

STATE OF WORKING FLORIDA – 2005

**A Research Report
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EXECUTIVE SUMMARY

I. The Florida Economy Doing Well But Workers Not So Well

- The Florida unemployment rate is well below the national rate, and the state has been creating jobs rapidly.
- But in general this is not translating into increased well-being for Florida's working men and women, as the remainder of this report demonstrates.

II. Job Creation Performance: Comparatively Good in Quantity

- The state has been creating jobs at a much faster pace than the nation.
- But much of this is due to a growing population. Adjusted for population growth, Florida's job growth rate is 13th best of all states in 2001 – 2005.

III. Industrial Mix of Florida Jobs, and How They Are Shifting

- Florida tends to have a low percentage of jobs in high paying industries and a high percentage of jobs in low wage industries.
- Long-term, medium-term, and near-term (14 year, 4 year, and 1 year) state trends all accentuate this pattern.

IV. Wages in the State of Florida

- Florida is a low-wage state. Its 2004 median hourly wage (\$13.10 per hour) is below the national average and is in line with wages in the South, the nation's lowest paying region.
- Florida low-wage workers (those in the 20th percentile, meaning that 20% of wage earners make a lower wage) have lost ground since 1989 compared to high-wage workers. Since 2000 they have caught up a little but not enough to share equally in the percentage wage growth in the past decade and a half.
- Florida has an unusually high percentage of very low-wage workers earning at or below the federal minimum wage: over 3.6% in 2004. This is higher than national, regional, or divisional percentages.
- A 2004 ballot election referendum created a new state minimum wage of \$6.15 per hour, indexed in future years to rise at the rate of inflation. This measure should reduce the number of very low-wage workers in the state.

V. Part-Time Work, Unemployment, and Long-term Unemployment

- A smaller percentage of Florida's jobs are part-time than in the U.S. Involuntary part-time work in the state approximates the national average.
- Florida's unemployment rate is below the national average and is also below that of its southern geographic counterparts. The percentage of long term (6 months or longer) unemployed in the state is also lower than in the nation, again good news. However, the percentage grew by more than 70% between 2001 and 2004, a sign of stress for the more-difficult-to-employ.

VI. Women, Blacks, and Hispanics in the Florida Workforce

- **Women in Florida participate less than men in the labor force and more likely work part-time. Their unemployment is less likely than is men's to be long term, and part-time status is more likely to be voluntary. The median hourly wage for women in Florida is about 83.5% of men's.**
- **Florida's African-American workers have much higher unemployment rates and more involuntary part-time work. African-American workers in the state are significantly more likely than whites to be low-wage.**
- **Hispanic workers in Florida have higher unemployment rates and much higher levels of involuntary part-time employment. Florida's Hispanic workers are significantly more likely to be low-wage workers.**

VII. Median Household and 4-Person Family Income in Florida

- **Florida ranked 36th of the 50 states in the nation in median household income in 2004, similar to the rank it has held for many years. It is a relatively low-income state, but not extremely low.**
- **Florida ranked 28th of the 50 states in the nation in median income for a four-person family in 2004. It was a slightly below average on this measure, although not by much.**

VIII. Poverty in Florida

- **In 2004, Florida's poverty rate was lower than the national rate, an improvement over previous years. The state ranked close to the middle of the 50 states on this measure.**
- **Florida's child poverty rate was also slightly below the national rate and it ranked in the middle of the 50 states on this measure as well.**

IX. Healthcare Coverage in Florida

- **Almost 20% of Florida's residents had no healthcare coverage in 2004, tying the state at 47th -48th of the 50 states in health care coverage.**
- **The state's standing compared to the national average has been deteriorating in the past three years.**

X. Pension Coverage in the State of Florida

- **Florida has the second lowest rate of private sector pension coverage in the nation.**
- **The problem is longstanding. It probably results from the state's reliance on low wage service sector jobs and its low unionization rate.**

XI. Unemployment Compensation Coverage in Florida

- Florida's restrictive unemployment compensation law meant that in 2004 only 27.9% of the unemployed collected benefits. This tied the state at 40th – 41st of the 50 states on this measure.
- Florida's maximum unemployment benefit is below the U.S. average. In January 2004, the state ranked 38th of the 50 states on this measure.
- Yet Florida's unemployment insurance recipients depend on these benefits longer than in other states: almost half exhaust their benefits by using them for the full 26 weeks, the highest of any state in the nation.

XII. Disability Policy in Florida

- Florida's maximum weekly benefit for temporary and permanent total disability is about average for the U.S.
- But its restrictions on the length of the benefit are among the most severe in the nation. Likewise, the subtraction of social security or unemployment insurance benefits from disability benefits is a more severe restriction of benefits than in all but two other states.

XIII. Other Statutory Protections of Workers

- Florida has few statutory protections of workers' rights (anti-discrimination, right-to-know, equal pay, whistle blower protection, etc.) in comparison to other states.

XIV. Unionization in Florida

- The unionization rate in Florida in 2004 was less than half that of the nation as a whole (6.0% vs. 12.5%).
- The same is true to a more extreme degree for Florida private sector workers. Unionization in the public sector is much higher; the state was tied for 29th – 30th of the 50 states on this measure.
- The state's unionization rates have been falling slowly for over a decade.
- Florida's state government policies are not friendly to unions. It has a constitutional "right-to-work" provision that allows union-represented workers to not pay their union dues.

XV. Taxes in Florida

- The total tax burden on Florida's residents in 2005 is about the U.S. average (19th highest of the 50 states). It does, however, collect a very low amount of revenue through taxes (44th highest of the 50 states).
- This is because most Florida resident's taxes go to the Federal government, not the state. An average tax burden results in low state revenues, harming Florida's funding for education, transportation, etc.
- Middle- and low-income Florida residents face high taxes because of the state's extremely regressive tax structure placing a heavier burden the lower one's income. Wealthy residents face low taxes due to the regressive tax structure.

XVI. FLORIDA'S METROPOLITAN AREAS: COMPARISONS

- Each of Florida's 20 metropolitan areas is ranked and compared to the state in average wage, percentage growth in wages in 2002-2004, percentage growth in jobs in the same period, and job and wage growth in high-wage industries.

XVII. Public Policy: What the State Can Do About Substandard Conditions

- The report briefly reviews measures to improve conditions for workers of the state.

STATE OF WORKING FLORIDA – 2005

I. Florida Economy is Performing Well

On Labor Day 2005, the Florida economy shows many signs of excellent health. The state's June 2005 unemployment rate (seasonally adjusted) was 3.9%, well below the national rate of 5.0%, and down from the 4.8% rate a year ago. The Florida Agency for Workforce Innovation in mid-July 2005 noted that Florida has had an unemployment rate approximately 1% below the national rate since mid-2003, and that the state's rate of job growth in the past year was 3%, the highest of the nation's ten most populous states (Florida Agency for Workforce Innovation Press Release, July 22, 2005).

Rapid job growth and a lower-than-average unemployment rate should bode well for Florida's workers. But, as the remainder of this report demonstrates, the state's workers are actually faring quite poorly. The quality of the jobs being created is quite problematic.

II. Job Creation Performance

As noted above, Florida is creating jobs at a pace far exceeding that of the country in general. One benchmark is the number of jobs created since the beginning or since the end of the most recent recession. The last recession in the United States began in March 2001 and officially ended November 2001. How has Florida done on these measures?

Since the Beginning of the Last Recession: Since March 2001, the state of Florida has done much better than the country as a whole in job creation. As of July 2005, jobs in the state grew by 8.2%, compared to a mere 1% for the country as a whole. Table 1 shows details.

Table 1
Florida Job Creation Compared to the U.S., March 2001 – July 2005

	Jobs as of March 2001	Jobs as of July 2005	Number change	Percent change
United States	132,511,000	133,786,000	1,275,000	+1%
Florida	7,179,000	7,766,400	587,400	+8.2%

Source: U.S. Bureau of Labor Statistics establishment survey, reporting non-agricultural payroll jobs. Statistics compiled by the Economic Policy Institute.

Clearly, Florida is doing much better than the nation as a whole in job creation. But it is not doing as well as the above table would imply, because much of the job growth is simply the result of the growth in the working age population (population aged 20-64). Florida is a fast growing state. Florida's 8.2% job growth rate in Table 1 is tied for the 3rd - 4th highest in the nation. However, in the same period, the state also had the 4th fastest working age population growth.

Factoring in population growth, the state is still doing better than the nation as a whole, but not to the degree it would at first appear. **Looking at job growth in comparison to the relevant population, Florida did 13th best of the 50 states.** This is well above average, and it should be celebrated, but is not the best in the nation.

In fact, Florida's job growth rate did not keep up with the growth rate of its working age population during this period. The unemployment rate did not grow because an unusually large number of people dropped out of the workforce (gave up looking for work), and thus were not counted as unemployed. Table 2 shows the state's job growth rate and the rate of growth of its working age population (ages 20-64).

Table 2
Comparison of job growth with working age population growth in Florida, March 2001 – July 2005

State	Job Growth Rate	Age 20-64 Population Growth Rate	Shortfall in Number of Jobs	Percentage Shortfall
Florida	+8.2%	+10.6%	172,000	-2.4%

Source: Analysis by the Economic Policy Institute of Bureau of Labor Statistics data.

Since the End of the Last Recession: Since the **end** of the last recession (November 2001) rather than the beginning, the picture looks better. But job growth still falls short of working age population growth, although by a very small amount. Table 3 shows details.

Table 3
Comparison of job growth with working age population growth in Florida, November 2001 – July 2005

State	Job Growth Rate	Age 20-64 Population Growth Rate	Shortfall in Number of Jobs	Percentage Shortfall
Florida	+8.6%	+9.0%	31,000	-0.4%

Source: Analysis by the Economic Policy Institute of Bureau of Labor Statistics data.

SNAPSHOT SUMMARY OF FLORIDA'S RECENT JOB CREATION PERFORMANCE:

- **The state's recent job creation record is better than that of the nation as a whole.**
- **But much of this is due to a growing population.**
- **Adjusted for population growth, Florida still does better than the nation as a whole (13th best of all states).**

III. Industrial Mix of Florida Jobs, and How They Are Shifting

Where Florida's Jobs Are. Florida's economy is different from the U.S. economy in that it has a higher proportion of jobs in some industries and a lower proportion of jobs in others. Generally, it is over-represented in most types of service jobs, leisure and hospitality jobs, retail trade jobs, and construction jobs. It is under-represented in manufacturing jobs and government jobs. Unfortunately for Florida, government and manufacturing jobs are generally high wage while many of the over-represented sectors pay below average wages. Table 4 shows the number and percentage of jobs in each industry in Florida, comparisons to the U.S., and average pay in each of these industries.

Table 4
Number and Percentage of Jobs by Industry in Florida in 2004, Comparisons to Percentages of U.S. Jobs, and 4th Quarter 2004 Average Pay in Those Industries

INDUSTRY	# of Jobs (1000s) 2004	% of All Jobs* 2004	% of All Jobs, U.S.*	% Surplus or Deficit Compared to U.S.	Average Annual Pay, 4 th Quarter 2004 in Florida
Total Non-Farm	7504	100%	100%	NA	\$38,276
Construction	490.6	6.5%	5.3%	+1.2%	\$40,944
Manufacturing	387.6	5.2%	10.9%	-5.7%	\$45,744
Durable Goods Manufacturing	257.4	3.4%	6.8%	-3.4%	\$47,860
Non-Durable Goods Mfg.	130.1	1.7%	4.1%	-2.4%	\$41,508
Wholesale Trade	323.7	4.3%	4.3%	0%	\$55,728
Retail Trade	945.3	12.6%	11.4%	+1.2%	\$26,596
Transportation & Utilities	229.3	3.1%	3.7%	-0.6%	Trans: \$43,004 Util: \$67,564
Information	168.2	2.2%	2.4%	-0.2%	\$53,940
Financial Activities	501	6.7%	6.1%	+0.6%	\$52,500
Professional & Bus. Services	1290	17.2%	12.5%	+4.7%	\$41,652
Ed. & Health Services	918.6	12.2%	12.9%	-0.7%	\$39,592
Leisure & Hospitality	853.5	11.4%	9.5%	+1.9%	\$19,788
Other Services	320.3	4.3%	4.1%	+0.2%	\$26,624
Government	1069	14.2%	16.4%	-2.2%	\$45,708

Source: Author's analysis of Current Establishment Survey data supplied by the Economic Policy Institute and wage data from the State of Florida Agency for Workforce Innovation, Labor Market Statistics, Quarterly Census of Employment and Wage Program (QCEW quarterly data).

*Percentages may not add up to 100% due to rounding and leaving out the mining industry.

To understand the significance of Table 4, note the percentages and wages in the last two columns that are in **bold**. These are the industries where Florida has a deficit of jobs compared to the U.S. as a whole. **Every single industry where Florida has a**

comparative jobs deficit pays more than the state's average pay of \$38,276 per year. And most (but not all) industries where Florida has a comparative surplus pay below the average wage. This structural fact about Florida's economy helps make it a low wage state. Low wages are especially apparent in Leisure and Hospitality, and in Retail Trade.

How Florida's Jobs are Shifting Between Industries. One important question is whether Florida is changing this unfavorable jobs picture by proportionately adding more high-wage jobs than low wage jobs, or whether it is only making things worse by disproportionately adding more low-wage jobs.

We can examine this question by looking at long-term trends, medium-term trends, and very recent short-term trends. Table 5 shows which industries have been “best performers” and “worst performers” in job creation over the 14 year period of 1990-2004, the four year period 2000-2004, and the most recent one year period of June 2004 to June 2005.

Table 5
Comparative Industry Job Creation Performance in Florida over Different Time
Periods (not seasonally adjusted), and Wages in Those Industries

Time Period	Best Performers (avg. wage in parenthesis)*	% Growth	Worst Performers (avg. wage in parenthesis)*	% Growth
Long Term (1990-2004)	Professional & Bus. Services (\$41,652) Education & Health Services (\$39,592) Construction (\$40,944) Other Services (\$26,624)	+128.6% +60% +45.2% +42.4% (Total Non-Farm Job Growth: +39.3%)	Mining (\$51,360) Manufacturing (\$45,744) Government (\$45,708) Transportation & Utilities (Trans: \$43,004; Util.: \$67,564)	-36% -20.2% +16.7% +18.3% (Total Non-Farm Job Growth: +39.3%)
Medium Term (2000-2004)	Construction (\$40,944) Education & Health Services (\$39,592) Leisure & Hospitality (\$19,788) Other Services (\$26,624) Professional & Bus. Services (\$41,652)	+20.7% +13.8% +9.5% +9.4% +9.3% (Total Non-Farm Job Growth: +6%)	Mining (\$51,360) Manufacturing (\$45,744) Information Services (\$53,940) Transportation and Utilities (Trans.: \$43,004; Util.: \$67,564)	-18.4% -14.8% -16.5% +0.04% (Total Non-Farm Job Growth: +6%)
Short Term (June 04-June 05)	Construction (\$40,944) Professional & Bus. Services (\$41,652) Leisure & Hospitality (\$19,788)	+5.8% +5.3% +3.9% (Total Non-Farm Job Growth: +3%)	Government (\$45,708) Information Services (\$53,940) Manufacturing (\$45,744)	-0.1% +0.2% +0.8% (Total Non-Farm Job Growth: +3%)

Source: Author's analysis of Current Employment Statistics data, supplied by the Economic Policy Institute, and Florida Agency for Workforce Innovation Labor Market Statistics, Quarterly Census of Employment and Wage Program (QCEW) quarterly NAICS data.

* Wages are average annual wages as of 4th Quarter 2004.

The unhappy significance of Table 5 becomes apparent if one compares the average wage in industries losing job share (the “worst performers”) to the average wage in industries gaining job share (the “best performers”). **No matter which period of time one chooses, the lowest average wage in the industries losing job share is higher than even the highest average wage in those gaining job share.** Therefore, unless the new jobs being added do not correspond to their industry averages, Florida is disproportionately adding low wage jobs, and losing high wage ones.

For example, in the most recent one year period from June 2004 to June 2005, the three industries losing the highest percentage job share pay on average \$45,708 (government), \$53,940 (information), and \$45,744 (manufacturing). The **highest** paying industry gaining job share (Professional and Business Services) averages only \$41,652, less than any of the industries losing job share. To make matters worse, the Florida Agency for Workforce Innovation press release announcing these job creation figures (July 22, 2005) notes that most of the Professional and Business Services jobs being created were in the “employment services” category (39,700 jobs out of 68,800 jobs total). Employment services primarily means temp agencies, which mostly supply jobs at the low end of this “catch all” category that includes everything from accountants and lawyers to couriers and the staff at Kinkos. Therefore, most of the new jobs in the Professional and Business Services category probably pay well beyond the average in this category.

By any of these measures, over any period of time picked, Florida is not succeeding in changing the “mix” of jobs toward higher paying industries.

SNAPSHOT SUMMARY OF WHERE FLORIDA'S JOBS ARE, AND HOW THEY ARE SHIFTING:

- **Florida tends to have a low percentage of jobs in high paying industries and a high percentage of jobs in low wage industries.**
- **Long-term, Medium-term, and Near-term (14 year, 4 year, and 1 year) state trends all accentuate this pattern.**

IV. Wages in the State of Florida

Median Wage. Florida's median hourly wage (meaning half earn more, half earn less) is lower than that of the United States and the South Atlantic Division to which it belongs, but is generally in line with hourly wages in the South, the most poorly paid region of the country. In general, Florida is a low-wage state. Table 6 compares the state's median hourly wage in 2004 to the U.S. and regional comparison groups.

Table 6
Florida median wage compared to the U.S., the South, and the South Atlantic Region, 2004

Geographic Area	Median Wage	Percentage of U.S. Average
United States	\$13.99	100%
South	\$13.08	93.3%
South Atlantic Division	\$13.82	98.8%
Florida	\$13.10	93.6%

Source: Economic Policy Institute and author analysis of Current Population Survey data

Florida's status as a low-wage state is longstanding, and the state has actually improved a bit in the past year. In 1989, its median hourly wage (\$11.46 in 2004 dollars) was 90.3% of the U.S. average; in 1995 its median hourly wage (\$11.39 in 2004 dollars) was 91.4% of the U.S. average. In 2000 its median hourly wage (\$12.13 in 2004 dollars) was 90.4% of the U.S. average. In 2003 its median hourly wage ((\$12.85 in 2004 dollars) was 91.9% of the U.S. average. So, the 2004 average at 93.6% of the U.S. average constitutes an improvement over the state's median wage hovering between 90% and 92% of the U.S. average. Whether this is a temporary aberration or the start of something more permanent remains to be seen. One year changes often turn out to be mere "blips", so we cannot yet say that the improvement in 2004 is the start of a long-term trend.

The Wage Spread in the State of Florida. The wage spread in the state, the South, the South Atlantic Division, and the United States may be of interest to some readers. The typical way to divide the wage distribution is to break it into tenths, or deciles, of wages paid. Thus, the 10th decile would be a wage higher than the bottom 10% of the hourly wage scale. The 20th decile would be a wage higher than the bottom 20% of the hourly wage scale. The median wage is the wage at the 50th decile. And so on. For standardized purposes, the wage at the 20th decile is usually considered a "low wage" while the wage at the 80th decile is considered a "high wage."

To keep this report focused and brief, there will not be an analysis of Florida's wages at each decile. But, for any reader who is interested in doing a further analysis, in Tables 7, 8, 9, and 10 a complete breakdown is given by decile of the wage structure of the state, its geographic comparison areas, and the nation as a whole for selected years between 1989 and the present. **All wage figures have been converted into 2004 dollars, to show changes in real purchasing power.**

Table 7
Wages by Decile by Year in Florida (in 2004 dollars)

	1989	1995	2000	2004
10th percentile	\$5.99	\$6.08	\$6.70	\$7.00
20th percentile	\$7.43	\$7.31	\$7.89	\$8.36
30th percentile	\$8.64	\$8.57	\$9.03	\$9.90
40th percentile	\$9.98	\$9.85	\$10.71	\$11.50
50th percentile (Median)	\$11.46	\$11.39	\$12.13	\$13.10
60th percentile	\$13.18	\$13.35	\$14.28	\$15.15
70th percentile	\$15.47	\$15.85	\$17.24	\$18.03
80th percentile	\$18.64	\$19.55	\$20.80	\$21.60
90th percentile	\$24.09	\$24.90	\$27.47	\$29.12

Source: Economic Policy Institute analysis of Current Population Survey data

Table 8
Wages by Decile by Year in the South Atlantic Division (in 2004 dollars)

	1989	1995	2000	2004
10th percentile	\$6.05	\$6.24	\$6.92	\$7.17
20th percentile	\$7.54	\$7.60	\$8.46	\$8.72
30th percentile	\$8.90	\$8.96	\$9.81	\$10.07
40th percentile	\$10.45	\$10.36	\$11.18	\$11.93
50th percentile (Median)	\$11.95	\$12.10	\$13.11	\$13.82
60th percentile	\$14.11	\$14.08	\$15.34	\$15.99
70th percentile	\$16.41	\$16.65	\$18.30	\$18.94
80th percentile	\$19.86	\$20.46	\$21.87	\$22.99
90th percentile	\$25.38	\$26.55	\$29.74	\$30.88

Source: Economic Policy Institute analysis of Current Population Survey data

Table 9
Wages by Decile by Year in the South (in 2004 dollars)

	1989	1995	2000	2004
10th percentile	\$5.27	\$6.03	\$6.66	\$6.90
20th percentile	\$7.19	\$7.29	\$8.06	\$8.20
30th percentile	\$8.52	\$8.58	\$9.41	\$9.78
40th percentile	\$9.97	\$9.92	\$10.90	\$11.22
50th percentile (Median)	\$11.53	\$11.56	\$12.57	\$13.08
60th percentile	\$13.46	\$13.52	\$14.56	\$15.16
70th percentile	\$15.90	\$16.01	\$17.33	\$18.07
80th percentile	\$19.17	\$19.59	\$20.98	\$21.89
90th percentile	\$24.55	\$25.36	\$27.59	\$29.21

Source: Economic Policy Institute analysis of Current Population Survey data

Table 10
Wages by Decile by Year in the United States (in 2004 dollars)

	1989	1995	2000	2004
10th percentile	\$6.12	\$6.23	\$6.92	\$7.09
20th percentile	\$7.62	\$7.61	\$8.52	\$8.65
30th percentile	\$9.14	\$9.10	\$9.95	\$10.09
40th percentile	\$10.92	\$10.70	\$11.50	\$11.95
50th percentile (Median)	\$12.69	\$12.46	\$13.42	\$13.99
60th percentile	\$14.82	\$14.75	\$15.88	\$16.25
70th percentile	\$17.64	\$17.59	\$18.83	\$19.21
80th percentile	\$21.09	\$21.29	\$22.87	\$23.84
90th percentile	\$26.63	\$27.51	\$29.89	\$31.26

Source: Economic Policy Institute analysis of Current Population Survey data

Low-Wage Work in Florida Compared to High Wage Work.

Low-wage workers are usually designated as those earning at the 20th percentile – that is 20% of workers make less, and 80% make more. Florida's low-wage workers make less than their counterparts in the nation and in the South Atlantic Division, but not lower than their counterparts throughout the entire South. Table 11 shows details.

Table 11
Wage of Low-Wage Workers (20th percentile) in Florida, the U.S., the South and the South Atlantic Division, 2004

	Wage	Percentage of U.S. Wage
United States	\$8.65	100%
South	\$8.20	94.8%
South Atlantic Division	\$8.72	100.01%
Florida	\$8.36	96.6%

Source: Economic Policy Institute and author analysis of Current Population Survey data

Numerous calculations of this nature can be done from Tables 7 through 10. For example, Florida high-wage workers (those at the 80th percentile) in 2004 earned 90.6% of their counterparts nationally ($\$21.60/\$23.84 = 90.6\%$).

One set of calculation will be done here, to illustrate some of the possibilities. One item of interest might be: how have low-wage workers fared historically compared to high-wage workers? Have wages increased more over time for one than the other? Table 12 compares Florida to its counterparts over the long term (1989-2004) and short term (2000-2004) in how well its low-wage and high-wage workers have fared.

Table 12
Long Term and Short Term Percentage change in Wages of Low-Wage and High-Wage Workers, Florida, the South Atlantic Division, the South, and the U.S.*

	Long term (89-04) % Change in Wages of High-Wage Workers	Long term (89-04) % Change in Wages of Low-Wage Workers	Short term (00-04) % Change in Wages of High-Wage Workers	Short term (00-04) % Change in Wages of Low-Wage Workers
Florida	+15.9%	+12.5%	+3.8%	+4.5%
South Atlantic Division	+15.8%	+15.6%	+5.1%	+3.1%
South	+14.2%	+14.0%	+4.3%	+1.7%
United States	+13.0%	+13.5%	+4.2%	+1.5%

*In constant 2004 dollars

Source: Economic Policy Institute analysis of Current Population Survey statistics

Table 12 shows that over the 15 year period from 1989 to 2004 Florida's low-wage workers fell behind compared to their high-wage counterparts, and that this was uniquely true for the state, not for the U.S. as a whole or (to any great degree) for Florida's southern counterparts. During that period, low-wage workers' wages increased only 12.5% compared to a 15.6% increase for high-wage workers in the state. However, in the recent short term period from 2000 to 2004, Florida's low-wage workers have won percentage wage increases larger than those for the state's high-wage workers, unlike comparison groups. While low-wage workers are still comparatively worse off than they were a decade and a half ago, the recent 4-year trend is an encouraging counter-trend.

Florida also has an unusually high percentage of extremely low-wage workers. Unpublished data from the U.S. Bureau of Labor Statistics from a data set that includes only wage and salary workers who are paid at an hourly rate and no self-employed (and thus a different data set than the one used in previous tables) shows that Florida's percentage of hourly waged workers earning at or below the federal minimum wage of \$5.15 per hour in 2004 was higher than in the nation, the Southern Region, or the South Atlantic Division. Table 13 shows the percentages.

Table 13
Percentage of Workers Earning at or Below the Minimum Wage (\$5.15/hour)* in Florida, the U.S., the South, and the South Atlantic Division, 2004

	Percent	Difference from national rate
United States	2.71%	NA
South	3.31%	+.60%
South Atlantic Division	2.87%	+.16%
Florida	3.62%	+.91%

*These data include only employed wage and salary workers who were paid at an hourly rate. It does not include any self-employed persons, whether or not their business was incorporated.

Source: Author's computations from unpublished tabulations of Current Population Survey Data by the U.S. Bureau of Labor Statistics. The data are contained in Table A-19, available from the U.S. Bureau of Labor Statistics.

Until recently Florida had no state minimum wage law to supplement the national one. The 2003 Florida legislature passed a law prohibiting counties and municipalities from creating a local minimum wage, and the governor signed this bill into law in the summer of 2003.

However, a constitutional amendment ballot initiative in the November 2004 election passed with over 70% of the vote. It required payment of at least \$6.15 per hour to all those covered by the federal minimum wage of \$5.15 per hour. It also indexed the new minimum wage to inflation in coming years, so that it will not lose its purchasing power. This citizen initiative, opposed by the governor and by the majority of the state legislature, will raise the wage of an estimated 300,000 + low-wage Florida residents.

SNAPSHOT SUMMARY OF WAGES IN THE STATE OF FLORIDA:

- **Florida is a low-wage state. Its 2004 median hourly wage (\$13.10 per hour) is below the national average and is in line with wages in the South, the nation's lowest paying region.**
- **Florida low-wage workers (in the 20th percentile, meaning that 20% of wage earners make a lower wage) have lost ground since 1989 compared to high-wage workers. Since 2000 they have caught up a little but not enough to share equally in the percentage wage growth in the past decade and a half.**
- **Florida has an unusually high percentage of very low-wage workers earning at or below the federal minimum wage: over 3.6% in 2004. This is higher than national, regional, or divisional percentages.**
- **A 2004 ballot election referendum created a new state minimum wage of \$6.15 per hour, which will be indexed in future years to rise at the rate of inflation. This measure should reduce the number of very low-wage workers in the state.**

V. Part-Time Work, Unemployment, and Long-term Unemployment

Part-time Employment. In general, Florida has a lower percentage of part-time jobs than does the nation as a whole. In 2004, 20.3% of Florida jobs were part-time, compared to 23.3% in the U.S. The part-time share of total employment dropped during the prosperous years 1995-2000 in the United States, in Florida, and in Florida's nearby geographic areas. However, since 2000 the percentage of work that is part-time has jumped for the United States and its southern geographic areas including Florida. Table 14 shows details.

Table 14
Part-time work as share of total employment for Florida, the U.S., the South, and the South Atlantic Division to which Florida belongs, 1995-2004

	Percentage-point change				
	1995	2000	2004	1995-2000	2000-04
United States	24.6%	21.8%	23.3%	-2.8	1.5
South*	23.0%	19.7%	21.4%	-3.3	1.7
South Atlantic Division**	22.6%	19.2%	20.9%	-3.4	1.7
Florida	22.4%	18.1%	20.3%	-4.3	2.2

Source: Economic Policy Institute analysis of Current Population Survey data.

*The South includes all states in the nation's geographic south, so in addition to the South Atlantic Division to which Florida belongs, it adds the East South Central Division (Alabama, Mississippi, Tennessee, and Kentucky) and the West South Central Division (Arkansas, Louisiana, Oklahoma, and Texas).

**The South Atlantic Division is comprised of the southern states along the Atlantic Coast. It includes Florida, Georgia, South Carolina, North Carolina, Virginia, West Virginia, Maryland, and Delaware.

Florida's percentage of part-time jobs dropped more in the prosperous 1995-2000 period than elsewhere, but it also has risen more in the recent period.

Involuntary Part-time Work. More important than the percentage of all jobs that are part-time is the question of how many of those part time jobs are voluntarily chosen, and what percentage of them are involuntary. Involuntary part-time work refers to those working part-time because of slack work or unfavorable business conditions, inability to find full time work, and seasonal declines in demand. Involuntary part-time work is also referred to as "part-time work for economic reasons." Those who usually work part-time must also indicate that they want and are available for full-time work or they are not classified as part-time for economic reasons.

Part-time work for economic reasons (involuntary part-time work) is highly undesirable, and it is a more important indicator of substandard employment than is simply part-time work. In this regard, Florida has improved its performance in the most recent period. Whereas in 1995 and 2000 the state had an involuntary part-time work share well above that of the nation or of its southern counterpart states, by 2004 this percentage had dropped to approximately the national average. Table 15 shows the details.

Table 15
Involuntary Part-time Work as a Share of Total Part-Time Employment for Florida, the U.S. the South, and the South Atlantic Division, 1995 – 2004

	1995	2000	2004	Percentage-point change	
				1995-2000	2000-04
United States	14.6%	10.8%	14.1%	-3.8	3.3
South	14.8%	11.5%	14.8%	-3.3	3.3
South Atlantic Division	14.5%	10.5%	13.8%	-4.0	3.3
Florida	16.2%	12.7%	14.2%	-3.5	1.5

Source: Economic Policy Institute analysis of Current Population Survey Data

This improvement is probably due to Florida's rapid rate of job growth, enabling many who were previously trapped in involuntary part-time work to find full-time employment.

Unemployment. Fortunately, Florida has a lower unemployment rate than does the nation. And it has been improving on this score relative to the country, the South, and the South Atlantic region since 2001. Table 16 shows trends from 1989 to 2004.

Table 16
Unemployment rates for Florida, the U.S., the South, and the South Atlantic Division, 1989-2004

	1989	1995	2001	2002	2003	2004
United States	5.3%	5.7%	4.7%	5.8%	6.0%	5.5%
South	5.7%	5.5%	4.7%	5.6%	5.8%	5.3%
South Atlantic Division	4.8%	5.2%	4.5%	5.3%	5.2%	4.8%
Florida	5.7%	5.6%	4.8%	5.5%	5.2%	4.6%

Source: Economic Policy Institute analysis of Current Population Survey data

As indicated earlier, by June 2005 Florida's unemployment rate had fallen to 3.9%, well below the national average. Florida's relative good fortune on the unemployment front in recent years is probably due to a combination of factors. It relies heavily on tourism-related and service industries that have recovered fully from the 9-11-01 setback, and is underrepresented in manufacturing, which has recovered least from the 2001 recession to the present. Many of the states with high unemployment rates have traditionally relied heavily on manufacturing for employment.

Long-term Unemployment. One important measure of the degree of stress caused by unemployment is the percentage of the unemployed who have been out of a job for a long period of time. Defining "long-term unemployment" as unemployment for longer than 26 weeks (half a year), the numbers indicate that the percentage of the unemployed who are long-term unemployed grew enormously between 2001 and 2004 in the United States. Florida exhibits the same trend, although not as severely. Table 17 shows the details.

Table 17
Long-term Unemployment as a Percentage of all Unemployment for Florida, the U.S., the South, and the South Atlantic Division, 2001-2004

					Percentage-point change
	2001	2002	2003	2004	2001-2004
United States	11.8%	18.3%	22.1%	21.8%	+10.0%
South	11.6%	17.7%	20.9%	19.8%	+8.2%
South Atlantic Division	11.6%	20.0%	22.2%	20.6%	+9.0%
Florida	10.8%	17.7%	19.2%	18.6%	+7.8%

Source: Economic Policy Institute analysis of Bureau of Labor Statistics data.

Florida looks relatively good concerning unemployment statistics. The state's comparatively good job creation performance is undoubtedly the reason.

SNAPSHOT SUMMARY OF PART-TIME WORK AND UNEMPLOYMENT IN FLORIDA:

- **A smaller percentage of Florida's jobs are part-time than in the U.S. Involuntary part-time work in the state also approximates the national average.**
- **Florida's unemployment rate is below the national average and is also below that of its southern geographic counterparts. The percentage of long term (6 months or longer) unemployed in the state is also lower than in the nation, again good news. However, the percentage grew by more than 70% between 2001 and 2004, a sign of stress for the more-difficult-to-employ.**

VI. Women, Blacks, and Hispanics in the Florida Workforce

The above statistics look at the Florida workforce as a whole. However, the Florida workforce is not monolithic, and some segments of it fare better or worse than others. This section of the report will briefly look at some differences within that workforce.

Women and the Florida Workforce. Women in Florida participate in the labor force less than do men. When they do work for pay, it is more likely to be part-time employment. However, when they do work part-time, this is less likely to be involuntary than it is for men. Women's unemployment rate is similar to men's, but they are less likely to be unemployed for long periods of time. In general, women fare worse than men in the job market, but in a couple of respects men do worse (long term unemployment and involuntary part-time status). Table 18 shows differences between men and women in Florida and which of those differences are "statistically significant", which means that we can predict with 95% certainty that the difference is not just the product of chance.

Table 18
Florida Labor Force Statistical Differences between Men and Women, 2004

	Gender		Difference*	Significant?
	Male	Female		
Labor force participation rate	69.6%	55.4%	-14.1	Yes
Unemployment rate	4.5%	4.7%	+0.2	No
Share of unemployment that is long term	22.3%	14.5%	-7.8	Yes
Underemployment rate**	7.8%	8.8%	+0.9	Yes
Share of workers who are part-time	15.6%	25.7%	10.2	Yes
Share of part-time workers who are part-time involuntarily	17.4%	12.1%	-5.3	Yes

*Due to rounding, difference may not exactly equal subtraction of Male from Female column

** The “underemployment rate” equals the unemployment rate + the percentage of workers doing part-time work involuntarily + the percentage who are marginally attached to the workforce. Marginally attached workers are individuals not in the labor force (i.e. neither employed nor unemployed) who want work and are available for work, and who have looked for work sometime in the last twelve months, but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey.

Source: Economic Policy Institute analysis of Current Population Survey data

Most of the differences in Table 18 parallel national differences. One difference is that nationally women have a significantly lower unemployment rate than men, whereas in Florida their unemployment rate is actually slightly higher. The same is true for their higher underemployment rate; nationally there is no difference between men and women on this measure. Their higher part-time work share and lower involuntary part-time work share (last row) parallel the national pattern.

The median wage for women in the state in 2004 was \$12.12 per hour, which was 83.6% of the median male state wage of \$14.49 per hour. This is slightly better than the national pattern, where women earn almost 82% of what men do. (Dollar wages in the state are lower for both men and women than they are nationally.) Table 19 shows details.

Table 19
Median Hourly Wage for Men and Women in Florida and the U.S., 2004

	Men	Women	All	Women/Men
United States	\$15.26	\$12.49	\$13.99	81.8%
Florida	\$14.49	\$12.12	\$13.10	83.6%

Source: Economic Policy Institute and author analysis of Current Population Survey data

African-Americans and the Florida Workforce. African-Americans fare much worse than whites on most measures. Table 20 shows the details.

Table 20
Florida Labor Force Statistical Differences between African-Americans and Whites, 2004

	Race / ethnicity		Difference*	Significant?
	White	African-American		
Labor force participation rate	60.5%	65.1%	+4.6	Yes
Unemployment rate	3.6%	8.8%	+5.1	Yes
Share of unemployment that is long term	18.2%	17.3%	-0.8	No
Underemployment rate**	6.4%	14.9%	+8.5	Yes
Share of workers who are part-time	21.2%	19.2%	-2.0	Yes
Share of part-time workers who are part-time involuntarily	9.6%	26.4%	+16.8	Yes

*Due to rounding, difference may not exactly equal subtraction of White from African-American column
** The “underemployment rate” equals the unemployment rate + the percentage of workers doing part-time work involuntarily + the percentage who are marginally attached to the workforce. Marginally attached workers are individuals not in the labor force (i.e. neither employed nor unemployed) who want work and are available for work, and who have looked for work sometime in the last twelve months, but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey.
Source: Economic Policy Institute analysis of Current Population Survey data

In Florida, African-Americans have a significantly higher labor force participation rate than do whites, contrary to the country as a whole where this pattern is reversed. Possibly this is because of the large number of white retirees who came to the state in much larger proportions than their African-American retiree counterparts, bringing down white labor force participation rates. The higher unemployment and underemployment rates for African-Americans in the state parallel the national experience. Unlike their national counterparts, Florida African-Americans do not have a significantly higher percentage of their unemployment spell turn out to be long term. Their lower percentage of part-time work and higher percentage of part-timers who are part-time involuntarily also parallel the national experience. African-Americans are significantly more likely to receive low wages than are non-Hispanic whites; our spring 2005 report on Florida’s low-wage workers found that over 31.5% of African-Americans earn less than \$8.23 per hour, while less than 16% of non-Hispanic whites do (*Working Poverty: Low Wage Workers in Florida, p. 10*).

Hispanics and the Florida Workforce. Hispanics also tend to fare worse than whites in the state on most measures. Table 21 shows the details.

Table 21
Florida Labor Force Statistical Differences between Hispanics and Whites, 2004

	Race / ethnicity		Difference*	Significant?
	White	Hispanic		
Labor force participation rate	60.5%	65.3%	4.8	Yes
Unemployment rate	3.6%	5.0%	1.3	Yes
Share of unemployment that is long term	18.2%	21.8%	3.7	No
Underemployment rate**	6.4%	9.7%	3.2	Yes
Share of workers who are part-time	21.2%	17.5%	-3.7	Yes
Share of part-time workers who are part-time involuntarily	9.6%	24.3%	14.7	Yes

*Due to rounding, difference may not exactly equal subtraction of Hispanic from White column

** The “underemployment rate” equals the unemployment rate + the percentage of workers doing part-time work involuntarily + the percentage who are marginally attached to the workforce. Marginally attached workers are individuals not in the labor force (i.e. neither employed nor unemployed) who want work and are available for work, and who have looked for work sometime in the last twelve months, but were not counted as unemployed because they had not searched for work in the four weeks preceding the survey.

Source: Economic Policy Institute analysis of Current Population Survey data

The differences in Table 21 parallel the national experience with one exception: nationally, Hispanics have a significantly lower percentage of unemployment spells that turn into long term unemployment, unlike in the state. Hispanics are significantly more likely to receive low wages than are non-Hispanic whites; our spring 2005 report on Florida’s low-wage workers found that almost 29% of Hispanics earn less than \$8.23 per hour, while less than 16% of non-Hispanic whites do (*Working Poverty: Low Wage Workers in Florida, p. 10*).

SNAPSHOT SUMMARY OF WOMEN, BLACKS, AND HISPANICS IN THE FLORIDA WORKFORCE:

- **Women in Florida participate less than men in the labor force and more likely work part-time. Their unemployment is less likely than men’s to be long term, and part-time status is more likely to be voluntary. The median hourly wage for women in Florida is about 83.5% of men’s.**
- **Florida’s African-American workers have much higher unemployment rates and more involuntary part-time work. African-American workers in the state are significantly more likely than whites to be low-wage.**
- **Hispanic workers in Florida have higher unemployment rates and much higher levels of involuntary part-time employment. Florida’s Hispanic workers are significantly more likely to be low-wage workers.**

VII. Median Household and 4-Person Family Income in Florida

Median Household Income. Median household income is the household income that divides the top half and the bottom half. In other words, half of households have an income above the median, and half have an income below. A household is all people who occupy a single housing unit.

Income is not the same as wages, because there are other kinds of income beside wages, including investment income, pension income, rental income, government support income, etc. The difference is especially pertinent in a state like Florida, which has a large number of retirees living off pensions, investment income, and savings. Nevertheless, household income is one important measure of well-being in the state.

There are now two databases that can be used to determine median household income for the state, the American Community Survey (ACS) and the Current Population Survey (CPS). They yield slightly different results, although the differences are not significant. For one year figures, the ACS database is preferable because it is a larger survey sample. Using ACS figures, **Florida ranked 36th in the nation in median household income (\$41,236 compared to the U.S. average of \$44,684) in 2004.** (Using a three year moving average to obtain statistically reliable wage figures from the smaller CPS sample, one gets exactly the same ranking – 36th in the nation.) Because the ACS has not been conducted for many years, we cannot use it to compare the state’s performance to its past performance. But using CPS data, which has been collected for years, we can see that Florida’s recent income figures as a percentage of the U.S. median income are right in line with historic proportions between the two. Table 22 shows comparisons for the years 1989 through 2004. **All wage data are converted into 2004 dollars, to ensure comparability and a sense of current purchasing power across the different years.**

Table 22
Median Household Income in Florida and the U.S., 1989-2004 (in 2004 dollars)

	1989	1995	2000	2002-2004
United States	\$42,524	\$41,943	\$46,058	\$44,473
Florida	\$38,374 (90.2% of U.S.)	\$36,612 (87.3% of U.S.)	\$42,620 (92.5% of U.S.)	\$40,171 (90.3% of U.S.)

Source: 1989 through 2000 figures come from the U.S. Census Bureau website: <http://www.census.gov/hhes/income/histinc/h08.html> . Figures for 2002-2004 are from the website: <http://www.census.gov/prod/2005pubs/p60-229.pdf>.

Median Income for a 4-Person Family. The four-person family median income is yet another measure of well-being. A four-person family is defined as four people living together who are related by birth, marriage, or adoption.

In 2004 Florida ranked 28th of the 50 states in the nation on this measure, using the ACS survey (\$59,798). This cannot be compared to the historical performance compared to the country as a whole because the ACS has only been conducted for a few years. However, using the CPS data (which is only available through 2003 at the time of this writing) the state’s four-person family median income in that year was 90.0% of the

national statistic on this measure, again roughly in line with historic proportions. Table 23 shows the comparison for the years 1989 through 2003 (**Figures are converted into 2004 dollars**, not the actual dollars as of the year wages were received. This is to show trends in “real” purchasing power over time).

Table 23

Median Income for 4-Person families in FL and the U.S., 1989-2003 (in 2004 dollars)

	1989	1995	2000	2003
United States	\$62,098	\$61,587	\$68,263	\$64,826
Florida	\$56,973 (91.7% of U.S.)	\$55,314 (89.8% of U.S.)	\$60,719 (88.9% of U.S.)	\$50,166 (90.0% of U.S.)

Source: Author's computations from the U.S. Census Bureau website:
<http://www.census.gov/hhes/income/4person.html>.

SNAPSHOT SUMMARY OF MEDIAN HOUSEHOLD INCOME AND MEDIAN 4-PERSON FAMILY INCOME IN FLORIDA:

- **Florida ranked 36th of the 50 states in the nation in median household income in 2004, similar to the rank it has held for many years. It is a relatively low-income state, but not extremely low.**
- **Florida ranked 28th of the 50 states in the nation in median income for a four-person family in 2004. It is a slightly below average on this measure, although not by much.**

VIII. Poverty in Florida

The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is below the poverty line. The thresholds used are way too low if one equates being out of poverty with not needing government assistance or some form of charity assistance to survive. Most measures of "self-sufficiency" indicate that the poverty line should be set almost double what it is, if absence of poverty means the ability to survive on one's own income without some form of assistance. Nevertheless, the official poverty thresholds are widely used, and we will use them in the following table. But the reader should be aware that real poverty – meaning inability to support oneself or a family – is much higher than indicated by the following figures.

We now have two measures of Florida’s poverty rate, the American Community Survey (ACS) and the Current Population Survey (CPS). Both show that the state has improved on this measure in the recent past. Historically, Florida has had a poverty rate higher than the U.S. average. Now, according to both surveys, its poverty rate is lower than the U.S. poverty rate, although it ranks very close to the middle of the 50 states. If the state with the lowest poverty is ranked #1 and the state with the highest poverty #50, in 2004 Florida tied for 26th – 27th -- 28th best among the states according to the CPS survey (11.6% in poverty), and 25th best according to the ACS survey (12.2% in poverty). But

both surveys show the state with a poverty rate around 1% lower than the national average. This is a very welcome development compared to the past. Child poverty statistics show a similar pattern: Florida's 17.0% (CPS) or 17.2% (ACS) child poverty rate is a little less than 1% below the national rate, and the state ranks 26th (CPS) or 27th (ACS) on this measure. Table 24 shows the details.

**Table 24
Comparative Poverty Statistics: Florida and the U.S., 2004**

	% Below Poverty Threshold (CPS)	% Below Poverty Threshold (ACS)	% Children Below Poverty Threshold (CPS)	% Children Below Poverty Threshold (ACS)
United States	12.7%	13.1%	17.8%	18.1%
Florida	11.6% (26 th -28 th best of 50 States)	12.2% (25 th best of 50 States)	17.0% (26 th best of 50 States)	17.3% (27 th best of 50 states)

Source: Author's computations from U.S. Census Bureau web site, various tables.

The differences between these two surveys should make us cautious about putting too much emphasis on a particular percentage for the state. Furthermore, the margin of error for the state percentages is “plus or minus .6%” (CPS) and “plus or minus .5%” (ACS), which means that the state's ranking relative to other states could change a great deal because of sampling error. Nevertheless, the rough consistency between the two surveys can give us at least some confidence that the state has both a poverty and child poverty rate below the national average, as well as a state ranking very near the middle of the pack. This is very encouraging news for a state that has historically shown slightly higher than average poverty in the country. Further evidence that the state is probably heading in the right direction comes from the fact that a 3-year average of 2002-2004 poverty figures from the CPS survey rank the state 32nd best, while the more recent 2-year average 2003-2004 ranks the state 31st best, and both surveys for the lone year 2004 rank the state either 25th or in a tie for 26th – 28th best. The closer one gets to the present, the better the ranking.

SNAPSHOT SUMMARY OF FLORIDA POVERTY:

- **In 2004, Florida's poverty rate was lower than the national rate, an improvement over previous years. The state ranked close to the middle of the 50 states on this measure.**
- **Florida's child poverty rate was also slightly below the national rate and it ranked in the middle of the 50 states on this measure as well.**

IX. Healthcare Coverage in Florida

Healthcare coverage is one of the most important aspects of public welfare. On this measure, Florida fares very badly. In 2004 almost 20% of its residents lacked any form of health insurance, ranking the state in a tie for 47th – 48th in the percentage of its residents having health insurance coverage. And the percentages have been getting worse in the past three years. Table 25 shows the percentages of the U.S. and Florida populations without healthcare coverage over the three year period 2002-2004, the two year period 2003-2004, and the one year period 2004. State figures continue to worsen compared to the national ones.

Table 25
Percentage without Healthcare Coverage in the U.S. and Florida, Various Years

	% Without Healthcare Coverage (2002-2004)	% Without Healthcare Coverage (2003-2004)	% Without Health Coverage (2004)
United States	15.5 % (+/- .1%)	15.7 % (+/- .1%)	15.7% (+/- .1%)
Florida	18.5% (+/- .6%) (46th highest of 50 states in % coverage)	19.0% (+/- .7%) (47th highest of 50 states in % coverage)	19.9% (+/- .5%) (47th - 48th highest of 50 states in coverage)

Source: Author's computations from U.S. Census Bureau web site. For final column (2004), http://pubdb3.census.gov/macro/032005/health/h06_000.htm. For the two middle columns (2002-2004 and 2003-2004), <http://www.census.gov/prod/2005pubs/p60-229.pdf>.

SNAPSHOT SUMMARY OF FLORIDA HEALTHCARE COVERAGE:

- **Almost 20% of Florida's residents had no healthcare coverage in 2004, tying the state at 47th -48th of the 50 states in health care coverage.**
- **The state's standing compared to the national average has been deteriorating in the past three years.**

X. Pension Coverage in the State of Florida

Pension coverage is a basic measure of the economic welfare of working people. Those without a pension face an old age in poverty because in most cases the social security system is inadequate to provide for an existence above the poverty line. Our measure of pension coverage in the following table will include only private wage-and-salary workers in the state of Florida aged 18-64 who worked at least 20 hours per week and 26 weeks per year. It is taken from the March Current Population Survey sample. Coverage is defined as being included in an employer-provided plan where the employer paid for at least some of the coverage.

On this measure, Florida had the second lowest rate of private sector pension coverage of any state in the U.S. Table 26 shows the percentage of pension coverage for the 2001-2003 period (the latest period for which figures are available) for the state as well as for its geographic comparison areas and the nation as a whole.

Table 26
Private Sector Pension Coverage in Florida, the U.S., the South, and the South Atlantic Division, 2001-2003 Period

	United States	South	South Atlantic	Florida
Pension Coverage	46.2%	43.5%	43.7%	37.5% (49th worst of the 50 States)

Source: Economic Policy Institute analysis of March Current Population Survey samples.

Looking back over history, Florida's low rate of pension coverage for workers employed in the state is nothing new. In the 1989-1991 period, it ranked 49th of the 50 states. Florida's reliance on low-paying service sector jobs is likely the reason for the extremely low level of pension coverage, combined with its low unionization rate and relative absence of manufacturing.

SNAPSHOT SUMMARY OF PENSION COVERAGE IN FLORIDA:

- **Florida has the second lowest rate of private sector pension coverage in the nation.**
- **The problem is longstanding. It probably results from the state's reliance on low wage service sector jobs and its low unionization rate.**

XI. Unemployment Compensation Coverage in Florida

Another important measure of how well a state treats its workers is how it treats its unemployed. Florida's unemployment compensation law is written quite restrictively, preventing most unemployed from being eligible to collect benefits. In the calendar year 2004 only 27.9% of Florida's unemployed received benefits, well below the U.S. average of 36.2% that year. The state ranked in a tie for 40th -41st of the 50 states in its generosity to unemployed workers on this measure (U.S. Dept. of Labor Statistics).

Once a worker does qualify, Florida ranked 38th of the 50 states in the size of the unemployment benefit given in January 2004. In that month, its average unemployment benefit was \$219.10/week, well below the \$267.11 U.S. average (Web site: http://atlas.doleta.gov/unemploy/teuc/sum_2004/html/sum0104.html). Yet, Florida's unemployed need these benefits more than they do in most other states; almost half of them (49.4%) drew benefits for all 26 weeks until their benefits were exhausted in the year 2004. This is the highest of any of the 50 states (U.S. Dept. of Labor statistics).

SNAPSHOT SUMMARY OF UNEMPLOYMENT COVERAGE IN FLORIDA:

- **Florida's restrictive unemployment compensation law meant that in 2004 only 27.9% of the unemployed collected benefits. This tied the state at 40th – 41st of the 50 states on this measure.**
- **Florida's maximum unemployment benefit is below the U.S. average. In January 2004, the state ranked 38th of the 50 states on this measure.**
- **Yet Florida's unemployment insurance recipients depend on these benefits longer than in other states: almost half exhaust their benefits by using them for the full 26 weeks, the highest of any state in the nation.**

XII. Disability Policy in Florida

Temporary Total Disability. Florida's maximum weekly benefit for temporary disability is very close to the average for all states: \$608, placing the state 22nd in the nation on this measure. However, its law is inferior to the laws of most states in two respects.

First, it limits benefits to a total of 104 weeks, which is more restrictive than 46 of the 50 states. Only one state has a shorter maximum period, and three have either the same one, or different restrictions that could be considered either worse or better for the employee, depending on circumstances.

Second, Florida subtracts any income from social security or unemployment insurance benefits from the workers compensation payment, lowering payments. Only 14 states have any such "offset," and all but two of these have less extensive offsets than Florida. (Web site: <http://www.dol.gov/esa/regs/statutes/owcp/stwclaw/tables-html/table-6.htm>).

Permanent Total Disability. Florida's maximum weekly benefit for total disability is the same as for temporary disability, very close to the average for all states: \$608 (22nd of the 50 states). But it also reduces benefits by social security and unemployment insurance "offsets", unlike most states.

(Website: <http://www.dol.gov/esa/regs/statutes/owcp/stwclaw/tables-html/table-7.htm>).

SNAPSHOT SUMMARY OF DISABILITY POLICY IN FLORIDA:

- **Florida's maximum weekly benefit for temporary and permanent total disability is about average for the U.S.**
- **But its restrictions on the length of the benefit are among the most severe in the nation. Likewise, the subtraction of social security or unemployment insurance benefits from disability benefits is a more severe restriction of benefits than in all but two other states.**

XIII. Other Statutory Protections of Workers

Statutory Protections of Workers. Various other state protections of workers and their rights exist in a number of states. Subjects include anti-discrimination, drug testing, family leave, anti-AIDS discrimination, sexual harassment, time off to vote, pay for overtime, equal pay, maximum hours, right-to-know, whistle blower protection, and anti-smoking exposure. While a measure of such laws is difficult to quantify, the small number of such laws that actually protect workers in Florida shows that here again the state is lagging behind national norms

SNAPSHOT SUMMARY OF STATUTORY PROTECTIONS OF WORKERS IN FLORIDA:

- **Florida has few statutory protections of workers' rights (anti-discrimination, right-to-know, equal pay, whistle blower protection, etc.), in comparison to other states.**

XIV. Unionization in Florida

Unions are perhaps the primary mechanism for U.S. workers to raise their living and working standards. On average, union members earn between 20-30% more than non-union workers. They also exert greater influence over their working conditions, and they have contractual guarantees against arbitrary or discriminatory treatment. Therefore the condition of unions within a state is another indicator of worker well-being. In this regard, states can be measured in two ways: the size and strength of unions, and public policies toward unions that either encourage or inhibit their existence. On both fronts, Florida fares comparatively poorly.

For all Florida workers, the unionization rate in the year 2004 was 6.0% of employed wage and salary workers, less than half of the U.S. rate of 12.5%. This ranks Florida in a tie for 41st – 42nd of the 50 states. In all private sector categories, the state ranks somewhere in the 40s of the 50 states in unionized percentages. Public sector unionization rates are much higher in Florida, which is tied for 29th – 30th in this category. Table 27 shows details.

Table 27
Unionization rates in Florida and the U.S., various categories of workers, 2004

	All Workers -- % Union	Private Sector Workers -- % Union	Private Manufacturing Workers -- % Union	Private Construction Workers - % Union	Public Sector Workers -- % Union
United States	12.5%	7.9%	12.9%	14.7%	36.4%
Florida	6.0% (41 st -42 nd in nation)	2.8% (47 th in nation)	2.2% (48 th in nation)	3.0% (46 th in nation)	23.7% (29 th – 30 th in nation)

Source: Web site: www.unionstats.com

Florida's unionization rate has been slowly falling for quite some time. From 1989 to 2004, the unionization rate (union density) fell almost 17% from 7.2% to 6.0%. Table 28 shows the changing rates for different sectors of the workforce from 1989 through 2004.

Table 28
Florida unionization rates in various categories, 1989-2004

	1989	1995	2000	2001	2002	2003	2004
All Workers	7.2%	7.3%	6.8%	6.6%	5.8%	6.1%	6.0%
Private Sector Workers	3.6%	3.5%	3.3%	3.5%	2.8%	3.3%	2.8%
Private Manufacturing Workers	5.5%	5.8%	4.3%	3.7%	3.2%	2.9%	2.2%
Private Construction Workers	4.8%	4.2%	4.7%	4.3%	3.4%	4.4%	3.0%
Public Sector Workers	26.4%	26.9%	28.5%	26.6%	24.6%	22.5%	23.7%

Source: Web site: www.unionstats.com

The 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 2004 was 7.7% even though union membership was only 6.0%. Unions are hurt financially and are unable to represent members (and non-members) as effectively when over 28% of those they represent do not pay their dues, as is the case in Florida.

SNAPSHOT SUMMARY OF UNIONIZATION IN FLORIDA:

- **The unionization rate in Florida in 2004 was less than half that of the nation as a whole (6.0% vs. 12.5%).**
- **The same is true to a more extreme degree for Florida private sector workers. Unionization in the public sector is much higher; the state was tied for 29th – 30th of the 50 states on this measure.**
- **The state's unionization rates have been falling slowly for over a decade.**
- **Florida's state government policies are not friendly to unions. It has a constitutional "right-to-work" provision that allows union-represented workers to not pay their union dues.**

XV. TAXES IN FLORIDA

Florida has historically been considered a "low tax" state, but this was misleading. The "tax burden" is the percentage of residents' incomes that they must pay in taxes. The overall tax burden placed on Florida's citizens in 2005 is very average – about 28.6% compared to the national average or 29.1. Florida's overall tax burden places it 19th highest of the 50 states. But the tax collections (and hence revenues) of the state are very low – 44th of the 50 states. How this can be will be explained below, but first Table 29 shows the discrepancy.

Table 29
Total State and Local Tax Burden and Tax Collections (Percentages of Incomes and State Ranking) for Florida and the U.S. (Average), 2005

	Total Tax Burden (% of Incomes)	Tax Collections (% of Incomes)	State Rank in Tax Burden	State Rank in Tax Collections
United States Average	29.1%	10.1%	NA	NA
Florida	28.6%	9.2%	19th	44th

Source: Web site: <http://www.taxfoundation.org/files/b01472244d5269031122366b459e06ce.pdf> .

Up until recently Florida's tax structure has brought its citizens the worst of both worlds: the tax burden imposed on its citizens was essentially the same as throughout the country, and the revenue it collected was so low that it was in a perpetual budget squeeze and it was unable to adequately fund many programs needed in the state.

How can this be? Florida's tax structure is skewed toward taxes that were not deductible on one's federal tax return (sales taxes), and the state refused to institute a tax that would be deductible (a broad-based state income tax). Therefore the "low" taxes paid to state and local governments simply meant that a larger proportion of taxes collected under a very average overall tax burden went to the federal government. Citizens did not enjoy an overall low tax burden, but they did suffer from inadequately funded state and local governments.

In 2004 the federal tax law was changed so that state and local sales taxes were deductible on federal tax returns. This should have lowered the total tax burden on the state's citizens, although the rankings shown in Table 29 (which are calculations from the Tax Foundation based on figures from the U.S. Bureau of Economic Analysis) don't show any appreciable changes from previous years. Whether this is due to a "time lag" in analysis of data or for some other reason is not clear.

In any case, for middle income and low income working families, Florida has actually been a high tax state. This is because Florida slants its taxes in a regressive direction: the less you earn the higher proportion of your earnings you pay in taxes. Both middle income and lower income workers thus paid higher taxes than their "average" counterpart elsewhere in the country. To show how badly Florida has been out

of line with both the country and its regional counterparts, Table 30 shows the average national tax burden on different income groups, as well as for Florida and all states in the South in the year 2002.

Table 30
State and Local Taxes as a Share of Total Family Income by Income Group for Florida, the U.S, the South, and the South Atlantic Division, 2002

	Lowest 20%	Middle 20%	Top 1%	Percentage-point difference	
				Top 1%-Lowest 20%	Top 1%-Middle 20%
UNITED STATES	11.4%	9.6%	5.2%	-6.2	-4.4
SOUTH					
South Atlantic					
Delaware	4.7%	5.2%	4.8%	0.1	-0.4
Maryland	9.4%	8.8%	5.1%	-4.3	-3.7
Virginia	9.0%	8.1%	4.8%	-4.2	-3.3
West Virginia	9.3%	9.7%	6.5%	-2.8	-3.2
North Carolina	10.6%	10.0%	6.1%	-4.5	-3.9
South Carolina	7.9%	8.8%	5.5%	-2.4	-3.3
Georgia	11.9%	10.3%	5.4%	-6.5	-4.9
Florida	14.4%	9.8%	2.7%	-11.7	-7.1
East South Central					
Kentucky	9.8%	10.1%	5.6%	-4.2	-4.5
Tennessee	11.7%	8.7%	3.0%	-8.7	-5.7
Alabama	10.6%	9.6%	3.8%	-6.8	-5.8
Mississippi	10.0%	9.7%	5.3%	-4.7	-4.4
West South Central					
Arkansas	10.7%	10.5%	5.8%	-4.9	-4.7
Louisiana	11.5%	9.5%	4.9%	-6.6	-4.6
Oklahoma	12.0%	11.1%	5.7%	-6.3	-5.4
Texas	11.4%	8.2%	3.2%	-8.2	-5.0

Source: McIntyre, et. al., *Who Pays: A Distributional Analysis of the Tax Systems in all 50 States*. Institute on Taxation and Economic Policy, January 2003.

Table 30 reveals that **Florida placed the highest tax burden on the poorest 20% of its residents of any state in the South – well above any other state, and well above the national average. Its tax burden on the middle 20% income earners was sixth highest of the 16 states in the South, and was higher than the national average. But it placed the absolute lowest tax burden on its richest 1% -- well above any other Southern state and almost 50% below the national average.**

The extremely regressive nature of the Florida tax system – the poorer you are, the higher your effective tax rate – has made Florida a **high** tax state for both its middle income and low income residents, especially its low income residents.

SNAPSHOT SUMMARY OF FLORIDA'S TAX SYSTEM:

- **The total tax burden on Florida's residents in 2005 is about the U.S. average (19th highest of the 50 states). It does, however, collect a very low amount of revenue through taxes (44th highest of the 50 states).**
- **This is because most Florida resident's taxes go to the Federal government, not the state. An average tax burden results in low state revenues, harming Florida's funding for education, transportation, etc.**
- **Middle- and low-income Florida residents face high taxes because of the state's extremely regressive tax structure placing a heavier burden the lower one's income. Wealthy residents face low taxes due to the regressive tax structure.**

XVI. Florida's Metropolitan Areas: How They Compare

Florida has 20 major metropolitan areas. It is worthwhile to examine them to see how they compare to the state as a whole and to each other. This report will briefly compare the metropolitan areas in the following ways: (1) by average wage; (2) by percentage growth in the average wage in the past two years; and (3) by percentage growth in jobs in the past two years. Following that, we will examine the industrial shift in jobs in the recent past in each metropolitan area.

Metropolitan Areas Ranked by Average Wage. Table 31 lists Florida's metropolitan areas according to average (mean) wage in 2004, and gives each one's ranking relative to the others (1 through 20).

Table 31
Average Wage in Each of Florida's Metropolitan Statistical Areas, 2004; and
Ranking Relative to Others

AREA	Average Wage, 2004	Ranking	% of Florida
Florida	\$35,110	N/A	N/A
Daytona Beach	\$29,480	19	84%
Ft. Lauderdale	\$37,858	3	107.8%
Ft. Myers – Cape Coral	\$33,937	9	96.7%
Ft. Pierce – Port St. Lucie	\$31,645	12	90.1%
Ft. Walton Beach	\$31,179	13	88.8%
Gainesville	\$30,130	17	85.8%
Jacksonville	\$36,941	5	105.2%
Lakeland – Winter Haven	\$31,163	14	88.8%
Melbourne – Titusville – Palm Bay	\$37,004	4	105.4%
Miami	\$38,758	2	110.4%
Naples	\$34,874	8	99.3%
Ocala	\$29,001	20	82.6%
Orlando	\$35,040	7	99.8%
Panama City	\$30,273	16	86.2%
Pensacola	\$30,355	15	86.5%
Punta Gorda	\$29,999	18	85.4%
Sarasota – Bradenton	\$32,108	11	91.4%
Tallahassee	\$32,938	10	93.8%
Tampa – St. Petersburg – Clearwater	\$35,316	6	100.6%
West Palm Beach – Boca Raton	\$38,806	1	110.5%

Source: Quarterly Census of Employment and Wages (QCEW), Annual NAICS files.

The West Palm Beach – Boca Raton area has the highest average wage in the state, and Ocala has the lowest. For ease of reading, those areas that have a higher wage than the state's average are highlighted in **bold** in the three right columns in the table above. It should be noted that the figures in Table 31 are "averages" that say nothing about the distribution of wages. Therefore they do not necessarily tell us what the "typical" wage earner would make. For example, Miami ranks #2 with the second highest "average" wage – yet both the city of Miami and its greater metropolitan area (Miami-Dade County) have poverty rates that are extremely high by comparative national standards. The median wage (the wage above which half earn and below which half earn) would be a better indicator of the wage of the typical wage earner. But the averages given above do tell us how much wealth is being given out in wages, even if it does not tell us the distribution of that wealth.

Percentage Growth in the Average Wage in the Past Two Years. It is also useful to compare how rapidly wages have been growing in the various metropolitan areas in the past few years. Table 32 compares the metropolitan areas according to how fast the average wage grew in the 2002-2004 period.

Table 32
Average Wage, Percent Growth, and Wage Growth Rankings for Florida and Florida Metropolitan Statistical Areas, 2002-2004 (all industries)

Area	Average Annual Wage 2002	Average Annual Wage 2004	Percent Growth 2002-2004	Ranking in Percent Growth
Florida	\$32,428	\$35,110	8.3%	N/A
Daytona Beach	\$26,898	\$29,480	9.6%	8
Fort Lauderdale	\$34,455	\$37,858	9.9%	7
Fort Myers - Cape Coral	\$30,335	\$33,937	11.9%	3
Ft. Pierce - Port St. Lucie	\$29,165	\$31,645	8.5%	14
Fort Walton Beach	\$27,237	\$31,179	14.5%	2
Gainesville	\$27,686	\$30,130	8.8%	12
Jacksonville	\$33,740	\$36,941	9.5%	9
Lakeland - Winter Haven	\$29,517	\$31,163	5.6%	20
Melbourne- Titusville-Palm Bay	\$33,914	\$37,004	9.1%	10
Miami	\$35,737	\$38,758	8.5%	15
Naples	\$31,514	\$34,874	10.7%	5
Ocala	\$26,635	\$29,001	8.9%	11
Orlando	\$32,462	\$35,040	7.9%	16
Panama City	\$27,432	\$30,273	10.4%	6
Pensacola	\$28,184	\$30,355	7.7%	17
Punta Gorda	\$26,073	\$29,999	15.1%	1
Sarasota - Bradenton	\$28,963	\$32,108	10.9%	4
Tallahassee	\$30,909	\$32,938	6.6%	18
Tampa - St Petersburg - Clearwater	\$32,478	\$35,316	8.7%	13
West Palm Beach - Boca Raton	\$36,548	\$38,806	6.2%	19

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) annual NAICS files

Fifteen of the state's 20 metropolitan areas outperformed the state in average annual per-job wage growth in 2002-2004, with Punta Gorda leading the pack and Lakeland – Winter Haven coming in last. For ease of reading, all those areas that outperformed the state are **bolded** in the two right columns of the table above.

Percentage Growth in Jobs in the Past Two Years. Recent job growth would be another way to compare Florida's metropolitan areas. Table 33 compares and ranks them for 2002-2004.

Table 33
Number of Jobs, Percent Growth, and Job Growth Rankings for Florida and
Florida Metropolitan Statistical Areas, 2002-2004 (all industries)

Area	Average Monthly Number of Jobs 2002	Average Monthly Number of Jobs 2004	Percent Growth 2002-2004	Ranking in Percent Growth
Florida	7,163,458	7,469,629	4.3%	N/A
Daytona Beach	159,685	170,694	6.9%	5
Fort Lauderdale	673,373	693,167	2.9%	13
Fort Myers - Cape Coral	176,726	197,185	11.6%	1
Ft. Pierce - Port St. Lucie	107,088	116,607	8.9%	4
Fort Walton Beach	77,343	79,092	2.3%	17
Gainesville	119,987	123,651	3.1%	12
Jacksonville	523,788	538,834	2.9%	14
Lakeland - Winter Haven	187,030	190,366	1.8%	18
Melbourne- Titusville-Palm Bay	183,467	194,324	5.9%	7
Miami	979,388	982,818	0.4%	19
Naples	114,497	121,148	5.8%	8
Ocala	83,334	91,187	9.4%	2
Orlando	861,715	917,500	6.5%	6
Panama City	61,982	67,566	9.0%	3
Pensacola	146,203	153,762	5.2%	9
Punta Gorda	42,053	38,297	-8.9%	20
Sarasota - Bradenton	264,041	274,165	3.8%	10
Tallahassee	155,307	158,983	2.4%	16
Tampa - St Petersburg – Clearwater	1,137,216	1,164,507	2.4%	15
West Palm Beach - Boca Raton	503,574	520,705	3.4%	11

Source: Analysis of Quarterly Census of Employment & Wages (QCEW) annual NAICS files

Nine of the state's 20 metropolitan areas outperformed the state in rate of job growth during 2002-2004, led by Ft. Myers – Cape Coral. Punta Gorda performed the worst, followed by Miami. Again, for ease of reading, those areas outperforming the state average are **bolded** in the final two columns.

Combining elements of Tables 31, 32, and 33, we can easily piece together a picture of how each metropolitan region is faring. Table 34 shows how each metropolitan area ranks in wages, recent wage growth, and recent job growth.

Table 34
Rankings of Florida's 20 Metropolitan Areas in 2004 Average Wage, Average Wage Percentage Growth 2002-2004; and Job Growth 2002-2004

Area	Ranking in Average Wage, 2004	Ranking in % Avg. Wage Growth, 2002-2004	Ranking in % Job Growth, 2002-2004
Florida	N/A	N/A	N/A
Daytona Beach	19	8	5
Fort Lauderdale	3	7	13
Fort Myers - Cape Coral	9	3	1
Ft. Pierce - Port St. Lucie	12	14	4
Fort Walton Beach	13	2	17
Gainesville	17	12	12
Jacksonville	5	9	14
Lakeland - Winter Haven	14	20	18
Melbourne- Titusville-Palm Bay	4	10	7
Miami	2	15	19
Naples	8	5	8
Ocala	20	11	2
Orlando	7	16	6
Panama City	16	6	3
Pensacola	15	17	9
Punta Gorda	18	1	20
Sarasota - Bradenton	11	4	10
Tallahassee	10	18	16
Tampa - St Petersburg – Clearwater	6	13	15
West Palm Beach - Boca Raton	1	19	11

Source: Tables 31, 32, and 33, this report

In Table 34, once again the numbers that show better performance than the state average are **bolded**. Only one metropolitan area, Melbourne-Titusville-Palm Bay, outperformed the state in all areas. It had the 7th fastest job growth 2002-2004, the 10th fastest average wage growth, and by 2004 had the 4th highest average wage of the 20 metropolitan areas in the state. Lakeland-Winter Haven and Tallahassee were the two consistently worst performers in the state – both had slower than average growth of jobs and average wages, and both also have average wages below the state average.

Other metropolitan areas show more mixed results. Some, like Pensacola and Orlando, show better than average job growth, but sub-par average wage growth and below average wages. Others, like Miami and Tampa-St. Petersburg-Clearwater have above average wages and wage growth, but exhibit less rapid growth in jobs. Yet others, like Daytona Beach, Panama City, and Ocala have been growing both jobs and wages rapidly in the recent period, but still have wages considerably below the state average. The West Palm Beach-Boca Raton area still has the highest average wage in the state, but it has

been performing below the state standard in both wage growth and job creation in the past two years. The reader can easily see the wage and job performance of each metropolitan area of the state from Table 34.

Comparative Success in Creating Jobs in High-Wage Industries. Another interesting question is how the various metropolitan areas are shifting jobs between high- and low-paying industries compared to each other and compared to the state. Are some metropolitan areas successfully moving more of their employment into high-paying industries than the state? Conversely, are some moving even more of their jobs into low-paying industries than is the state? How do the metropolitan areas compare in the quest to shift to high-paying industries?

To answer this question, those industries that paid in 2004 an average wage more than 10% above the state's average annual wage (i.e., above \$38,621 per year) were selected and labeled "high-paying industries." Those that paid in 2004 on average less than the rate that was 10% below the state's average annual wage (i.e., below \$31,599 per year) were selected and labeled "low-paying industries."

Then, we looked at how fast each metropolitan area created jobs in both the high-paying and low-paying industries. These rates were compared to the corresponding rates at the state level. Table 35 shows results.

Table 35
Percent Growth in Number of Jobs for High and Low Paying Industries for
Florida and Florida Metropolitan Statistical Areas, 2002-2004

Area	Percent Growth in High Wage* Industries	Percent Growth in Low Wage** Industries	Percent Surplus or Deficit from State for High Wage Industries	Percent Surplus or Deficit from State for Low Wage Industries
Florida	0.7%	4.5%	N/A	N/A
Daytona Beach	2.6%	6.0%	1.9%	1.5%
Fort Lauderdale	3.0%	-0.8%	2.3%	-5.3%
Fort Myers - Cape Coral	6.5%	12.4%	5.8%	7.9%
Ft. Pierce - Port St. Lucie	9.1%	3.1%	8.4%	-1.4%
Fort Walton Beach	12.5%	-3.0%	11.7%	-7.5%
Gainesville	-0.9%	1.3%	-1.7%	-3.2%
Jacksonville	0.6%	1.8%	-0.1%	-2.7%
Lakeland - Winter Haven	1.1%	-0.8%	0.4%	-5.3%
Melbourne- Titusville-Palm Bay	3.8%	6.4%	3.1%	1.9%
Miami	-3.0%	3.4%	-3.7%	-1.1%
Naples	4.8%	4.6%	4.1%	0.1%
Ocala	6.4%	6.2%	5.6%	1.7%
Orlando	3.5%	7.0%	2.8%	2.4%
Panama City	14.7%	3.2%	14.0%	-1.3%
Pensacola	1.9%	7.5%	1.1%	3.0%
Punta Gorda	12.0%	2.6%	11.2%	-1.9%
Sarasota - Bradenton	0.4%	1.9%	-0.3%	-2.6%
Tallahassee	-0.1%	3.6%	-0.8%	-0.9%
Tampa - St Petersburg – Clearwater	-1.3%	3.1%	-2.1%	-1.4%
West Palm Beach - Boca Raton	-0.2%	4.2%	-0.9%	-0.3%

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

*High Wage refers to more than 10% above the 2004 average annual wage for all industries (\$38,621).

Those industries are (in ascending wage order): Transportation and Warehousing (\$40,225); Manufacturing (\$42,454); Public Administration (\$43,034); Mining (\$46,885); Financial Activities (\$49,487); Wholesale Trade (\$50,366); Information (\$50,760); Professional, Scientific and Technical Services (\$53,089); Finance and Insurance (\$56,104); Utilities (\$63,818); and Management of Companies and Enterprises (\$71,269).

**Low Wage refers to less than the wage that is 10% below the 2004 average annual wage for all industries (\$31,599). Those industries are (in ascending wage order): Accommodation and Food Services (\$15,936); Leisure and Hospitality (\$18,485); Agriculture, Forestry, Fishing and Hunting (\$20,573); Natural Resources and Mining (\$21,930); Other Services (except public administration) (\$24,718); Retail Trade (\$24,813); Administration & Support & Waste Management and Remediation Service (\$25,715); Art, Entertainment, and Recreation (\$28,826); and Unclassified (\$29,027).

Note: data are confidential in some industries for particular metropolitan areas.

Metropolitan areas that did better than the state in job creation in high-wage industries are **bolded** in the fourth column. Panama City, Ft. Walton Beach, and Punta Gorda all

outperformed the state on this measure by double digit surplus percentages. Miami performed the worst, followed by Tampa-St. Petersburg-Clearwater and Gainesville. Although 13 metropolitan areas outperformed the state in creating jobs in high-paying industries, **only eight created more jobs in high-paying than in low-paying industries.**

Perhaps jobs being created in a high-paying or low-paying industry at a particular metropolitan area are not the average jobs for that particular industry – they may pay better or worse. To check this possibility, we looked at the percentage of **wage** (not job) growth in high-paying and low-paying industries in each metropolitan area. The results are shown in Table 36.

Table 36
Percent Growth in Total Annual Wages in High and Low Paying Industries for Florida and Florida Metropolitan Statistical Areas, 2002-2004

Area	Percent Growth in High Wage* Industries	Percent Growth in Low Wage** Industries	Percent Surplus or Deficit from State for High Wage Industries	Percent Surplus or Deficit from State for Low Wage Industries
Florida	10.4%	12.0%	N/A	N/A
Daytona Beach	14.0%	14.5%	3.6%	2.5%
Fort Lauderdale	14.0%	6.0%	3.5%	-6.1%
Fort Myers - Cape Coral	19.8%	27.5%	9.4%	15.5%
Ft. Pierce - Port St. Lucie	14.2%	13.6%	3.7%	1.6%
Fort Walton Beach	25.5%	7.9%	15.0%	-4.2%
Gainesville	9.5%	6.5%	-0.9%	-5.5%
Jacksonville	9.8%	10.8%	-0.6%	-1.2%
Lakeland - Winter Haven	9.6%	5.5%	-0.8%	-6.5%
Melbourne- Titusville-Palm Bay	13.8%	15.4%	3.4%	3.3%
Miami	6.5%	10.3%	-3.9%	-1.7%
Naples	18.4%	15.8%	7.9%	3.8%
Ocala	16.0%	15.8%	5.6%	3.7%
Orlando	12.2%	13.7%	1.8%	1.7%
Panama City	25.4%	12.5%	15.0%	0.5%
Pensacola	9.9%	15.9%	-0.6%	3.9%
Punta Gorda	21.6%	19.1%	11.2%	7.1%
Sarasota – Bradenton	10.9%	13.9%	0.5%	1.9%
Tallahassee	8.2%	7.7%	-2.2%	-4.3%
Tampa-St Petersburg–Clearwater	9.5%	10.6%	-1.0%	-1.4%
West Palm Beach - Boca Raton	9.6%	8.8%	-0.8%	-3.3%

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

*High Wage refers to more than 10% above the 2004 average annual wage for all industries (\$38,621). See Table 35 for a listing of these industries.

**Low Wage refers to less than the wage that is 10% below the 2004 average annual wage for all industries (\$31,599). See Table 35 for a listing of these industries.

Note: data are confidential in some industries for particular metropolitan areas.

Figures in column four are in **bold** for the metropolitan areas that did better than the state in high-paying industry wage growth. The results are very similar to those for job growth, although they are not identical. Panama City, Ft. Walton Beach, and Punta Gorda still perform the best in the state. And Miami still performs worst, although Tallahassee replaces Tampa-St. Petersburg-Clearwater as second worst on this measure. Despite minor variations, Table 36 shows that wage growth in both high- and low-paying industries fairly closely parallels job growth in these industries, which is what we would expect.

While there are a number of ways one could combine the results of the above tables, it can be said that a few metropolitan areas have done poorly in the 2002-2004 period by virtually any measure. They include Lakeland – Winter Haven, Tallahassee, and West Palm Beach. Despite this weak recent performance, West Palm Beach still has the highest average wage of all 20 metropolitan statistical areas in the state, because it had such a high wage average to start with in 2002. Lakeland and Tallahassee have below-average wages as well as weak recent performance.

On the other hand, a number of metropolitan areas have consistently beaten the state average on all measures in the 2002-2004 period. They include Daytona Beach, Ft. Myers – Cape Coral, Ft. Pierce – Port St. Lucie, Melbourne – Titusville – Palm Bay, Naples, Ocala, and Panama City. Of these, only Melbourne has an average wage above the state average. A few metropolitan areas have done better than the state on all wage measures, but not in job growth: Ft. Lauderdale, Ft. Walton Beach, and Punta Gorda.

XVII. Public Policy: What Might the State Do About Substandard Conditions for its Working Population?

Because the state of Florida has below average wages and conditions for many of its workers, policymakers would do well to consider ways to improve the lot of Florida workers. This is particularly true for those with the lowest wages, but a variety of measures would improve the condition of all of the state's workers.

Most public policy attention has been given to efforts to attract business investment to the state, or to the training and education of Florida's workers. While there is merit to attempts of this nature, they have not succeeded in bringing the incomes or the general conditions of Florida workers even close to national averages. Therefore additional, more direct, measures addressing the situation of the state's workers may be advisable.

One reason for the state's comparatively poor showing is the structure of its economy. As documented earlier, Florida's economy is heavily oriented toward low-wage service jobs, and in particular to tourism and its many spin-off industries, most of which pay low wages. Table 5 in this study shows, for example, that the average pay in the Leisure and Hospitality sector in the 4th quarter of 2004 was \$19,788.

How can the state's public policies deal with this fact? No matter how much the state attempts to attract other types of business, or how much it educates and trains its work force, it will certainly remain heavily oriented toward tourism, personal services, retail industry, and other low paying service jobs for the foreseeable future.

A number of direct measures favorable to Florida's workers follow directly from the data presented earlier in this report. The state could take measures to "raise the wage floor" through higher minimum wage and "living wage" legislation". It could legislate a "pay or play" policy requiring large retail and other employers such as Wal Mart to either provide health care insurance **at minimal cost** to all of its employees or else pay into a state-run fund that could provide such coverage. It could also move to increase eligibility and benefit levels in the state's unemployment compensation and workers compensation systems, provide health care coverage for those without, encourage unionization by removing the "right-to-work" provision from the state's constitution, require employer neutrality in union organizing drives at all publicly funded projects or businesses, overhaul the state's tax structure to make it less regressive and more able to adequately fund social services and the public education system, provide an "earned income tax credit" (EITC) to low-wage workers, etc.

It is highly unlikely that the Florida legislature will be considering any measures of this nature, much less legislating any of them, given the current political climate in Tallahassee. However, without some more direct intervention like this, Florida will most likely continue to have the dubious distinction of being a state known for its low wages and poor quality job market.

XVIII. Conclusion

In some respects Florida's labor market is working very well. Unemployment in the state is lower than it is nationwide. Florida's economy has been adding jobs at a more rapid rate than has the nation. Real per capita income has been growing, albeit slowly.

Yet Florida's workers are not faring as well as the state's economy. Florida is a low wage state, with a disproportionate number and percentage of low wage jobs. On a variety of non-wage issues such as pension coverage, unemployment compensation policy, disability policy, health insurance coverage, unionization, tax policy, and statutory protections of workers, Florida is also inferior to national norms.

The previous section of this report lists a number of public policy measures that would address this situation. But these measures are unlikely to be considered or undertaken. Yet the problem of low wages and poor quality jobs will persist and probably worsen unless active measures are taken. The state could do more for its working people and especially for its least favored workers, but may lack the political will to do so.