

# STATE OF WORKING FLORIDA

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# 2020

## Pandemic State

The 17th edition of the State of Working Florida focuses on the state's experience with the COVID-19 pandemic. In March 2020, the pandemic upended 10 years of sustained employment growth following the Great Recession of 2009. The shock of a global pandemic led to mass layoffs and business closures as fear of infection disrupted commerce and travel across the world.

This report provides an in-depth analysis of the impact of the COVID-19 pandemic on Florida's labor market. The report's assessment of the pandemic's impact on distinct regions, industries, and demographic groups in Florida elucidates the complexity of a pandemic recession. Policymakers – and every resident in Florida – can use this report to better understand how the current pandemic recession differs from the Great Recession and why the direct economic support of workers and businesses is critical for the state's recovery.

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# TABLE OF CONTENTS

Executive Summary	1
Part 1: Florida's Pandemic in Context	2
Part 2: Florida's Pandemic Disparities	10
Part 3: Conclusion	16

# EXECUTIVE SUMMARY

The 17th edition of the State of Working Florida finds that Florida's sustained growth during the 2010s came to an abrupt stop with the spread of the COVID-19 virus. Data show that the state's recovery from the Great Recession was comprehensive but unequal and the current pandemic recession has exposed and compounded Florida's economic vulnerabilities. In particular, Florida's long-standing social and economic inequities have increased the magnitude of economic losses for the already precarious low-wage workforce.

The COVID-19 pandemic is a global emergency and policymakers' responses have varied widely across countries and states. This report does not address Florida's direct response to the COVID-19 pandemic. However, the report provides ample evidence to support increased economic assistance of workers and businesses by Florida's leaders in order to prevent further economic losses and promote a speedy and equitable recovery.

## Key Findings:

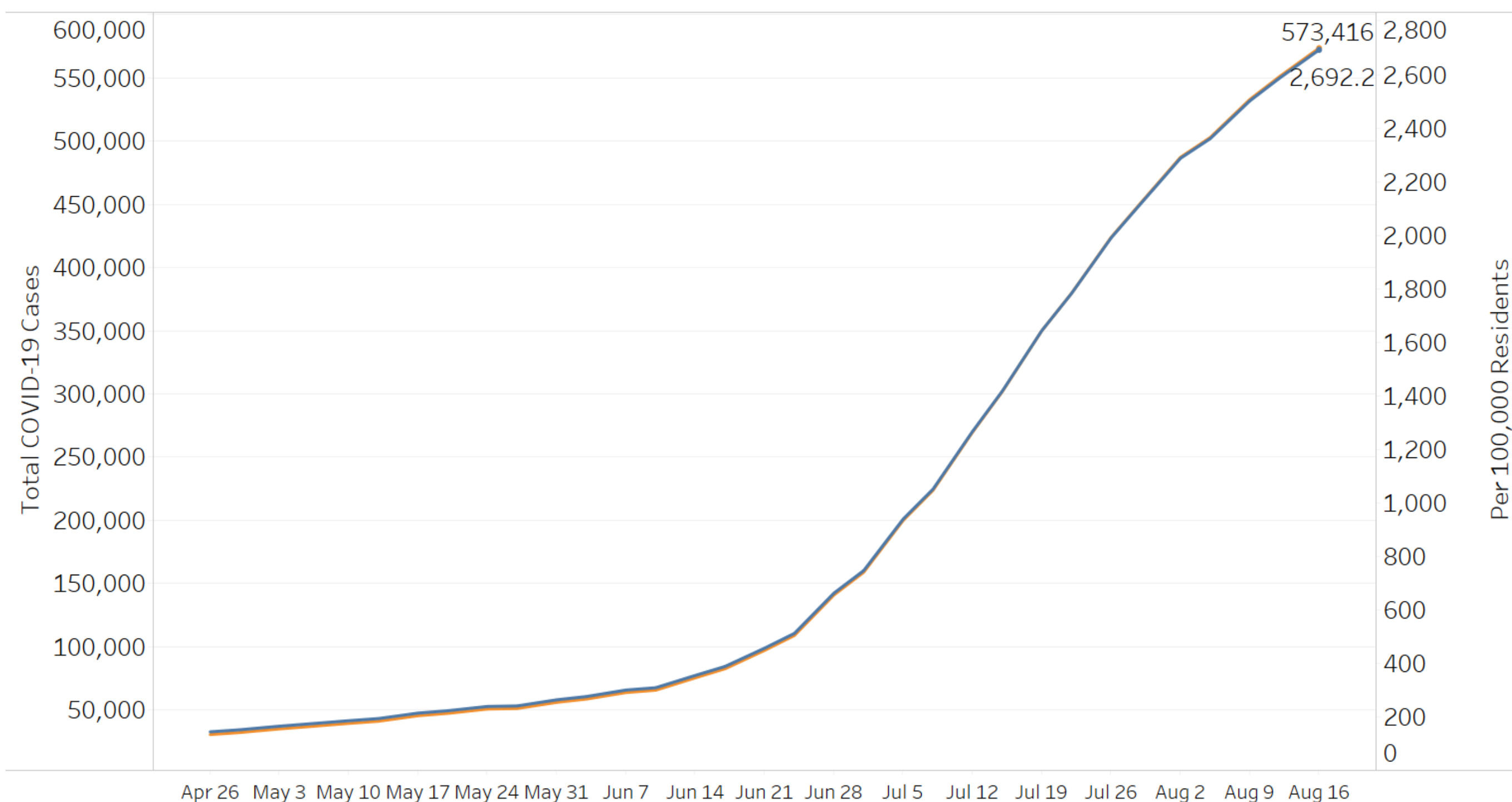
- ▶ Florida's sustained growth during the 2010s came to an abrupt stop with the spread of the COVID-19 virus.
- ▶ From February to July 2020, Florida lost 605,900 jobs, has an additional 834,040 unemployed workers, and a labor force reduced by 480,403 workers.
- ▶ Between April 26 and August 16, 2020, the state of Florida has recoded 573,416 cases of COVID-19 infections.
- ▶ As of August 16, 2020, Florida reported 2,692.2 cases per 100,000 residents.
- ▶ The COVID-19 pandemic led to a sudden loss of 1,178,100 job between February and April 2020, a 13 percent decline in all nonfarm jobs.
- ▶ All but 1.9 percent of jobs lost between February and April 2020 were private sector jobs, 22,100.
- ▶ Leisure and Hospitality industry – the third largest employing industry in the state – has experienced the greatest decline, 232,900 jobs or nearly 1 in 5 jobs in the industry between March and July.
- ▶ Government – the fourth largest employer in the Florida – has shed 126,400 jobs between March and July.
- ▶ Between February and April 2020, the state's unemployment rate increased by 11 percentage points to 13.8 percent. During the Great Recession the unemployment rate increased by 8.2 percentage points over a nearly four-year period.
- ▶ As of July, 480,403 workers have yet to return to the labor force.
- ▶ Florida received 898,293 initial claims in the month of May 2020 compared to just 20,600 in February.
- ▶ Florida has 779,956 insured claimants under the state and federal unemployment compensation programs.
- ▶ Black/African American and Hispanic/Latino Floridians are more than three times as likely to have COVID-19 than their White counterparts.
- ▶ The unemployment rate for Black/African Americans increased by 11.1 percentage points to 17.5 percent compared to an increase of 11.6 percentage points to 14.5 percent for Hispanic/Latinos and an increase of 7.7 percentage points to 10.4 percent for Whites.
- ▶ Whites had the lowest unemployment rates during the pandemic and the highest median wages as of 2019 at \$20.09 per hour. The typical unionized worker in Florida earns \$10 more per hour than non-unionized workers.
- ▶ Workers under the age of 35 represented 37.8 percent of the insured unemployed, 94,605 workers.
- ▶ Prime-age workers aged 35 to 54 represented 33.7 percent of the insured unemployed, 262,698 workers.

# Florida's Pandemic in Context

Between April 26 and August 16, 2020, the state of Florida has recoded 573,416 cases of COVID-19 infections, representing nearly 1 in 10 of the 6 million cases across the United States. As of August 16, 2020, Florida reported 2,692.2 cases per 100,000 residents – considerably higher than the national rate of 1,832 cases per 100,000 people. Additionally, Florida has a total of 9,587 COVID-19 related deaths according to the latest figures.

Nearly 1 in 10 COVID-19 cases in the U.S. are in Florida

Florida Total COVID-19 Cases: April 26 to Aug. 16, 2020



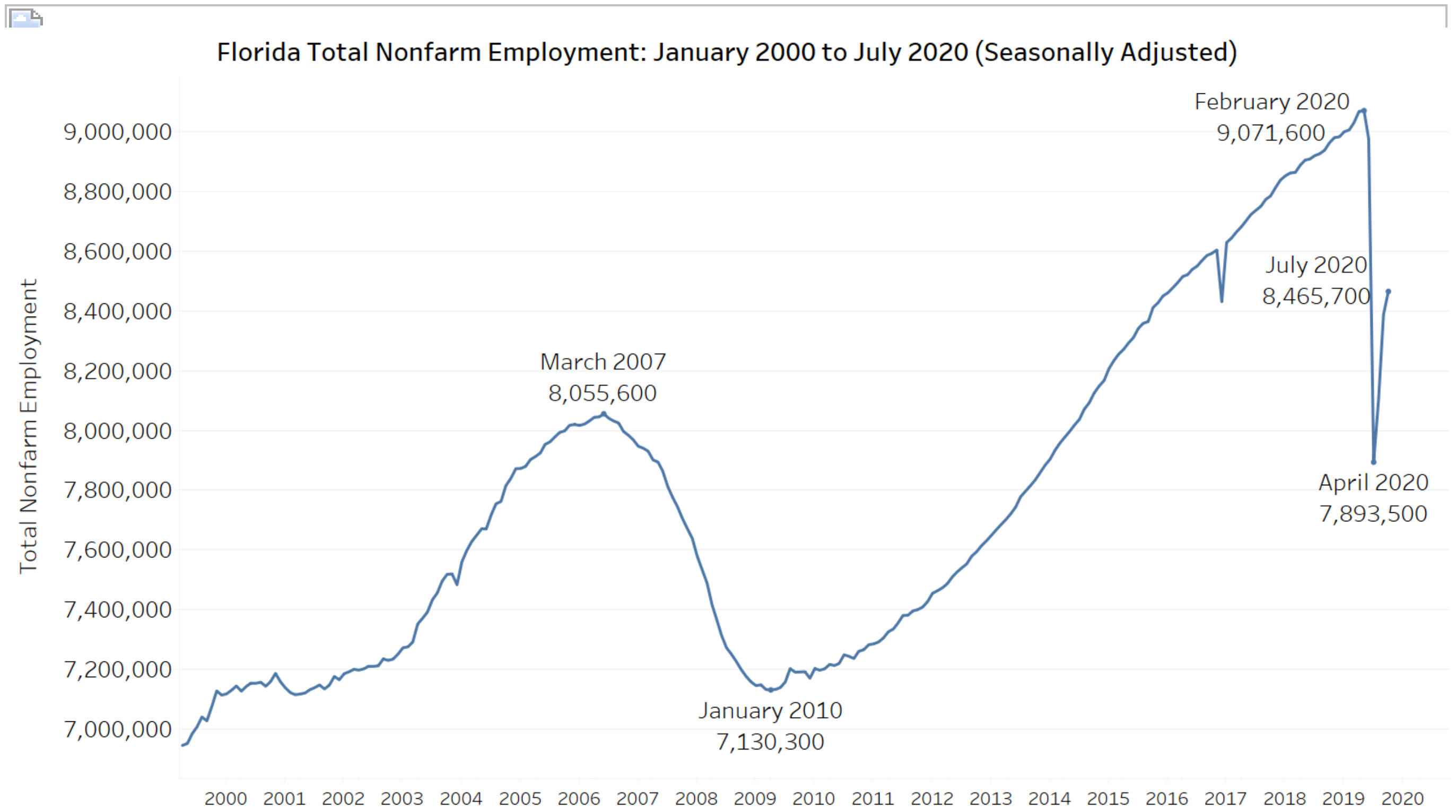
Source: COVID Tracking Project and Boston University Center for Antiracist Research COVID Racial Data Tracker

The COVID-19 pandemic led to a sudden loss of 1,178,100 jobs between February and April 2020, a 13 percent decline in all nonfarm jobs. The job loss during the first two months of the pandemic surpass

Sudden loss of 1,178,100 jobs

the 925,300 jobs lost between the nearly three years of economic recession of March 2007 to January 2010. The jobs lost during the Great Recession would not be fully recovered until May 2015. Between April and July 2020, Florida has recovered 572,200 of jobs lost. However, 605,900 jobs remain outstanding and it is unclear if job losses may occur in the near future as the production and distribution of a COVID-19 vaccine is nowhere in sight.



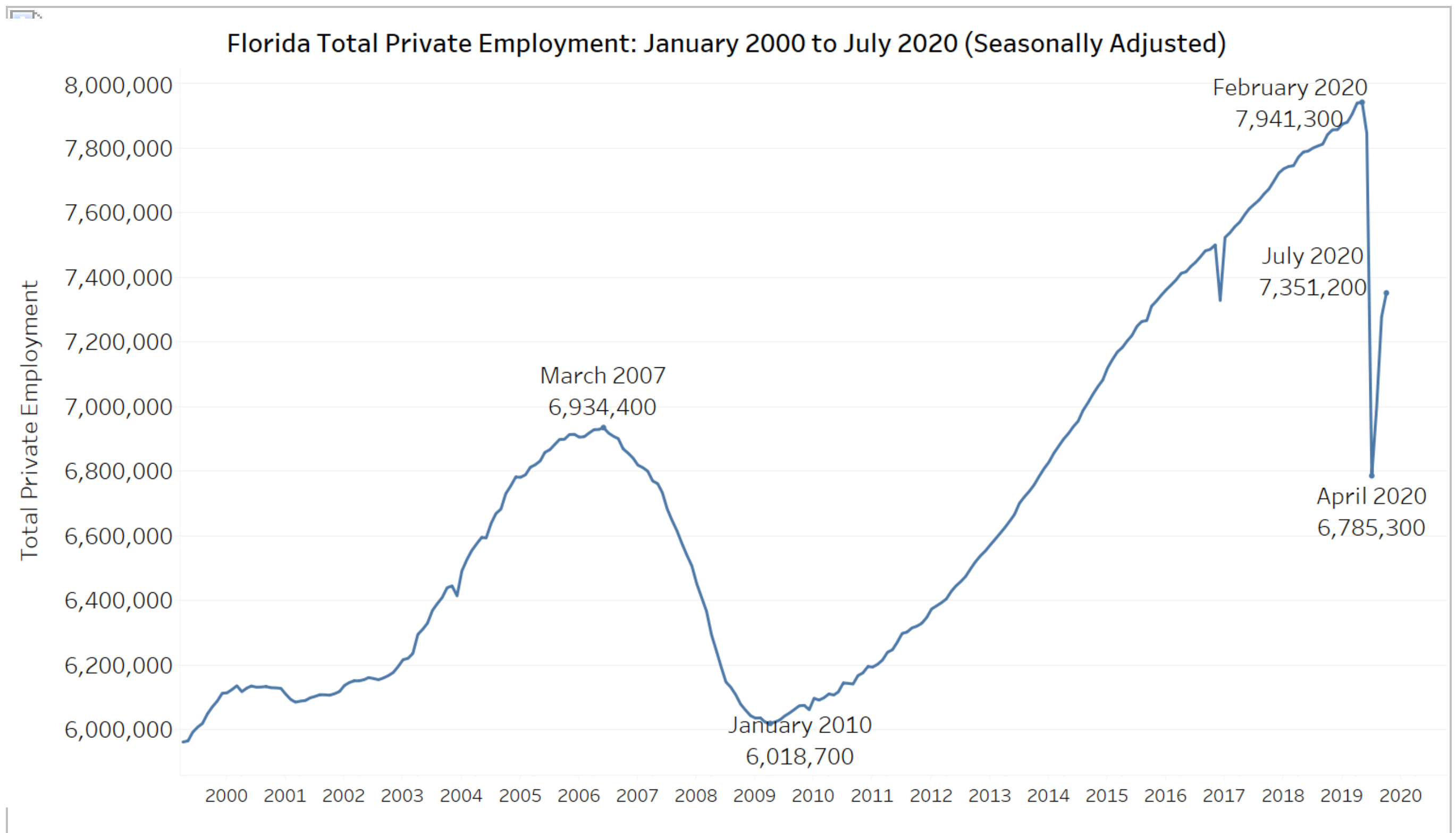


Source: U.S. Bureau of Labor Statistics: Current Employment Statistics

Similarly, private sector job loss totaled 1,156,000 between February and April 2020 and has recovered 565,900 jobs. In comparison, the 915,700 jobs deficit between March 2007 and January 2010

was not closed until March 2015. The data show that all but 1.9 percent of jobs lost between February and April 2020 were private sector jobs, 22,100. As of July 2020, the private sector had a pre-pandemic jobs deficit of 590,100, recovering 51 percent of jobs lost.

**Private sector pre-pandemic jobs deficit of 590,100 jobs.**



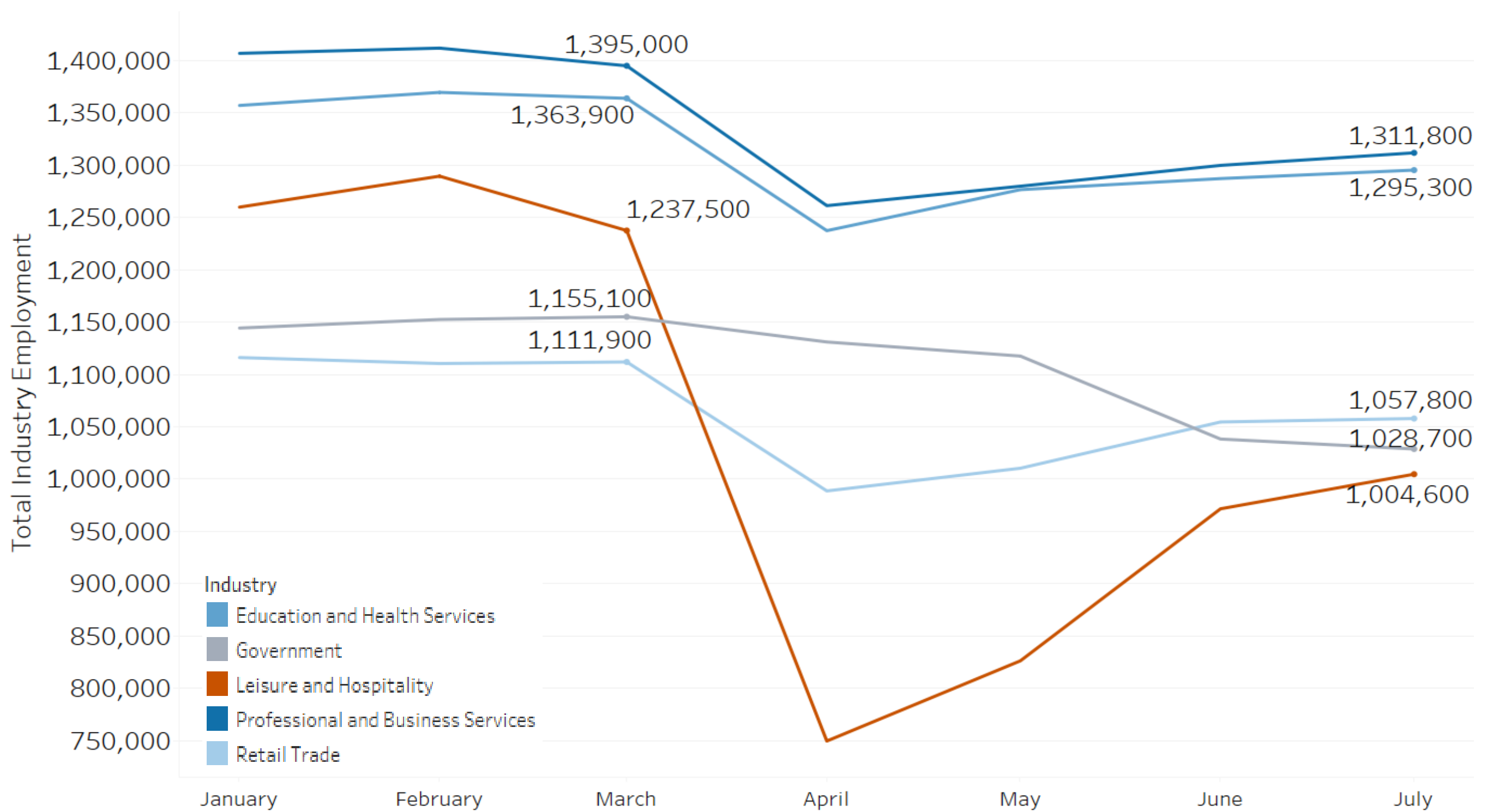
Source: U.S. Bureau of Labor Statistics: Current Employment Statistics

Data show that job losses have been widespread across all of Florida's main industries between March and July 2020. However, the Leisure and Hospitality industry – the third largest

## Leisure and Hospitality lost nearly 1 in 5 jobs

employing industry in the state – has experienced the greatest decline, 232,900 jobs or nearly 1 in 5 jobs in the industry. Also notable is that Government – the fourth largest employer in the Florida – has shed 126,400 jobs during this same period. The cyclical response of government employment is troubling given that states are not sensitive to exogenous shocks as private employers are and that it could be assumed that government employment should increase during a pandemic as the state mobilizes resources to contain the public health crisis.

Florida Total Employment by Main Employing Industries: Jan. 2020 to July 2020



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics

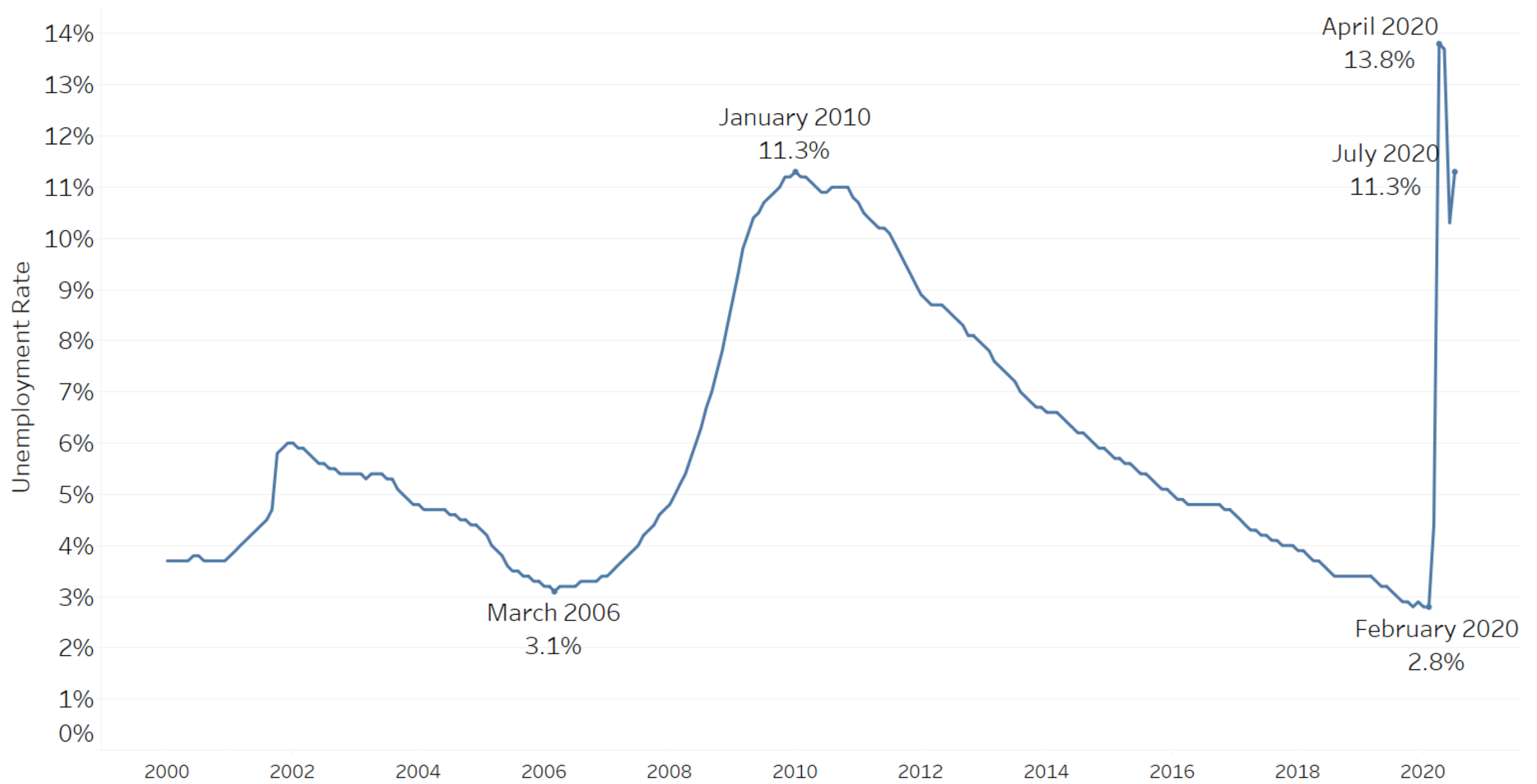
Rampant job loss from the pandemic has led to historic levels of unemployment in Florida. Between February and April 2020, the state’s unemployment rate increased by 11 percentage points to 13.8 percent.

**Pandemic has led to historic levels of unemployment**

During the Great Recession the unemployment rate increased by 8.2 percentage points over a nearly four-year period. The sharp rise in the unemployment rate is as historic as its apex. The one percentage point increase in the unemployment rate from June to July 2020 is further evidence of the economic uncertainty associated with the pandemic.

Source: U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics

Florida Unemployment Rate: January 2000 to July 2020 (Seasonally Adjusted)



Source: U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics

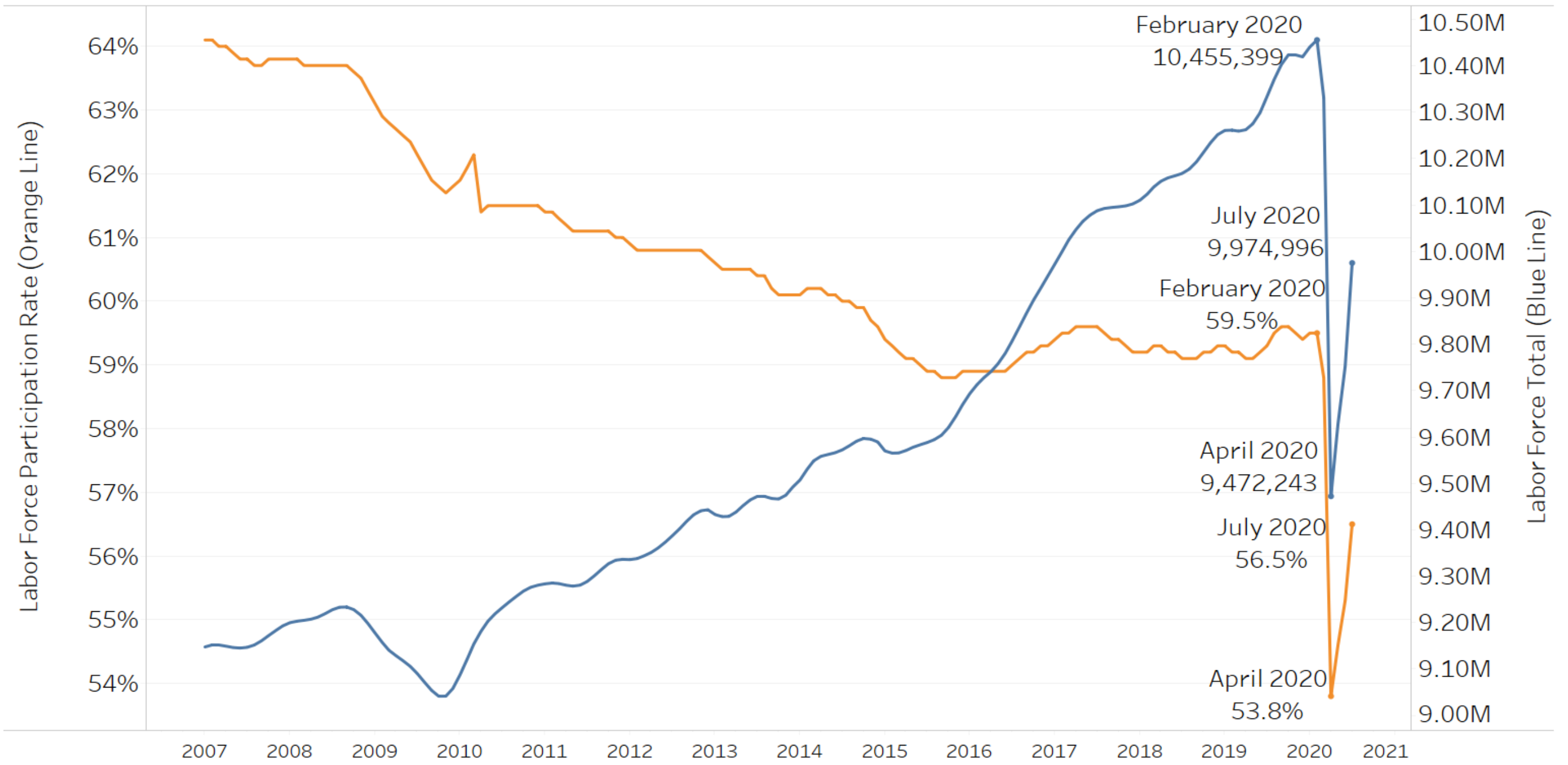
The unemployment rate provides the share of unemployed workers that are part of Florida's labor force. Of equal importance are the workers that fell out of the labor force altogether because of the pandemic. Data

show that 983,156 workers left Florida's labor force between February and April 2020. As of July, 480,403 workers have yet to return to the labor force. It is important to note workers that leave the labor force are not entitled to unemployment compensation and are not considered to be unemployed.

**983,159 workers left Florida's labor force**



Florida Labor Force Participation: January 2000 to July 2020 (Seasonally Adjusted)

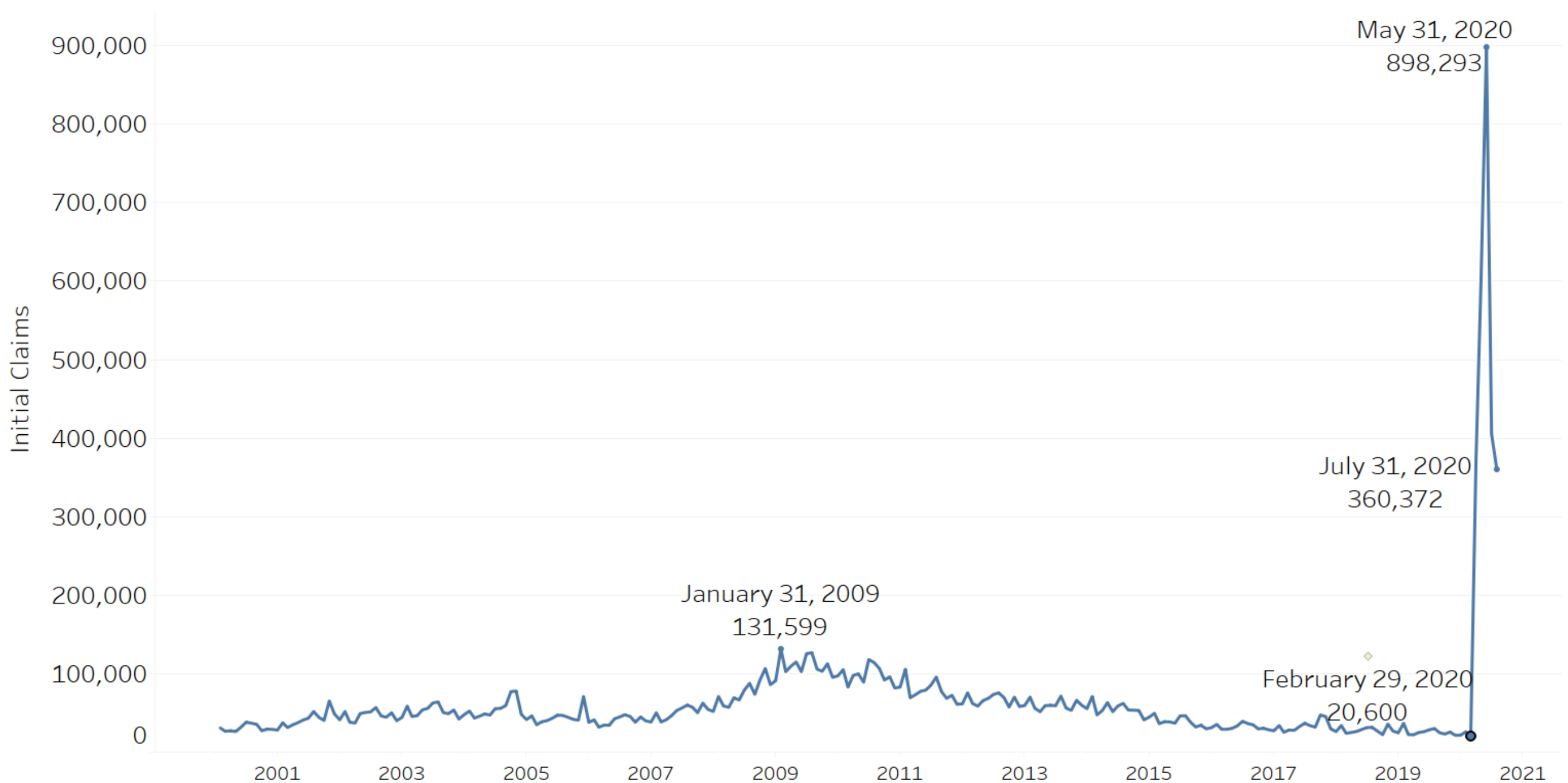


Source: U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics

Florida is experiencing a historic level of unemployment compensation claims due to the COVID-19 pandemic. Florida received 898,293 initial claims in the month of May 2020 compared to just 20,600 in February. The 360,372 initial claims received in July suggest that Florida is continuing to experience job losses at a considerable rate.

**898,293 COVID-19 related initial unemployment compensation claims**

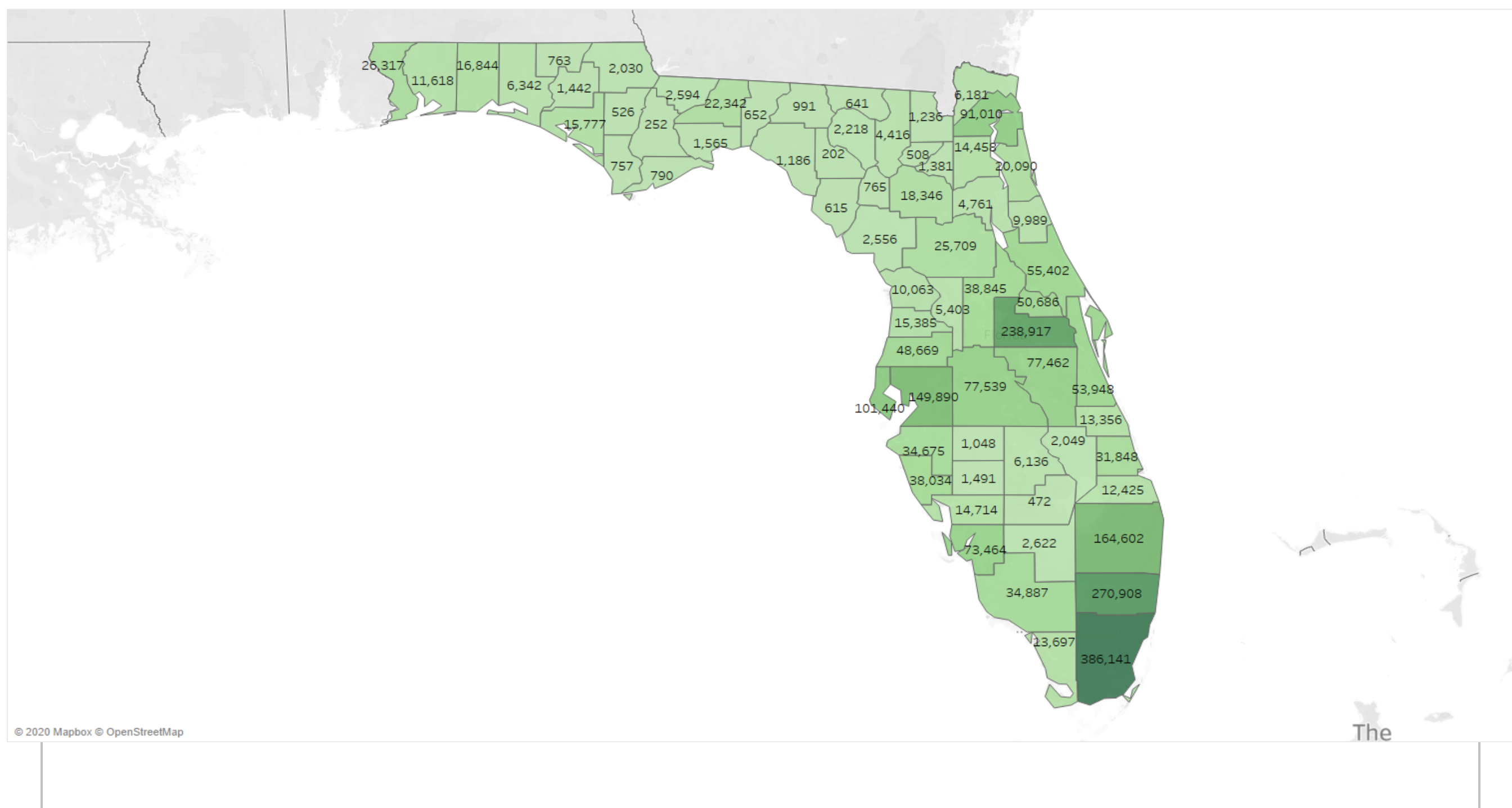
Florida Unemployment Compensation Claims: Jan. 2000 to July 2020



Source: U.S. Department of Labor: Unemployment Insurance Data

Furthermore, data show that initial claims are distributed across the state but concentrated in Miami-Dade, Broward, and Orange counties. Together, these three counties account for 895,966 of the total COVID-19 related 2,344,088 claims received statewide.

Florida Total COVID-19 Related Initial Claims: March 2020 to Aug. 2020



Source: Florida Department of Economic Opportunity

Florida has 779,956 insured claimants under the state and federal unemployment compensation programs despite severe and enduring challenges with Florida’s unemployment claims process and the

**Severe and enduring challenges with Florida's unemployment claims process**

Connect system in particular. Sustained levels of insured claimants indicate that temporary layoffs may be transforming into permanent layoffs as business closures increase amid the continuing pandemic.

Florida Unemployment Compensation Coverage: Jan. 2000 to July 2020



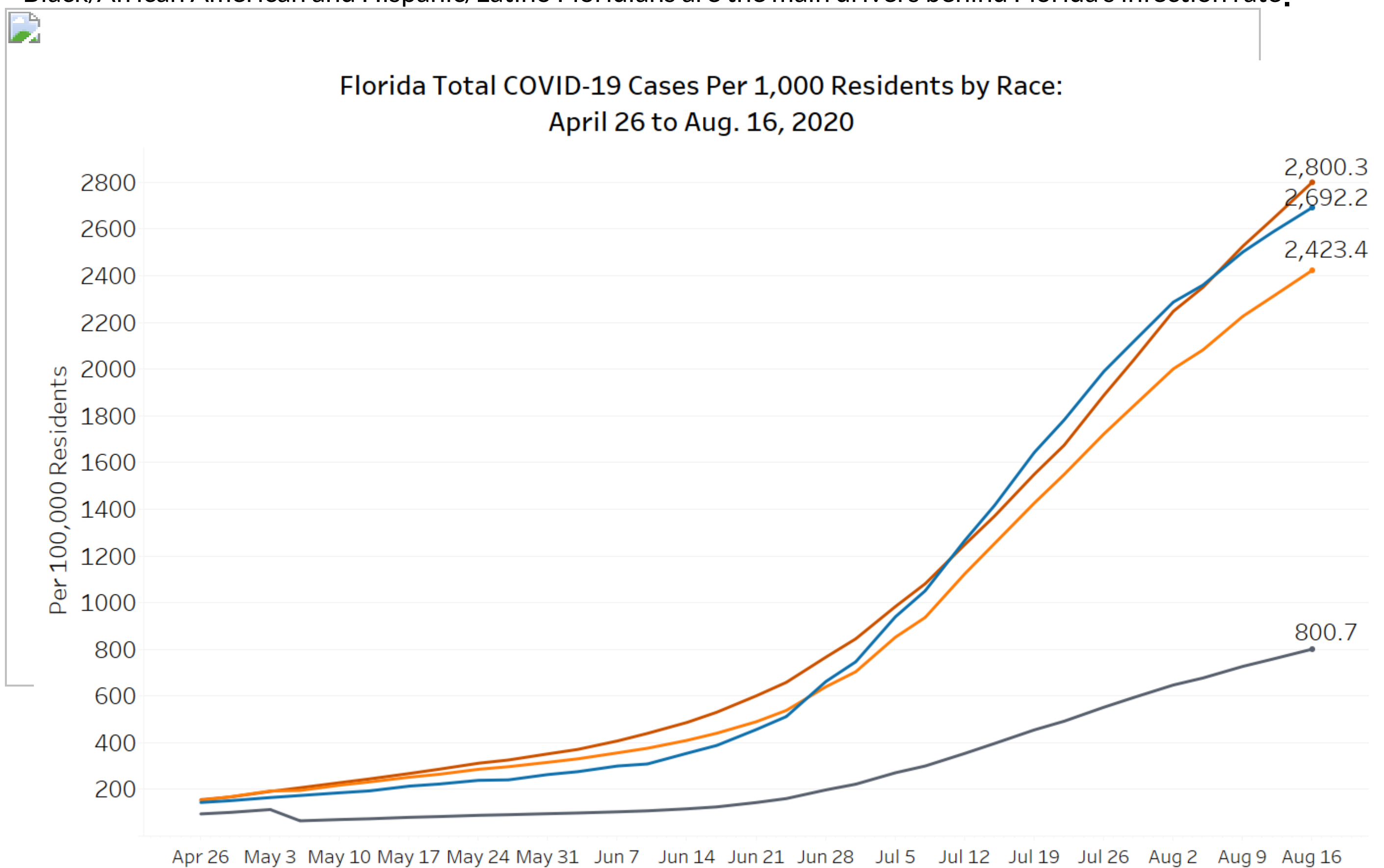
Source: U.S. Department of Labor: Unemployment Insurance Data

# Florida's Pandemic Disparities

COVID-19's disparate impact on Florida residents starts with the disproportionate infection rate of Black/African American and Hispanic/Latino Floridians – these demographic groups are more than three

**Black and Latino Floridians are more than three times as likely as Whites to have COVID-19**

times as likely to have COVID-19 than their White counterparts. Hispanic/Latinos in Florida reported 2,800.3 cases per 100,000 residents, the highest rate in the state. Black/African Americans in Florida reported 2,692.2 cases per 100,000 residents and Whites reported 800.7 cases per 100,000. Data show that the rates of Black/African American and Hispanic/Latino Floridians are the main drivers behind Florida's infection rate.



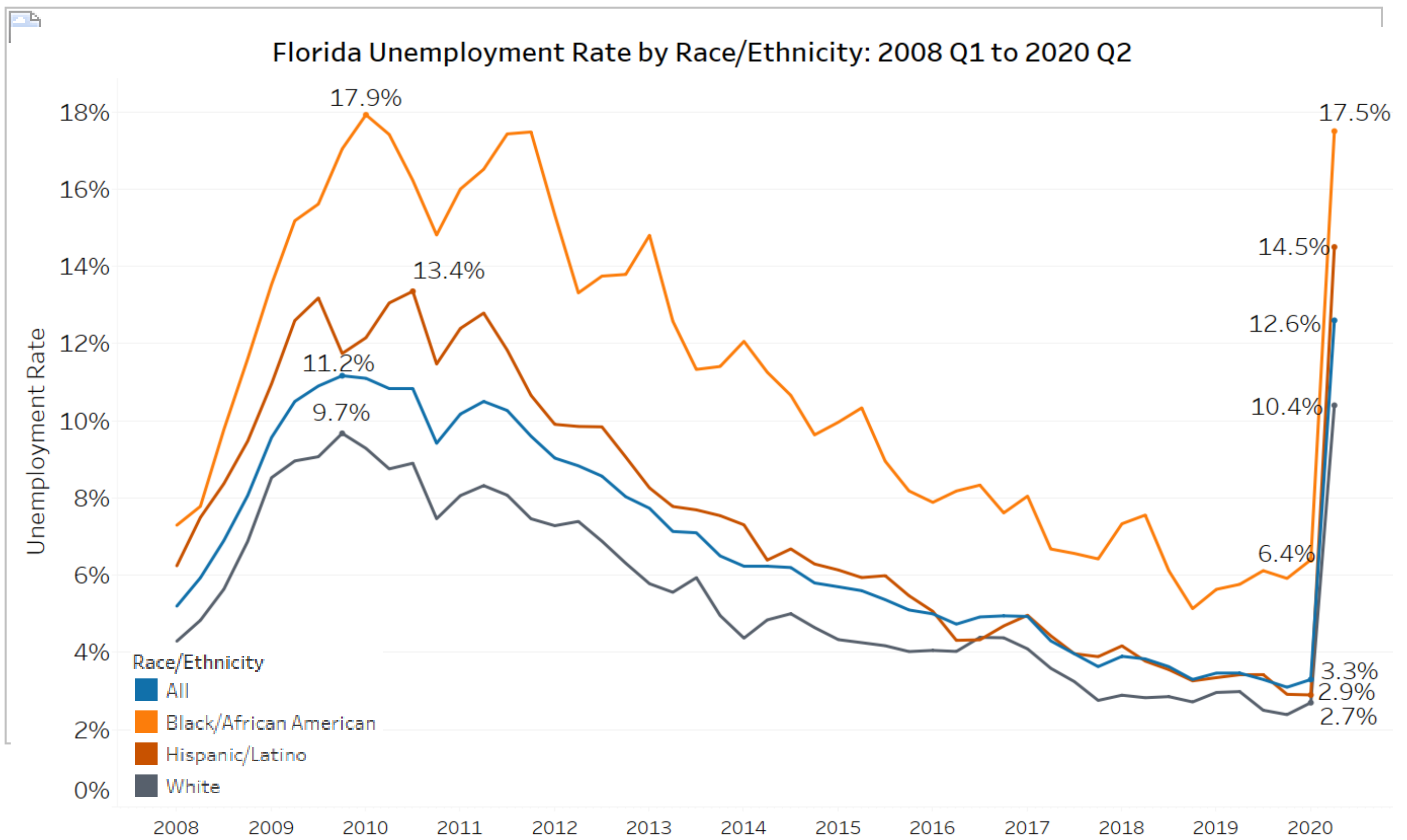
Source: COVID Tracking Project and Boston University Center for Antiracist Research COVID Racial Data Tracker

As of the second quarter of 2020, COVID-19 has had a disproportionate impact on the unemployment rates of Black/African American and Hispanic/Latinos in Florida.

**The unemployment rate for Blacks increased by 11.1 percentage points to 17.5%**

The unemployment rate for Black/African Americans increased by 11.1 percentage points to 17.5 percent compared to an increase of 11.6 percentage points to 14.5 percent for Hispanic/Latinos and an increase of 7.7 percentage points to 10.4 percent for Whites. The pandemic unemployment rates for Hispanic/Latinos and Whites has surpassed the peak rates of the Great Recession while Black/African Americans are 0.4 percentage points below their prior peak.





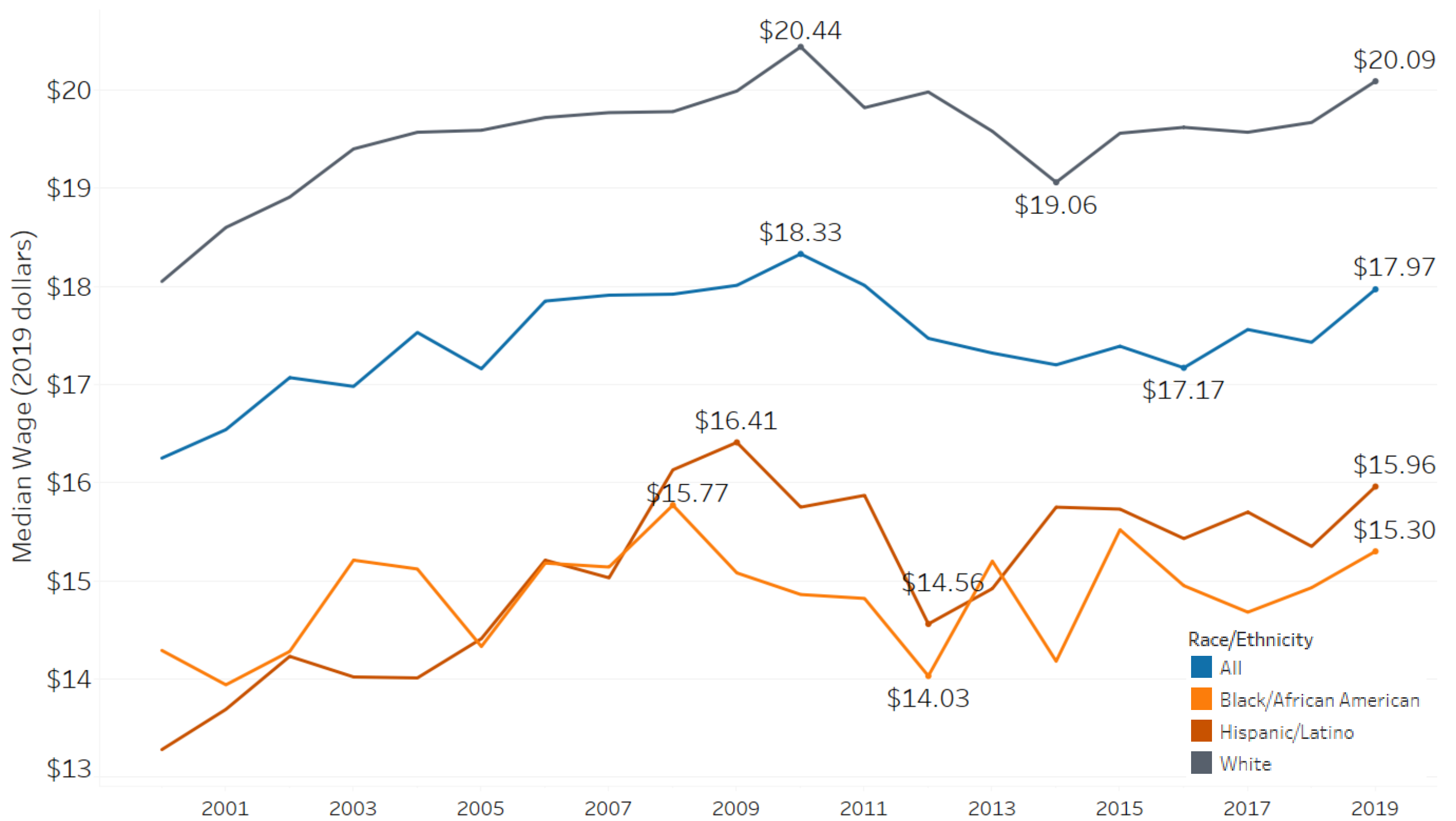
Source: Economic Policy Institute: State Unemployment by Race and Ethnicity. <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

The loss of employment is inevitably linked with a loss in wages. While Whites had the lowest unemployment rates during the pandemic, they also had the highest median wages as of 2019 at \$20.09 per hour.

Conversely, Black/African American and Hispanic/Latinos had median wages of \$15.30 and \$15.96 respectively as they went into the sharp increase in unemployment. Therefore, Black/African American and Hispanic/Latinos in Florida, which are concentrated in lower-wage employment, were also the workers most vulnerable to job loss

**Whites had the lowest unemployment rates and the highest median wages**

Florida Median Wage by Race/Ethnicity: 2000 to 2019



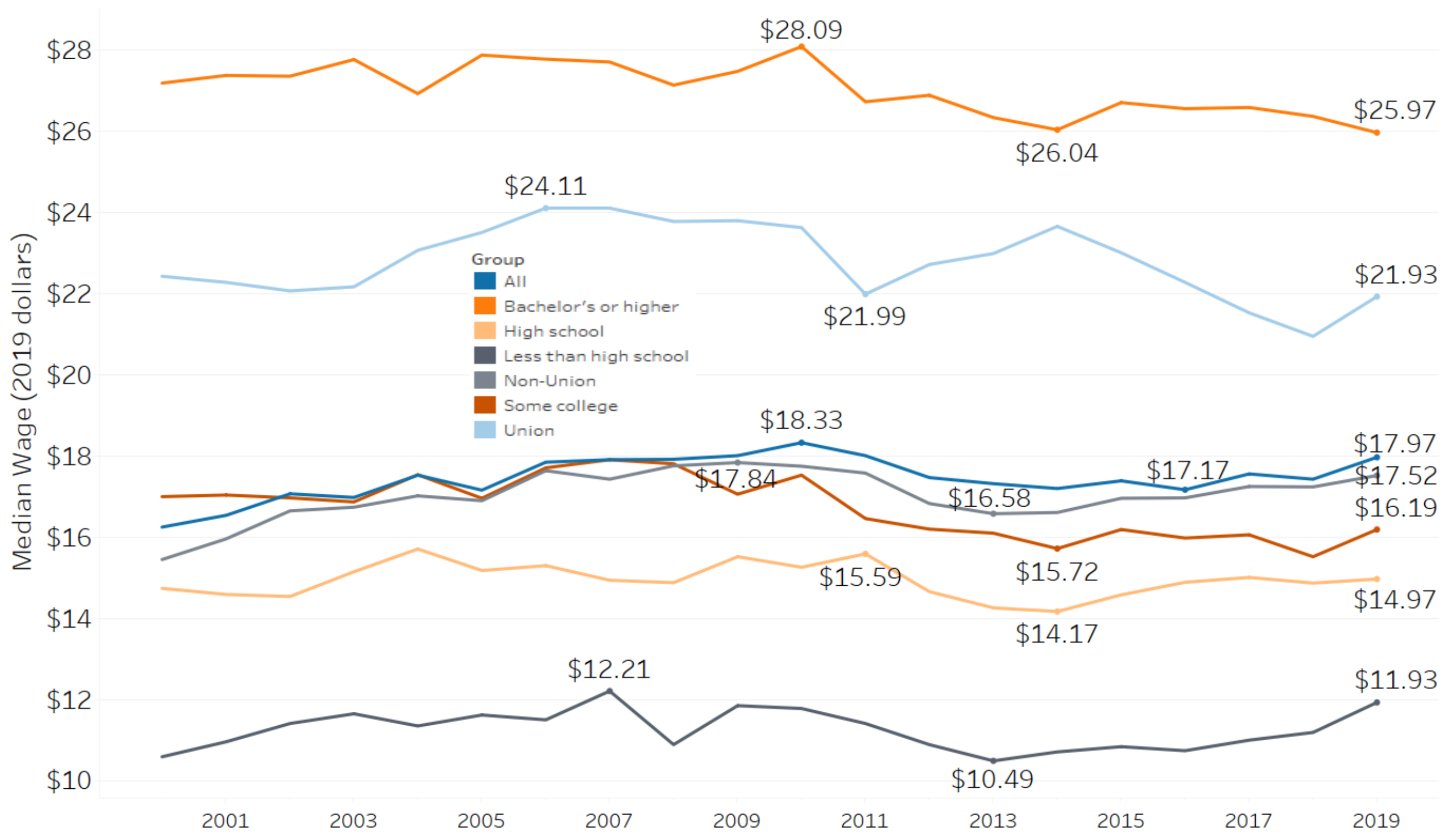
Source: U.S. Bureau of Labor Statistics: Current Employment Statistics

Similarly, non-unionized workers – the overwhelming majority of workers in Florida – were disproportionately more vulnerable to wage loss compared to their unionized counterparts because of their concentration

in low-wage employment. The typical unionized worker in Florida earns \$10 more per hour than non-unionized workers. The disparities in wages and economic vulnerability going into the pandemic recession is also visible in the median wages across distinct levels of educational attainment.

**The typical unionized worker earns \$10 more per hour than non-unionized workers**

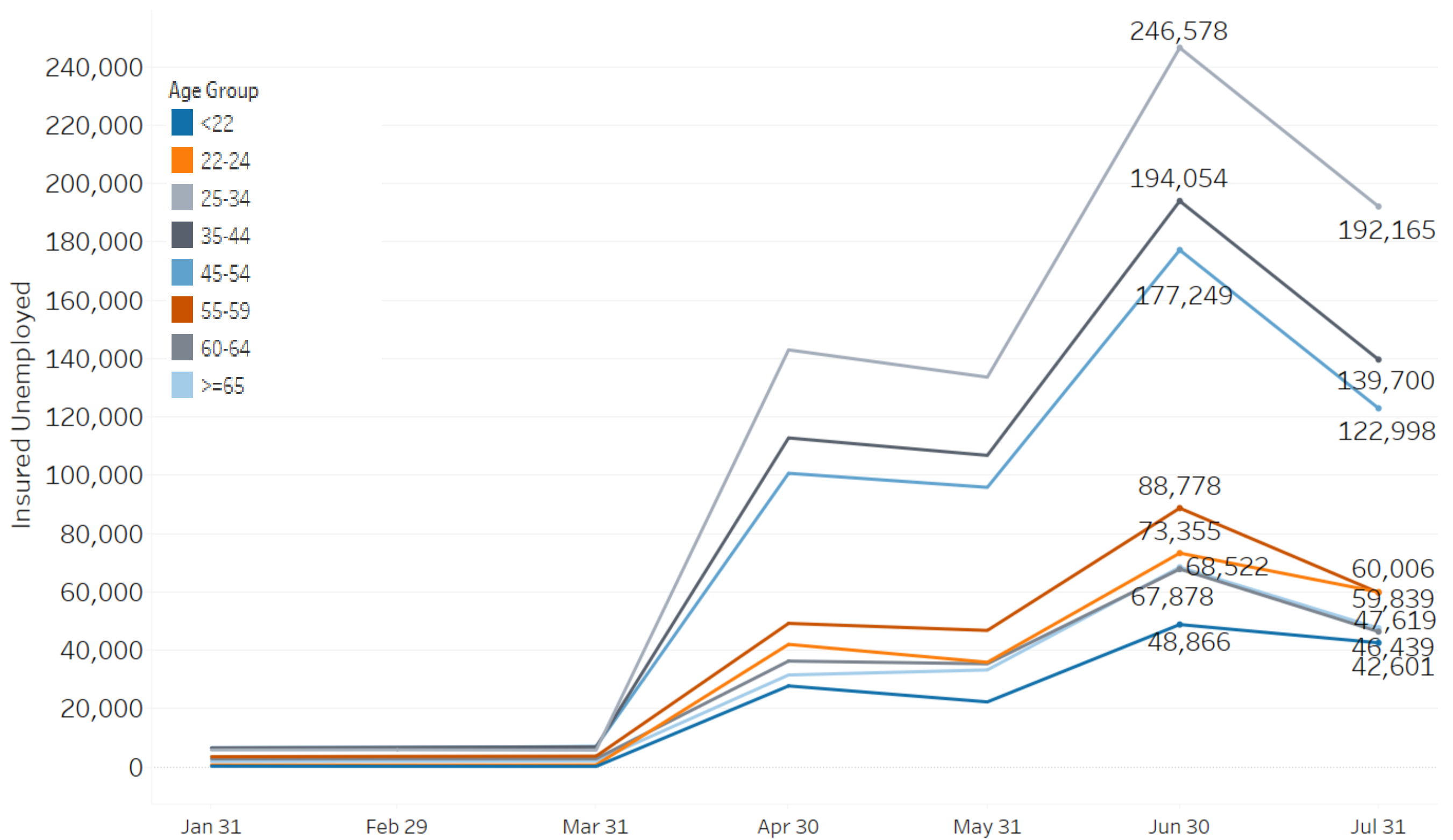
Florida Median Wage by Educational Attainment and Union Membership: 2000 to 2019



Source: Economic Policy Institute: Analysis based on U.S. BLS Current Population Survey

The disproportionately precarious employment situation of workers with low levels of educational attainment and without unions is further visible in the age groups of workers receiving unemployment compensation. Collectively, workers under the age of 35 represented 37.8 percent of the insured unemployed, 94,605 workers. Prime-age workers aged 35 to 54 represented 33.7 percent of the insured unemployed, 262,698 workers.

Florida Unemployment Compensation Coverage by Age Group: Jan. 2020 to July 2020



Source: U.S. Department of Labor: Unemployment Insurance Data

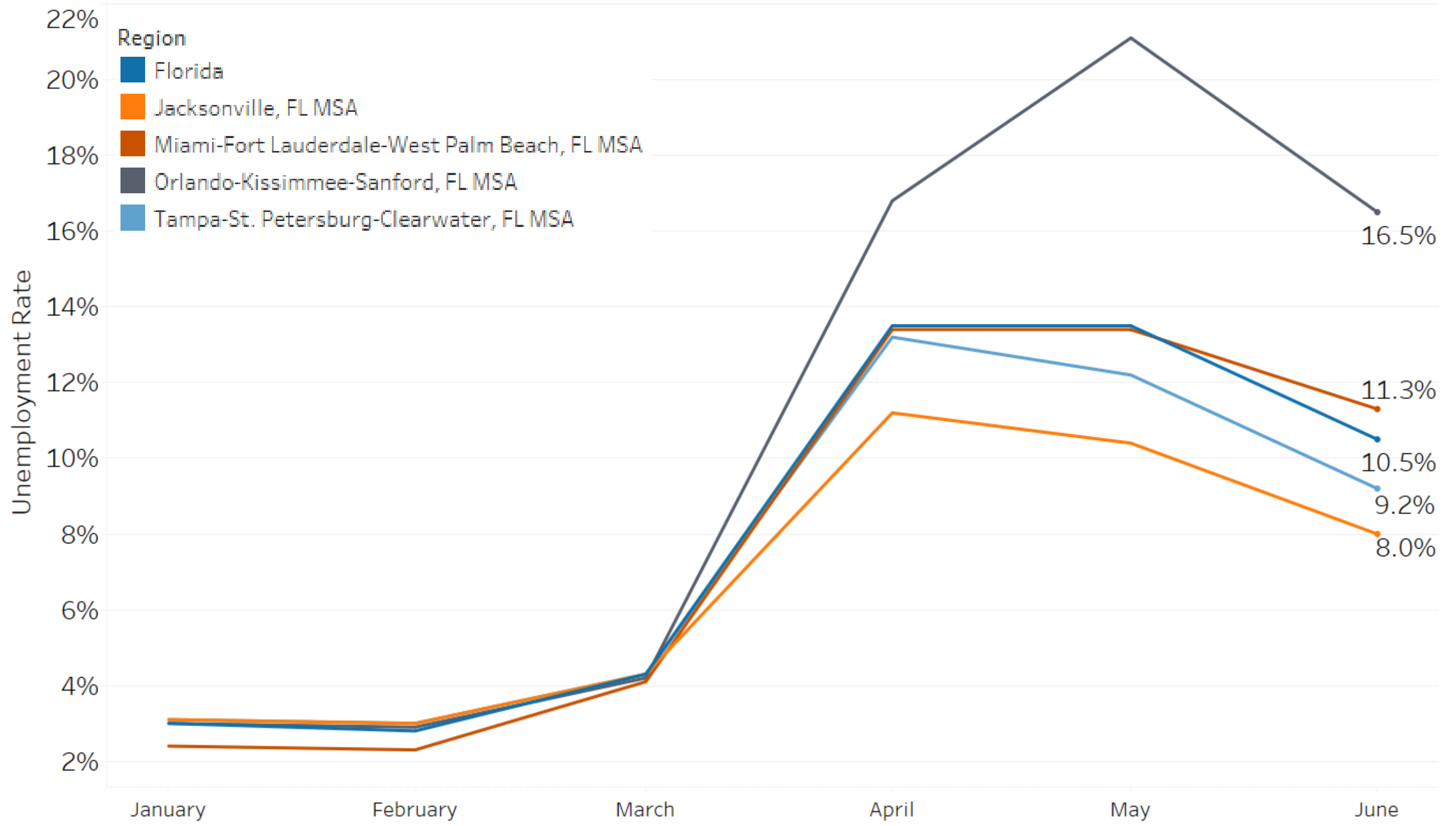
Lastly, differences in the composition of industries across Florida has also led to varying levels of COVID-19 related job loss in the state's main metropolitan areas. Metro areas with high levels of employment

concentrated in hard hit industries like Leisure and Hospitality and Retail Trade are experiencing above average unemployment. For example, the tourist-centered Orlando-Kissimmee-Sanford, FL metro area has twice the unemployment rate of the Jacksonville, FL MSA. Similarly, Miami-Fort Lauderdale-West Palm Beach, FL metro area has 0.8 percentage points higher unemployment rate than the state average.

**Tourist-centered areas were hardest hit**



Florida Unemployment Rate by Metro Area: Jan. 2020 to June 2020



Source: U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics

# Conclusion

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The severe economic loss captured in this report is evidence of the need for large-scale and direct economic assistance to workers and employers throughout the state. The COVID-19 pandemic has ended Florida's decade of growth and the recession will deepen without action. The economic distress of the pandemic's first two months rivals the Great Recession's destruction over three years. The pandemic recession need not be lengthy if we take the lessons of effective stimulus learned from the Great Recession and take swift action to support those impacted most.

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For more detailed data, methodology, and resources  
related to **State of Working Florida 2020**  
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Florida International University.