

RISEP

Research Institute on Social and Economic Policy



The State of Working Florida 2008

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Additional copies of the report can be found on-line at
www.risep-fiu.edu/reports/State_of_Working_Florida_2008.pdf

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Summary of Findings

RISEP's annual Labor Day report *The State of Working Florida* looks at the performance of Florida's economy with a focus on how working men and women are faring in employment, wages, benefits, and other aspects of work life. This year's report finds that in 2007 the Florida boom began to go bust, with rising unemployment and stagnant wages signaling hard times ahead for workers.

Employment

2007 showed the beginnings of hard times for workers – a dramatic slow down in job growth, rising unemployment, and fewer hours for the employed. Compared with the nation Florida did well in the last business cycle after the 2001 recession, with good job creation and falling unemployment in 2003-2006. However the end of the boom and particularly the loss of the construction jobs that fed it, signal trouble for Florida's workers for the near future.

- Job growth in Florida was only 0.5% in 2006-2007, down from a high of 4% in 2004-2005 and compared with 1% for the U.S. in 2006-2007.
- The industry with the biggest job loss was construction, down 8.3% in 2007. The biggest gainers were services such as personal services and health care.
- Unemployment was 4.1% in 2007, up from 3.2% in 2006.
- Hispanics, and men, were the groups that saw the largest increases in unemployment in 2007.
- Underemployment, including people who are not working enough hours and who are discouraged from looking for work, was 8% in 2007, but for African Americans the figure was 11.3% and 10% for Hispanics.
- Fifteen percent of the unemployed have been without work for at least half a year.
- In the U.S. as a whole fewer people are in the labor force now than in 2000, before the last recession. However in Florida labor force participation has increased. The exception was African Americans, who never recovered the labor force participation rates they had in 2000.
- Job growth, unemployment, and related statistics have worsened in 2008, so the *current* situation for workers is much worse than indicated by these annual figures for 2007. As of July 2008 Florida unemployment was 6.1%, which was 2% higher than a year earlier.

Wages, Income, and Benefits

The insecurity in the job market means no upward pressure on wages, which saw no growth in Florida in 2007 and across the nation actually fell. Benefits such as healthcare and pensions also were problematic, and poverty grew.

- Workers wages in Florida did not grow at all in 2007, and for the nation actually fell.
- Florida's median wage, \$14.70 per hour in 2007, fell from 27th place in the nation's states in 2006 to 30th place last year.
- African Americans and Hispanics have been losing ground compared with Non-Hispanic Whites. In 1979 African Americans and Hispanics made over 80% of what Whites made, but by 2007 the figures dropped to less than 77%.

- Wage inequality is still extremely high in the state. In 1979 a high wage earner at the 10th percentile earned 2.92 times what the bottom a low-wage worker at the 20th percentile earned. In 2000 the ratio grew to 3.48 and in 2007 it was 3.55.
- Median household income in Florida in 2007 (\$45,794) was 91% of the corresponding U.S. figure, and the median four-person family income (\$68,494) in Florida was 93% of U.S. norms. This is in line with historic Florida performance on these measures.
- Poverty in Florida in 2007 was 12.5% or 12.1% (depending upon the survey used), very close to the official U.S. poverty rate of 12.5%.
- In 2007 Florida had the 3rd highest percentage (20.2%) of residents without healthcare coverage among the 50 states. It ranked 46th in private sector employer-provided health insurance. The state ranks extremely badly on these measures.
- In 2007 Florida ranked 50th of the 50 states in private sector pension coverage.
- Private sector unionization of Florida workers was only 2.5% in 2007, contributing to lower wages, wage inequality, and lower rates of healthcare coverage and pension benefit coverage.

Cost of Living

Adding to the difficulties for Florida's workers was a significant rise in cost of living in 2007. Rising gas prices have made goods and services more expensive, and Florida's largest metropolitan areas have seen some of the highest inflation in the country. Florida's workers are heavily dependent on cars to get to work, and the overwhelming majority commute alone.

- From 2002 to 2007 the Miami-Ft.Lauderdale and Tampa Bay metropolitan areas had the 2nd and 3rd highest rates of inflation among major metropolitan areas in the nation.
- Miami-Ft. Lauderdale ranked 9th in the country for cost of living in 2007.
- Floridians pay an average of 7.4% in state and local taxes, ranking 47th in the nation. However, because so little of Florida's taxes can be deducted on Federal tax return, the *total tax burden* Florida residents is actually *higher* than it is for a typical U.S. resident.
- 90% of Floridians drive a car, truck or van to work, and almost 80% commute alone. With rising gas prices, this puts a heavy financial burden on working people.

Florida's Metropolitan Areas

An appendix to this report compares all of Florida's major metropolitan areas regarding job creation and wages and wage growth.

Turning things around for Workers

The economic downturn has exposed weaknesses in the Florida economy, which for decades has survived on tourism related industries and periodic bouts of real estate speculation. The latest cycle brought people and jobs to the state, but many of the jobs have evaporated, and local and state governments have been left with gaping holes in their budgets. This time, Florida needs to enact specific policies that will allow workers to survive the tough times ahead and build the state's capacity for healthy economic growth. At the end of this report we make three policy suggestions to do so.

The State of Working Florida, 2008

Overview: The Florida Economy in 2008

The old sayings “what goes up must come down” and “the bigger they are the harder they fall” are not laws of economics, but they seem to be appropriate statements for the Florida economy at the mid-point of 2008. The fall in real estate prices following the big years of speculation and criminal mortgage fraud from 2004 through at least 2006 is not limited to Florida, but Florida is one of the most affected states. Florida had one of the largest climbs in housing prices and will likely have one of the largest falls. The consequences of this fall are rising unemployment and insecurity, declining tax revenue and severe cuts in public funding. The fall of home sales and the halt of new construction have rippled through important Florida industries like construction and real estate. The jobless rate has increased significantly in Florida since 2006, and job creation in the state has fallen dramatically. Built on real estate speculation and construction, Florida’s latest boom is turning bust.

The crisis is just the latest in the cycle of land boom and bust, one of the major themes of Florida’s economic history. Booms in the 20’s, 50’s, and 70’s, saw the rapid construction of new communities and then the decline of these communities until the next round of speculation began. Florida has gotten by on successive waves of tourism, and even when other areas of the economy are in crisis we can count on the jobs and tax dollars generated by hotels and restaurants. Rising energy costs may have diminished domestic tourism but Florida is a major destination for international tourism, and the weak dollar means the flow of international tourists is relatively secure for the time being. But the jobs created by tourism tend to be low-paying with few or no benefits. They sustain a large population of people barely above the poverty level who, without sufficient support from the state in getting decent health care and education, are vulnerable to financial crises and unable to give their children a good start in life.

Unfortunately this year in addition to trouble in the labor market Floridians have had to deal with high inflation spurred by fuel prices that increase the cost of goods and services across the board. Two of Florida’s large metropolitan areas, Miami-Ft. Lauderdale and Tampa have seen some of the highest inflation rates in the nation. This means that Florida is rapidly losing its reputation as a low-cost state. It is important to consider the implications of this for the state’s many low-wage workers and fixed income retirees. Many people depend on public services to fill the gaps not filled by their employers, whether they are not offered health insurance or wages are not enough to make ends meet in high cost areas. The downturn in the economy has meant at the same time more need for public services and declining tax revenue to fund them.

All of these factors contribute to a high poverty rate in 2007. The economy is clearly not doing well by working Floridians this year, and the state needs to help get people through the downturn. But just as important is a concerted effort to reshape Florida’s economy for the future. Without this it is difficult to see how Florida will avoid the ups and downs that cause hurt and insecurity for so many.

EMPLOYMENT

Job Creation

In 2007 job creation in the state dropped dramatically. Construction, manufacturing, and financial activities saw the greatest job losses. From 2006 to 2007 the number of jobs in Florida increased by only 0.5%, compared with job growth of 2.6% from 2005 to 2006 and a high of 4% job growth from 2004-2005. Job growth in 2007 was at the lowest rate since the recession of 2001, and below the rate for the U.S. as a whole, the first time it had dipped below the U.S. rate since 2000. Table 1 shows details.

Table 1
Job Growth All Industries, 2001-2007

	2001	2002	2003	2004	2005	2006	2007
Florida	1.3%	0.1%	1.1%	3.4%	4.0%	2.6%	0.5%
United States	0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

Florida's job growth spurt from 2003-2005, led by large gains in construction, the financial sector and business services, may be undone by losses in most of those same industries. Construction was the biggest loser last year, with 8.3% fewer jobs in 2007 than in 2006. Manufacturing continued the downward trend that has been seen for decades. Jobs in financial activities, which include real estate, were also down 0.8%, likely due to the contraction in housing sales. The biggest gains were in Other Services, which includes personal care, security, child care and other miscellaneous services, and education and health services which were both up 3.2%. Retail trade job grew at the same rate as all non-farm jobs, a 0.5% growth. Table 2 shows details.

Table 2
Florida Employment by Industry, 2006-2007

	2006	2007	Percent Change 2006-2007
Other Services	332.9	343.5	3.2%
Education and Health Services	976	1007	3.2%
Government	1099.3	1124.4	2.3%
Leisure and Hospitality	910.1	929.3	2.1%
Wholesale Trade	351.3	357.1	1.7%
Professional and Business Services	1311.5	1329.2	1.3%
Trade Transportation and Utilities	1600.4	1611.4	0.7%
Total Nonfarm	8002.4	8041.4	0.5%
Retail Trade	1003.7	1008.5	0.5%
Total Private	6903.2	6917.1	0.2%
Transportation and Utilities	245.3	245.7	0.2%
Information	161.7	161.4	-0.2%
Financial Activities	546.4	541.8	-0.8%
Manufacturing Non Durable Goods	127.4	125.5	-1.5%
Manufacturing Durable Goods	277.7	263.2	-5.2%
Construction	652.4	598.1	-8.3%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

While Florida experienced only 0.5% job growth the nation's job growth was 1.1% during the same period, led by natural resources and mining which grew by 5.7%. Education, Leisure and Hospitality, professional and business services all grew faster than the average in the nation as they did in Florida. Losing industries in both the U.S. and Florida were information, financial activities, and manufacturing. The construction industry also lost jobs in nation, although the loss was only 1%, compared with 8.3% in Florida. Table 3 shows U.S. employment changes from 2006 to 2007.

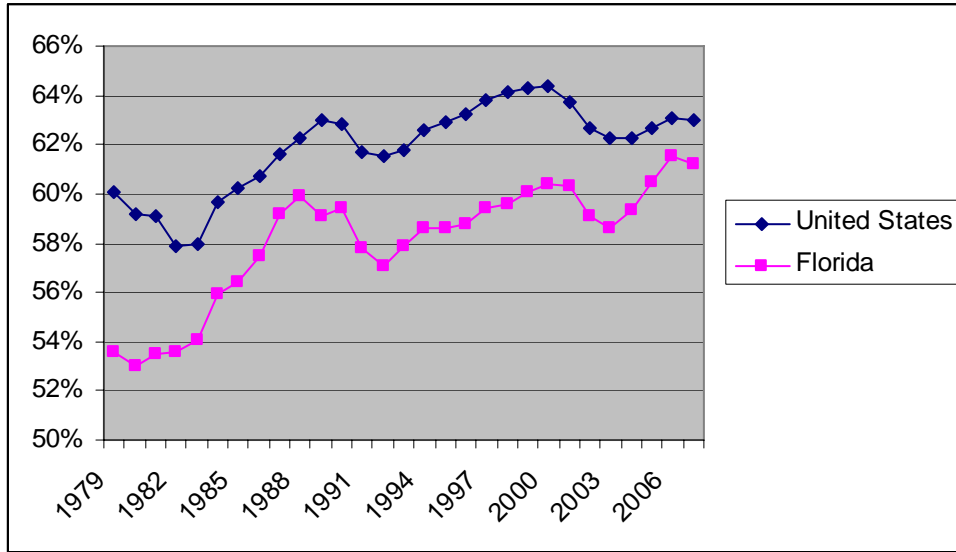
Table 3
U.S. Employment by Industry, 2006-2007

	2006	2007	Percent Change 2006-2007
Natural Resources and Mining	684	723	5.7%
Education and Health Services	17826	18327	2.8%
Leisure and Hospitality	13110	13474	2.8%
Professional and Business Services	17566	17962	2.3%
Transportation and Utilities	5018.1	5089.4	1.4%
Trade Transportation and Utilities	26276	26608	1.3%
Total Private	114113	115420	1.1%
Total Nonfarm	136086	137623	1.1%
Other Services	5438	5491	1.0%
Government	21974	22203	1.0%
Retail Trade	15353.3	15490.7	0.9%
Financial Activities	8328	8308	-0.2%
Information	3038	3029	-0.3%
Construction	7691	7614	-1.0%
Manufacturing Durable Goods	8981	8816	-1.8%
Manufacturing	14155	13884	-1.9%
Manufacturing Non Durable Goods	5174	5068	-2.0%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

In Florida a smaller percentage of the population aged 16 or older is employed than in the U.S. due to the large number of retirees residing in the state. However the job creation that Florida experienced from 2003 through 2006 brought the state's "labor force participation" rate quite close to the U.S. rate by the year 2006. Florida's peak rate in 2006 was 61.5% of the working age population working, whereas the U.S. peak was in 2000 at 64.4%. During the recovery from the recession of 2001, the labor force participation rate in the U.S. did not return to pre-recession levels, but in Florida it has exceeded pre-2000 levels although it began to slip in 2007 and will likely continue to slide in 2008 and beyond. This is because many of the jobs created in Florida over the last several years, particularly in construction and business services, have disappeared due to the downturn in the economy and problems in the financial sector. Figure 1 shows trends in the U.S. and in the state.

Figure 1
Employment to Population Ratio, Florida and the United States, 1979-2007



Source: Economic Policy Institute analysis of Current Employment Statistics survey data

Unemployment and Underemployment

Unemployment in Florida in 2007 was up 28% from 2006 and up 14% since 2000: 4.1% in 2007. This was still lower than the national unemployment rate of 4.6% but went up much more sharply than did the national rate. The loss of construction jobs in Florida accounts for much of the state’s job loss. The industries that serve tourism and retirees – hospitality, health care, and other services, have continued to grow in Florida and are propping up employment as they have not yet seen to widespread offshoring as industries like manufacturing and information have. Table 4 shows unemployment rates over many years for the U.S. and Florida and Florida’s region and district.

Table 4
Unemployment in the United States, South, South Atlantic, and Florida, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
United States	5.9%	5.3%	5.7%	4.0%	5.8%	5.5%	4.6%	4.6%*
South	5.4%	5.7%	5.5%	3.9%	5.6%	5.3%	4.4%	4.3%*
South Atlantic**	5.6%	4.8%	5.2%	3.5%	5.3%	4.8%	4.1%	4.1%*
Florida	6.2%	5.7%	5.6%	3.6%	5.5%	4.6%	3.2%	4.1%

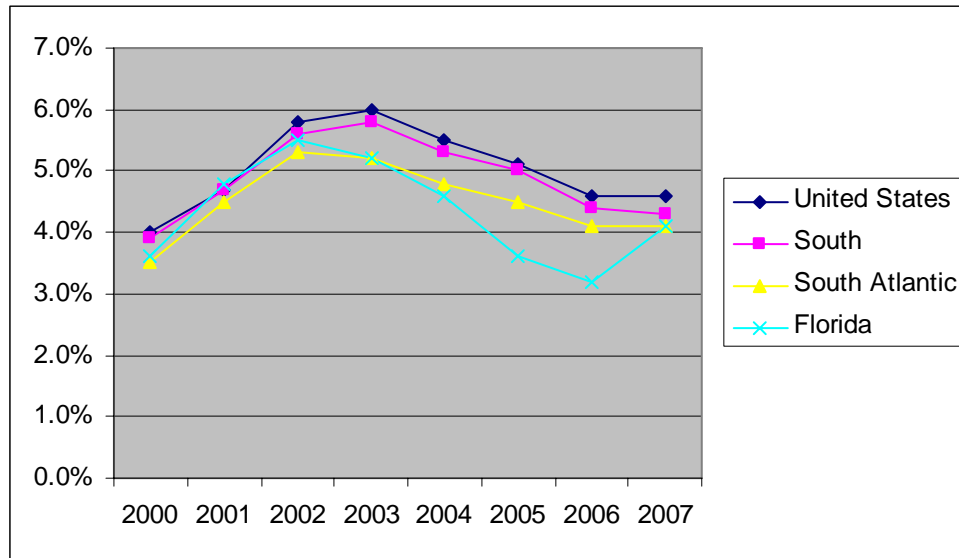
Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

** South Atlantic district includes Florida, Georgia, South Carolina, North Carolina, Maryland, and Delaware.

Figure 2 graphically shows the same data from 2000 through 2007.

Figure 2
Unemployment in the United States, South, South Atlantic, and Florida, 2000-2007



Source: Economic Policy Institute analysis of Current Employment Statistics survey data

However the most comprehensive measure of employment problems, which includes people who are discouraged from looking for work or who are working part-time because they can't find full-time jobs as well as unemployment, paints a grimmer picture. Underemployment in Florida jumped up from 6.2% to 8.0% from 2006 to 2007 while it barely changed in the U.S. as a whole (up only 0.1%). This likely reflects the Florida job losses in construction, manufacturing, and other industries which tend to offer full-time employment, and the creation of jobs in industries such as Other Services and Leisure and Hospitality. More and more companies are finding that adding part-time jobs instead of full-time jobs is a way to cut costs. Table 5 shows details.

Table 5
Underemployment in the United States, South, South Atlantic, and Florida, 2000-2007

	1995	2000	2002	2004	2006	2007
United States	10.1%	7.0%	9.6%	9.6%	8.2%	8.3%*
South	9.8%	6.9%	9.3%	9.2%	7.9%	7.9%*
South Atlantic	9.3%	6.2%	8.9%	8.5%	7.3%	7.8%
Florida	10.2%	6.5%	9.2%	8.3%	6.2%	8.0%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Indeed, we find that the percentage of part-time employment because a desired full-time job is not available is up significantly from the previous year, by 5.4 percentage points. Interestingly, although Florida for the most part has lower unemployment and lower underemployment than the U.S., Florida tends to have higher rates of part-time employment because full-time jobs are not available. In 2007 17.6% of part-time workers in Florida wanted but could not find full-time jobs, compared with 13.6% of U.S. workers. This is likely due to the prominence of hospitality and retail jobs in Florida, which tend to be part-time jobs. Table 6 shows details.

Table 6
Percentage of Part-time Employment that is Part-time because full-time jobs is no available in the United States, the South, the South Atlantic, and Florida, 1995-2007

	1995	2000	2002	2004	2006	2007
United States	14.6%	10.8%	13.5%	14.1%	12.8%	13.6%
South	14.8%	11.5%	14.2%	14.8%	13.3%	14.2%
South Atlantic	14.5%	10.5%	13.6%	13.8%	12.8%	14.7%
Florida	16.2%	12.7%	15.2%	14.2%	12.2%	17.6%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

The share of workers employed part-time increased from 2000 through 2004 and then began decreasing in 2004, coinciding with the rise in job creation from 2003 through 2005. During that period when jobs were being created (Table 1), unemployment was decreasing (Table 4), and part employment because full-time employment was not available was decreasing (Table 6), employers were creating full-time jobs to meet their labor needs. However, as the economy slows, both unemployment and the percentage of people taking part-time jobs only because they can't find a full-time one has increased. With increasing economic troubles, we will likely see a continued increase in part-time employment as people accept the jobs they can find or drop out of the labor force all together. Table 7 shows part-time employment data for 2000-2007.

Table 7
Part-time Employment in the United States, South, South Atlantic, and Florida, 1995-2007

	1995	2000	2002	2004	2006	2007
United States	24.6%	21.8%	22.8%	23.3%	22.4%	22.2%
South	23.0%	19.7%	20.9%	21.4%	20.3%	20.1%
South Atlantic	22.6%	19.2%	20.7%	20.9%	19.6%	19.7%*
Florida	22.4%	18.1%	19.9%	20.3%	18.3%	18.5%*

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Another troubling area is long-term unemployment. The percentage of all unemployed in Florida who had been out of work for longer than 26 weeks (half a year) appeared to increase from 13.4% in 2006 to 15.1% in 2007, although the difference is within the margin of error. This is still below the years of the "jobless recovery" from 2002-2005, but higher than just before the last recession when long term unemployment was 12.1% of all unemployment. The long-term unemployment rate in Florida remains below that for the U.S. Table 8 shows details.

Table 8
Long-Term Unemployment Percentage of All Unemployment in the United States, South, South Atlantic, and Florida, 1995-2007

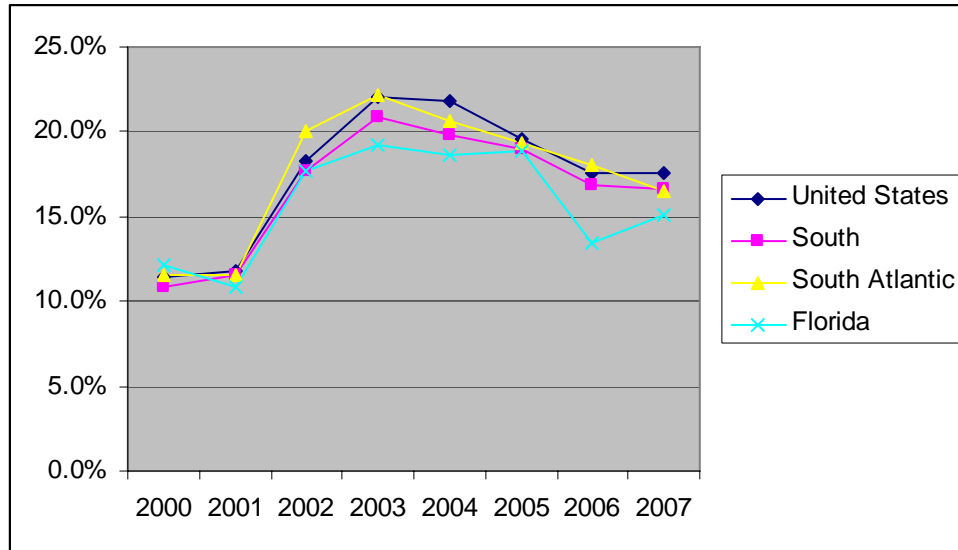
	1995	2000	2002	2004	2006	2007
United States	17.2%	11.4%	18.3%	21.8%	17.6%	17.6%*
South	15.2%	10.8%	17.7%	19.8%	16.9%	16.6%*
South Atlantic	16.3%	11.5%	20.0%	20.6%	18.0%	16.5%
Florida	14.9%	12.1%	17.7%	18.6%	13.4%	15.1%*

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Figure 3 shows the same data graphically for the years 2000 through 2007.

Figure 3
Long-Term Unemployment in the United States, South, South Atlantic,
and Florida, 2000-2007



Source: Economic Policy Institute analysis of Current Employment Statistics survey data

Gender and Racial / Ethnic Differences in Unemployment and Underemployment

Historically women have higher unemployment rates than men, although in 2007 their unemployment rate in Florida was lower than that of men, 3.8% compared to 4.3%. Unemployment for both groups increased from 2006 to 2007 but increased more for men, likely due to the losses in the construction industry in Florida. Table 9 shows the comparative unemployment rates in Florida from 1979–2007.

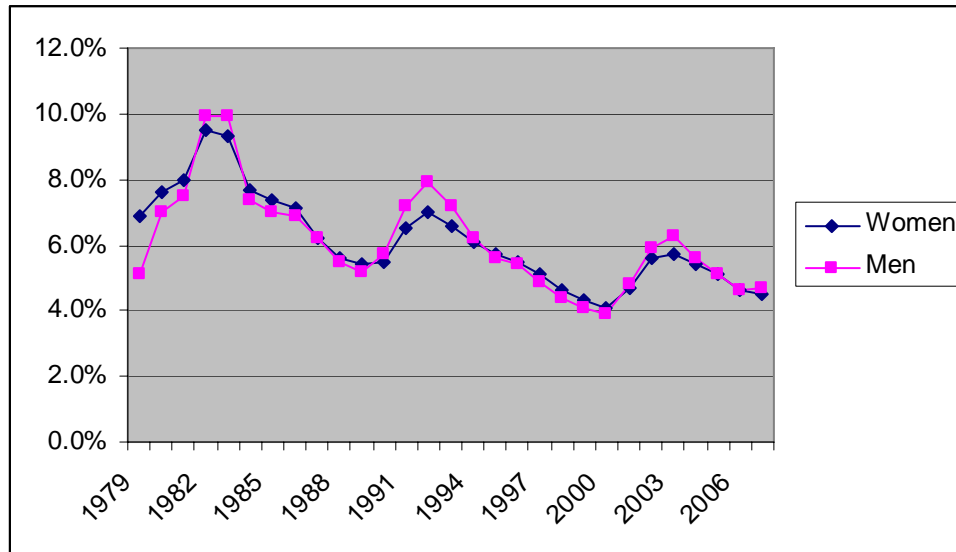
Table 9
Unemployment in the Florida, Women and Men, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007	Percent Change 2006-2007
Women	5.0%	5.2%	5.5%	3.3%	5.8%	4.7%	3.3%	3.8%	15.2%
Men	7.8%	6.3%	5.8%	4.0%	5.2%	4.5%	3.2%	4.3%	34.4%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

Figure 4 shows the same data graphically.

Figure 4
Unemployment in Florida, Women and Men, 1979-2007



Source: Economic Policy Institute analysis of Current Employment Statistics survey data

In addition to lower unemployment, women in Florida currently have lower underemployment than men (7.5% vs. 8.5%), mostly because a smaller percentage are employed part-time only because they cannot find a full-time job. Only 12.4% of women who are working part-time would rather be working full-time, compared with 25.1% of men who are working part-time. Just under one quarter of women who are working are working part-time, a larger percentage than for men. Table 10 shows details.

Table 10
Long-Term Unemployment, Underemployment, Part-time employment and Involuntary Part-time Employment in Florida, Women and Men, 2007

	Women	Men
Long-term unemployment share	13.0%*	16.8%*
Underemployment rate	7.5%	8.5%
Part-time workers share	23.2%	14.4%
Involuntary part-time employment	12.4%	25.1%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* Change is not statistically significant.

Historically unemployment has been higher among African-Americans and Hispanics than among whites, and 2007 continued that trend. Unemployment in 2007 was 6.2% for African-Americans, 4.8% for Hispanics, and 3.3% for non-Hispanic whites. Unemployment for all groups increased from 2006 to 2007, although the difference for African Americans is within the margin of error. Unemployment for all three groups followed the same pattern of rising from 2000 through 2002 and then falling slowly before rising again in 2007, with the disparities between the groups remaining fairly constant. Table 11 shows the details.

Table 11
Unemployment in Florida, African-Americans, Hispanics, & Non-Hispanic whites, 1979-07

	1979	1989	1995	2000	2002	2004	2006	2007	Percent Change 2006-2007
African-American	11.4%	11.7%	10.0%	6.0%	8.9%	8.8%	5.9%	6.2%*	*
Hispanic	6.0%	7.2%	8.0%	4.8%	6.8%	5.0%	3.4%	4.8%	41.2%
Non-Hispanic white	5.0%	4.2%	4.1%	2.7%	4.3%	3.6%	2.6%	3.3%	26.9%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Comparable data in the same period of the United States as a whole show that show that the U.S. unemployment rate has historically been higher for all groups for quite some time. However, in the past year unemployment for all groups in Florida has worsened much more rapidly than has been the case in the country as a whole. Table 12 shows the U.S. unemployment rate over the years.

Table 12
Unemployment in the United States, African Americans, Hispanics, and Non-Hispanic whites, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
African-American	12.3%	11.4%	10.5%	7.6%	10.2%	10.4%	9.0%	8.3%
Hispanic	8.5%	8.0%	9.4%	5.7%	7.5%	7.0%	5.2%	5.6%
Non-Hispanic white	4.9%	4.2%	4.5%	3.1%	4.7%	4.5%	3.8%	3.9%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

African-Americans and Hispanics in Florida also fare worse than their non-Hispanic white counterparts in most other employment measures, with the possible exception of long-term unemployment, although the quality of the data available make it difficult to draw a firm conclusion. Underemployment, especially the portion of it that constitutes involuntary part-time employment, has historically been higher for minority groups, with Hispanics faring worst. Table 13 shows comparative data for the three groups

Table 13
Employment Measures, African Americans, Hispanics, and Non-Hispanic Whites in Florida, 2007

	African-American	Hispanic	Non-Hispanic White
Unemployment rate	6.2%	4.8%	3.3%
Long-term unemployment share	(a)	14.4%	15.8%
Underemployment rate	11.3%	10.0%	6.6%
Part-time workers share	15.8%	16.0%	20.3%
Percentage of part-time work that is part-time only because full-time job is not available	22.8%	29.4%	13.2%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

Unemployment grew for all groups from 2006 to 2007, but the greatest increase was seen among Hispanics. Unemployment rose by 1.4 percentage points for Hispanics, twice the increase for Non-Hispanic whites. This is likely due to the large number of Hispanics employed in construction, an industry that saw very large losses in 2007. Hispanics also had the largest jump

in underemployment, and involuntary part-time work grew fastest for African-Americans and Hispanics. Table 14 shows the 2006-2007 change for all three groups on these measures.

Table 14
Percentage Point Change in Employment Measures, African Americans, Hispanics, and Non-Hispanic Whites in Florida, 2006-2007

	African-American	Hispanic	Non-Hispanic White
Unemployment rate	0.2*	1.4	0.7
Long-term unemployment share	n.a.	n.a.	4.6
Underemployment rate	1.3*	2.7	1.7
Part-time workers share	-0.8*	1*	0.2*
Percentage of part-time work that is part-time only because full-time job is not available	6.8	6.8	4.5

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Labor Force Participation

The labor force participation rate, the share of adults who are either working or actively looking for work, has increased over the past several decades. In a recession labor force participation mirrors unemployment rates; as people cannot find work they become discouraged and drop out of the labor force, but the effect takes a while to show up in the numbers. This is seen in Florida where unemployment peaked in 2002 (Table 4) and labor force participation dropped to its lowest point in 2003. This lag likely explains part of the somewhat surprising slight increase in labor force participation from 2006 to 2007 when unemployment rose significantly (Table 15). Higher unemployment will almost certainly cause a decrease in labor force participations in 2008 as workers stop actively looking for jobs. In 2007, 63.6% of the Florida population aged 16 and over was in the labor force, compared with 66% for the U.S. as a whole. Most of the difference is due to age, as Florida has a greater share of retirees who are no longer in the labor force. However the gap between Florida and the U.S. has been narrowing. In 2000 the share of people in Florida in the labor force was 4.5 percentage points less than the nation, but by 2007 the gap had narrowed to 2.2 percentage points. The trend towards more Floridians working than ever before differs from the national trend of falling labor force participation during the last business cycle, where the “jobless” recovery meant many people gave up looking for work. In Florida increasing labor force participation can be explained by changing demographics that have brought more working age people to the state since 2000¹. Table 15 shows labor force participation rates for Florida, the country and Florida’s neighboring areas of the country from 1979 to 2007.

Table 15
Labor Force Participation in the U.S., South, South Atlantic, and Florida, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
United States	63.9%	66.5%	66.7%	67.1%	66.6%	66.0%	66.2%	66.0%
South	62.7%	65.6%	66.0%	65.9%	65.2%	64.7%	65.2%	64.9%
South Atlantic	63.1%	66.3%	65.8%	66.1%	65.4%	64.9%	65.7%	65.7%
Florida	57.1%	62.7%	62.1%	62.6%	62.5%	62.2%	63.5%	63.8%

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

¹ In 2006, 63% of the Florida population was between the ages of 18 and 64, an increase from 59.6% in 2000.

African-Americans in Florida have consistently had higher labor force participation rates than the population overall since 1979, and the rate is relatively unchanged. Although labor force participation in Florida overall is up since 2000, for African Americans it has declined, as it has in the South, South Atlantic and the U.S. overall. In 2000 69.2% of African-Americans aged 16+ in Florida were in the labor force, compared with 66.7% in 2007. It appears that the job creation Florida experienced from 2003-2006 (Table 1) did not bring more African-Americans in the job market. Table 16 shows details.

Table 16
Labor Force Participation among African-Americans in the United States, South, South Atlantic, and Florida, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
United States	61.7%	64.2%	64.0%	65.7%	64.7%	63.7%	64.0%	63.6%
South	61.3%	65.1%	65.5%	66.5%	66.0%	64.5%	64.7%	64.7%*
South Atlantic	64.1%	67.0%	67.0%	68.8%	66.8%	65.7%	66.8%	66.8%*
Florida	66.4%	67.6%	68.7%	69.2%	67.8%	65.1%	65.8%	66.7%*

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

However, labor force participation among Hispanics is up since 2000 and has been increasing since 2003. In 2007 68.6% of Hispanics were in the labor force compared with 66.8% in 2000. This is compared to the U.S. where labor force participation among Hispanics is down since 2000. Many Hispanics in Florida likely took advantage of the boom in the construction industry, and with the loss of large numbers of these jobs Hispanic labor force participation is almost certain down in 2008. Table 17 shows details.

Table 17
Labor Force Participation among Hispanics in the United States, South, South Atlantic, and Florida, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
United States	64.0%	67.6%	66.0%	69.7%	69.1%	68.6%	68.7%	68.8%*
South	63.9%	67.2%	67.1%	69.9%	68.4%	68.3%	69.3%	69.2%*
South Atlantic	65.1%	68.7%	67.0%	69.7%	69.3%	70.0%	71.5%	71.5%*
Florida	64.5%	66.6%	65.1%	66.8%	65.1%	65.3%	67.5%	68.6%*

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

Women's labor force participation in Florida was virtually unchanged from 2006 to 2007, but has increased by 2 percentage points since 2000. Women's participation in the labor force in the nation as a whole is down slightly since 2000, the same as it is for men, showing that women are dropping out due to poor economic conditions and not to family or personal reasons as had been previously speculated². In 2007 57.6% of women were in the labor force in Florida, slightly lower than the figure for U.S. women, 59.3%. This is likely due to a greater share of women in Florida being retired. Table 18 shows the comparative figures.

² Louis Uchitelle, "Women are Now Equal as Victims of Poor Economy," *The New York Times*, July 22, 2008.

Table 18
Labor Force Participation among Women in the United States, South, South Atlantic, and Florida, 1979-2007

	1979	1989	1995	2000	2002	2004	2006	2007
United States	51.2%	57.4%	59.0%	59.9%	59.6%	59.2%	59.4%	59.3%*
South	50.3%	56.7%	58.4%	58.7%	57.9%	57.6%	58.2%	58.1%*
South Atlantic	51.4%	58.2%	58.7%	59.5%	58.8%	58.2%	59.5%	59.5%*
Florida	46.3%	54.9%	54.7%	55.5%	55.7%	55.4%	57.5%	57.6%*

Source: Economic Policy Institute analysis of Current Employment Statistics survey data

* 2006-2007 change not statistically significant.

WAGES, INCOME, AND BENEFITS

Historically wages in Florida have been lower than wages in the U.S. as a whole. This was somewhat compensated for by the lower cost of living in the state. However, in recent years both the cost of living and wages in Florida have been rising, and in the last few years the median wage in the state is just slightly below that of the country as a whole. However, the cost of living in the state is now above the national average, so the state still lags the nation in actual living standards. Inequality within the state is also high across a number of measures, and is increasing.

Median Wage

The median wage in Florida for wage-earners 18 to 64 years old has remained essentially stagnant in the most recent period. In 2007 it was \$14.70 per hour, a drop of one cent compared to 2006 in inflation-adjusted dollars. “Real income” or purchasing power did not grow at all and actually fell a miniscule amount.

Compared to other states, Florida’s median wage ranked 30th in the nation (including Washington D.C. as a “51st state”) in 2007, down from 27th in 2006. In the South Atlantic Division, it ranked 6th of the 9 states in this division, with only North and South Carolina and West Virginia ranking lower. In the entire Southern Region, Florida ranked 6th of the 17 regional states. Among regions, the South had the lowest median wage and the Northeast had the highest. Table 19 shows details.

Table 19
Florida median wage compared to the U.S., the South, and the South Atlantic Division, 2007 (in 2007 dollars)

	Median Wage	Percent of U.S. Average
Florida	\$14.70	97%
South Atlantic	\$14.99	99%
South	\$14.37	95%
United States	\$15.10	100%

Source: Economic Policy Institute analysis of Current Population Survey data

Over the past 30 years, median wages in Florida have been slowly catching up to those of the United States as a whole, from 85% of the U.S. median in 1979 to 97% in 2007. However, in the most recent years the main reason for the narrowing gap has been stagnation and even slight decline in the national figures. Table 20 shows the comparative figures for the state and the nation in selected years.

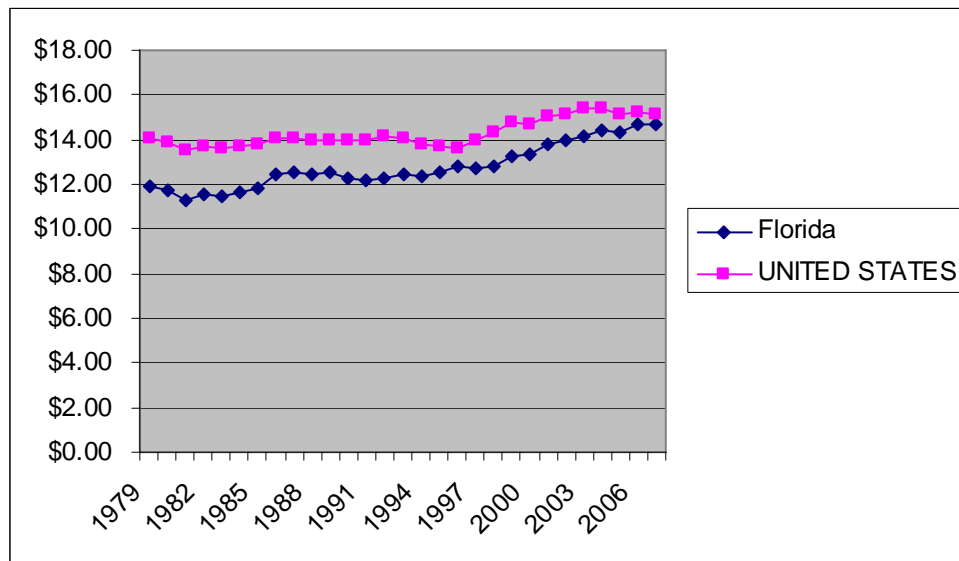
Table 20
Median Wage, Florida and the U.S., selected years 1979 – 2007 (in 2007 dollars)

	1979	1989	1995	2000	2002	2004	2006	2007
Florida	\$11.90	\$12.58	\$12.50	\$13.32	\$13.98	\$14.38	\$14.71	\$14.70
United States	\$14.02	\$13.93	\$13.68	\$14.73	\$15.17	\$15.36	\$15.23	\$15.10
Percent of U.S.	85%	90%	91%	90%	92%	94%	97%	97%

Source: Economic Policy Institute Analysis of Current Population Survey data

In the 28 year period between 1979 and 2007, median wages in Florida increased only 23.5%, well below 1% per year. However, this is a better performance than that of the U.S. overall. Figure 5 visually shows the trends for all years from 1979 to 2007.

Figure 5
Florida and U.S. Median Wage, 1979-2007 (in 2007 dollars)



Low-wage workers

A “low wage” worker is typically defined as someone in the 20th percentile of wage-earners. That means this person earns less than 80% of all other wage earners, and more than the bottom 20%. For such workers in the United States, their “real” wage (meaning one that has been adjusted for increases in the cost of living) has been falling for the past five years. That combined with an increase in real wages for these workers of well less than 1% a year in Florida between 2002 and 2007 means that wages in Florida for low-wage workers had essentially reached parity with the country as a whole by 2007. Table 21 shows trends.

Table 21
Wages of Low-wage Workers in Florida and the U.S., 1979-2007 (in 2007 dollars)

	1979	1989	1995	2000	2002	2004	2006	2007
Florida	\$8.25	\$8.15	\$8.02	\$8.67	\$9.13	\$9.18	\$9.31	\$9.42
United States	\$8.97	\$8.37	\$8.36	\$9.35	\$9.48	\$9.49	\$9.36	\$9.43
FL Percent of U.S.	92%	97%	96%	93%	96%	97%	99%	100%

Source: Economic Policy Institute Analysis of Current Population Survey data

In the 28 year period between 1979 and 2007, wages for low-wage workers in Florida increased only 14% (from \$8.25 to \$9.42 in 2007 dollars), a miniscule increase for a period of almost three decades. Because the median wage in the state went up more than 23% in the same period, it is clear that the low-wage worker was falling ever further behind other workers. But the same trend is even more pronounced in the U.S. as a whole.

Very low-wage workers

A worker earning less than 90% of other workers (i.e., someone at the 10th percentile of all wage earners) can be defined as a “very low-wage worker.” At this very bottom of the wage scale, there is little difference between wages in Florida and the U.S. as a whole, and this has been the case for decades. Table 22 shows comparative wage rates for selected years from 1979 to 2007.

Table 22
Wages of Very Low-wage Workers in Florida and the U.S., 1979-2007 (in 2007 dollars)

	1979	1989	1995	2000	2002	2004	2006	2007
Florida	\$7.58	\$6.58	\$6.68	\$7.36	\$7.70	\$7.68	\$7.77	\$7.75
United States	\$7.87	\$6.72	\$6.84	\$7.59	\$7.92	\$7.78	\$7.68	\$7.77
Percent of U.S.	96%	98%	98%	97%	97%	99%	101%	100%

Source: Economic Policy Institute Analysis of Current Population Survey data

In the 28 year period between 1979 and 2007, wages for very low-wage workers in Florida increased only 2.2% (from \$7.58 to \$7.75 in 2007 dollars), an infinitesimally small increase that approaches zero on a yearly basis. With the median wage increasing 23.5% and the “low” (20th percentile) wage increasing 14% in the same period, it is evident that this very least favored group of workers is faring the worst of all. In 2005 Floridians voted to raise the state minimum wage above the federal minimum, which may be the reason that Florida’s very low-wage workers now are as well off as their counterparts around the country.

The Wage Spread in the State of Florida

As the previous discussion indicates, low-wage and very low-wage workers in Florida have fallen behind the median wage earner in pay increases in the past 28 years. This raises the question of the overall wage spread between workers in the state. How have workers at other levels of income fared? To facilitate any comparisons the reader may wish to make between any decile (10%) of Florida workers with others over the past decades, Tables 23 and 24 show wages (in 2007 dollars) between 1979 and 2007 for both Florida and the U.S.

Table 23
Wages by Percentile by Year in Florida (in 2007 dollars)

	1979	1989	1995	2000	2002	2004	2006	2007
10th percentile	\$7.58	\$6.58	\$6.68	\$7.36	\$7.70	\$7.68	\$7.77	\$7.75
20th percentile	\$8.25	\$8.15	\$8.02	\$8.67	\$9.13	\$9.18	\$9.31	\$9.42
30th percentile	\$9.15	\$9.49	\$9.41	\$9.91	\$10.59	\$10.86	\$10.58	\$10.79
40th percentile	\$10.42	\$10.95	\$10.82	\$11.76	\$11.83	\$12.63	\$12.54	\$12.49
50th percentile (Median)	\$11.90	\$12.58	\$12.50	\$13.32	\$13.98	\$14.38	\$14.71	\$14.70
60th percentile	\$13.45	\$14.47	\$14.66	\$15.68	\$16.50	\$16.64	\$17.23	\$17.12
70th percentile	\$15.75	\$16.98	\$17.40	\$18.93	\$19.63	\$19.80	\$20.15	\$20.05
80th percentile	\$19.26	\$20.47	\$21.47	\$22.84	\$23.85	\$23.71	\$24.73	\$25.06
90th percentile	\$24.13	\$26.44	\$27.33	\$30.16	\$30.93	\$31.96	\$34.08	\$33.48

Source: Economic Policy Institute Analysis of Current Population Survey data

Table 24
Wages by Percentile by Year in the United States (in 2007 dollars)

	1979	1989	1995	2000	2002	2004	2006	2007
10th percentile	\$7.87	\$6.72	\$6.84	\$7.59	\$7.92	\$7.78	\$7.68	\$7.77
20th percentile	\$8.97	\$8.37	\$8.36	\$9.35	\$9.48	\$9.49	\$9.36	\$9.43
30th percentile	\$10.53	\$10.03	\$9.99	\$10.92	\$11.35	\$11.07	\$10.97	\$11.01
40th percentile	\$12.39	\$11.99	\$11.75	\$12.63	\$13.03	\$13.12	\$12.90	\$12.93
50th percentile (Median)	\$14.02	\$13.93	\$13.68	\$14.73	\$15.17	\$15.36	\$15.23	\$15.10
60th percentile	\$16.25	\$16.27	\$16.19	\$17.43	\$17.72	\$17.84	\$17.73	\$17.91
70th percentile	\$19.21	\$19.36	\$19.31	\$20.67	\$21.27	\$21.09	\$20.81	\$21.25
80th percentile	\$22.38	\$23.15	\$23.37	\$25.11	\$25.86	\$26.17	\$25.79	\$26.21
90th percentile	\$27.38	\$29.24	\$30.20	\$32.82	\$34.39	\$34.32	\$34.74	\$35.12

Source: Economic Policy Institute Analysis of Current Population Survey data

While numerous comparative analyses could be made from the above tables, one useful way to look at the degree of inequality in Florida and in the U.S. is to compare the wages of the top 10% (90th percentile -- very high-wage workers) with those of low-wage workers. In Florida in 2007 very high-wage workers earned over three and a half times what low-wage workers earned. Inequality in the U.S. was slightly higher. Table 25 shows the ratio of wages for those in the 90th percentile to those in the 20th percentile for both Florida and the United States over selected years since 1979.

Table 25
Ratio of worker's wages in the 90th percentile to 20th percentile, 1979 to 2007, Florida and the U.S.

	1979	1989	1995	2000	2002	2004	2006	2007
Florida	2.92	3.24	3.41	3.48	3.39	3.48	3.66	3.55
United States	3.05	3.49	3.61	3.51	3.63	3.62	3.71	3.72

Source: Economic Policy Institute Analysis of Current Population Survey data

As the table makes clear, the gap between very high-wage earners and low-wage workers has tended to inch upward over the years both in Florida and in the country as a whole.

Another way to measure inequality trends over the years is to measure how fast wages have risen for low-wage, median, and high-wage workers over the years. From 1979 to 2007, inequality in Florida has indeed grown by this measure: earnings of high-wage workers grew at over twice the rate of earnings for low-wage workers, with middle income workers in the middle. Table 26 shows details.

Table 26
Percentage change in wages of high-wage, median wage, and low-wage workers
in Florida, 1979-2007

Period	Low-wage workers	Median wage workers	High-wage workers
1979 - 2007	+14.2%	+23.5%	+30.1%

Source: Economic Policy Institute Analysis of Current Population Survey data

In the shorter term, the picture is more mixed. From 2000 to 2007, while low-wage workers gained the least, median-wage workers actually saw their wages grow at a slightly higher rate than the wages of high-wage workers. Table 27 shows the details.

Table 27
Percentage change in wages of high-wage, median-wage, and low-wage workers in Florida, 2000 – 2007

Period	Low-wage workers	Median wage workers	High-wage workers
2000 - 2007	+8.7%	+10.4%	+9.7%

Source: Economic Policy Institute Analysis of Current Population Survey data

Thus, the overall picture is one of generally increasing inequality in the state, which mirrors national patterns. In the very recent years of the 21st Century (2000-2007), the gap between the middle and the top does not appear to be increasing, but the lower wage workers continue to lose ground.

The Gender Gap

Women earn much lower wages than men. In 2007 they earned only 85% of what men earn in Florida. Table 28 shows the wage gap for women and men in Florida and the United States.

Table 28
Hourly Wage for Men and Women in Florida and the U.S., 2007

	Male	Female	All	Women/Men
Florida	\$15.84	\$13.40	\$14.70	85%
United States	\$16.84	\$13.71	\$15.10	81%

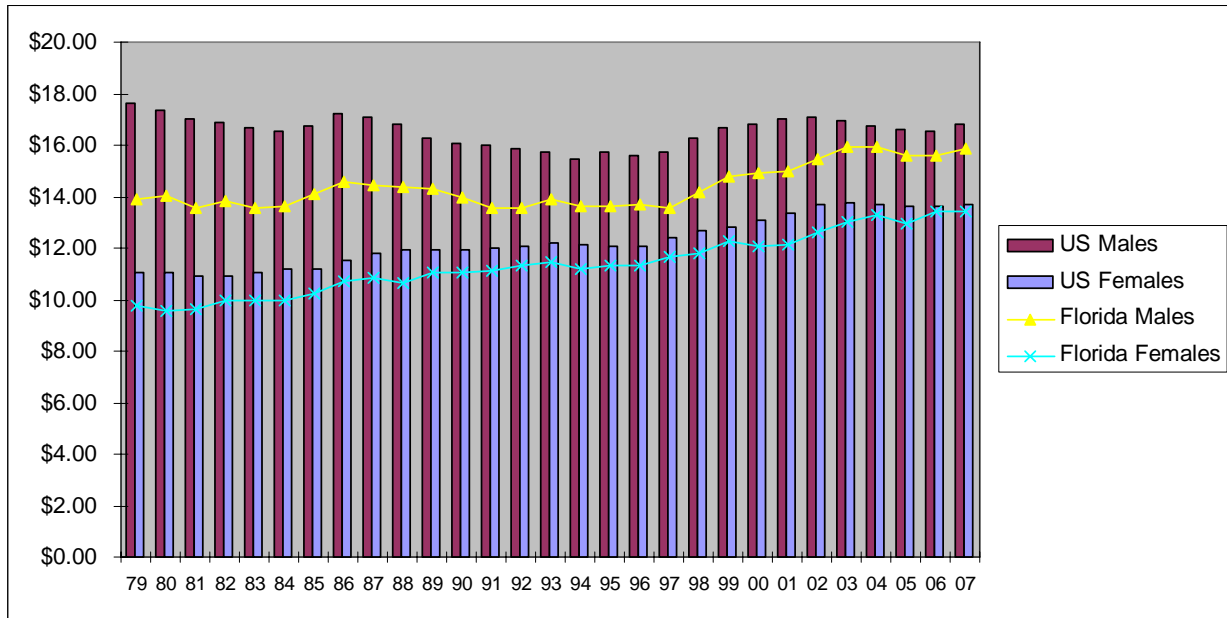
Source: Economic Policy Institute analysis of Current Population Survey data

The wage gap is slightly larger nationally, with women earning only 81% of what men earn. Reasons often given for the wage gap include men being employed in higher paying occupations than women, a larger share of women being employed part-time, men typically having greater seniority and men having higher education levels. The first two of these reasons stem from prejudicial societal attitudes about women in the workplace: “women’s jobs” being

valued less, and women being the ones who must lose seniority to mean by taking time off from their careers for children.

However, the wage gap between women and men has lessened over the past three decades in both the state the country. In 1979 women in Florida earned 70% of what men earned, compared with 63% in the U.S. overall. Figure 6 shows the trend from 1979 to 2007.

Figure 6
Median wages of men and women, Florida and the U.S., 1979 to 2007 (in 2007 dollars)



Source: Economic Policy Institute Analysis of Current Population Survey data

Black/African-American Wages

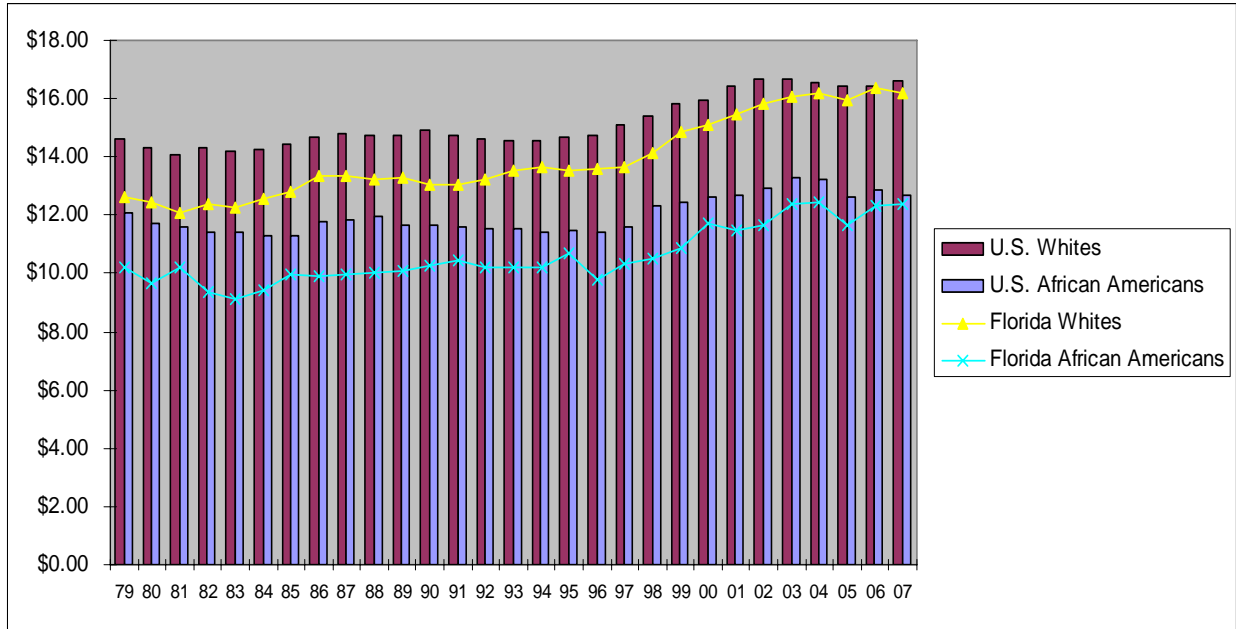
The wages of African-Americans have lagged behind those of whites for decades, and the gap has actually widened very slightly in the 21st century. In 1979 African-Americans in the U.S. earned 82.5% of what whites earned, compared to 76% in 2007. In Florida African-Americans were earning 81% of white earnings in 1979, compared with 76.7% in 2007. Table 29 and Figure 7 show changes for both the U.S. and Florida over the years.

Table 29
Median hourly wages of African-Americans and whites, Florida and the U.S., 1979-2007
 (in 2007 dollars)

		1979	1989	1995	2000	2006	2007
United States	African-Americans	\$12.08	\$11.67	\$11.48	\$12.62	\$12.84	\$12.69
	Whites	\$14.64	\$14.71	\$14.69	\$15.96	\$16.44	\$16.64
	Percent	82.5%	79.3%	78.1%	79.1%	78.1%	76.3%
Florida	African-Americans	\$10.22	\$10.08	\$10.67	\$11.71	\$12.31	\$12.41
	Whites	\$12.60	\$13.26	\$13.54	\$15.08	\$16.35	\$16.18
	Percent	81.1%	76.0%	78.8%	77.7%	75.3%	76.7%

Source: Economic Policy Institute Analysis of Current Population Survey data

Figure 7
Median hourly wages of African-Americans and whites, Florida and the U.S., 1979-2007
(in 2007 dollars)



Source: Economic Policy Institute Analysis of Current Population Survey data

Hispanic Wages

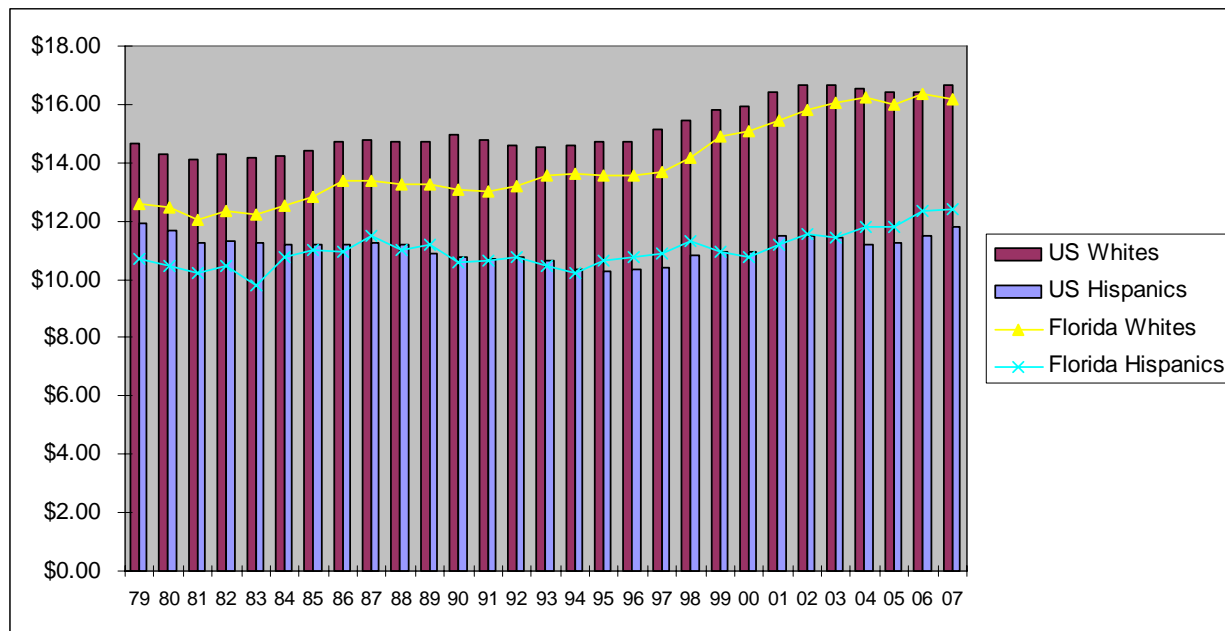
As is the case with African-Americans, Hispanics also lag behind non-Hispanic whites in income, and the gap has been widening considerably, both in the U.S. and in Florida. In 1979 Hispanics in the U.S. earned 81% of what non-Hispanic whites earned, compared to 71% in 2007. In Florida Hispanics earned 85% of white earnings in 1979, compared with 76.6% in 2007. Table 30 and Figure 8 show changes for both the U.S. and Florida over the years.

Table 30
Median hourly wages of Hispanics and non-Hispanic whites, Florida & the U.S., 1979-2007
(in 2007 dollars)

		1979	1989	1995	2000	2006	2007
United States	Hispanics	\$11.89	\$10.87	\$10.25	\$10.97	\$11.47	\$11.77
	Whites	\$14.64	\$14.71	\$14.69	\$15.96	\$16.44	\$16.64
	Percent	81.2%	73.9%	69.8%	68.7%	69.8%	70.7%
Florida	Hispanics	\$10.71	\$11.19	\$10.64	\$10.75	\$12.36	\$12.39
	Whites	\$12.60	\$13.26	\$13.54	\$15.08	\$16.35	\$16.18
	Percent	85.0%	84.4%	78.6%	71.3%	75.6%	76.6%

Source: Economic Policy Institute Analysis of Current Population Survey data

Figure 8
Median hourly wages of Hispanics and non-Hispanic whites, Florida & the U.S., 1979-2007
 (in 2007 dollars)



Source: Economic Policy Institute Analysis of Current Population Survey data

Family Income

If we lined up each four-person family in the country from poorest to richest, the income of the middle family would be the median. In 2007 that median was \$68,494 in Florida and \$73,276 in the U.S. Measured in 2007 dollars, median four-person family income in Florida historically has always been below the U.S. average. Table 31 shows details.

Table 31
Median Income of Four-Person families, Florida and the U.S. 1999-2007 (in 2007 dollars)

	1979	1989	1995	2000	2006*	2007
United States	\$59,609	\$65,813	\$67,124	\$74,925	\$72,350	\$73,276
Florida	\$55,249	\$60,382	\$60,287	\$66,644	\$66,869	\$68,494
Florida % of U.S.	93%	92%	90%	89%	92%	93%

*Data prior to 2005 is from the Current Population Survey, and data after 2005 is from the American Community Survey

Median Household Income

Households can be of any size, and the income of a household includes all income of earners over 15 years old, whether they are related or not. In 2007 the median household income in Florida was \$45,794, compared to \$50,233 in the United States. This lower family income in the state continues historical tradition, and the gap with the U.S. actually widened in 2007 after narrowing in 2006 because Florida's figure dropped while the corresponding U.S. figure rose. Table 32 shows the comparative details.

Table 32
Median Household Income, Florida and the U.S., 1984 – 2007 (in 2007 dollars)

	1984	1989	1995	2000	2006	2007
United States	\$42,567	\$46,674	\$46,037	\$50,554	\$49,568	\$50,233
Florida	\$37,573	\$42,120	\$40,186	\$46,780	\$46,972	\$45,794
Florida % of U.S.	88%	90%	87%	92.5%	95%	91%

Source: <http://www.census.gov/hhes/www/income/histinc/h08.html>

Poverty

The poverty threshold for a family is determined by the family’s total income and the number of people in it. In 2007 a one-person family was in poverty if his or her income was at or below \$10,590, while a four-person family with income at or below \$21,203 was considered in poverty. According to data from the Current Population Survey (which we have been using throughout this report), in 2007 Florida’s poverty rate was 12.5%, identical to the national rate. This is a jump from 2006; in the early 2000s Florida tended to have a poverty rate slightly below that of the country as a whole, although prior to that it often had a higher rate. Table 33 shows some historical comparisons.

Table 33
Poverty Rate, Florida and the U.S., 1980 – 2007

	1980	1989	1995	2000	2006	2007
United States	13%	12.8%	13.8%	11.3%	12.3%	12.5%
Florida	16.7%	12.5%	16.2%	11%	11.5%	12.5%
Florida % of U.S. rate	128%	98%	117%	97%	93%	100%

Source: <http://www.census.gov/hhes/www/poverty/histpov/hstpov19.xls>

However, there is contradictory evidence on changes in state poverty – a different survey known as the American Community Survey (ACS) shows that poverty in Florida dropped from 12.6% to 12.1% from 2006 to 2007. Because it is a larger sample, it may be more accurate. On the other hand, the Current Population Survey is used to determine the “official” national poverty rate. Given the margins of error in these two databases, their poverty percentages for Florida do not directly contradict each other. Since they show opposite directions of change in the poverty rate, the safest conclusion is that we can’t say for sure whether poverty grew or shrank as a percentage of the population in Florida from 2006 to 2007.

The poverty line is based on food budgets from 1963 and has only been adjusted for inflation since that time. Food has been taking up a decreasing percentage of the family budget for decades because other necessities like healthcare and housing have risen in cost much more rapidly. Therefore the poverty line is no longer an accurate measure of families that are unable to live self-sufficiently. A figure of two times the poverty threshold (or about \$42,400 for a family of four) is a much more accurate measure of economic self-sufficiency. The percentage of people in Florida living below this threshold in 2007 was 31.7% in 2007, compared with 30.5% in the U.S. Over the years Florida has generally scored higher on this measure, although it deteriorated on this score from 2006 to 2007. Table 34 shows historical comparisons.

Table 34
Percent of population living below two-times the poverty line, Florida and the U.S., 1980-2006

	1980	1990	2000	2005	2006	2007
United States	33.9%	32.3%	29.3%	31.0%	30.5%	30.5%
Florida	40.4%	35.2%	30.6%	30.7%	31.1%	31.7%

Source: EPI analysis of Current Population Survey March supplement

Children under 18 are the most likely to live below the poverty line, and in 2007 17.9% of children in Florida lived in poverty, compared with 18.0% in the U.S. This is a discouraging regression from recent years, when Florida's percentage had been considerably below the U.S. percentage. Table 35 shows some historical comparisons.

Table 35
Percent of children under 18 living below the poverty line, Florida and the U.S., 1980-2006

	1980	1990	2000	2005	2006	2007
United States	18.4%	20.6%	16.2%	17.6%	17.4%	18.0%
Florida	25.5%	25.4%	16.7%	15.8%	14.6%	17.9%

Source: EPI analysis of Current Population Survey March supplement

Benefits

While Florida wages are slightly below U.S. standards, the state fares much worse concerning benefit coverage in areas such as health insurance or pension plans. This is due mainly to the types of industries which predominate in Florida – Leisure and Hospitality and Retail Trade, for example, tend to offer fewer benefits to employees. The low unionization rates of the state is also a contributing factor, as unions are one of the primary means workers have to secure better wages and benefits.

Healthcare Coverage

Healthcare coverage is one of the most important benefits workers receive from their employers, and employer-based healthcare coverage is the foundation of our health insurance system. However the percentage of Americans with employer-based healthcare coverage has been declining for several years and Florida has been following this trend. The percentage of Americans with government-sponsored insurance has remained constant. This means a growing number of Americans are without health insurance, which restricts access to preventive and routine care and puts families at risk of severe financial difficulties when emergencies occur.

In Florida 20.2% of the population was without health insurance in 2007, compared with 15.3% in the U.S. overall. **Florida had the 3rd highest percentage of residents without healthcare coverage among all 50 states.** The primary reason Florida does so poorly is because many of its leading industries (such as Leisure and Hospitality and Retail Trade) tend to offer fewer benefits such as healthcare coverage to employees. Table 36 gives a comprehensive picture of healthcare coverage by type of provider for the state from 2000 through 2007, compared to the U.S. as a whole.

Table 36
Health Insurance Coverage Status by Type of Coverage, Florida and the U.S., 1999 to 2006*

	2000	2001	2002	2003	2004	2005	2006	2007
Covered by Private Insurance								
United States	72.6%	71.5%	70.3%	69.3%	69.0%	68.5%	67.9%	67.5%
Florida	67.3%	66.2%	65.8%	65.6%	62.8%	63.1%	62.7%	63.4%
Covered by Government Insurance								
United States	24.7%	25.3%	25.7%	26.6%	27.3%	27.3%	27.0%	27.8%
Florida	28.2%	29.1%	29.9%	30.3%	30.4%	29.6%	28.3%	29.1%
Not Covered								
United States	13.7%	14.1%	14.7%	15.1%	14.9%	15.3%	15.8%	15.3%
Florida	17.0%	17.0%	16.7%	17.5%	19.4%	20.2%	21.2%	20.2%

Source: <http://www.census.gov/hhes/www/hlthins/historic/hihist4.xls>

*Because people can have both private and government insurance at the same time, the percentages do not add up to 100%.

In the 2005-2007 period Florida ranked **46th out of the 50 states plus the District of Columbia** in private sector employer-provided healthcare coverage. **Only 50.2% of private sector Florida workers were covered by employer-provided healthcare coverage in that period; the comparable U.S. figure was 55.1%.** The erosion of employer-based healthcare coverage is an extremely important issue, and policy makers must either find ways to shore up employer based health insurance or expand access to government provided health care coverage to ensure that all have access to adequate and affordable care.

Pension Coverage

Another important benefit that employers provide to workers is a pension or retirement plan, and Florida ranks extremely low in the percentage of private sector workers who have such a benefit. **Only 32.4% of private sector workers in Florida had a pension or employer sponsored retirement plan in the three year period 2005-2007, compared with 43.8% in the U.S. overall. This places Florida dead last of all states on this measure.** Again, the poor record of primary Florida industries such as Leisure and Hospitality and Retail Trade concerning this benefit is the primary reason for Florida's low rank on this indicator of job quality. Table 37 shows Florida's comparatively poor record over time.

Table 37
Percent of Private Sector Workers with Pension Coverage, Florida and the U.S., 1979-81 through 2005-2007

	1979-81	1989-91	1995-97	2000-02	2003-05	2005-07
United States	49.8%	44.0%	46.7%	47.0%	44.1%	43.8%
Florida	36.6%	34.7%	34.2%	37.5%	35.7%	32.4%
Florida Rank (of 50 states)	49 th	49 th	50 th	50 th	50 th	50 th

Note: Universe is private-sector wage and salary workers age 18-64, who worked at least 20 hours per week and 26 weeks per year.

Source: EPI analysis of Current Population Survey March supplement

Unionization

Some of Florida’s largest industries such as Leisure and Hospitality and Retail Trade have a very small union presence. Overall, Florida’s unionization rate is quite low, which is part of the reason why the state fares so poorly in benefits and protections for workers. Florida ranks 41st in union membership among all workers out of the 50 states and the District of Colombia, with only 5.9% of workers belonging to unions, compared with 12.1% in the U.S. Public sector unionization rates are much higher than private sector– 26.3% in Florida compared with 35.9% in the U.S. for the public sector, and 2.5% vs. 7.5% for the private sector. Table 38 gives a more detailed breakdown.

Table 38
Unionization rates in Florida and the U.S., various categories of workers, 2007

	All Workers – % Union	Private Sector Workers – % Union	Private Manufacturing Workers – % Union	Private Construction Workers – % Union	Public Sector Workers -- % Union
United States	12.1%	7.5%	11.3%	13.9%	35.9%
Florida	5.9%	2.5%	2.8%	3.3%	26.3%
Rank	41 st	49 th	49 th	46 th	26 th

Source: Current Population Survey data, www.unionstats.com

Through collective bargaining, unions help workers to secure good wages and benefits from their work. Unionized workers consistently earn higher wages than non-union workers, and this difference is remarkable given that the highest paid workers, such as managers and executives, are not union members. Union members are teachers, police and firefighters, tradespersons, manufacturing workers, truck drivers, and nurses but unions are making inroads among various types of service sector workers as well. In 2007 unionized workers in Florida earned 36% more than non-union workers earned, making \$19.61 per hour compared with \$14.38 per hour for non-union workers. The ratio is fairly consistent in Florida and its regional counterparts and the U.S. Table 39 shows details.

Table 39
Median Wages by Union Status, 2007 (in 2007 dollars)

	Union Status		Union/Non-Union Ratio
	Union	Non-Union	
Florida	\$19.61	\$14.38	1.36
South Atlantic	\$19.78	\$14.77	1.34
South	\$18.64	\$14.03	1.33
United States	\$19.70	\$14.59	1.35

Source: Economic Policy Institute analysis of Current Population Survey data + author’s calculations of ratios

The Florida state government’s public policies are not friendly to unions. Florida is one of eight states with a ban on negotiated requirements of union membership for employees in unionized establishments (also known as a “right-to-work” provision) built into the state constitution. Twenty- two states have such provisions, but most are merely state laws, not constitutional requirements that are much harder to change. “Right-to-work” provisions of this

nature hurt unions by allowing workers covered by a union contract to not pay their union dues, i.e., be “free riders” accepting the benefits of a union contract without paying for it. Thus, union coverage in Florida in 2006 was 7.3% even though union membership was only 5.9%. Unions are hurt financially and are unable to represent members (and non-members) as effectively when 19% of those they represent do not pay their dues, as is the case in Florida.

COST OF LIVING

Costs of Living and Inflation

Florida is usually considered a state with a relatively low cost of living, but that is rapidly changing. While the state’s largest metropolitan areas are not as expensive as cities like New York or San Francisco, the South Florida region is rapidly becoming one of the most expensive in the country. By 2007 the Miami-Ft. Lauderdale area had the 9th highest Consumer Price Index (CPI) of the 27 major U.S. Metro Areas covered by the CPI data (the Tampa Bay metropolitan area ranked 23rd). South Florida’s cost of living is growing faster than virtually anywhere else in the country. The costs of living between 1998 and 2007 in the Miami and Tampa metropolitan areas grew 32% and 34% respectively – the 2nd and 5th fastest inflation rates in the country. In the most recent period, from 2002-2007, the cost of living for the Miami and Tampa metro areas increased 21% and 19.7%, respectively—faster than every other U.S. Metro Area except Honolulu, Hawaii. Table 40 shows details.

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Table 40
Growth in Consumer Price Index, 1998-2007 and 2002-2007

Year	1998-2007	rank	2002-2007	Rank
San Diego, CA	39.8%	1	17.9%	7
Tampa-St. Petersburg-Clearwater, FL	34.0%	2nd	19.7%	3rd
Los Angeles-Riverside-Orange County, CA	33.9%	3	19.3%	4
Boston-Brockton-Nashua, MA-NH-ME-CT	32.4%	4	15.7%	10
Miami-Fort Lauderdale, FL	32.3%	5th	21.0%	2nd
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA	30.7%	6	18.3%	5
Washington-Baltimore, DC-MD-VA-WV	30.7%	7	18.1%	6
San Francisco-Oakland-San Jose, CA	30.5%	8	11.9%	22
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	28.9%	9	17.2%	8
Seattle-Tacoma-Bremerton, WA	28.6%	10	13.9%	15
Honolulu, HI	28.0%	11	21.7%	1
Minneapolis-St. Paul, MN-WI	27.1%	12	12.1%	21
Pittsburgh, PA	26.6%	13	15.8%	9
Dallas-Fort Worth, TX	25.8%	14	11.9%	23
Detroit-Ann Arbor-Flint, MI	25.2%	15	11.9%	24
Houston-Galveston-Brazoria, TX	25.2%	16	15.5%	11
St. Louis, MO-IL	25.1%	17	14.3%	13
Cincinnati-Hamilton, OH-KY-IN	25.0%	18	14.1%	14
Portland-Salem, OR-WA	24.8%	19	13.5%	17
Denver-Boulder-Greeley, CO	24.8%	20	9.3%	27
Chicago-Gary-Kenosha, IL-IN-WI	24.1%	21	13.0%	19
Atlanta, GA	24.1%	22	12.2%	20
Anchorage, AK	23.4%	23	14.6%	12
Kansas City, MO-KS	23.2%	24	11.8%	25
Cleveland-Akron, OH	22.6%	25	13.1%	18
Milwaukee-Racine, WI	21.1%	26	11.6%	26
Phoenix-Mesa, AZ	n/a	27	13.9%	16

Source: Consumer Price Index, Bureau of Labor Statistics, 2008

The Council for Community and Economic Research provides another source of information on costs of living for cities and Chambers of Commerce across the country.³ They have tracked consumer prices over several years and their Cost of Living Index data finds that costs of living in the majority of Florida's urban areas are now above the national average and, in the case of the largest metro areas like Miami and Ft. Lauderdale, are rapidly surpassing most other major U.S. cities. For example, as Table 41 below shows, living costs in the Miami and Jacksonville, Florida metropolitan areas grew between 2004 and 2007 while costs in places like New York, San Francisco and Chicago declined.

³

See www.coli.org/default.asp.

Table 41
COST OF LIVING INDEX, 2004 and 2007

METRO/MICRO AREA	2007	2004	Change
Baltimore-Towson MD	119.7	107.6	11.22%
Pittsburgh PA	104.1	96.7	7.66%
Portland-Vancouver-Beaverton OR-WA	121.7	114.3	6.49%
Philadelphia PA	124.8	117.2	6.49%
Jacksonville FL	98.0	92.3	6.20%
Miami-Miami Beach-Kendall FL	116.3	112.2	3.68%
Phoenix-Mesa-Scottsdale AZ	101.7	98.2	3.52%
Las Vegas-Paradise NV	109.0	109.3	-0.32%
Washington-Arlington-Alexandria DC-VA-MD-WV	136.9	137.8	-0.62%
San Francisco-San Mateo-Redwood City CA	172.1	173.3	-0.72%
New York-White Plains-Wayne NY-NJ	213.7	216.6	-1.34%
Atlanta-Sandy Springs-Marietta GA	95.3	97.2	-1.90%
Denver-Aurora CO Metro	102.3	105.5	-2.99%
Los Angeles-Long Beach-Glendale CA	145.2	149.9	-3.15%
Houston-Sugar Land-Baytown TX	88.2	91.3	-3.43%
Boston-Quincy MA	132.8	138	-3.76%
Charlotte-Gastonia-Concord NC-SC	88.8	93.5	-4.98%
Dallas-Plano-Irving TX	92.5	97.6	-5.25%
Cleveland-Elyria-Mentor OH	98.1	105.6	-7.10%
Detroit-Livonia-Dearborn MI	95.9	109.1	-12.06%
Chicago-Naperville-Joliet IL	111.7	130.9	-14.70%

Source: ACCRA Cost of Living Index, www.coli.org, tables obtained from www.cshema.org/leadership/COLI-Q12007CSHEMA.XLS.

While the CPI data is not reported for smaller urban areas, other surveys of living costs have found that Miami and Tampa are *not* the most expensive areas to live in Florida. According to a survey by Fast Forward, Inc., which maintains the website, “Sperling’s Best Places,” Naples, Key West and Boca Raton are the three most expensive cities in Florida, followed by Miami in 4th and Tampa further down the list.⁴ Thus while Florida has frequently been thought of as a “low cost” state, in actuality its urban areas are quickly becoming some of the most expensive in the country.

Taxes

Florida has no state income tax, and instead relies on sales tax to fund state programs such as education, health care, and transportation, and on property taxes to fund local programs like schools, police, and parks. Because there is no income tax Florida is frequently called a “low tax state.” However, the total tax burden, the average percent of income that Floridians pay in taxes, is in fact relatively high – 11th highest in the nation in 2007 (See Table 42).

⁴ These surveys focus on “principal cities” like the City of Miami rather than the broader metropolitan area. See www.bestplaces.net/docs/DataSource.aspx.

In addition, lower- and middle- income families are taxed at a higher rate than upper income families because of Florida’s regressive tax structure⁵. Because state revenues come from sales and property taxes, and lower- and middle-income families spend a greater percentage of their incomes on property and goods, they are effectively taxed on a larger percentage of their income than wealthier families who are able to save more of their income and escape taxation.

Despite the fact that Floridians’ total tax burden (which includes federal taxes) is above average, *state and local tax collections* are below average. Florida ranks 47th in state and local tax burden, collecting on average 7.4% of incomes. The discrepancy arises because Florida does not have a state income tax which would be deductible on the federal income tax return. This means that more of Floridians’ taxes go to the federal government instead of state government. As of 2004 Floridians are allowed to deduct state sales tax from federal income taxes, but while Floridian’s total tax burden has dropped by about 3 percentage points, Florida’s ranking has actually worsened, as other states’ tax burdens have declined slightly (Tax Foundation 2008).

Table 42
Florida State-Local Tax Burden Compared to U.S. Average 2000-2008

Year	FLORIDA					UNITED STATES	
	state-local tax burden	state rank (1 is highest)	total state and local per capita Taxes paid	total tax burden	state rank (1 is highest)	state-local tax burden	total tax burden
2000	7.9%	44 th	\$2,586			9.50%	
2001	7.8%	45 th	\$2,591	33.9%	12 th	9.50%	33.2%
2002	8.0%	44 th	\$2,630	33.8%	15 th	9.50%	33.3%
2003	8.3%	44 th	\$2,774	34.2%	15 th	9.70%	34.0%
2004	8.3%	44 th	\$2,994	33.1%	15 th	9.80%	33.0%
2005	8.0%	45 th	\$3,224	30.3%	17 th	9.80%	30.3%
2006	8.0%	45 th	\$3,466	30.0%	14 th	9.90%	29.5%
2007	7.9%	45 th	\$3,572	30.4%	11 th	9.90%	29.7%
2008	7.4%	47 th	\$3,441			9.70%	

Source: Tax Foundation 2008 (www.taxfoundation.org). Calculations based on data from the Bureau of Economic Analysis, the Census Bureau, the Council on State Taxation, the Travel Industry Association, Department of Energy, and others.

Transportation

With gas at the pump recently surpassing \$4 a gallon, the costs of transportation have come to figure importantly into the overall costs of living in Florida. Aside from the costs of purchasing and maintaining an automobile and parking, an individual worker may spend upwards of \$200 per month at the gas pump. Whether or not people drive to work and how much time they spend in their cars is increasingly relevant to families’ ability to make ends meet.

⁵ McIntyre, Robert S., Robert Denk, Norton Francis, Matthew Gardner, Will Gooma, Fiona Hsu, and Richard Sims. 2003. “Who pays? A distributional analysis of the tax systems in all 50 states.” 2nd Edition. Institute on Taxation and Economic Policy. January. www.itepnet.org

To consider the impact of transportation costs on Floridians we examine how people get to work and how much time people spend traveling to work. We also study how these impacts may differ by income level.

In 2006 about 90% of Florida’s workforce drove a car, truck or van to work, and just under 80% of Floridians commuted alone (American Community Survey 2006). This means that the increase in fuel prices is a considerable expense for Florida’s workers, and the lower a family’s income the larger impact the rise in gas prices has. Less than 2% of Floridians used public transportation and less than 2% of Floridians walked or biked to work in 2006. These trends remain mostly the same across different income groups, except that the lowest 20% of earners are far less likely to drive to work. Tables 43 and 44 below give data for a three-year sample of Florida’s workforce (2004-2006).

Whereas about 5% of the “bottom 20%” of earners rode the bus, streetcar, train or rail to work, only 1.4% of Floridians in the “middle 20%” of earners did, and less than 1% of the wealthiest workers did. The “bottom 20%” of workers were also the most likely to bike or walk to work: more than 100,000 Floridians with household incomes under \$25,859 walked to work whereas among the “middle 20%” of earners less than 70,000 did. The wealthiest workers were more likely to work at home: 6.2% of workers in top 20% of household incomes worked at home compared to less than 4% in any other income bracket.

Table 43
Means of Transportation to Work by Categories of Household Income

Means of Transport to Work	PERCENTILES OF HOUSEHOLD INCOME									
	0-20%		20-40%		“middle 20%”		60-80%		80-100%	
	\$25,859 or less		\$25,859-\$44,272		\$44,272-\$65,906		\$65,906-\$100,809		\$100,809 or more	
Auto, Truck, Or Van	2,600,280	84.9%	4,209,359	90.5%	4,895,489	92.5%	5,054,317	93.2%	4,435,004	90.1%
Public Transit*	149,320	4.9%	107,942	2.3%	73,496	1.4%	51,184	0.9%	41,533	0.8%
Walked Only	105,594	3.4%	96,460	2.1%	69,048	1.3%	43,024	0.8%	58,793	1.2%
Bicycle	34,781	1.1%	25,744	0.6%	20,736	0.4%	16,807	0.3%	13,057	0.3%
Motorcycle	7,081	0.2%	11,976	0.3%	14,652	0.3%	12,422	0.2%	9,372	0.2%
Taxicab	7,888	0.3%	6,947	0.1%	3,052	0.1%	2,006	0.0%	1,662	0.0%
Ferryboat	300	0.0%	127	0.0%	122	0.0%	162	0.0%	204	0.0%
Other	50,856	1.7%	58,841	1.3%	52,598	1.0%	49,251	0.9%	57,425	1.2%
Worked at Home	106,953	3.5%	134,675	2.9%	162,790	3.1%	196,485	3.6%	306,281	6.2%
Total Responses	3,063,053	100.0%	4,652,071	100.0%	5,291,983	100.0%	5,425,658	100.0%	4,923,331	100.0%

* Includes Bus, Streetcar, Train or Rail

Source: State of Florida Integrated Public Use Microdata Series Sample from American Community Survey, 2004, 2005 and 2006, obtained from www.ipums.org.

Lower income workers are more likely to use alternate forms of transportation partly because they can’t afford *not to* but also because lower income workers are more likely to work close to where they live.⁶ Tables 44 and 45 below show that lower income workers also spend

⁶ Most of Florida’s large metropolitan areas still have “inner cities” that have not gentrified or completely gentrified, and many lower income families and workers live in central locations close to downtown and financial centers, where many jobs are clustered.

slightly less time traveling to work, on average, than the richest and the middle income categories of workers. As Table 44 shows, about 44% of the “bottom 20%” of workers in Florida spend 15 minutes or less commuting to work whereas among the “top 20%” of workers only 39% have such a short commute. However, these figures show that the differences between commute times across different income levels are not very large. Table 45 shows that the lowest income bracket of workers spends on average 22.9 minutes traveling to work while workers making between about \$66,000 and \$101,000 average a little over 25 minutes traveling to work.

Table 44
Minutes Spent Traveling to Work by Categories of Household Income

Minutes Traveled To Work	PERCENTILSE OF HOUSEHOLD INCOME									
	0-20%		20-40%		"middle 20%"		60-80%		80-100%	
	\$25,859 or less		\$25,859.01-\$44,272		\$44,272.01-\$65,906		\$65,906.01-\$100,809		More than \$100,809	
15 or less	1,312,650	44.40%	1,867,426	41.34%	2,048,640	39.94%	1,960,282	37.49%	1,799,112	38.97%
15.01-30	1,099,458	37.19%	1,741,024	38.54%	1,988,525	38.77%	2,043,028	39.07%	1,734,292	37.56%
30.01-45	345,303	11.68%	591,057	13.08%	699,893	13.65%	779,462	14.91%	708,256	15.34%
45.01-60	157,608	5.33%	260,164	5.76%	310,720	6.06%	357,048	6.83%	290,797	6.30%
60.01-90	40,456	1.37%	56,828	1.26%	80,457	1.57%	87,780	1.68%	83,588	1.81%
over 90	625	0.02%	897	0.02%	958	0.02%	1,573	0.03%	1,005	0.02%
Total	2,956,100		4,517,396		5,129,193		5,229,173		4,617,050	

Source: State of Florida Integrated Public Use Microdata Series Sample from American Community Survey, 2004, 2005 and 2006, obtained from www.ipums.org.

Table 45
Mean Minutes Traveling to Work by Categories of Household Income

Household Income Categories	Mean Minutes Traveled to Work*
\$25,859 or less	22.973
\$25,859-\$44,272	23.771
\$44,272-\$65,906	24.347
\$65,906-\$100,809	25.239
\$100,809 or more	24.771
All Incomes	24.345

*Includes only workers who traveled to work.

Source: ACS 2004-2006, www.ipums.org

Throughout the state very few workers (less than 7% in any income bracket) spend more than 45 minutes traveling to work; and less than 2% spend more than 60 minutes traveling to work. However, these patterns vary by metropolitan area. Major Florida metropolitan centers like Miami tend to have higher commute times, and while lower income workers continue to spend slightly less time traveling to work the differences are not very large. Table 46 below uses the Miami metropolitan area as an example. Workers in Miami average slightly longer commutes than the state of Florida overall (29.4 minutes compared to 24.3 minutes).

Table 46
Mean Minutes Traveling to Work by Categories of Household Income
for the Miami Metropolitan Area

Household Income Categories	Mean Minutes Traveled to Work*
\$25,859 or less	28.547
\$25,859-\$44,272	29.285
\$44,272-\$65,906	29.195
\$65,906-\$100,809	30.739
\$100,809 or more	29.062
All Incomes	29.412

*Includes only workers who traveled to work.
Source: ACS 2004-2006, www.ipums.org

Florida is a state that is experiencing rapid growth, especially in its largest metropolitan areas, and with rapid growth comes several challenges including how to manage the discrepancy between rapidly rising living costs and only slowly growing wages. As housing prices appreciated, Florida’s cities for many years sprawled outward away from the central city in search of the most affordable housing and workers now face longer and longer commute times as more newcomers join Florida’s workforce and its roads. However, the quality of the transportation infrastructure has been undermined by Florida’s attempt to be a “low tax state,” in which it has not adequately funded its transportation infrastructure, among other essentials (e.g., education, affordable housing). Thus Florida’s cities now face the challenge of sustaining growth while making transportation more rational and affordable. As housing and other costs continue to rise, it is essential that workers spend less time and money getting to and from work.

TURNING THINGS AROUND FOR FLORIDA’S WORKERS

The economic downturn has exposed weaknesses in the Florida economy which has survived for decades on tourism related industries and periodic bouts of real estate speculation. These cycles bring jobs and people to the state, but the jobs evaporate once the boom goes bust. This time, Florida needs to enact specific policies that will allow workers to survive the tough times ahead and build the state’s capacity for healthy economic growth.

Improve Unemployment Benefits

During a time of job loss and falling job creation such as Florida is presently experiencing, workers need income to see them through until they find a new job. Unemployment insurance was first enacted during the Great Depression to provide relief to people who had lost their job and could not find another. However the majority of Floridians who lose their jobs never receive unemployment benefits. In 2007 only 30.4% of the unemployed in the state received unemployment insurance benefits, well below the national average of almost 37%. Table 47 shows the comparison.

Table 47
Unemployment Insurance Reciprocity Rates, United States and Florida, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007
Florida	24.0%	27.8%	28.0%	28.2%	27.9%	26.5%	27.7%	30.4%
United States	37.1%	43.7%	42.8%	40.2%	36.2%	35.7%	35.2%	36.9%

Source: US Dept. of Labor

In Florida, unemployment insurance only covers half one's weekly salary up to \$275. For workers making \$8 per hour that means surviving on the equivalent of \$4 per hour, poverty level income. In 2007 the average weekly benefit in Florida was \$240.58, compared with \$297.86 in the U.S. That makes Florida 42nd out of 50 states for the average benefit amount, low compared with Florida's rapidly rising cost of living.

Even the paltry unemployment benefits that a worker receives are only available for 26 weeks. That means that if it takes longer than 6 months to find a job, a situation that becomes more common during an economic downturn, workers can exhaust their unemployment benefits and be left with no income and no job. In 2007 nearly half of those who had received unemployment benefits ran out of benefits, mirroring the rate seen early in the decade during the last recession. This is a much more severe problem in Florida than in the nation as a whole, as shown in Table 48.

Table 48
Unemployment Insurance Exhaustion Rates, United States and Florida, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007
Florida	39.8%	43.3%	47.3%	48.9%	49.4%	43.5%	43.6%	47.1%
United States	31.8%	34.1%	42.6%	43.4%	39.0%	35.9%	35.3%	35.6%

Source: US Dept. of Labor

The low rates of UI reciprocity and increasing exhaustion rate contribute to the rise in poverty. Reforming the unemployment insurance laws so that workers can get a greater percentage of their salary, particularly if they are already earning very low wages, is one simple thing that Florida can do to ease the pressure of our states economic troubles on workers and reduce poverty. It could also ease standards for receiving unemployment insurance, thus upping reciprocity, and if unemployment continues to climb it should consider extending the benefits beyond 26 weeks.

Pass the Employee Free Choice Act

Workers in Florida have substandard conditions in a variety of ways. While wages in the state are slightly below average compared to the nation as a whole, much worse is the lack of employer-provided healthcare or pension benefits. Inequality of wages is also a particularly severe problem in the state – both generally and across sexual and racial and ethnic lines.

These problems could be addressed in a variety of ways. But one highly effective way to address them all would be to substantially increase the unionization rate in the state. Statistics are

unequivocal that higher unionization rates are associated with improvements in every major problem noted above.

Unions increase earnings. As shown earlier in this report, union workers earn 35% more than non-union workers in the U.S., and this union wage advantage grows to 36% in the state of Florida. Beyond that, unions are a force for greater wage equality. This is both because blue collar workers are more likely to unionize than are higher paid white collar workers, and because unions bargain wage rates to lessen differentials within a workplace. Societies with higher rates of free trade unions are always societies with greater degrees of equality.

In the U.S. the “union wage premium” of union workers over non-union workers is greater for workers who have historically faced discrimination. Thus, unions create greater equality for women, African-Americans, and Hispanics by raising their wages more than is the case for other types of workers.

And unions are particularly useful for achieving healthcare benefits and pension plans for workers they represent. The U.S. Department of Labor’s *National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2007* shows that 78% of union workers have employer-provided health insurance compared to only 49% of non-union workers. And 67% of union workers have a guaranteed (defined benefit) pension plan, compared to only 15% of non-union workers.

For all these reasons, workers in Florida would be much better off if the state had a much higher unionization rate. But workers in the private sector find it next to impossible to join together and achieve a “common voice” through a union because of massive employer opposition. Polls now show that over 50% of workers in the U.S. would choose a union if given an uncoerced choice, yet in the private sector only 7.5% are unionized (and only 2.5% are in Florida). Thus there is a massive “representation gap” between what workers desire and what they have.

Federal labor law fails to curb the behavior of employers from threatening and coercive behavior that intimidates and discourages workers from exercising their right to join together and form a union. Despite the use of a secret ballot election procedure, federal law allows employers to deny free speech to union supporters while at work, to force employees to listen to anti-union diatribes while on the job, to force supervisors to hold one-on-one private meetings with those they supervise to discuss why they should not form a union, and to interrogate workers about their union beliefs to such an extent that anti-union consultants brag that the “secret ballot” is a myth because the company can always know the outcome thanks to information gathered in those interrogations. Unions routinely start with well over 60% support from the workers, only to lose elections after an effective employer campaign of coercion and harassment. Even when employers do blatantly violate the weak requirements of the law, there is no effective enforcement, meaning that it can easily be five to fifteen years before remedies are put in place. And the remedies carry no punishment for breaking the law, only the requirement to not do it again. Finally, even if employees hold on through all of this, the employer can often thwart a union by simply refusing to negotiate a first union contract that has any meaning.

In short, the Federal labor law allows so-called “free” secret ballot elections that are a model for how not to conduct elections allowing for a free and uncoerced choice. This effective legal denial of the democratic right to freely associate and choose to join together to form a union is not known by most of the American people, but it is a very real fact of life in the U.S., and is the main reason for the huge “representation gap” between what workers desire and what they have in the private sector. (In the public sector, public officials are generally prevented from engaging in similar anti-union behavior because they are elected, and doing so would ruin their images and re-election prospects. This accounts for the much higher unionization rate in the public sector compared to the private sector.)

There is a law proposed in Congress that would effectively remedy the failures of current labor law. Known as the Employee Free Choice Act (EFCA), it would provide for:

- 1) Recognition of a union when a majority of workers at an establishment sign cards stating their desire to be represented by that union (no need to go through a harassing and coercive employer campaign prior to recognition);
- 2) Mediation and arbitration to determine a first contract within a reasonable period of time if the two sides are unable to reach agreement on their own; and
- 3) Tougher penalties for violations of the law, so that employers are not in fact monetarily rewarded for breaking the law, as is frequently the case now.

Passage of the Employee Free Choice Act (EFCA) would make it much easier to employees to join together in a union than is now the case. No longer would the unionization process involve running a gauntlet of fear; uncoerced preferences would predominate and many more workers would obtain a union and a union contract.

For that reason, workers in the state of Florida would be much better off if EFCA were to pass the U.S. Congress. One very important effort to improve “the state of working Florida” would be for all of Florida’s representatives in the U.S. Congress to vote for passage of EFCA in the upcoming legislative session. The evidence is clear that the likely growth of unions in the state would be of great benefit to working Floridians as a whole.

Invest in Our Economic Infrastructure

What are the things that Florida needs to build a healthy, prosperous, and fair economy? 2007 has shown beyond the shadow of a doubt the weaknesses of our current economic situation. Reliance on tourism related industries has produced many jobs, but these jobs don’t pay much and offer few benefits. As the population has increased, development has meant housing “sprawl” anchored by low-cost retailers, contributing to traffic and environmental degradation. Poor investment in education and healthcare hamper the growth of higher wage industries. In the past industries have been able to lure highly educated people to move to the state, but this is increasingly difficult with the rise in cost of living. New reports show a “brain drain” of college professors, and with the closing of the space shuttle program thousands more technology jobs will be lost.

It is time for Florida to get serious about developing a world class education system, managing land and growth, and promoting the development of good jobs. As the growth of the

student population slows we should take the opportunity to rethink how we are educating young people and institute proven methods such as smaller class sizes and developing highly trained teachers. High-stakes standardized testing has proven to be a distraction and has failed to produce any real improvement. The state should convene an education taskforce to overhaul our education system based on research and concrete examples of success instead of instituting policies driven by ideology and unproved by research.

The state should also strive to provide a base for industrial development by facilitating connections between educational institutions and industry. Developing career paths for workers in growing industries will allow employers to draw on custom trained workers and provide jobs for youth who have difficulty finding their way in the economy and who too often end up dropping out or in prison. These links allow industries to stay on top of new developments and provide youth with education in growing fields, slowing the rate of offshoring of jobs by encouraging home grown innovation.

Much of what Florida needs to accomplish this will require not just willpower and creativity, but reforming the tax structure. Right now Florida's tax structure is highly regressive, placing greater burdens on people of middle and lower incomes, and it still doesn't provide the revenue necessary to take care of important functions like education, criminal justice, and healthcare. Property taxes are still a hurdle for many middle and lower income homeowners, and increasing sales tax would just increase the burden on the lowest income Floridians. Instituting a state income tax and reducing sales tax and property taxes on lower income homeowners would rebalance the system without increasing the overall tax bill for Floridians. Since the state income tax is deductible from the federal income tax Floridians would not necessarily pay more in taxes, but shift more of the taxes to state and local governments.

Taking these steps to upgrade Florida's "economic infrastructure" is critical for our state's ability to prosper as the economy, the country, and the world continue to change. The challenge has to be met head on, with an understanding that all the parts depend on each other. An employer needs educated workers. Those workers need good teachers. Good teachers need the support of tax payers, and tax payers need to understand how their money is being invested. Restoring opportunity for all Floridians to prosper in the economy means making sure the pieces fit together.

Appendix: Florida's Metropolitan Areas

Average Wages

Florida's large urban areas tended to have the highest average annual wages, likely due to the concentration of high paying jobs in business and finance in these areas. Fort Lauderdale had the highest average annual wage, followed by Miami, West Palm Beach and Jacksonville. In addition Melbourne-Palm Bay and Naples had average annual wages above the Florida average. Daytona Beach and Ocala had the lowest average annual wages, at 81% and 80% of the Florida average.

Table A
Average Wage in Each of Florida's Metropolitan Statistical Areas, 2007; and
Ranking Relative to Others
(Bold indicates above average)

Area	Average Annual Wage	% of Florida	Ranking
Florida	39,762	100%	
Daytona Beach	32,214	81%	20
Fort Lauderdale	42,099	106%	3
Fort Myers-Cape Coral	37,676	95%	9
Fort Walton Beach	35,686	90%	15
Gainesville	36,923	93%	10
Jacksonville	41,443	104%	4
Lakeland	34,377	86%	16
Miami	44,227	111%	1
Naples	41,281	104%	5
Ocala	31,622	80%	21
Orlando	38,764	97%	8
Palm Bay-Melbourne-Titusville	41,017	103%	6
Panama City	33,964	85%	18
Pensacola	34,170	86%	17
Port St. Lucie-Fort Pierce	36,300	91%	13
Punta Gorda	32,835	83%	19
Sarasota - Bradenton-Venice	36,447	92%	12
Sebastian-Vero Beach	35,865	90%	14
Tallahassee	36,548	92%	11
Tampa - St Petersburg – Clearwater	39,215	99%	7
West Palm Beach - Boca Raton-Boynton Beach	43,803	110%	2

Source: Quarterly Census of Employment and Wages

Wage Growth

For the period from 2002 to 2007 the average annual wage growth in Florida was 22.6%. Many smaller or medium sized areas that had below average wages had fast growth, with Gainesville (33.4%), Naples (31%) and Fort. Walton Beach (31%) leading the way. The large areas of Miami, Jacksonville, Ft. Lauderdale, came in just above or below average. Ocala and Daytona Beach with the lowest average wages for 2007 also presented slow wage growth

Table B
Average Wage, Percent Growth, and Wage Growth Rankings for
Florida and
Florida Metropolitan Statistical Areas, 2002-2007 (all industries)
(Bold indicates above average)

Area	Average Annual Wage 2002	Average Annual Wage 2007	Percent Growth 2002-2007	Ranking in Percent Growth
Florida	\$32,428	39,762	22.6%	
Daytona Beach	26,898	32,214	19.8%	17
Fort Lauderdale	34,455	42,099	22.2%	12
Fort Myers-Cape Coral	30,335	37,676	24.2%	9
Fort Walton Beach	27,237	35,686	31.0%	3
Gainesville	27,686	36,923	33.4%	1
Jacksonville	33,740	41,443	22.8%	11
Lakeland	29,517	34,377	16.5%	21
Miami	35,737	44,227	23.8%	10
Naples	31,514	41,281	31.0%	2
Ocala	26,635	31,622	18.7%	19
Orlando	32,462	38,764	19.4%	18
Palm Bay-Melbourne-Titusville	33,914	41,017	20.9%	14
Panama City	27,432	33,964	23.8%	9
Pensacola	28,184	34,170	21.2%	13
Port St. Lucie-Fort Pierce	29,165	36,300	24.5%	7
Punta Gorda	26,073	32,835	25.9%	5
Sarasota - Bradenton-Venice	28,963	36,447	25.8%	6
Sebastian-Vero Beach	28,462	35,865	26.0%	4
Tallahassee	30,909	36,548	18.2%	20
Tampa - St Petersburg - Clearwater	32,478	39,215	20.7%	15
West Palm Beach - Boca Raton-Boynton Beach	36,548	43,803	19.9%	16

Source: Quarterly Census of Employment and Wages

Job Growth

The average growth in the number of jobs in Florida from 2002 to 2007 was 11%. Ft. Myers, which was ranked 9th in average wage growth, had the fastest job growth at 25.5%. A similar situation occurred with Panama City which had fairly fast wage growth and job growth. Other areas in the top five such as Ocala and Port St. Lucie experienced fast job growth but below average wage growth. Interestingly, Punta Gorda was number 4 in wage growth but number 20 in job growth. Miami had the slowest job growth, at just 2.9%.

Table C
Number of Jobs, Percent Growth, and Job Growth Rankings for Florida and Florida Metropolitan Statistical Areas, 2002-2007 (all industries)
(Bold indicates above average)

Area	Average Monthly Number of Jobs 2002	Average Monthly Number of Jobs 2007	Percent Growth 2002-2007	Ranking in Percent Growth
Florida	7,163,458	7,949,384	11.0%	
Daytona Beach	159,685	166,221	4.1%	18
Fort Lauderdale	673,373	751,850	11.7%	9
Fort Myers-Cape Coral	176,726	221,730	25.5%	1
Fort Walton Beach	77,343	81,635	5.5%	17
Gainesville	119,987	124,477	3.7%	19
Jacksonville	523,788	593,725	13.4%	8
Lakeland	187,030	205,998	10.1%	13
Miami	979,388	1,014,801	3.6%	20
Naples	114,497	131,989	15.3%	7
Ocala	83,334	103,350	24.0%	2
Orlando	861,715	1,026,961	19.2%	4
Palm Bay-Melbourne-Titusville	183,467	203,275	10.8%	12
Panama City	61,982	73,120	18.0%	5
Pensacola	146,203	162,516	11.2%	10
Port St. Lucie-Fort Pierce	107,088	131,938	23.2%	3
Punta Gorda	42,053	42,406	0.8%	21
Sarasota - Bradenton-Venice	264,041	280,131	6.1%	16
Sebastian-Vero Beach	42,710	49,564	16.0%	6
Tallahassee	155,307	169,818	9.3%	14
Tampa - St Petersburg – Clearwater	1,137,216	1,222,136	7.5%	15
West Palm Beach - Boca Raton-Boynton Beach	503,574	559,778	11.2%	11

Source: Quarterly Census of Employment and Wages

Combined Ranking Comparisons

Averaging these three indicators—average wage, wage growth, and job growth—we find that the southwestern and southeastern coasts seem to be doing the best, in the southwest due mostly to job growth and in the southeast to higher wages. Naples and Jacksonville scored above average on each indicator, and the Treasure Coast areas from Vero to Ft. Lauderdale also did well. By contrast the west coast areas from the Panhandle down through Sarasota score lower on these indicators, mostly because of lower wages which may reflect lower cost of living, with the exception of Tampa.

Table D
Rankings of Florida’s 21 Metropolitan Areas in 2007 Average Wage, Average Wage Percentage Growth 2002-2007; and Job Growth 2002-2007
(Bold indicates above average)

Area	Ranking in Average Wage 2007	Ranking in % Average Wage Growth (2002-2007)	Ranking in % Job Growth (2002-2007)	Average Ranking
Naples	5	4	7	5.3
Fort Myers-Cape Coral	9	8	1	6.0
Jacksonville	4	11	8	7.7
Port St. Lucie-Fort Pierce	13	7	3	7.7
Sebastian-Vero Beach	14	3	6	7.7
Fort Lauderdale	3	12	9	8.0
West Palm Beach - Boca Raton-Boynton Beach	2	16	11	9.7
Gainesville	10	1	19	10.0
Orlando	8	18	4	10.0
Miami	1	10	20	10.3
Palm Bay-Melbourne-Titusville	6	14	12	10.7
Panama City	18	9	5	10.7
Fort Walton Beach	15	2	17	11.3
Sarasota - Bradenton-Venice	12	6	16	11.3
Tampa - St Petersburg – Clearwater	7	15	15	12.3
Pensacola	17	13	10	13.3
Ocala	21	19	2	14.0
Punta Gorda	19	5	21	15.0
Tallahassee	11	20	14	15.0
Lakeland	16	21	13	16.7
Daytona Beach	20	17	18	18.3

Comparative Success in Creating Jobs in High-Wage Industries

By breaking down job growth into high- and low-wage industries we get a more complete picture of the economic growth of an area. The area with the fastest job growth in high-wage industries was Port St. Lucie-Ft. Pierce with 22.8% high-wage industry growth. Panama City was second, with 22.4% growth in high-wage industries and 7.3% low-wage job growth, one of the areas most tilted towards high-wage job growth. Ocala, Orlando, and Ft. Myers round out the top 5 for high wage industry growth from 2002-2007. Several areas have lost high wage jobs, including Punta Gorda, Fort Walton Beach, Sarasota, and Miami. No area lost low wage jobs, and several had faster low wage than high wage growth, including Ft. Myers (24.9% vs. 16.5%), Jacksonville (15.6% vs. 3.7%) and Gainesville (12.4% vs. 7.2%).

Table E
Percent Growth in High Wage and Low Wage Industries for Florida Metropolitan
Statistical Areas, 2002-2007 (all industries)

Area	Percent Growth High Wage Industries	Ranking	Percent Growth Low Wage Industries	Ranking
Florida total	6.7%		11.5%	
Daytona Beach	12.1%	9	10.4%	11
Fort Lauderdale	7.4%	13	9.4%	13
Fort Myers-Cape Coral	16.5%	5	24.9%	1
Fort Walton Beach	-7.0%	20	12.7%	6
Gainesville	7.2%	14	12.4%	7
Jacksonville	3.7%	16	15.6%	5
Lakeland	12.2%	8	1.2%	21
Miami	-1.7%	18	8.7%	16
Naples	13.5%	7	11.4%	8
Ocala	20.0%	3	18.6%	2
Orlando	17.9%	4	16.7%	3
Palm Bay-Melbourne-Titusville	11.1%	11	8.7%	15
Panama City	22.4%	2	7.3%	20
Pensacola	11.2%	10	8.5%	17
Port St. Lucie-Fort Pierce	22.8%	1	16.6%	4
Punta Gorda	-23.9%	21	10.9%	10
Sarasota - Bradenton-Venice	-3.5%	19	9.2%	14
Sebastian-Vero Beach	14.2%	6	7.4%	19
Tallahassee	4.2%	15	11.2%	9
Tampa - St Petersburg - Clearwater	3.6%	17	8.5%	18
West Palm Beach - Boca Raton	10.9%	12	10.3%	12

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) Annual NAICS Files

*High Wage refers to more than 10% above the 2007 average annual wage for all industries. Those industries are (in ascending wage order): Wholesale Trade, Information, Financial Activities, Public Administration, Manufacturing, and Professional and Business Services.

**Low Wage refers to wages more than 10% below the 2007 average annual wage for all industries. Those industries are (in ascending wage order): Other Services, Retail Trade, Agriculture, Forestry, Fishing and Hunting, and Leisure and Hospitality.