between men's and women's wages widened back to 2004 levels. Women's wages dropped from \$15.16 per hour in 2008 to \$14.25 in 2009 while men's wages remained essentially flat at close to \$17.00 per hour.
- Wages for African American workers dropped by \$0.51 per hour (3.85%), while wages for Hispanic workers remained flat and increased for White non-Hispanic workers by \$0.19 (1.13%).
- In 2008, the gap between wages for minority and White workers was at its narrowest point since the early 90's for Hispanic workers and since the early 80's for African Americans. But the recession has erased these gains, most significantly for African American workers who went from 78.6 percent of White worker's wages in 2008 to 74.8 percent in 2009.

## **Jobs**

Construction was the first and hardest hit industry, but losses have spread to all industries with the exception of Education and Health Services, returning employment to 2001 levels.

- From December 2007, when the recession officially started, to March 2010, Florida lost an average of 28,000 jobs per month, or almost 1,000 jobs per day.
- Construction jobs started declining in Florida in July 2006, 17 months before the official start of the recession. In total, the construction industry lost 331,900 (48.3%) jobs between July 2006 and January of 2010.
- Of the other major industries in the state, Professional and Business Services lost 142,500 jobs, Manufacturing lost 82,500 jobs, Retail trade has lost 105,800 jobs, and Leisure and Hospitality has lost 74,000 jobs.
- The only industry which did not lose jobs from 2007 to 2009 was Education and Health Services, which grew by 3.3%, adding 33,900 jobs.
- Through the first 6 months of 2010, employment in Florida has grown at an annualized rate of 2.3%. At this rate, it will take over 4 years for employment in Florida to return to pre-recession levels.

## **Impacts**

In 2008, 13.2 percent of the population, or roughly 1 in 8 people in Florida lived in poverty, a significant increase from the previous year due to the recession. In addition, 1 in 3 people in the state live below twice the poverty line meaning they are unlikely to have enough to meet their basic needs. With the length and depth of the recession, it is important to make sure that supports such as unemployment compensation, food stamps, and Medicaid are available to out of work families in order to help them get through the hard times and to prop up economic activity. With the hit to public budgets, public sector workers are in danger of being laid off which would be a further blow to the economy and should be avoided at all cost. Finally, job creation programs should be targeted to those hardest hit by the recession, such as minority workers and young workers, to make sure that the state experiences a full recovery.

## Introduction

The last several years have been extremely hard ones for Florida's workers. The recession that started in 2007 has been one of the deepest in history, and Florida was both a leader of the recession and one of the hardest hit states due to the vulnerability of our economy to the housing market crash. In the last two years, we have seen historically high levels of unemployment and underemployment, reductions to hours for those who still have jobs, and we are beginning to see an impact on wages as well.

A key feature of this recession has been the link between housing and the economy. The sharp rise and then fall of housing prices and the ensuing foreclosure crisis have erased huge amounts of wealth for middle and low income families. This has created a downward cycle where foreclosures are fed by job losses and continuing falling home prices. Even though the federal government has made funds available to buy up and sell foreclosed properties, the sheer size of the problem and the reluctance of banks to make loan adjustments means that this effort has had limited impact.

When home construction virtually came to a halt, the construction industry was the first to experience job losses and it remains the hardest hit industry, but losses have spread to every industry in the state with the exception of education and healthcare. Federal economic stimulus has created or saved some 167,000 jobs through spending programs and tax breaks<sup>1</sup> in the state, mostly in education and infrastructure, but this stimulus is coming to an end, and with huge state and local budget gaps in the coming year, the ability of the public sector to prop up employment is uncertain. Loss of stable public jobs threatens to prolong the recession.

This Labor Day report shows some of the highest unemployment, underemployment, long term unemployment, and largest gaps between White and minority employment that we have ever seen. All of these indicators point to an extremely long recovery time for the nation and particularly for Florida, in spite of the fact that the country has been recording economic growth since the last quarter of 2009. But with continued high unemployment and predictions for an extremely slow recovery or even a "double-dip recession," there are few reasons for optimism about a recovery.

A closer look at this recession and economic activity over the last half year reveals that the impacts are not the same across the board. As former Federal Reserve chairman Alan Greenspan recently noted,

"Our problem, basically, is that we have a very distorted economy in the sense that there has been a significant recovery in a limited area of the economy amongst high-income individuals who have just had \$800 billion added to their 401(k)s and are spending it and are carrying what consumption there is. Large banks... and large corporations... are in excellent shape. The rest of the economy, small business, small banks, and a very significant amount of the labor force, which is in tragic unemployment, long-term unemployment, that is pulling the economy apart. The average of those two is what we are looking at, but they are fundamentally two separate types of economy."<sup>2</sup>

What this means is that economic growth has been concentrated among a small number of people at the very top, but for the vast majority the situation is still very uncertain, and for many, continues to look bleak. The real picture of the economy is much more complex than the averages suggest, and so this report breaks down the averages to show *who* is impacted and how. This understanding is critical if we are to target

---

<sup>1</sup> Florida Office of Economic Recovery, "Recovery Act Summary, " July 30, 2010.

<sup>2</sup> Ghosh, Palash. "Here comes Mr. Greenspan: Former Fed boss warns of growing risks to the economy." August 2, 2010. International Business Times. <http://www.ibtimes.com/articles/40163/20100802/greenspan-fed-policy.htm>

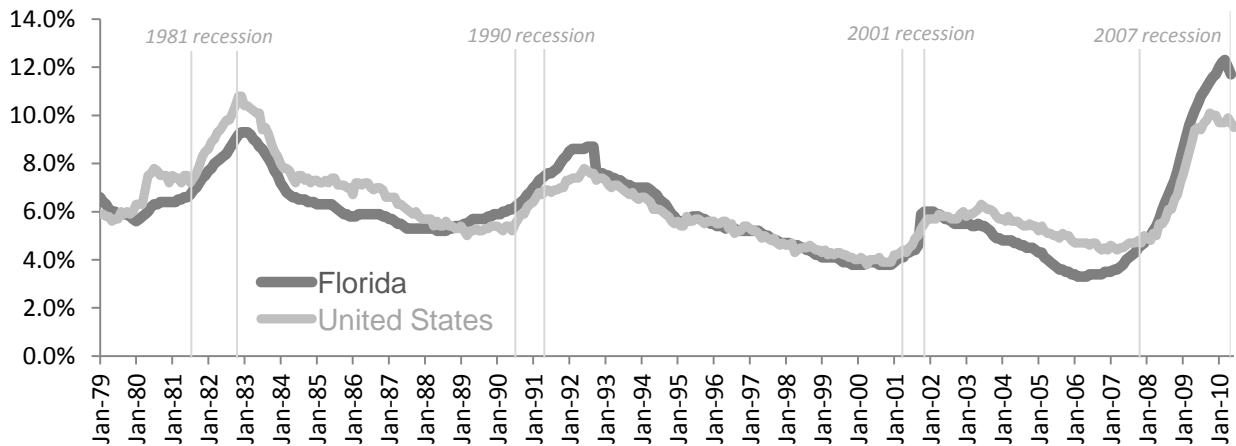
solutions where they are most needed and restore balance to the economy, the only way to ensure stability and prosperity for all.

### From the lowest unemployment rate on record to the highest

The recession that began in 2007 came on the heels of six years of aggressive growth following the previous recession. The state of Florida particularly enjoyed this prosperous economy. In 2005, Florida had the fourth lowest unemployment rate in the nation. At the peak of expansion, in 2006, Florida’s unemployment rate was 3.2 percent, the lowest rate on record. But in the spring of 2006, the housing bubble began to burst, and employment in construction dropped. By the spring of 2007, job loss had spread to other sectors, signaling the start of the recession in Florida.

Since the mid 90’s, average annual unemployment rates in Florida had been below national levels. In the current recession, Florida’s unemployment rates have surpassed those of the U.S. Unemployment rates in Florida started climbing approximately one and a half years before the official start of the recession in December 2007, and by February of 2008 Florida’s unemployment rate had surpassed that of the U.S.; 6.1 percent in Florida compared to 5.8 percent in the US. Alarming high rates of increasing unemployment drove Florida from an all-time low to its highest unemployment level ever recorded. Unemployment rates paint a grim picture and tell us how devastated our economy is. In 2009, unemployment averaged 10.4 percent in Florida; topping the national level by 1.1 percentage point. However, the worst rates of the recession were seen during the second half of 2009 and the first half of 2010 – our most recent data.

Figure 1  
**Monthly Unemployment Rates, January 1979 - June 2010**



Source: EPI analysis of BLS data

Table 1  
**Annual Unemployment Rates, Florida and the U.S.**

|                      | Annual unemployment rates (%) |      |      |      |      |      |      |      |      |      |
|----------------------|-------------------------------|------|------|------|------|------|------|------|------|------|
|                      | 2000                          | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| <i>Florida</i>       | 3.6                           | 4.8  | 5.5  | 5.2  | 4.6  | 3.6  | 3.2  | 4.1  | 6.1  | 10.4 |
| <i>United States</i> | 4.0                           | 4.7  | 5.8  | 6.0  | 5.5  | 5.1  | 4.6  | 4.6  | 5.8  | 9.3  |

Source: EPI analysis of BLS data

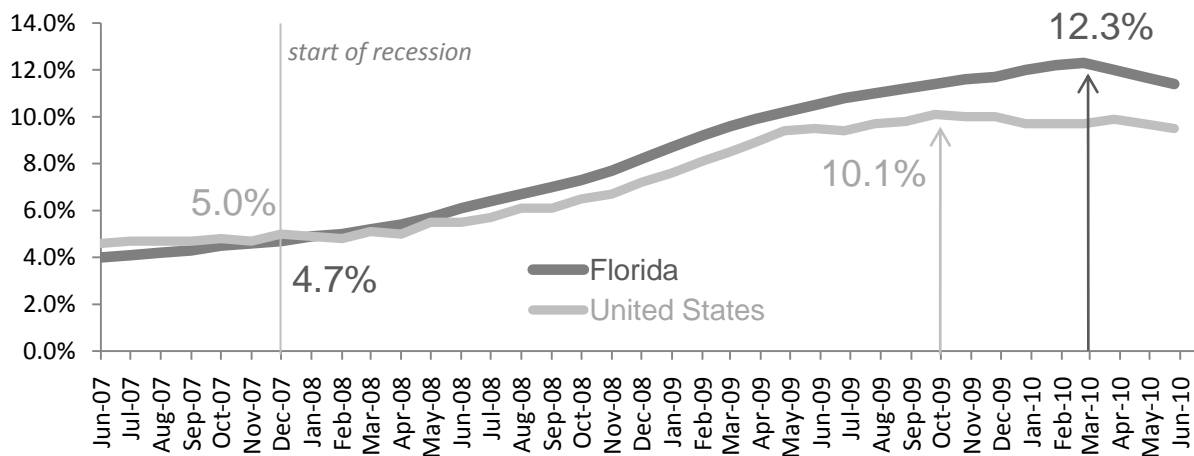
## One of the hardest hit states in the nation

Monthly unemployment rates for the past three years help us take a closer look at the economic disaster our nation has gone through. The recession was declared by the NBER to have officially started in December 2007, but by then, every industry in Florida, aside from the public sector, was losing jobs at a rapid pace. From December 2007 to March 2010, when employment hit bottom, Florida lost an average of 28,000 jobs every month. As the economy spiraled downward, almost one thousand jobs were lost every day.

Unemployment in the U.S. has doubled since the start of the recession, from 5 percent to 10.1 percent at its peak in October 2009, but Florida's unemployment rate has almost tripled, increasing by 7.6 percentage points. In March 2010, Florida posted the highest level of unemployment ever recorded in the state, 12.3 percent. Only the state of Nevada saw a greater increase in unemployment from the start of the recession to its peak.

As the recession has continued, conditions have worsened for working families all across the nation and particularly in our state. The highest unemployment rates have been seen in the most recent twelve months, from the second half of 2009 and the first half of 2010. A twelve month average from July 2009 to June 2010 shows that 11.6 percent of workers were unemployed in Florida. During the first half of 2010, 1.1 million workers were unemployed on average in Florida; 15 million in the U.S.

Figure 2  
Monthly Unemployment Rates during the Recession



Source: EPI analysis of BLS data

Table 2

|               | Monthly unemployment rates (%) |        |        |        |        |        |        |        |        |        |        |        |        | 12m avg. | 2010 (1 <sup>st</sup> half) |
|---------------|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|-----------------------------|
|               | Dec 07                         | Jul 09 | Aug 09 | Sep 09 | Oct 09 | Nov 09 | Dec 09 | Jan 10 | Feb 10 | Mar 10 | Apr 10 | May 10 | Jun 10 |          |                             |
| Florida       | 4.7                            | 10.8   | 11.0   | 11.2   | 11.4   | 11.6   | 11.7   | 12.0   | 12.2   | 12.3   | 12.0   | 11.7   | 11.4   | 11.6     | 11.9                        |
| United States | 5.0                            | 9.4    | 9.7    | 9.8    | 10.1   | 10.0   | 10.0   | 9.7    | 9.7    | 9.7    | 9.9    | 9.7    | 9.5    | 9.8      | 9.7                         |

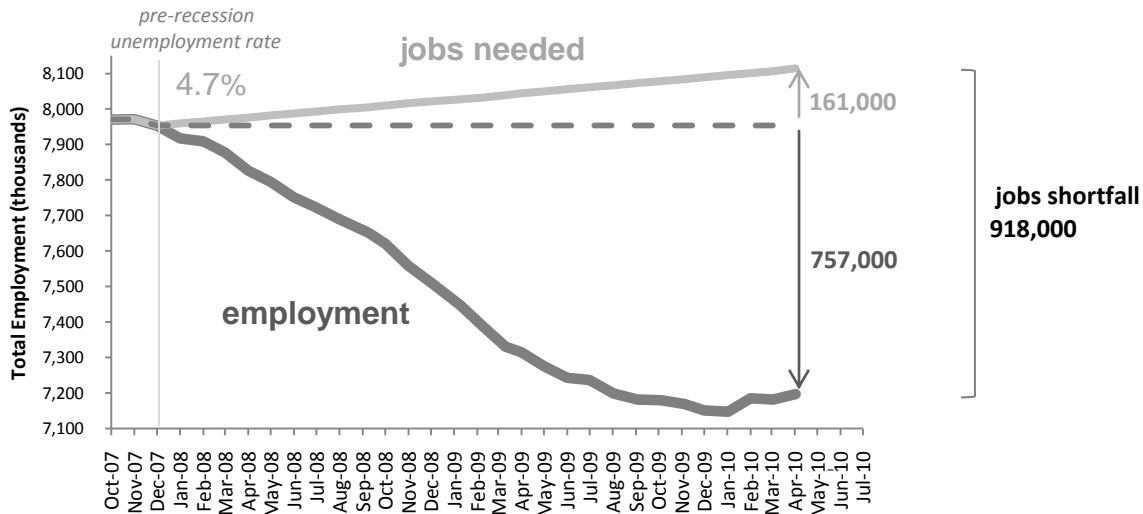
Source: EPI analysis of BLS data

## Florida needs at least 900,000 more jobs

By April 2010, Florida's economy had seen 757,000 jobs disappear since the official start of the recession. This job loss had never been seen in Florida since the state started keeping track of employment. Nevertheless, this chilling figure understates the terrible condition of our labor market.

Healthy economies create at least enough jobs to keep up with working-age population growth and prevent unemployment from rising. Florida's working-age population, 16 years old and over, grew two percent from December 2007 to April 2010. In order to keep up with that growth and maintain the pre-recession level of 4.7 percent, Florida should have created 161,000 jobs. Instead, Florida lost 757,000 jobs over that period. This adds up to a total shortfall of approximately 918,000 jobs. At the rate Florida has added jobs in the three months since unemployment peaked in March (an average of 17,300 jobs per month), it would take almost four and a half years to add 918,000 jobs. If the state's population continues to grow, more jobs will need to be created to return to pre-recession unemployment levels.

Figure 3  
The Jobs Shortfall in Florida



Source: EPI analysis of BLS data

## Hours cut even more than jobs

In the two years since the start of the worst economic downturn in seven decades, unemployment rates have set records all over the nation. But even these figures actually understate the severity of the recession. When we look at the fall of average hours worked per employee, we see that the employment situation is even worse than what unemployment rates and lost jobs tell us.

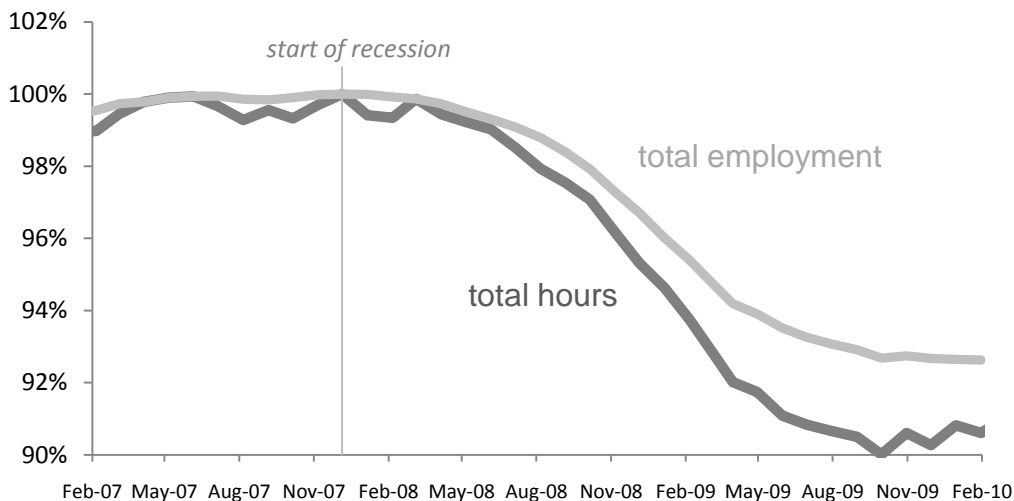
Figure 4 shows how total private employment and total private hours have plunged since the start of the recession. In this figure, employment levels and total hours at the start of the recession have been set to 100 percent. This graph shows how total hours and employment have changed from their levels at the start of the recession. Total hours have fallen more than total employment, showing that not only have jobs been cut, but hours have been cut as well, as employers cut back on employees hours or hire part-time

workers instead of full-time workers. This means that that even workers who still have jobs may be working less, and earning less, than they were prior to the recession.

In 2009, total working hours were on average 2.2 percentage points below employment levels. For Example, by November 2009, total employment fell 7.2 percent below its pre-recession level, but total hours had fallen 9.4 percent. This means that hours had been reduced by 30% more than total employment by November 2009.

At the start of the recession, workers in the U.S. worked 34.7 weekly hours on average. By February 2010, those who kept their jobs worked 34.0 weekly hours. Put in perspective, to simply restore weekly hours to pre-recession levels, at levels of employment seen in February 2010, the economy would have to create an equivalent of 2.1 million new jobs.

Figure 4  
**Decline in Employment vs. Hours since Recession Start (U.S.)**



Source: EPI analysis of BLS data

Although seasonally adjusted data for total private employment and total private hours are not available at the state level, limiting the analysis for Florida, we can see the same pattern with annual data. By 2009, average annual total employment had dropped 10.9 percent, but average annual total hours had fallen 11.9 percent since 2007 when the recession began. In 2009, on average, total hours were one percentage point below employment levels. Average weekly hours per employee fell from 35.4 in 2007 to 35.0 in 2009. This shows that employers in Florida had been cutting hours even more than jobs to reduce costs, following the national trend.

**Scarcity of full-time jobs means more people working part-time**

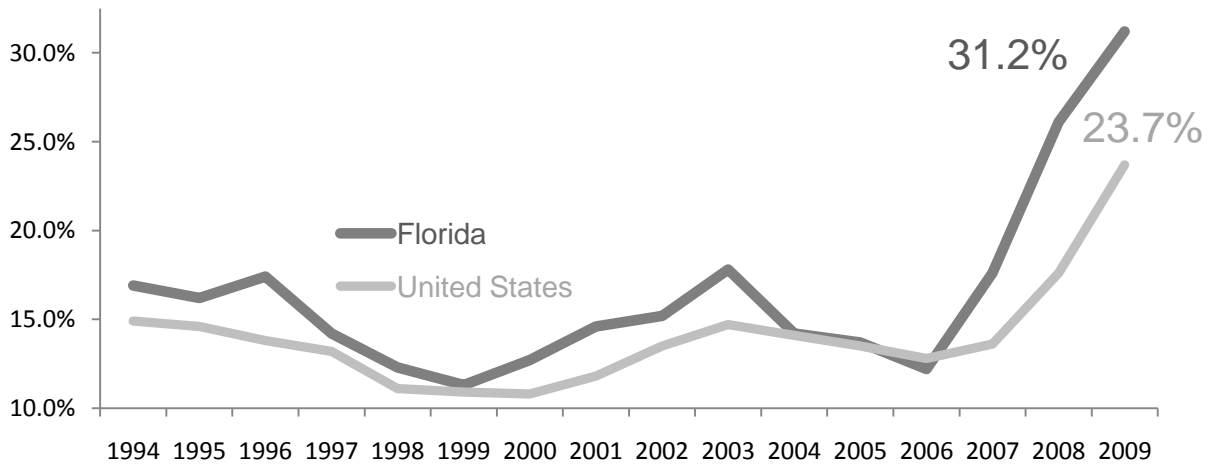
Involuntary part-time employment is the share of part-time workers who gave an economic reason for working 34 hours per week or less. Economic reasons include unfavorable business conditions, inability to find full-time work, and seasonal declines in demand for work. As businesses reduce hours for current employees or hire only part-time instead of full-time workers, more people are employed part-time



“involuntarily.” This recession shows a jump in rates of involuntary part-time employment, which is another sign of the severity of the recession. Since workers in this category count as employed, they keep unemployment rates from going even higher, but they contribute to underemployment which is also a serious concern in the current economy. These workers are working less and earning less than they need and so are also struggling to get by in the recession. In addition, many workers whose working hours have been reduced fall out of eligibility requirements for employer provided benefits. Workers become economically distressed even though they have jobs; total incomes are reduced by the cut to working hours and also by the benefits reduction.

Historically, Florida has had higher levels of involuntary part-time employment than national levels due to the prominence of the low-wage service sector where part-time jobs with few benefits are extremely common. Retail trade and Leisure & Hospitality are industries which hire mostly part-time workers and pay very low wages. In Florida, these industries employ approximately one quarter of workers. The construction industry, on the other hand, hires mostly full-time workers. In 2006, with this industry at the peak of the bubble, Florida saw involuntary part-time levels below national. As construction started shedding jobs intensely, Florida jumped up above the national levels. In 2009, involuntary part-time employment in Florida was 7.5 percentage points above the US. In Florida, 612,000 people, or 6.7 percent of the total active labor force, were working part-time involuntarily in 2009. People working part-time involuntarily in the U.S. are equivalent to 5.8 percent of the total active labor force, or 8.9 million people in 2009.

Figure 5  
**Involuntary Part-time Employment, Florida and the U.S.**



Source: EPI analysis of BLS data

Table 3

|                      | Involuntary part-time employment (%) |      |      |      |      |      |      |      |      |      |
|----------------------|--------------------------------------|------|------|------|------|------|------|------|------|------|
|                      | 2000                                 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| <i>Florida</i>       | 12.7                                 | 14.6 | 15.2 | 17.8 | 14.2 | 13.7 | 12.2 | 17.6 | 26.1 | 31.2 |
| <i>United States</i> | 10.8                                 | 11.8 | 13.5 | 14.7 | 14.1 | 13.5 | 12.8 | 13.6 | 17.6 | 23.7 |

Source: EPI analysis of BLS data

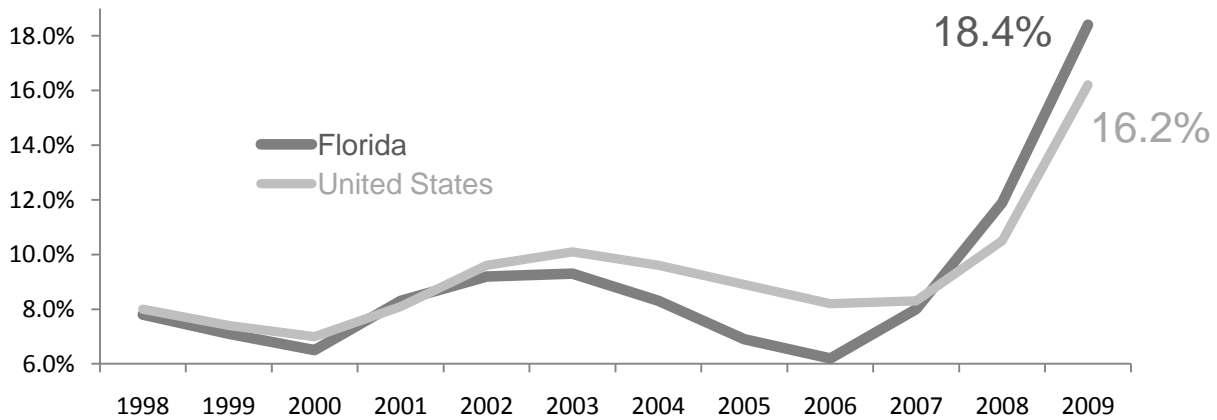
**One out of five in Florida are underemployed**

Unemployment rates tell us how many people are looking for jobs. Involuntary part-time employment tells us how many people have taken part-time instead of full-time jobs. When we combine these, plus the marginally attached workers who want to work but are not actively searching because they believe no jobs are available, we get the Underemployment rate. Underemployment is the most comprehensive measure of the gap between people’s willingness to work and the availability of work.

In 2006, the year in which Florida saw the lowest unemployment rate ever recorded, 6.2 percent of the entire labor force was underemployed. To put this number in perspective, in 2009, there were more people working part-time involuntarily (6.7 percent of the labor force) than there were people underemployed in 2006. Since the start of the recession in 2007, underemployment at state and national levels has escalated to historic levels.

In 2009, almost one out of every five people in the labor force was underemployed in Florida (18.4 percent), a situation worse than the U.S. as a whole where one out of every six people in the labor force (16.2 percent) was underemployed. In 2009, 1.7 million people in Florida were underemployed. The underemployment share of Florida’s labor force in 2009 can be broken down in the following way: 10.4 percent of the labor force was unemployed (957,000), 6.7 percent of the labor force was working part-time for economic reasons (612,000), and 1.3 percent of the workforce was marginally attached to the jobs market (120,000). In 2009, 25 million people in the US were either unemployed or underemployed. The underemployment share of the US labor force in 2009 can be broken down in the following way: 9.3 percent of the labor force was unemployed (14.3 million), 5.8 percent of the labor force was working part-time for economic reasons (8.9 million), and 1.1 percent of the workforce was marginally attached to the jobs market (1.7 million).

Figure 6  
Underemployment Rates, Florida and the U.S.



Source: EPI analysis of BLS data

Table 4

|                      | Underemployment (%) |      |      |      |      |      |      |      |      |      |
|----------------------|---------------------|------|------|------|------|------|------|------|------|------|
|                      | 2000                | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| <i>Florida</i>       | 6.5                 | 8.3  | 9.2  | 9.3  | 8.3  | 6.9  | 6.2  | 8.0  | 11.9 | 18.4 |
| <i>United States</i> | 7.0                 | 8.1  | 9.6  | 10.1 | 9.6  | 8.9  | 8.2  | 8.3  | 10.5 | 16.2 |

Source: EPI analysis of BLS data

## Over one-third go more than six months without a job

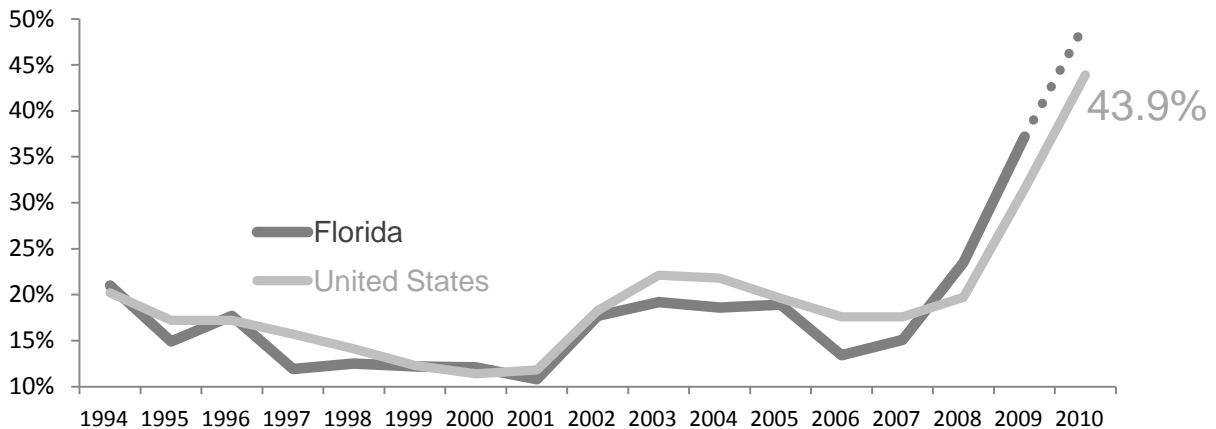
One measure that especially shows the depth of this recession is the length of time that workers are going without work. Long-term unemployment is the share of the unemployed labor force which has been seeking jobs for more than six months. All across the nation and in the state of Florida, workers have struggled greatly to find jobs, but in many instances there is virtually no opportunity. In the first half of 2010, there were five jobless people for every job created in the U.S. For workers, it is hard not to lose hope in these conditions. As months go by, and the economy does not respond, people are unemployed for longer and longer periods of time, and many quit looking for work altogether.

Since the start of the recession, long-term unemployment has almost tripled at the state and national level. In 2009, Florida had the third highest long-term unemployment rate in the nation, 37.2 percent. Rates of long-term unemployment this high had not been seen since the Great Depression.

Florida has seen higher rates of long-term unemployment than the U.S. since the start of the recession. In the first half of 2010, almost half of the people without jobs had been unemployed for over six months in the US; we can assume rates for Florida are higher or at least close to national levels. By the first half of 2010, approximately half a million jobless workers in Florida had been relying on savings, borrowing, or unemployment insurance benefits for more than six months to pay for their necessities.

We can see the economy is slowly starting to create jobs by comparing the *jobless workers per job created* ratio – *six to one* in 2009 to *five to one* in 2010 in the U.S. However, this growth is way too small to believe conditions in the labor market will greatly improve any time soon.

Figure 7  
Long-term Unemployment, Florida and the U.S.



Source: EPI analysis of BLS data

Table 5

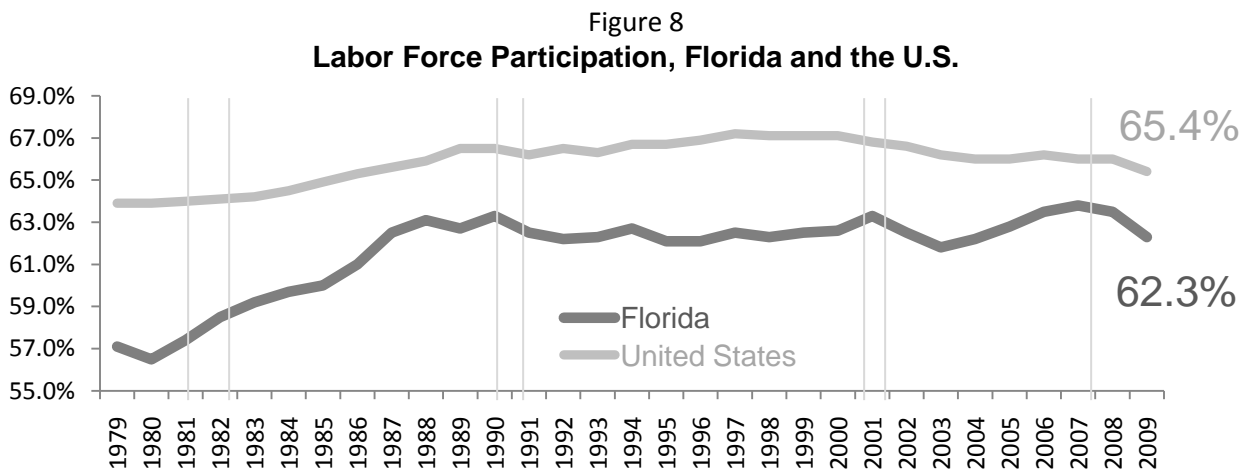
|               | Long-term unemployment (%) |      |      |      |      |      |      |      |      |      |
|---------------|----------------------------|------|------|------|------|------|------|------|------|------|
|               | 2001                       | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Florida       | 10.8                       | 17.7 | 19.2 | 18.6 | 18.9 | 13.4 | 15.1 | 23.5 | 37.2 | n.a. |
| United States | 11.8                       | 18.3 | 22.1 | 21.8 | 19.6 | 17.6 | 17.6 | 19.7 | 31.5 | 43.9 |

Source: EPI analysis of BLS data

## With no jobs available, workers stay out of the workforce

The labor force participation rate is the share of working age population – 16 years old and over – who are either working or actively looking for jobs. During economic recessions, it is hard for workers to find opportunities in the labor force. The current recession has lasted more than two years, and labor market conditions have eroded in ways the U.S. has rarely seen before. Unemployed laborers give up on looking for practically non-existent opportunities and then dropout of the active labor force; they become discouraged. Historically, participation rates in Florida have been below the national level, 3.1 percentage points below in 2009, due to the fact that the state has a large concentration of retirees who no longer participate in the labor force.

Labor force participation rates are pro-cyclical; more people become active in the labor force when the economy is in expansion and more withdraw during recessions. Since the official start of the recession, the working age population has grown but labor force participation in Florida has fallen 1.5 percentage points. This is because of discouraged workers' withdrawal and working age people who decided not to enter the labor force at all, including many young people. If participation rates had remained at the pre-recession level of 63.8 percent in December 2007, the number of people in the labor force would have increased during 2009. Instead, seventy thousand workers disappeared from the labor market. This is another way in which unemployment rates understate the severity of the recession because discouraged workers or young people who have not entered the labor force are not counted in the unemployment rate, even though they may actually desire to be working. Seventy thousand workers represent 0.8 percent of Florida's labor force average in 2009. If these seventy thousand discouraged workers would have remained active in the search for jobs in 2009, unemployment rates would have been almost one percentage point higher. Participation rates in the U.S. have not decreased as much as Florida's have, declining only 0.6 percentage points in the nation.



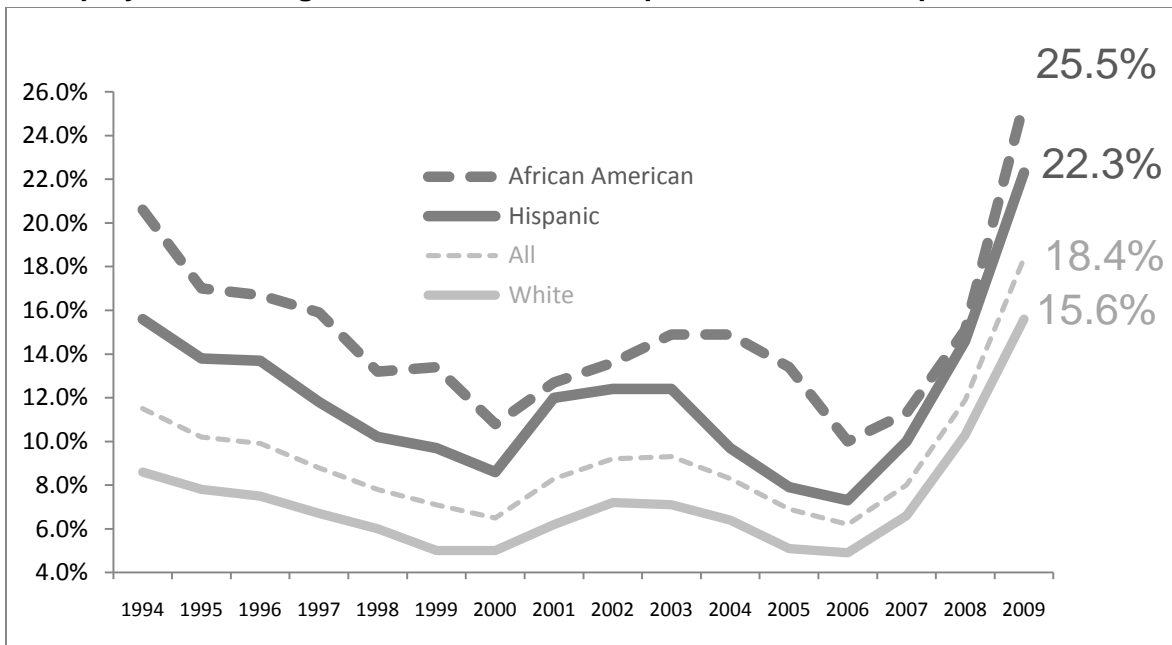
Source: EPI analysis of BLS data

## African American and Hispanic workers hit hardest in Florida

While the recession has hit all working Floridians hard, African American and Hispanic workers have been particularly hard hit by job loss and unemployment. In 2009, over a quarter of the African American workforce was underemployed, more than double the 2007 rate of 11.3%. This increase of 14.2 percentage points compares with a 9 percentage point increase for White non-Hispanic workers, who had a 15.6 percent underemployment rate in 2009, up from 4.9 percent in 2007. Hispanic workers also saw a big jump in underemployment, from 7.3 percent in 2007 to 22.3 percent in 2009, more than triple. For African Americans, the rise in underemployment was driven by unemployment, which increased 9.2 percentage points from 2007 to 2009, compared with a 6.8 percentage point increase for Hispanics and a 5.6 percent increase for non-Hispanic Whites. For Hispanics, the increase in underemployment was driven by the increase in involuntary part-time employment, which increased by 17.3 percentage points, compared with 15.7 percent for African Americans and 11.6 percentage points for non-Hispanic Whites.

Figure 9

### Underemployment among African Americans, Hispanics and Non-Hispanic Whites in Florida



Source: EPI analysis of BLS data

The hard economic times have had the impact of reducing the share of the labor force that is Hispanic, which declined by 1 percentage point from 2007 to 2009. Hispanics have much higher involuntary part-time employment rates than non-Hispanic Whites, 46.7 percent compared with 24.8 percent, and also higher than African Americans (38.5 percent). However, they have slightly lower long-term unemployment rates than non-Hispanic Whites and much lower than African Americans (46.1 percent). This suggests that Hispanic workers may have an easier time finding part-time employment even if they would rather have full-time jobs.

Table 6  
**Labor force statistics, Hispanics and Non-Hispanic Whites in Florida**

|                               | 2007  |          |             | 2009  |          |             | % point change |          |       |
|-------------------------------|-------|----------|-------------|-------|----------|-------------|----------------|----------|-------|
|                               | White | Hispanic | diff.       | White | Hispanic | diff.       | White          | Hispanic | diff. |
| <i>Underemployment</i>        | 4.9%  | 7.3%     | 2.3         | 15.6% | 22.3%    | 6.7         | 10.7           | 15.0     | 4.3   |
| <i>Unemployment Rate</i>      | 3.3%  | 4.8%     | 1.5         | 8.9%  | 11.6%    | 2.7         | 5.6            | 6.8      | 1.2   |
| <i>Part-Time Share</i>        | 20.3% | 16.0%    | -4.3        | 24.4% | 18.4%    | -6.0        | 4.1            | 2.4      | -1.7  |
| <i>Involuntary Part-Time</i>  | 13.2% | 29.4%    | 16.2        | 24.8% | 46.7%    | 21.9        | 11.6           | 17.3     | 5.7   |
| <i>Long Term Unemployment</i> | 15.8% | 14.4%    | <i>n.s.</i> | 35.9% | 33.4%    | <i>n.s.</i> | 20.1           | 19.0     | -1.1  |
| <i>Participation Rate</i>     | 61.4% | 68.6%    | 7.2         | 60.1% | 66.7%    | 6.6         | -1.3           | -1.9     | -0.6  |
| <i>Share of labor force</i>   | 60.7% | 22.4%    | -38.3       | 61.1% | 21.4%    | -39.7       | 0.4            | -1.0     | -1.4  |

Source: EPI analysis of BLS data

For African Americans, alarmingly high rates of underemployment, long term unemployment, and workers dropping out of the labor force indicate that very few options are available to these workers, and many have fallen out of the labor force. Labor force participation declined by 2.1 percentage points for African American workers from 2007 to 2009, compared with a 1.3 percentage point decline for non-Hispanic Whites and a 1.9 percentage point decline for Hispanics. With nearly half of the unemployed out of work for six months or longer, and almost 40 percent of those who do have jobs working part-time involuntarily, the back log of workers who will be looking for jobs even when the economy does begin to improve means that recovery will be a very long time coming for these workers.

Table 7  
**Labor force statistics, African Americans and Non-Hispanic Whites in Florida**

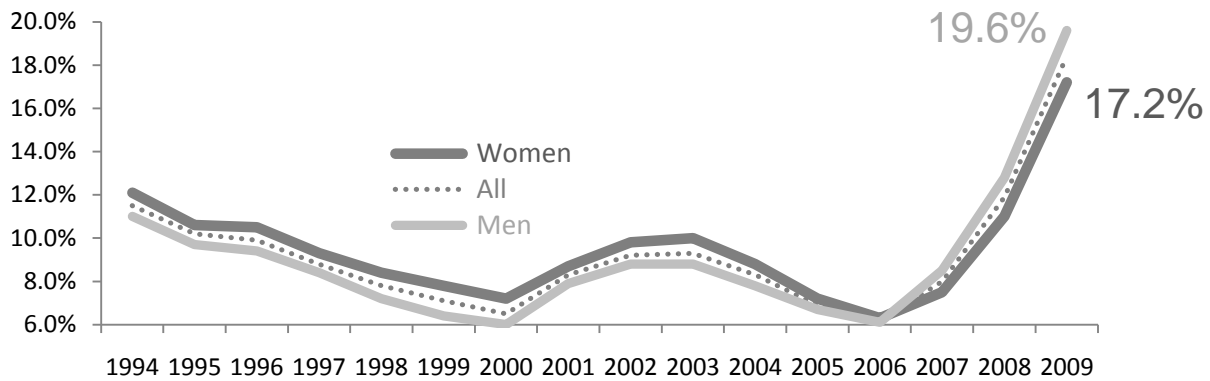
|                               | 2007  |       |             | 2009  |       |             | % point change |       |             |
|-------------------------------|-------|-------|-------------|-------|-------|-------------|----------------|-------|-------------|
|                               | White | Black | diff.       | White | Black | diff.       | White          | Black | diff.       |
| <i>Underemployment</i>        | 6.6%  | 11.3% | 4.7         | 15.6% | 25.5% | 9.9         | 9.0            | 14.2  | 5.2         |
| <i>Unemployment Rate</i>      | 3.3%  | 6.2%  | 2.8         | 8.9%  | 15.4% | 6.5         | 5.6            | 9.2   | 3.6         |
| <i>Part-Time Share</i>        | 20.3% | 15.8% | -4.5        | 24.4% | 23.3% | <i>n.s.</i> | 4.1            | 7.5   | 3.4         |
| <i>Involuntary Part-Time</i>  | 13.2% | 22.8% | 9.6         | 24.8% | 38.5% | 13.7        | 11.6           | 15.7  | 4.1         |
| <i>Long Term Unemployment</i> | 15.8% | n.a.  | <i>n.a.</i> | 35.9% | 46.1% | 10.2        | 20.1           | n.a.  | <i>n.a.</i> |
| <i>Participation Rate</i>     | 61.4% | 66.7% | 5.3         | 60.1% | 64.6% | 4.5         | -1.3           | -2.1  | -0.8        |
| <i>Share of labor force</i>   | 60.7% | 13.8% | -46.9       | 61.1% | 14.2% | -46.9       | 0.4            | 0.4   | 0.0         |

Source: EPI analysis of BLS data

## Gender imbalance in hard-hit industries produces disparate impacts

Women historically tend to have slightly higher rates of underemployment, but since the recession began, underemployment rates for men have surpassed those of women. In 2009, men were underemployed at a rate of 19.6 percent, compared with 17.2 percent for women. The explanations for this reversal have to do with the industries which were hardest hit in the recession, beginning with construction which has been the hardest hit and is very heavily male. Education and Health Services, which have a higher percentage of female workers, have not been as affected in Florida. Because of this, men are faring worse on all the indicators: involuntary part-time employment and long term unemployment are both higher for men, and men have dropped out of the labor force faster than women as well. This points to an immediate need for full-time construction jobs, but also for more equal distribution of women and men across industries so that one gender is not hurt more than another due to the character of a particular recession.

Figure 10  
Underemployment by Gender in Florida



Source: EPI analysis of BLS data

Table 8  
Labor Force Statistics by Gender in Florida, 2007 to 2009

|                               | 2007  |       |       | 2009  |       |       | % point change |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|----------------|-------|-------|
|                               | Men   | Women | diff. | Men   | Women | diff. | Men            | Women | diff. |
| <i>Underemployment</i>        | 12.8% | 11.0% | -1.8  | 19.6% | 17.2% | -2.4  | 6.8            | 6.2   | -0.6  |
| <i>Unemployment Rate</i>      | 6.6%  | 5.5%  | -1.0  | 11.5% | 9.1%  | -2.4  | 4.9            | 3.6   | -1.3  |
| <i>Part-Time Share</i>        | 16.6% | 24.0% | 7.5   | 19.6% | 28.4% | 8.8   | 3.0            | 4.4   | 1.4   |
| <i>Involuntary Part-Time</i>  | 34.3% | 19.7% | -14.7 | 38.3% | 25.8% | -12.5 | 4.0            | 6.1   | 2.1   |
| <i>Long Term Unemployment</i> | 23.1% | 24.0% | n.s.  | 38.8% | 35.0% | -3.8  | 15.7           | 11.0  | -4.7  |
| <i>Participation Rate</i>     | 70.0% | 57.4% | -12.6 | 68.2% | 56.8% | -11.4 | -1.8           | -0.6  | 1.2   |
| <i>Share of labor force</i>   | 53.1% | 46.9% | -6.3  | 52.7% | 47.3% | -5.4  | -0.4           | 0.4   | 0.8   |

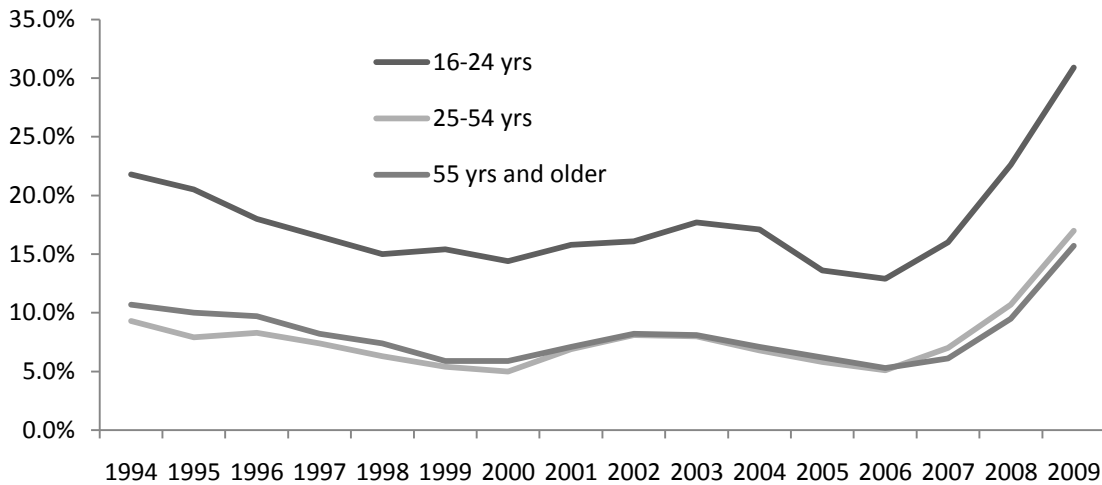
Source: EPI analysis of BLS data

n.s.=not significant difference

**Young workers leave the labor force, older workers stay put**

Young workers, 16 to 24 year olds, have historically had much higher levels of unemployment and underemployment than older workers. However, these workers have been hit the hardest of any age group in the recession, making this age group relatively worse off than before. Young workers were underemployed at a rate of 30.9 percent in 2009, almost double the rates for older workers. Young workers also had the largest increase in underemployment since the beginning of the recession, with an increase of 14.9 percentage points from 2007 to 2009. For workers 25 and older, underemployment increased about 10 percentage points.

Figure 11  
Underemployment by Age Group in Florida



In addition to high underemployment, young workers are faring badly on other labor force indicators as well, particularly labor force participation. Participation in the labor force declined by 5.7 percentage points for this group, compared with a 1.4 percentage point decrease for workers 25 to 54 years old, and an increase of 1.1 points for workers 55 years and older. This suggests that while young workers cannot find jobs, older workers are delaying retirement and keeping their jobs due to the uncertain economy and loss of retirement security.

Table 9  
Labor Force Statistics by Age Group in Florida, 2007 to 2009

|                               | 2007      |           |                  | 2009      |           |                  | % point change |           |                  |
|-------------------------------|-----------|-----------|------------------|-----------|-----------|------------------|----------------|-----------|------------------|
|                               | 16-24 yrs | 25-54 yrs | 55 yrs and older | 16-24 yrs | 25-54 yrs | 55 yrs and older | 16-24 yrs      | 25-54 yrs | 55 yrs and older |
| <i>Underemployment</i>        | 16.0%     | 7.0%      | 6.1%             | 30.9%     | 17.0%     | 15.7%            | 14.9           | 10.0      | 9.6              |
| <i>Unemployment Rate</i>      | 9.2%      | 3.4%      | 2.7%             | 18.4%     | 9.3%      | 9.0%             | 9.2            | 5.9       | 6.3              |
| <i>Part-Time Share</i>        | 36.0%     | 13.7%     | 24.1%            | 48.5%     | 19.1%     | 26.2%            | 12.5           | 5.4       | 2.1              |
| <i>Involuntary Part-Time</i>  | 15.7%     | 22.0%     | 10.8%            | 24.5%     | 38.0%     | 21.5%            | 8.8            | 16.0      | 10.7             |
| <i>Long Term Unemployment</i> | n.a.      | 16.1%     | n.a.             | 33.7%     | 36.7%     | 43.1%            | n.a.           | 20.6      | n.a.             |
| <i>Participation Rate</i>     | 60.0%     | 84.0%     | 35.3%            | 54.3%     | 82.6%     | 36.4%            | -5.7           | -1.4      | 1.1              |

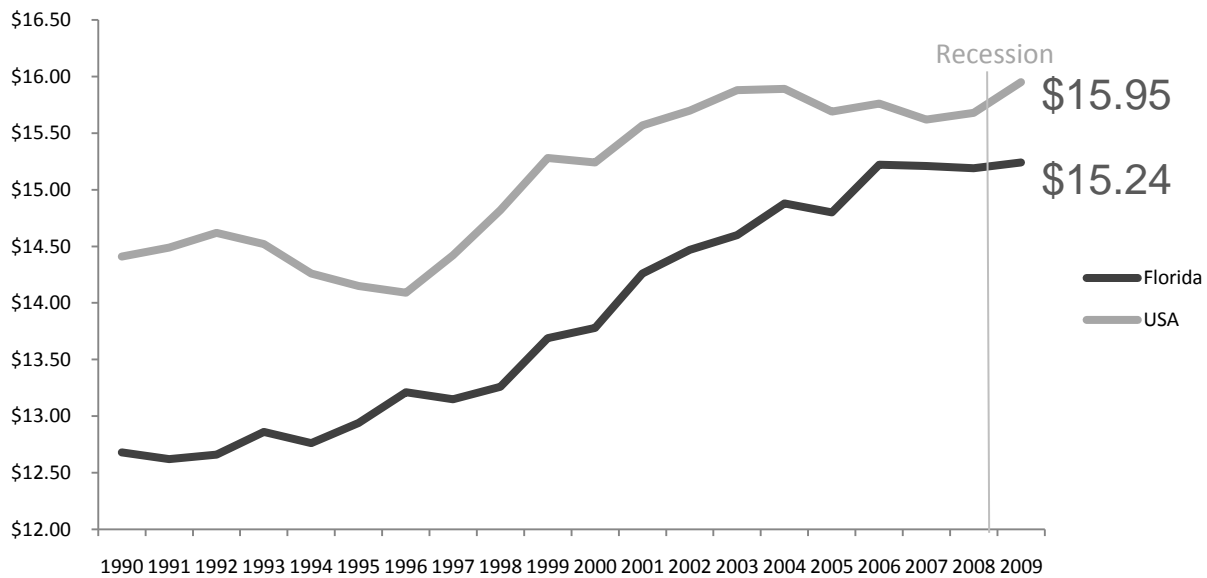


Source: EPI analysis of BLS data

### Recession widens gap between Florida and U.S. wages

High rates of unemployment typically depress wages, although the effect is not seen immediately as employers are usually quicker to lay off workers than to reduce wages. So far, this recession does not seem to have had an effect on the median wage in the U.S., which increased slightly from 2008 to 2009. In Contrast, the median wage in Florida was flat, virtually unchanged from last year. The difference in these patterns has widened the gap between wages in Florida and the U.S., which had been decreasing in recent years. Florida has historically had lower wages than the U.S., but in 2007, the gap had narrowed so that Florida was 97.4 percent of the U.S. median. However, the recession appears to be eating away at Florida’s gains. In 2009, the median hourly wage in Florida was \$15.24, compared with \$15.95 in the U.S., meaning that Florida has dropped to 95.5 percent of the U.S. median. In 2009, FL ranked 29<sup>th</sup> of the nation in median wage.

Figure 12  
**Median Hourly Wage, Florida and the U.S. 1990 to 2009**

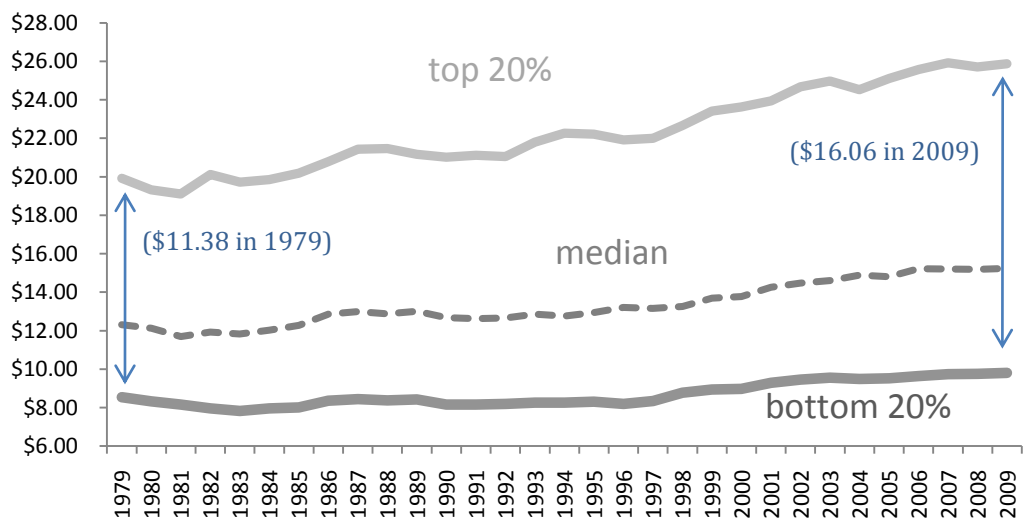


Source: EPI analysis of BLS data

### Gap between top and bottom earners continues to increase

Although the median wage in Florida has remained flat, the same is not true for workers at different ends of the pay scale. Wages for workers in the top 20 percent of earners in Florida increased by 1.6% in 2009 to \$16.06 per hour, while they remained basically flat for the bottom 20 percent at \$9.81, and actually declined slightly for the bottom 10 percent to \$7.97. These differences mean that the wage gap continues to increase between the top and bottom earners in Florida, a trend that has been in place for many decades. In 1979, the top 10 percent of earners made 2.92 times what the bottom 20 percent made, earning \$11.38 more per hour. By 2009, the gap had grown to where the top 10 percent of workers were earning 3.55 times the bottom 20 percent in Florida, or \$16.06 more per hour. This gap is slightly smaller than the U.S. gap, in which the top 10 percent earned 3.81 times what the bottom earned in 2009.

Figure 13  
**Top 20%, Median, and Bottom 20% of Earners in Florida,**



Source: EPI analysis of BLS data

Table 10

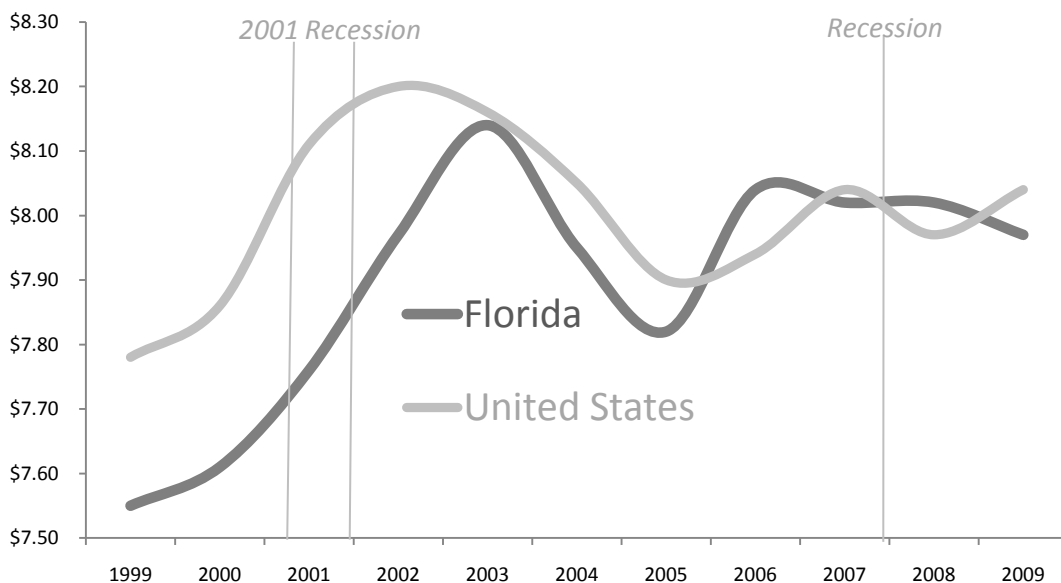
|                        | Median Hourly Wages (\$) |             |             |             |             |             |             |             |             |
|------------------------|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | 1979                     | 1984        | 1989        | 1994        | 1999        | 2004        | 2007        | 2008        | 2009        |
| <b>Florida</b>         |                          |             |             |             |             |             |             |             |             |
| Bottom 20%             | 8.54                     | 7.95        | 8.43        | 8.25        | 8.94        | 9.49        | 9.74        | 9.75        | 9.81        |
| Top 10%                | 24.96                    | 25.61       | 27.36       | 28.94       | 30.86       | 33.06       | 34.63       | 34.28       | 34.82       |
| <b>How many times?</b> | <b>2.92</b>              | <b>3.22</b> | <b>3.25</b> | <b>3.51</b> | <b>3.45</b> | <b>3.48</b> | <b>3.56</b> | <b>3.52</b> | <b>3.55</b> |
| <b>United States</b>   |                          |             |             |             |             |             |             |             |             |
| Bottom 20%             | 9.28                     | 8.62        | 8.65        | 8.65        | 9.47        | 9.82        | 9.75        | 9.76        | 9.83        |
| Top 10%                | 31.24                    | 29.26       | 30.25       | 31.24       | 33.42       | 35.50       | 36.34       | 36.59       | 37.43       |
| <b>How many times?</b> | <b>3.05</b>              | <b>3.39</b> | <b>3.50</b> | <b>3.61</b> | <b>3.53</b> | <b>3.62</b> | <b>3.73</b> | <b>3.75</b> | <b>3.81</b> |

Source: EPI analysis of BLS data

### The lowest earners see wages decrease

Since Florida's economy is heavily dependent on low-wage workers, the performance of the wages for these workers is very important to the health of our economy. However, the recession has had a negative impact on the wages of this group, the only group to see a decline in wages so far. Since 2006, wages for the bottom 10 percent of earners have declined 0.9%, while wages for higher earners have increased. In 2006, the median wage for the bottom 10 percent of earners was \$8.02 per hour, and in 2009, it was \$7.97. Historically, the lowest earners in Florida have earned less than their counterparts in the U.S. as a whole, but that gap had been narrowing and disappeared by 2005. Since 2005, the gap has widened again as very-low wage workers in the U.S. have seen a slight increase in their wages. Figure 13 also shows a sharp drop in wages after the 2001 recession, although the drop did not occur until 2003. If the same pattern holds true in this recession, we are only seeing the beginnings of a decline in wages and there will be several tough years ahead for low wage earners.

Figure 14  
**Wages of Very-Low Wage Earners, Florida and the U.S.**



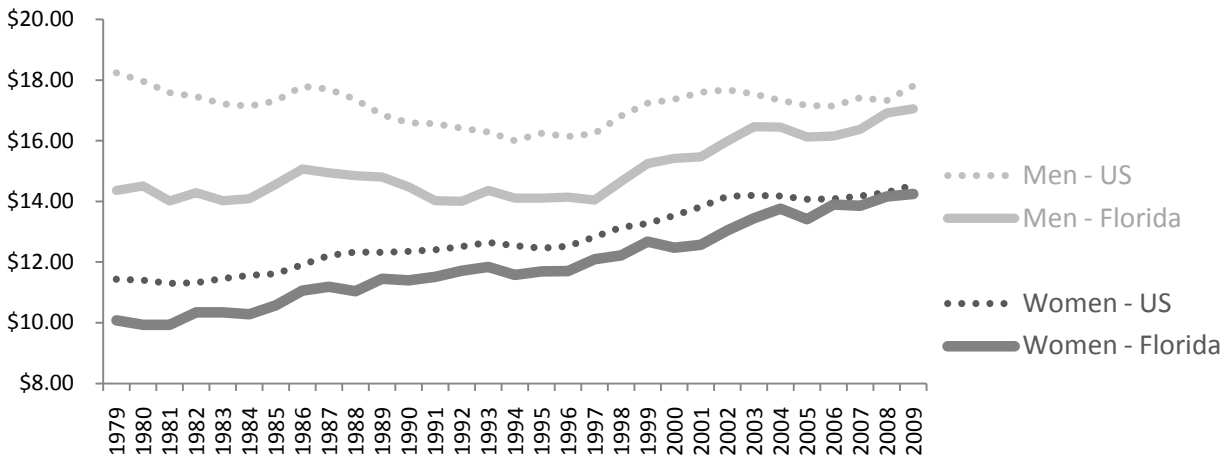
Source: EPI analysis of BLS data

### Women's wages down in 2009

Over the past thirty years, women's wages in Florida have been catching up to men's wages, and to women's wages in the U.S. as a whole. The recession has negatively impacted those gains however. Although women have been faring better than men with regards to employment during the recession, women experienced a drop in median wages from \$15.16 per hour in 2008 to \$14.25 per hour in 2009. Men's wages remained essentially flat at close to \$17.00 per hour. This means that the gap between women's and men's wages in Florida, which hit its narrowest point in 2007 when women earned nearly 85% of what men earned, widened back to its 2004 point of 83.6% in 2009. In 2009, women in Florida earned over 98% of what women in the U.S. as a whole earned, whereas historically women's wages in Florida had lagged significantly behind the national. The gap in median wage between Florida male workers

and the national average has been narrowing over time as well. In 2009, male workers in Florida earned 95.7% of the national average compared to 78.3% in 1979.

Figure 15  
**Median Hourly Wages of Women and Men, Florida and the U.S.**



Source: EPI analysis of BLS data

Table 11

|                      | Median Hourly Wages (\$) |              |              |              |              |              |              |              |              |
|----------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                      | 1979                     | 1984         | 1989         | 1994         | 1999         | 2004         | 2007         | 2008         | 2009         |
| <b>Florida</b>       |                          |              |              |              |              |              |              |              |              |
| Women                | 10.08                    | 10.28        | 11.45        | 11.58        | 12.67        | 13.76        | 13.86        | 15.16        | 14.25        |
| Men                  | 14.36                    | 14.09        | 14.841       | 14.11        | 15.25        | 16.45        | 16.38        | 16.92        | 17.05        |
| <b>Women/Men</b>     | <b>70.2%</b>             | <b>73.0%</b> | <b>77.3%</b> | <b>82.1%</b> | <b>83.1%</b> | <b>83.6%</b> | <b>84.6%</b> | <b>83.7%</b> | <b>83.6%</b> |
| <b>United States</b> |                          |              |              |              |              |              |              |              |              |
| Women                | 11.43                    | 11.56        | 12.32        | 12.54        | 13.27        | 14.18        | 14.29        | 14.29        | 14.54        |
| Men                  | 18.24                    | 17.14        | 16.86        | 16.00        | 17.24        | 17.33        | 17.42        | 17.32        | 17.81        |
| <b>Women/Men</b>     | <b>62.7%</b>             | <b>67.4%</b> | <b>73.1%</b> | <b>78.4%</b> | <b>77.0%</b> | <b>81.8%</b> | <b>81.4%</b> | <b>82.5%</b> | <b>81.6%</b> |

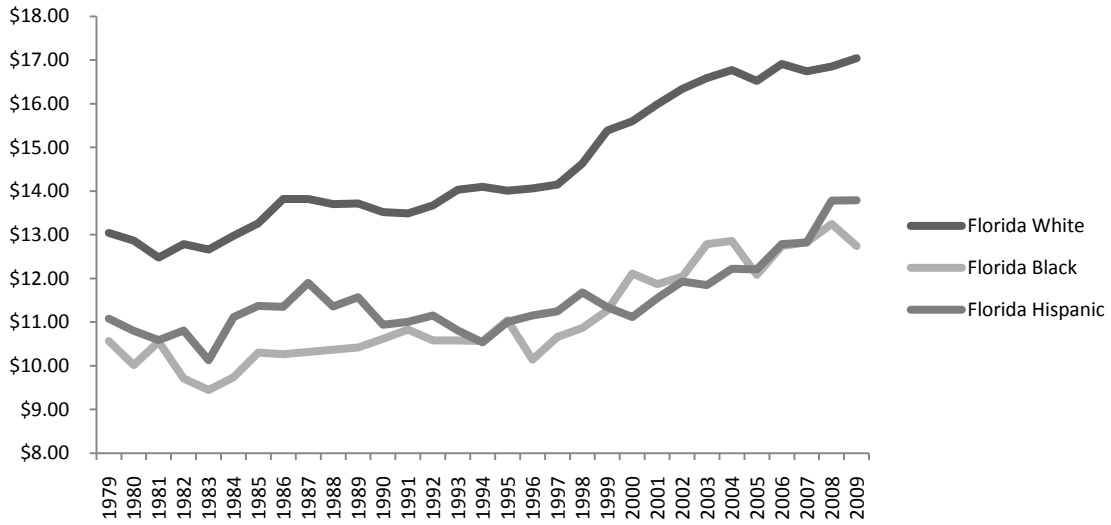
Source: EPI analysis of BLS data

### Wages for African Americans in Florida down in 2009

The flat median wage also masks differences among White, African American, and Hispanic workers in Florida. While wages for White non-Hispanic workers increased slightly from 2008 to 2009, wages for Hispanic workers remained flat, and wages for African American workers dropped by \$0.51(3.85%). For a full-time worker, this drop equals roughly \$1,000 a year in lost wages. The median wage for White non-Hispanic workers increased by \$0.19 (1.13%) in 2009 and was essentially unchanged for Hispanic workers (+\$0.01).

Figure 16

**Median Hourly Wage by Race/Ethnicity in Florida, 1979 to 2009**

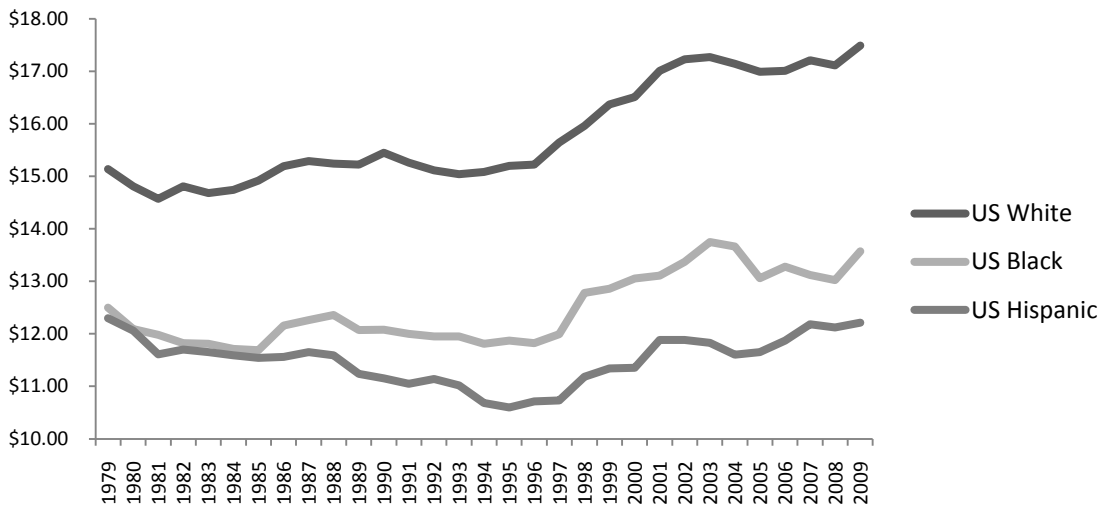


Source: EPI analysis of BLS data

The national figures tell a very different story. In the U.S., the median wage for African Americans increased by 4.22 percent, faster than for both White non-Hispanic (2.22%) and Hispanic workers (0.74%). In 2008, African American’s wages in Florida surpassed the national average for their group for the first time; however, last year’s drop has African American workers in Florida again earning less than African Americans in the U.S. as a whole. Hispanic workers in Florida continued to earn more than Hispanics in the U.S. as a whole, as they have since the late 1990’s. White non-Hispanic workers in Florida have never earned more than White workers in the U.S., although the gap has narrowed significantly over the last 30 years.

Figure 17

**Median Hourly Wage by Race/Ethnicity in the U.S., 1979 to 2009**



**Recession widens wage gap between African American and Hispanic workers and White workers**

The gap in wages between African American and Hispanic workers and non-Hispanic White workers is larger than it was three decades ago. In Florida, African Americans earned 74.8% of what White non-Hispanics earned in 2009, compared with 81.1% in 1979. Hispanic workers earned 80.9% of what White non-Hispanic workers earned in 2009, down from 85% in 1979. The economic expansion of the past decade had reversed this trend somewhat, with the gap in 2008 at its narrowest point since the early 90's for Hispanic workers and since the early 80's for African Americans. But it appears that the recession has erased these gains, widening the gaps again, most significantly for African American workers who went from 78.6 percent of White workers wages in 2008 to 74.8 percent in 2009. The gap at the national level has also grown over time, but the recession appears not to have affected the gap in the same way as in Florida. The gap between White non-Hispanic and African American wages narrowed slightly from 2008 to 2009, and remained essentially the same for Hispanic/White workers.

Table 12  
**Wage gap for African American and White non-Hispanic workers**

|                      | Median Hourly Wages (\$) |              |              |              |              |              |              |              |              |
|----------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                      | 1979                     | 1984         | 1989         | 1994         | 1999         | 2004         | 2007         | 2008         | 2009         |
| <b>Florida</b>       |                          |              |              |              |              |              |              |              |              |
| <i>Black</i>         | 10.57                    | 9.74         | 12.37        | 10.57        | 11.27        | 12.86        | 12.83        | 13.25        | 12.74        |
| <i>White</i>         | 13.04                    | 12.98        | 13.70        | 14.10        | 15.39        | 16.77        | 16.74        | 16.85        | 17.04        |
| <b>Black/White</b>   | <b>81.1%</b>             | <b>75.0%</b> | <b>75.7%</b> | <b>75.0%</b> | <b>73.2%</b> | <b>76.7%</b> | <b>76.6%</b> | <b>78.6%</b> | <b>74.8%</b> |
| <b>United States</b> |                          |              |              |              |              |              |              |              |              |
| <i>Black</i>         | 12.50                    | 11.71        | 12.07        | 11.81        | 12.86        | 13.66        | 13.12        | 13.02        | 13.57        |
| <i>White</i>         | 15.14                    | 14.74        | 15.22        | 15.08        | 16.37        | 17.14        | 17.21        | 17.11        | 17.49        |
| <b>Black/White</b>   | <b>82.6%</b>             | <b>79.4%</b> | <b>79.3%</b> | <b>78.3%</b> | <b>78.6%</b> | <b>79.7%</b> | <b>76.2%</b> | <b>76.1%</b> | <b>77.6%</b> |

Source: EPI analysis of BLS data

Table 13  
**Wage gap for Hispanic and White non-Hispanic workers**

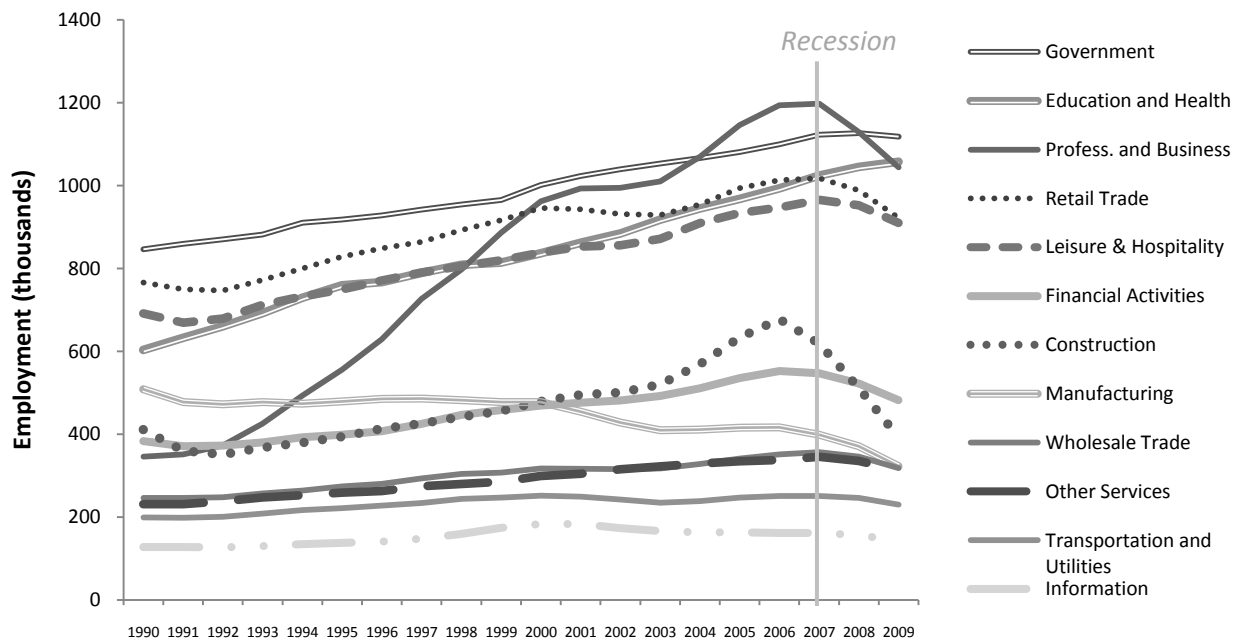
|                       | Median Hourly Wages (\$) |              |              |              |              |              |              |              |              |
|-----------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                       | 1979                     | 1984         | 1989         | 1994         | 1999         | 2004         | 2007         | 2008         | 2009         |
| <b>Florida</b>        |                          |              |              |              |              |              |              |              |              |
| <i>Hispanic</i>       | 11.08                    | 11.12        | 11.57        | 10.54        | 11.34        | 12.22        | 12.82        | 13.78        | 13.79        |
| <i>White</i>          | 13.04                    | 12.98        | 13.72        | 14.10        | 15.39        | 16.77        | 16.74        | 16.85        | 17.04        |
| <b>Hispanic/White</b> | <b>85.0%</b>             | <b>85.7%</b> | <b>84.3%</b> | <b>74.8%</b> | <b>73.7%</b> | <b>72.9%</b> | <b>76.6%</b> | <b>81.8%</b> | <b>80.9%</b> |
| <b>United States</b>  |                          |              |              |              |              |              |              |              |              |
| <i>Hispanic</i>       | 12.30                    | 11.59        | 11.24        | 10.68        | 11.34        | 11.60        | 12.18        | 12.12        | 12.21        |
| <i>White</i>          | 15.14                    | 14.74        | 15.22        | 15.08        | 16.37        | 17.01        | 17.21        | 17.11        | 17.49        |
| <b>Hispanic/White</b> | <b>81.2%</b>             | <b>78.6%</b> | <b>73.9%</b> | <b>70.8%</b> | <b>69.3%</b> | <b>67.7%</b> | <b>70.8%</b> | <b>70.8%</b> | <b>69.8%</b> |

Source: EPI analysis of BLS data

## Job losses in all industries except education and health services

Job losses in construction led in the recession, but by April 2007, total nonfarm employment began to decline in Florida. Florida's job losses previewed the national recession, which began officially in December 2007. By December 2009, the U.S. had lost 8.3 million jobs or 6.1% of employment, and Florida had lost 10.1% of employment. Of the other major industries in the state, Professional and Business Services, which has seen a dramatic increase since 1990, began losing jobs after the construction losses started, and since 2007, 142,500 jobs have been lost in this industry, or 12 percent of employment. Manufacturing lost 21.3% (82,500) of its jobs, over the same period, after remaining basically flat during the expansion. Retail trade has lost 105,800 jobs or 10.4 percent in this recession, and Leisure and Hospitality has lost 74,000 or 7.7 percent. Education and Health is the only industry which has not lost jobs, and in fact grew by 3.3% from 2007 to 2009, adding 33,900 jobs.

Figure 18  
**Employment by Industry in Florida, 1990 to 2009**

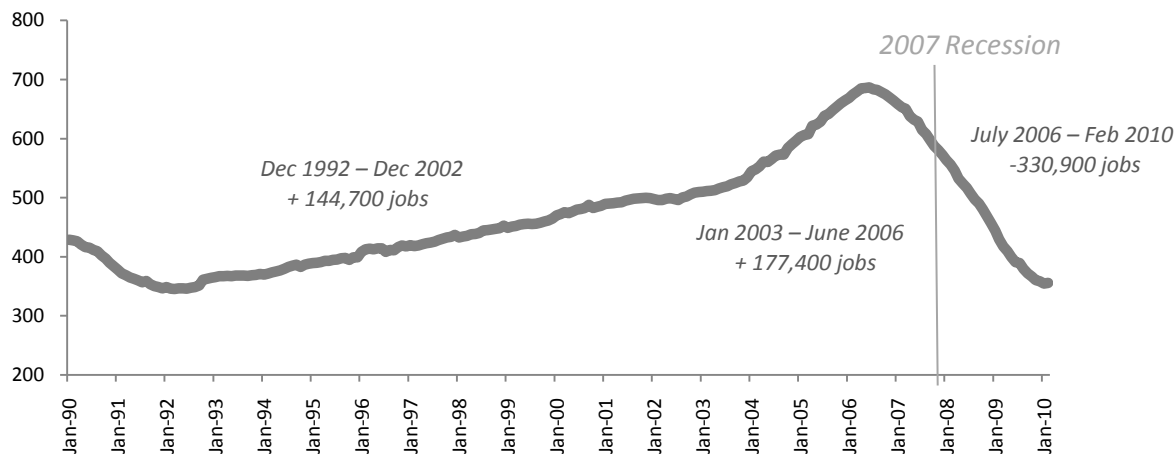


Source: EPI analysis of BLS data

### Construction hit first and hardest

After a remarkable expansion from 2002 to 2006, the construction industry experienced an equally dramatic collapse in Florida. Construction jobs started declining in Florida in July 2006, 17 months before the official start of the recession. In total, the construction industry lost 331,900 jobs (48.3%) between July 2006 and January of 2010 before adding just over 1,000 jobs in February 2010. These losses have taken construction employment in Florida back to 1992 levels. Construction is an important source of employment particularly for Hispanic and African American workers in Florida, and the losses in this industry are particularly devastating because the overall job quality and wages tends to be better than many other sectors, such as retail and hospitality, where many minority workers are employed.

Figure 19  
**Construction Industry Employment in Florida, 1990 to 2010**



Source: EPI analysis of BLS data

The year 2009 continued the same pattern as the first year of the recession. Job losses in Florida were felt in every industry, except Education and Health Services, as a result of the recession. Florida lost a total of 359,100 jobs in 2009 or 4.9 % of employment. Most of the job loss came from the Construction industry which lost 21.4% or 97,800 of its jobs (the second largest drop in the nation after California). Manufacturing followed losing 13% or 45,600 jobs in 2009. All other industries had losses of 3.5% to 9% in what was a dismal year for Florida workers. Education and Health Services did add 16,700 jobs in 2009 partly due to federal stimulus spending.

Table 14

|                              | total employment and share by industry |             |               |             |               |             |               |             | change<br>Dec 2007- Dec 2009 |                   |
|------------------------------|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|------------------------------|-------------------|
|                              | Dec 2006                               |             | Dec 2007      |             | Dec 2008      |             | Dec 2009      |             | employment<br>change         | percent<br>change |
|                              | empl.                                  | share       | empl.         | share       | empl.         | share       | empl.         | share       |                              |                   |
| <b>Total Nonfarm</b>         | <b>8054.8</b>                          |             | <b>7953.3</b> |             | <b>7509.5</b> |             | <b>7150.4</b> |             | -802.9                       | <b>-10.1%</b>     |
| Government                   | 1113.2                                 | 13.8%       | 1129.8        | 14.2%       | 1120.3        | 15.0%       | 1111.4        | 15.5%       | -18.4                        | -1.6%             |
| Education and Health         | 1007.5                                 | 12.5%       | 1036.1        | 13.0%       | 1053.3        | 14.0%       | 1070.0        | 15.0%       | 33.9                         | 3.3%              |
| Professional and Business    | 1210.0                                 | 15.0%       | 1183.5        | 14.9%       | 1087.0        | 14.5%       | 1041.0        | 14.6%       | -142.5                       | -12.0%            |
| Retail trade                 | 1018.0                                 | 12.6%       | 1014.9        | 12.8%       | 953.5         | 12.7%       | 909.1         | 12.7%       | -105.8                       | -10.4%            |
| Leisure and Hospitality      | 957.0                                  | 11.9%       | 969.0         | 12.2%       | 931.6         | 12.4%       | 894.8         | 12.5%       | -74.2                        | -7.7%             |
| Financial Activities         | 553.8                                  | 6.9%        | 539.2         | 6.8%        | 503.9         | 6.7%        | 471.5         | 6.6%        | -67.7                        | -12.6%            |
| <b>Construction</b>          | <b>664.4</b>                           | <b>8.3%</b> | <b>572.6</b>  | <b>7.2%</b> | <b>456.4</b>  | <b>6.1%</b> | <b>358.6</b>  | <b>5.0%</b> | <b>-214.0</b>                | <b>-37.4%</b>     |
| Manufacturing                | 410.7                                  | 5.1%        | 387.6         | 4.9%        | 350.7         | 4.7%        | 305.1         | 4.3%        | -82.5                        | -21.3%            |
| Wholesale Trade              | 355.5                                  | 4.4%        | 355.7         | 4.5%        | 336.2         | 4.5%        | 312.2         | 4.4%        | -43.5                        | -12.2%            |
| Other Services               | 344.3                                  | 4.3%        | 347.3         | 4.4%        | 320.0         | 4.3%        | 308.7         | 4.3%        | -38.6                        | -11.1%            |
| Transportation and Utilities | 252.3                                  | 3.1%        | 251.5         | 3.2%        | 240.6         | 3.2%        | 225.9         | 3.2%        | -25.6                        | -10.2%            |
| Information                  | 161.5                                  | 2.0%        | 159.4         | 2.0%        | 150.2         | 2.0%        | 136.7         | 2.0%        | -22.7                        | -14.2%            |

Source: EPI analysis of BLS data

## Recession produces job losses in higher paying industries



The top five paying industries in Florida all had above average job loss for the recession period (table 14). Information, which pays an average of 44 percent more than the average for all industries, lost 14.2 percent of employment from 2007 to 2009. Wholesale trade, financial activities, and manufacturing, all had declines in employment greater than the 10.1 percent average for the recession. While the first four of these industries are relatively small sectors of Florida's economy, together the top five make up 32.2 percent of employment in Florida. The major losses in construction did not likely have a big influence on overall wages since construction pays close to the average; however, it may have had an influence on the wages of African American and Hispanic workers by eliminating many of the better paying jobs available to these workers. Maintaining jobs in Education and Health has likely been very important for maintaining overall wages as this industry pays slightly above average. Industries that pay below average tend to pay much lower than average, almost half the average in the case of Leisure and Hospitality, which pays an average of \$20,985 compared with \$40,958 state average for all industries. One-quarter of Florida workers are employed in industries that pay significantly below the average.

Table 15

|                                     | average<br>annual wage | annual wage<br>compared to<br>total average | share of<br>employment |
|-------------------------------------|------------------------|---|------------------------|
| <i>Information</i>                  | \$59,044               | <i>pays 44% more</i>                        | 2.0%                   |
| <i>Wholesale Trade</i>              | \$58,366               | <i>pays 43% more</i>                        | 4.4%                   |
| <i>Financial Activities</i>         | \$54,901               | <i>pays 34% more</i>                        | 6.7%                   |
| <i>Manufacturing</i>                | \$50,091               | <i>pays 22% more</i>                        | 4.5%                   |
| <i>Professional and Business</i>    | \$48,119               | <i>pays 17% more</i>                        | 14.6%                  |
| <i>Government</i>                   | \$47,380               | <i>pays 16% more</i>                        | 14.8%                  |
| <i>Transportation and Utilities</i> | \$45,934               | <i>pays 12% more</i>                        | 3.1%                   |
| <i>Education and Health</i>         | \$43,244               | <i>pays 6% more</i>                         | 14.3%                  |
| <i>Construction</i>                 | \$41,495               | <i>pays 1% more</i>                         | 5.5%                   |
| <b>Total/ All industries</b>        | <b>\$40,958</b>        | -----                                       | <b>100%</b>            |
| <i>Other Services</i>               | \$29,372               | <i>pays 28% less</i>                        | 3.2%                   |
| <i>Retail Trade</i>                 | \$26,620               | <i>pays 35% less</i>                        | 12.9%                  |
| <i>Leisure and Hospitality</i>      | \$20,985               | <i>pays 49% less</i>                        | 12.7%                  |

Source: EPI analysis of BLS data

## Florida no longer a low-cost state

As Florida's wages have grown over the past few decades, the cost of living has also risen. Florida's metropolitan areas have experienced the 2<sup>nd</sup> and 3<sup>rd</sup> highest rate of growth in cost of living for the past 10 years out of the biggest metropolitan areas in the country. The rapid increase in home prices is partly responsible for such high inflation.

Table 15

**Growth in Consumer Price Index, 1999-2009**

|   | Growth in CPI    |                       |                  |                       |
|---|------------------|-----------------------|------------------|-----------------------|
|   | <u>1999-2009</u> | <u>rank</u>           | <u>2004-2009</u> | <u>rank</u>           |
| <i>San Diego</i>                                    | 40.2%            | 1                     | 13.8%            | 10                    |
| <b><i>Miami - Fort Lauderdale</i></b>               | <b>36.3%</b>     | <b>2<sup>nd</sup></b> | <b>19.3%</b>     | <b>2<sup>nd</sup></b> |
| <b><i>Tampa - St. Petersburg - Clearwater</i></b>   | <b>35.1%</b>     | <b>3<sup>rd</sup></b> | <b>17.2%</b>     | <b>3<sup>rd</sup></b> |
| <i>Los Angeles - Riverside - Orange County</i>      | 34.4%            | 4                     | 15.5%            | 8                     |
| <i>Washington – Baltimore</i>                       | 34.2%            | 5                     | 17.0%            | 4                     |
| <i>New York - Northern New jersey - Long Island</i> | 33.8%            | 6                     | 15.6%            | 7                     |
| <i>Boston - Brockton – Nashua</i>                   | 32.8%            | 7                     | 11.6%            | 19                    |
| <i>Honolulu</i>                                     | 32.7%            | 8                     | 20.7%            | 1                     |
| <i>Seattle - Tacoma - Bremerton</i>                 | 30.8%            | 9                     | 16.1%            | 5                     |
| <i>Pittsburgh</i>                                   | 30.5%            | 10                    | 15.9%            | 6                     |
| <i>San Francisco - Oakland - San Jose</i>           | 30.1%            | 11                    | 12.9%            | 13                    |
| <i>Philadelphia - Wilmington - Atlantic City</i>    | 29.9%            | 12                    | 13.6%            | 12                    |
| <i>Anchorage</i>                                    | 29.2%            | 13                    | 15.0%            | 9                     |
| <i>Houston - Galveston - Brazoria</i>               | 28.1%            | 14                    | 12.4%            | 16                    |
| <i>Minneapolis - St. Paul</i>                       | 27.3%            | 15                    | 10.6%            | 23                    |
| <i>Dallas - Fort Worth</i>                          | 26.9%            | 16                    | 12.2%            | 17                    |
| <i>Cincinnati – Hamilton</i>                        | 26.0%            | 17                    | 13.6%            | 11                    |
| <i>St. Louis</i>                                    | 25.9%            | 18                    | 10.1%            | 25                    |
| <i>Kansas City</i>                                  | 25.5%            | 19                    | 11.2%            | 22                    |
| <i>Denver - Boulder – Greeley</i>                   | 25.2%            | 20                    | 11.5%            | 20                    |

Source: EPI analysis of BLS data

Over the last year however, Florida metropolitan areas have seen slight deflation, related to the decline in housing prices and the drop in gas prices from their high in the summer of 2008.

Table 16

|  | Growth in CPI 2008-2009 |
|--|-------------------------|
| <b>Miami - Fort Lauderdale, FL</b>             | <b>-0.3%</b>            |
| <b>Tampa - St. Petersburg - Clearwater, FL</b> | <b>-0.1%</b>            |

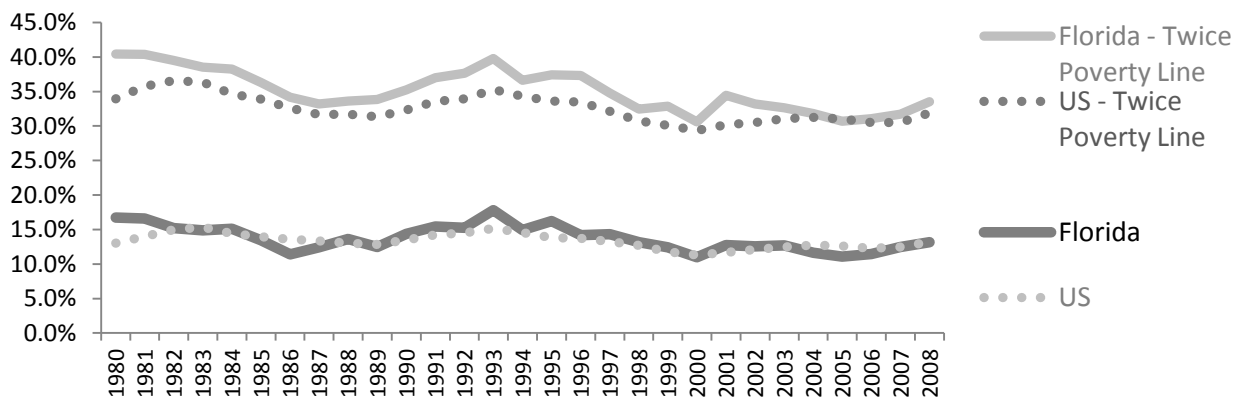
Source: EPI analysis of BLS data

**Joblessness means more families in poverty**

That poverty increases as a result of a recession is not surprising. However, the length and depth of this recession means that we are seeing significant increases in poverty, back to the levels of the late 90's as of 2008, and this year's poverty figures which will be released in September are likely to show a further significant increase due to the continuing rise in unemployment. Historically, Florida has had higher levels of poverty than the nation as a whole, but during the first decade of this century had briefly brought its poverty rate below that of the U.S., with an all-time low of 11.5 percent. However the recession has erased those gains, although more dramatically in Florida, which increased to parity with the U.S. in 2007 and 2008. In 2008, 13.2 percent of the population, or roughly 1 in 8 people in Florida lived in poverty.

Poverty is calculated by the income and size of a family. In 2008, the poverty threshold for a single individual was \$10,991. For a family of four, the poverty threshold was \$22,025. However, poverty thresholds are based on goods budgets from 1963. These thresholds have been only adjusted for inflation, and no longer reflect the real cost of living that includes basic family necessities like housing and healthcare. Therefore, the poverty threshold is not an accurate measure to determine how many people can truly be considered poor, or not able to meet their basic needs. Twice the poverty threshold – about \$44,000 for a family of four- is closer to the true costs of family life, and is a more accurate measure. In 2008, 1 in 3 people lived below twice the poverty line, meaning a third of the population did not have enough to meet their basic needs. The longer the recession drags out, the more people will fall into this situation, which has significant long term consequences, especially for children.

Figure 19  
Poverty Rates in Florida and the U.S., 1980 to 2008



Source: EPI analysis of BLS data

Table 17  
Poverty rates in Florida and the U.S., 1980 to 2008

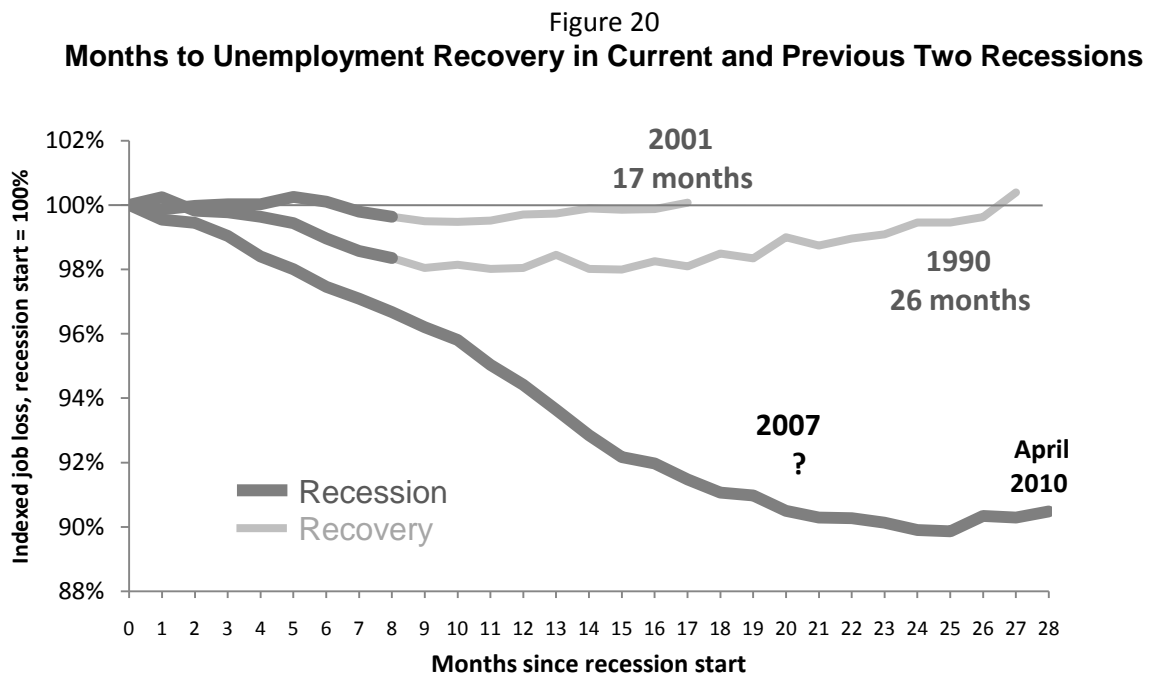
|   | Poverty rates (%) |      |      |      |      |      |      |      |      |
|---|-------------------|------|------|------|------|------|------|------|------|
|   | 1980              | 1984 | 1990 | 1996 | 2002 | 2004 | 2006 | 2007 | 2008 |
| <b><i>Below the poverty threshold</i></b>       |                   |      |      |      |      |      |      |      |      |
| <i>Florida</i>                                  | 16.7              | 15.1 | 14.4 | 14.2 | 12.6 | 11.6 | 11.5 | 12.5 | 13.2 |
| <i>United States</i>                            | 13.0              | 14.4 | 13.5 | 13.7 | 12.1 | 12.7 | 12.3 | 12.5 | 13.2 |
| <b><i>Below twice the poverty threshold</i></b> |                   |      |      |      |      |      |      |      |      |
|   | 1980              | 1984 | 1990 | 1996 | 2002 | 2004 | 2006 | 2007 | 2008 |

|                      |      |      |      |      |      |      |      |      |      |
|----------------------|------|------|------|------|------|------|------|------|------|
| <i>Florida</i>       | 40.4 | 38.2 | 35.2 | 37.3 | 33.2 | 31.8 | 31.1 | 31.7 | 33.5 |
| <i>United States</i> | 33.9 | 34.6 | 32.3 | 33.5 | 30.5 | 31.3 | 30.5 | 30.5 | 31.9 |

Source: EPI analysis of BLS data

## Is recovery on the horizon?

Already this recession has lasted much longer than the previous two recessions, and the depth of the recession means that it is likely to be a long time, if ever, before unemployment recovers to pre-recession levels. After the 2001 recession, it took 17 months for the unemployment rate to return to its pre-recession level, and after the 1990 recession it took 26 months. Although the end of this recession has not been officially dated yet, it will likely be dated some time in late 2009 based on the GDP growth that was posted in the last quarter of 2009. However, unemployment continued to increase through the first quarter of 2010 and although it appears to have leveled off, there are no promising signs for the robust recovery we will need to get back out of the deep hole of this recession. Through the first 6 months of 2010, employment in Florida has grown at an annualized rate of 2.3%. At this rate, it will take over 4 years for employment in Florida to return to pre-recession levels.



Source: EPI analysis of BLS data

## Conclusion

Our analysis finds Florida in bad shape. Most of the economic indicators we looked at show Florida as one of the worst performing states in the nation. Looking forward, we see a slow recovery in employment and an uncomfortably high unemployment rate remaining in place for some time, while some economists warn of a double dip recession or a long period of stagnation.

The future of the economy hangs on decisions that policymakers make in the near future. It is important for policymakers to understand the value of continuing and expanding the support systems available to those who are out of work, including unemployment compensation, food stamps, and Medicaid. These programs not only help families get through joblessness and economic hardship, but they perform an economic stimulus function of making sure that money is still circulating in the economy not just at the top end but for middle and low income workers as well.

Also, state and local governments are facing budget constraints and many public sector jobs are in danger of being eliminated. At a time when the private sector is unwilling or unable to stimulate the economy, maintaining public sector employment is crucial to stopping the downward slide of job loss and falling demand. The federal economic stimulus has done much to maintain public sector employment, but given the depth of the recession, assistance will likely be needed for several more years until the economy is back on track and public budgets recover.

Finally, we have seen how minority groups in Florida, particularly African American and Hispanic workers, have been severely affected by the recession. Policymakers should understand which communities are in the worst economic shape and make sure to target job creation and investment programs to these communities to make sure that Florida experiences a full recovery from the recession with opportunities for growth and prosperity available to all in the state.

# Appendix

## Local Area Unemployment

Florida as a whole has been one of the most affected states by the recession in the nation. A look at the unemployment rate by counties shows how some parts of the state are faring better than others. At the end of 2009, the county with the lowest unemployment rate was Liberty County with 5.9%. The county with the highest unemployment rate was Flagler County with 14.8%.

Local Area Unemployment by Counties, Florida, 2007-2009

| County       | 2007 | 2008  | 2009  | Change 2007-2009 |
|--------------|------|-------|-------|------------------|
| Alachua      | 2.9% | 4.3%  | 7.1%  | 4.2              |
| Baker        | 3.5% | 5.6%  | 10.1% | 6.6              |
| Bay          | 3.6% | 5.5%  | 9.2%  | 5.6              |
| Bradford     | 3.3% | 4.8%  | 8.2%  | 4.9              |
| Brevard      | 4.2% | 6.5%  | 10.5% | 6.3              |
| Broward      | 3.5% | 5.3%  | 9.2%  | 5.7              |
| Calhoun      | 3.6% | 5.3%  | 8.7%  | 5.1              |
| Charlotte    | 5.0% | 8.0%  | 11.8% | 6.8              |
| Citrus       | 4.9% | 8.0%  | 12.3% | 7.4              |
| Clay         | 3.4% | 5.3%  | 9.3%  | 5.9              |
| Collier      | 4.3% | 6.9%  | 11.2% | 6.9              |
| Columbia     | 3.5% | 5.5%  | 9.4%  | 5.9              |
| Desoto       | 4.8% | 6.6%  | 10.1% | 5.3              |
| Dixie        | 4.3% | 7.3%  | 11.4% | 7.1              |
| Duval        | 4.0% | 6.1%  | 10.6% | 6.6              |
| Escambia     | 3.8% | 5.9%  | 9.8%  | 6.0              |
| Flagler      | 6.4% | 9.6%  | 14.8% | 8.4              |
| Franklin     | 3.1% | 4.7%  | 7.5%  | 4.4              |
| Gadsden      | 4.2% | 6.0%  | 9.9%  | 5.7              |
| Gilchrist    | 3.7% | 5.6%  | 9.3%  | 5.6              |
| Glades       | 4.6% | 6.8%  | 10.2% | 5.6              |
| Gulf         | 3.7% | 6.2%  | 9.6%  | 5.9              |
| Hamilton     | 4.5% | 7.0%  | 11.1% | 6.6              |
| Hardee       | 4.4% | 6.6%  | 11.0% | 6.6              |
| Hendry       | 7.2% | 10.7% | 14.5% | 7.3              |
| Hernando     | 5.7% | 8.5%  | 13.2% | 7.5              |
| Highlands    | 4.7% | 7.1%  | 11.1% | 6.4              |
| Hillsborough | 4.0% | 6.3%  | 10.7% | 6.7              |
| Holmes       | 3.4% | 5.0%  | 8.1%  | 4.7              |
| Indian River | 5.5% | 7.9%  | 13.0% | 7.5              |
| Jackson      | 3.8% | 5.1%  | 7.4%  | 3.6              |
| Jefferson    | 3.3% | 5.0%  | 8.1%  | 4.8              |
| Lafayette    | 2.9% | 4.5%  | 7.6%  | 4.7              |
| Lake         | 4.0% | 6.3%  | 11.1% | 7.1              |
| Lee          | 4.6% | 8.0%  | 12.4% | 7.8              |

|                   |      |      |       |     |
|-------------------|------|------|-------|-----|
| <b>Leon</b>       | 3.0% | 4.5% | 7.0%  | 4.0 |
| <b>Levy</b>       | 4.1% | 7.0% | 11.7% | 7.6 |
| <b>Liberty</b>    | 2.7% | 4.2% | 5.9%  | 3.2 |
| <b>Madison</b>    | 5.9% | 6.9% | 11.0% | 5.1 |
| <b>Manatee</b>    | 4.0% | 6.8% | 11.5% | 7.5 |
| <b>Marion</b>     | 4.5% | 7.8% | 12.9% | 8.4 |
| <b>Martin</b>     | 4.3% | 6.9% | 11.1% | 6.8 |
| <b>Miami-Dade</b> | 4.5% | 6.5% | 10.7% | 6.2 |
| <b>Monroe</b>     | 2.6% | 4.0% | 7.0%  | 4.4 |
| <b>Nassau</b>     | 3.3% | 5.3% | 9.6%  | 6.3 |
| <b>Okaloosa</b>   | 2.9% | 4.6% | 7.2%  | 4.3 |
| <b>Okeechobee</b> | 5.1% | 8.1% | 12.0% | 6.9 |
| <b>Orange</b>     | 3.7% | 5.8% | 10.5% | 6.8 |
| <b>Osceola</b>    | 4.2% | 6.2% | 11.3% | 7.1 |
| <b>Palm Beach</b> | 4.3% | 6.5% | 10.8% | 6.5 |
| <b>Pasco</b>      | 4.8% | 7.4% | 11.9% | 7.1 |
| <b>Pinellas</b>   | 4.0% | 6.3% | 10.8% | 6.8 |
| <b>Polk</b>       | 4.4% | 6.7% | 11.4% | 7.0 |
| <b>Putnam</b>     | 4.6% | 7.3% | 12.0% | 7.4 |
| <b>Santa Rosa</b> | 3.6% | 5.5% | 9.1%  | 5.5 |
| <b>Seminole</b>   | 3.5% | 5.6% | 9.8%  | 6.3 |
| <b>St. Johns</b>  | 3.25 | 5.0% | 8.5%  | 5.3 |
| <b>St. Lucie</b>  | 5.6% | 8.6% | 13.5% | 7.9 |
| <b>Sarasota</b>   | 4.4% | 7.0% | 11.2% | 6.8 |
| <b>Sumter</b>     | 3.4% | 5.6% | 9.1%  | 5.7 |
| <b>Suwannee</b>   | 3.6% | 5.8% | 10.0% | 6.4 |
| <b>Taylor</b>     | 4.2% | 6.5% | 10.9% | 6.7 |
| <b>Union</b>      | 3.1% | 4.8% | 7.9%  | 4.8 |
| <b>Volusia</b>    | 4.0% | 6.5% | 11.0% | 7.0 |
| <b>Wakulla</b>    | 2.9% | 4.5% | 7.1%  | 4.2 |
| <b>Walton</b>     | 2.7% | 4.5% | 7.4%  | 4.7 |
| <b>Washington</b> | 3.9% | 6.3% | 10.1% | 6.2 |

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics