# Table of Contents

Executive Summary........................................................................................................1

Introduction: State of Working Florida 2016.........................................................2

Chapter 1: Class and Economic Vulnerability..................................................4

Chapter 2: Working for Class...............................................................................7

Chapter 3: Florida's Marginalized Workers.......................................................12

Chapter 4: Policy Recommendations...............................................................15

Endnotes.................................................................................................................16

Acknowledgements..............................................................................................17
The State of Working Florida 2016
Alí R. Bustamante
September 12, 2016

Executive Summary

This 13th edition of State of Working Florida focuses on economic mobility in Florida through an analysis of the state’s occupational structure for the period between 2009 and 2014. This report concentrates on the occupational dynamics that have emerged in Florida after the Great Recession of 2007-2009 in order to explain the current path of economic and social development in the state. Furthermore, the report addresses the implications of current occupational dynamics on future development and provides policy recommendations to improve economic mobility in Florida.

Key Findings:

• Between 2009 and 2014 the share of households that belonged to the upper class grew by 8.1 percent, from 17.5 percent to 18.9 percent. Conversely, the middle class share declined by 3.5 percent during this period while the working class share grew by 1.1 percent. This means that the shrinking of the middle class was largely due to growth in the upper class and to a lesser extent, growth in the working class.

• As of 2014, the average upper class household earns three times what the average middle class household earns and nearly 10 times what the average working class family earns.

• The decline in household incomes experienced by the working class led to increased poverty rates among every demographic between 2009 and 2014.

• During the peak of the recession Florida’s unemployment rate rose to 11.2 percent in November 2009 and declined to 5.8 percent in December 2014 and 4.7 percent as of May 2016.

• Healthcare practitioner and technical jobs as well as computer and math occupations experienced the largest gains in shares of all jobs between 2009 and 2014. These occupations facilitate upward economic mobility.

• Sales and related occupations and office and administrative support jobs, the two largest occupational groups in the Florida, declined in their share of all jobs between 2009 and 2014, by 12.1 percent and 13 percent respectively. These occupations facilitate upward mobility for working class and middle class workers.

• While some jobs continue to facilitate economic mobility, such as transportation and material moving jobs, sales and related occupations and office and administrative support jobs are not the robust bridges they once were.

• In 2014, the five main occupations of higher wage and salary earners are management, healthcare practitioners and technical jobs, sales and related jobs, business and financial operations, and computer and math occupations.

• The five main occupations of middle wage and salary workers are office and administrative support, sales and related occupations, management, education training, and library, and transportation and material moving jobs.

• The five main occupations of lower wage and salary earners are sales and related occupations, food preparative and service jobs, office and administrative support, building and ground cleaning and maintenance jobs, and transportation and material moving jobs.

• The average share of workers earning less than $10 per hour in their occupation grew from 16 percent in 2009 to 16.9 percent in 2014.

• The average share of workers earning less than $15 per hour in their occupation grew from 39.5 percent in 2009 to 40.9 percent in 2014.

• Women earn $0.78 for every $1 made by men, when controlling for age, education, and occupation.

• Racial and ethnic minorities earn $0.92 for every $1 made by whites, also controlling for age, education, and occupation.

• Policy recommendations include: paying higher wages to low-wage workers, stopping workplace discrimination, and improving educational outcomes, especially in college graduation rates.

This 13th edition of State of Working Florida focuses on economic mobility in Florida through an analysis of the state’s occupational structure for the period between 2009 and 2014. This report concentrates on the occupational dynamics that have emerged in Florida after the Great Recession of 2007-2009 in order to explain the current path of economic and social development in the state. Furthermore, the report addresses the implications of current occupational dynamics on future development and provides policy recommendations to improve economic mobility in Florida.

The intuition, expressed by many on both sides of the political spectrum, that the economy is working for some but not for others rings true because it is largely representative of the broader economic trends in the state. The share of households in the upper class is the largest it’s been in recent history while the share of households in the middle class is the smallest. The share of households in the working class has held steadily at about 32 percent.

In short, Florida is increasingly becoming more economically polarized. Some in the middle class have achieved considerable economic mobility, as observed in the growth of the upper class, but the inability of many middle and working class households to climb the economic ladder has led to a greater concentration of households at opposite ends of the economic spectrum while the middle class has shrunken. This means that while some in Florida have enjoyed economic mobility the economy has not worked well to provide the majority of Floridians acceptable growth in living standards.

The research in this report finds that the economic polarization of classes in Florida is largely a reflection of an occupational structure offering fewer middle income jobs that facilitate upward mobility. Many working Floridians continue to be perpetually stuck in low-wage occupations while occupations that have historically facilitated upward economic mobility have eroded. At the same time, recent growth in occupations with high education and/or skill requirements have provided some with the opportunity to achieve high incomes.

The jobs that are available, and the pay and benefits related to those jobs, have a considerable impact on which rung of the economic ladder most Floridians belong to and their prospects for upper mobility. Therefore, the job creation that government incentivizes and that businesses pursue has a profound effect on the standard of living that Florida’s economy provides to its workers. With fewer middle income jobs, the Florida economy is promoting greater economic polarization and inhibiting the ability of workers to obtain the higher quality jobs that they need and the economic mobility they desire.

Economic polarization in Florida is problematic because it exacerbates the significant and disproportional declines in household income that the working class endured during the Great Recession. Additionally, while most households in Florida saw their incomes recover much of the ground that was lost during the recession working class household have not recovered to the extent of other income groups. This means that working class households were forced to dig out of an economic trench that was much deeper than their counterparts and yet were given fewer tools to do so.

Furthermore, the persistence of traditional forms of economic marginalization, based on race and sex, further complicates the ability of some Floridians to achieve economic mobility. When Floridians are
pushed into the margins of economic life due to discrimination and bias they are simultaneously stripped of opportunities to achieve economic mobility. The economic marginalization of peoples further fuels the economic inequalities that divide Floridians into groups with the promise of improving living standards and those without the prospects of significant economic mobility in their lifetime.

The case of Florida is emblematic of the rising income inequality in the U.S. that has been largely driven by the decline of the middle class and diminishing opportunities for the working class. Representing the overwhelming majority of households in Florida, economic hardships among the working and middle classes can trigger economic challenges in the broader state economy. This report will review Florida's class structure and the challenges that households face. Second, the report will analyze how the state's occupational structure is contributing to the economic polarization of classes in Florida. Third, evidence will be presented of inequalities, based largely on economic marginalization that many Floridians experience. Lastly, the report will make policy recommendations that promote economic mobility and reduce the polarization of classes in Florida.
Chapter 1: Class and Economic Vulnerability

According to the most recently available government data, between 2009 and 2014 the share of households that belonged to the upper class grew by 8.1 percent, from 17.5 percent to 18.9 percent. Conversely, the middle class share declined by 3.5 percent during this period while the working class share grew by 1.1 percent. This means that the shrinking of the middle class was largely due to the growth in the working class. However, this shift underscores the fact that the share of households in the working class has steadily hovered around 32 percent and that the middle class share of households is now just 49.1 percent. Most households in the working class have no experienced economic mobility in recent years and the middle class represents a smaller share of Floridians than it has in past years.

A closer look at average annual household incomes shows that the average upper class household earns three times what the average middle class household earns and nearly 10 times what the average working class family earns. On average, upper class households earned $118,847 in 2014 compared to $39,275 for middle class households and $12,098 for working class households. While all classes experienced income declines between 2009 and 2014 the working class experienced an average 6.7 percent decrease in incomes compared to a 4.7 decrease for the middle class and 3.2 decrease for the upper class. As a result, average income disparities between economic classes have grown between 2009 and 2014 and economic polarization has increased.

Figure 1: Share of Households by Class in Florida: 2009-2014

Source: U.S. Census American Community Survey 1-year Estimate
The average income losses of the working classes have translated into economic hardship. After all, the working class has the most to lose from reductions in income because they already have a difficult time covering the cost of their basic necessities. Between 2009 and 2014 the average working class income decreased by $865 from $12,963 to $12,098. The decline in household incomes experienced by the working class led to increased poverty rates among most demographic groups between 2009 and 2014. The general poverty rate increased by 11.6 percent during this period.

Poverty among adults and children increased by 15.8 percent and 12.4 percent respectively while elders experienced a modest increase of 2.8 percent. Males and females experienced relatively similar increases in poverty, 12.2 and 11.1 percent respectively. Whites observed poverty rate increases of 15.1 percent compared to just 3.7 percent for racial minorities.

Figure 2: Adjusted Average Annual Household Income by Class in Florida: 2009 and 2014 (2014 dollars)

Figure 3: Poverty Rates by Demographic Group in Florida: 2009 and 2014
and ethnic minorities because racial and ethnic minorities already have the highest poverty rates among any demographic group. Lastly, foreign-born Floridians experienced a poverty increase of 14 percent compared to 10.6 percent for the native population. Poverty trends make it clear that the working class is a demographically diverse group and that the economic declines absorbed by the working class are distributed among all types of people.

---

...that the working class is a demographically diverse group and that the economic declines absorbed by the working class are distributed among all types of people.

Figure 4: Unemployment Rates for the U.S. and Florida: 2009-2016 (seasonally adjusted)

Chapter 2: Working for Class

The decline of incomes across all economic classes is largely due to the Great Recession and the subsequent decline in demand for workers that Florida and the rest of the U.S. endured up to 2010. However, Florida’s economic recovery following the recession is evidence of the job creation strategies pursued by the government and businesses. This means that the post-recession occupational structure largely reflects the jobs and job standards that government and businesses value and exemplifies their vision for the economic development of the state. An examination of the distribution of jobs after the recession provides us with key insight into the resultant class structure that is likely to persist absent any changes to government and business employment strategies.

Standard labor market indicators show that the labor market has largely recovered from the recession. During the peak of the recession Florida’s unemployment rate rose to November 2009 and declined to 5.8 percent in December 2014 and 4.7 percent as of May 2016. The share of unemployed persons experiencing long-term unemployment declined from 53 percent in 2011 to 40.1 percent in 2014. Similarly, the underemployment rate was 19.3 percent in 2010 and 12.8 percent in 2014.

The occupational structure that emerged from the recession is largely a continuation of the pre-recession composition with some minor but noteworthy changes that contribute to the economic polarization of class in Florida. First, healthcare practitioner and technical jobs as well as computer and math occupations experienced the largest gains in shares of all jobs between 2009 and 2014. During this period, computer and math jobs increased by 148.7 percent from 1 percent in 2009 to 2.4 percent in 2014. While the increase may not seem large it is important to note that the average share of employment by an occupation is 4.4 percent. This means that computer and math jobs are now common parts of the Florida job structure. In fact, computer and math

---

**Figure 5: Share of Employment by Main Occupations in Florida: 2009 and 2014**

- Office And Administrative Support
- Sales And Related
- Management
- Food Preparation And Serving
- Transportation And Material Moving
- Healthcare Practitioners And Technical
- Education Training And Library
- Construction And Extraction
- Business And Financial Operations
- Other

Source: U.S. Census American Community Survey 1-year Estimate
jobs represent a similar share of employment in Florida than legal jobs and architecture and engineering jobs combined.

Similarly, in 2014, healthcare practitioner and technical jobs as well as computer and math occupations experienced the largest gains in shares of all jobs compared to 3 percent in 2009, an increase of 97.7 percent. Growth in these occupations reflect government and business efforts to grow the health and technological sectors in the state. The relative increase in these occupations, with relatively high wages and benefits, has facilitated upward economic mobility for some workers in Florida.

Conversely, the decline in sales and related occupations as well as office and administrative support jobs has had the opposite effect and reduced economic mobility in Florida. Between 2009 and 2014 the share of sales and related jobs from all jobs decreased by 12.1 percent, from 14 percent to 12.3 percent. Similarly, office and administrative support occupations declined by 13 percent, from 17.4 percent to 15.1 percent. Sales and related occupations and office and administrative support jobs are the two largest occupational groups in the Florida. This means that in 2014 27.4 percent of all workers in Florida, more than a quarter of all workers, belonged to one of these two occupational groups. The decline of these occupations is significant because office and administrative support occupations are the most common occupation of Florida’s middle class while sales and related jobs are also very common. These occupations are also two of the three most common occupations of the working class. As job opportunities in these occupations receded after 2009 an important bridge facilitating upward mobility for working class and middle class workers was eroded. As a result, the opportunities for economic mobility for the working and middle class were diminished.

A closer analysis of the occupational structure associated with the distribution of earnings confirms our finding that changes in the occupational structure has led to economic polarization in Florida. In 2014, the five main occupations of higher wage and salary earners were management, healthcare practitioners and technical jobs, sales and related jobs, business and financial operations, and computer and math occupations. Growth in healthcare practitioners and technical jobs and computer and math occupations has allowed for greater high salary opportunities in Florida. Therefore, increased opportunities for entry into these occupations allows workers to shift towards higher earning positions that enable them to achieve upward mobility.

The five main occupations of middle wage and salary workers are office and administrative support, sales and related occupations, management, education training, and library, and transportation and material moving jobs. Declines in the number of office and administrative support jobs and sales and related occupations available reduces the employment options of the middle class. This means that some in the middle may be squeezed out of middle wage and salary jobs and forced to work in lower earnings jobs that they would not otherwise work in.

Lastly, the five main occupations of lower wage and salary earners are sales and related occupations, food preparation and service jobs, office and administrative support, building and ground cleaning and maintenance jobs and transportation and material moving jobs. Food preparation and service jobs and building and ground cleaning and
Figure 6a: Main Occupations by Earning Group in Florida: 2014

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Management 8.9%</th>
<th>Food Preparation and Serving 8.0%</th>
<th>Office and Administrative Support 15.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Workers</td>
<td>Sales and Related 12.3%</td>
<td>Transportation and Material Moving 6.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Healthcare Practitioners and Technical 5.9%</td>
<td>Education, Training, and Library 5.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction and Extraction 4.7%</td>
<td>Business and Financial Operations 4.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Management 30.5%</th>
<th>Other 22.1%</th>
<th>Office and Administrative Support 13.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$77,650 and Above</td>
<td>Healthcare Practitioners and Technical 11.8%</td>
<td>Sales and Related 10.0%</td>
<td>Other 14.6%</td>
</tr>
<tr>
<td></td>
<td>Business and Financial Operations 8.4%</td>
<td>Computer and Math 7.7%</td>
<td>Office and Administrative Support 8.6%</td>
</tr>
<tr>
<td></td>
<td>Office and Administrative Support 3.8%</td>
<td>Installation, Maintenance, and Repair 4.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Management 16.9%</th>
<th>Other 26.3%</th>
<th>Office and Administrative Support 16.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,464 to $77,649</td>
<td>Healthcare Practitioners and Technical 12.5%</td>
<td>Sales and Related 10.4%</td>
<td>Other 24.0%</td>
</tr>
<tr>
<td></td>
<td>Business and Financial Operations 8.2%</td>
<td>Computer and Math 6.2%</td>
<td>Installation, Maintenance, and Repair 4.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Management 12.1%</th>
<th>Other 26.3%</th>
<th>Office and Administrative Support 16.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$42,355 to $55,463</td>
<td>Healthcare Practitioners and Technical 9.4%</td>
<td>Sales and Related 10.4%</td>
<td>Other 24.0%</td>
</tr>
<tr>
<td></td>
<td>Business and Financial Operations 7.6%</td>
<td>Transportation and Material Moving 4.8%</td>
<td>Construction and Extraction 4.4%</td>
</tr>
<tr>
<td></td>
<td>Education, Training, and Library 9.5%</td>
<td>Installation, Maintenance, and Repair 4.7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Education, Training, and Library 11.6%</th>
<th>Sales and Related 9.2%</th>
<th>Other 26.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,296 to $42,354</td>
<td>Management 8.9%</td>
<td>Healthcare Practitioners and Technical 6.2%</td>
<td>Office and Administrative Support 16.8%</td>
</tr>
<tr>
<td></td>
<td>Transportation and Material Moving 5.6%</td>
<td>Business and Financial Operations 5.8%</td>
<td>Other 26.3%</td>
</tr>
<tr>
<td></td>
<td>Construction and Extraction 4.8%</td>
<td>Installation, Maintenance, and Repair 4.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Sales and Related 9.6%</th>
<th>Management 7.1%</th>
<th>Other 28.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,237 to $35,295</td>
<td>Healthcare Practitioners and Technical 6.0%</td>
<td>Food Preparation and Serving 5.4%</td>
<td>Office and Administrative Support 21.8%</td>
</tr>
<tr>
<td></td>
<td>Construction and Extraction 5.9%</td>
<td>Installation, Maintenance, and Repair 4.6%</td>
<td>Other 28.9%</td>
</tr>
<tr>
<td></td>
<td>Education, Training, and Library 4.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census American Community Survey 1-year Estimate
## Figure 6b: Main Occupations by Earning Group in Florida: 2014

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Other</th>
<th>Management</th>
<th>Food Preparation and Serving</th>
<th>Sales and Related</th>
<th>Transportation and Material Moving</th>
<th>Healthcare Practitioners and Technical</th>
<th>Construction and Extraction</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,051 and below</td>
<td>17.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Related</td>
<td>19.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>15.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$6,052 to $12,101</td>
<td>18.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Related</td>
<td>17.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>15.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$12,102 to $17,143</td>
<td>19.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Preparation and Serving</td>
<td>15.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>14.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$17,144 to $22,185</td>
<td>22.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>18.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$22,186 to $28,236</td>
<td>26.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>22.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Workers</td>
<td>28.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census American Community Survey 1-year Estimate
maintenance jobs, which comprise about 13 percent of all jobs and about 23 percent of all lower wage jobs, are two of the three occupations with the greatest share of workers earning less than $10 per hour, 53.6 percent and 36.7 percent respectively. This means that workers employed in these occupations will have limited opportunities to transition into the middle class. Furthermore, the decline in office and administrative support jobs and sales and related occupations available in the broader economy means that working class workers now have a much more difficult time achieving economic mobility because they must seek mobility through occupational changes instead of through productivity and knowledge gains in their existing occupations.

While some jobs continue to facilitate economic mobility, such as transportation and material moving jobs, sales and related occupations, and office and administrative support jobs are not the robust bridges they once were. In fact, it is important to note that sales and related jobs are common across all levels of the earnings distribution. This signals that sales and related jobs are an occupation with considerable dynamism to potentially facilitate economic mobility. However, it is also the occupation with the second largest decline in its share of total employment.

Equally important to the economic polarization in Florida is the increase in the share of low-wage occupations. The average share of workers earning less than $10 per hour in their occupation grew from 16 percent in 2009 to 16.9 percent in 2014. The share of healthcare support jobs earning less than $10 per hour grew by 46 percent from 19.1 percent to 27.9 percent. Similarly, the share of farming, fishing, and forestry jobs earning less than $10 per hour increased from 40.8 percent to 56.8 percent, a 39.3 percent increase. Conversely, the share of jobs in personal care and service earning less than $10 per hour declined by 20.8 percent from 44 percent to 34.9 percent.

Similarly, the average share of workers earning less than $15 per hour in their occupation grew from 39.5 percent in 2009 to 40.9 percent in 2014. The share of farming, fishing, and forestry jobs earning less than $15 per hour grew from 69.1 percent to 80 percent, a 15.7 percent increase. Likewise, the share of jobs in production earning less than $15 per hour increased by 21.2 percent from 45.8 percent to 55.5 percent. The opposite is observed among community and social service jobs where the share of jobs earning less than $15 per hour declined by 28 percent from 27.2 percent to 19.5 percent.

Figure 7: Share of Florida Workers Earning Less Than $10 and $15 per hour by Occupation: 2014 (2014 dollars)
Chapter 3: Florida’s Marginalized Workers

An examination of the demographics associated with the 2014 distribution of earnings shows that traditional inequalities continue to persist. Women continue to be disproportionately present in low and middle earnings groups and largely absent from high earning groups. In 2014, 56 percent of low earnings workers were women, compared to 50 percent of middle earnings workers and 36.7 percent of high earnings workers. The same dynamic exists for African-Americans and Hispanics as well as the individuals with low levels of education. African-American workers represented 20.4 percent of low earnings workers, 17.7 percent of middle earnings workers, and 9.3 percent of high earning workers. Hispanic workers represented 27 percent of low earnings workers, 24.6 percent of middle earnings workers, and 19.6 percent of high earning workers. Conversely, white workers represented 70.3 percent of low earnings workers, 74.8 percent of middle earnings workers, and 83.4 percent of high earning workers. This means that the economy is not working for everyone as economic opportunity continues to evade those that have been traditionally subject to economic marginalization.

Analysis of recent data shows that women earn 22.1 percent less than men, when

---

Figure 8: Demographic Shares by Earning Group in Florida: 2014

<table>
<thead>
<tr>
<th>Earning Group</th>
<th>Female</th>
<th>Foreign-born</th>
<th>Uninsured</th>
<th>White</th>
<th>African-American</th>
<th>Hispanic</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,143 and below</td>
<td>55.8%</td>
<td>26.7%</td>
<td>35.4%</td>
<td>70.2%</td>
<td>20.3%</td>
<td>30.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>$17,144 to $55,463</td>
<td>50.2%</td>
<td>24.6%</td>
<td>19.7%</td>
<td>74.7%</td>
<td>17.7%</td>
<td>26.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>$55,464 and above</td>
<td>36.3%</td>
<td>19.6%</td>
<td>5.1%</td>
<td>83.9%</td>
<td>9.2%</td>
<td>17.3%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Source: U.S. Census American Community Survey 1-year Estimate
controlling for age, education, and occupation. Essentially women are earning $0.78 for every $1 made by men. Similarly, racial and ethnic minorities earn 8.1 percent less than whites, also controlling for age, education, and occupation. This means that when we compare workers who are doing the same job and have similar levels of experience and education we find a considerable gender and racial pay gap. This pay gap translates into opportunities for economic mobility for some and constraints in living standards for others.

Similarly, some demographic groups have greater access to employment and working hours than others. For example, the general unemployment rate peaked at 11.1 percent in 2010 before decreasing to 5.4 percent in 2015. However, in 2015 the unemployment rate of African-Americans was 9.3 percent compared to 4.2 percent for whites, and 5.8 percent for Hispanics. Similarly, the share of unemployed workers experiencing long-term unemployment, an unemployment duration of 27 weeks or longer, was 32.1 percent for whites and...
41.9 percent for African-Americans in 2015. Furthermore, the underemployment rate is 9.2 percent for whites, 16.9 percent for African-Americans, and 13.2 percent for Hispanics. The difficulty African-Americans, and Hispanics to a lesser extent, face when seeking employment underlies the fact that the labor force participation rate of African-Americans is 61.8 percent and 63.5 percent for Hispanics, compared to 55.9 percent for whites. This means that African-Americans and Hispanics have a greater propensity to seek employment compared to whites. Nonetheless, the employment gains associated with the economic recovery have not been equally distributed among all peoples.

Additionally, in 2014 only 27.9 of workers in Florida had a bachelor’s degree or a higher college degree. However, these workers represented 70 percent of high wage and salary earners in the state and 37.8 percent of middle earners. Higher education facilitates economic mobility because most high wage occupations have stringent educational requirements. However, if workers with relatively low levels of education are limited to working class jobs then the prospects of economic mobility for many and the vision of broader prosperity for all will be severely restricted.

This is of particular concern given the fact that 17.2 percent of all youth are considered to be disconnected youth, not in school and not working. A considerable share of the next generation is already feeling squeezed from education and work because they are likely feeling that the economy isn’t working for them or providing them with the prospects of improved standards of living. The continuation of this trend can have detrimental effects on the social and economic wellbeing in Florida, from low economic growth forecasts to an increased burden on social services.
Chapter 4: Policy Recommendations

This report proves that economic polarization has widened in Florida in recent history. However, there is much that government, businesses, and civic organizations can do to shift the state in the direction of greater economic inclusion and shared prosperity. We propose that Florida policymakers and businesses can narrow economic polarization and reduce the inequality gap by paying higher wages to low-wage workers, stopping workplace discrimination, and improving educational outcomes, especially in college graduation rates.

First, higher wages to low-wage workers can be directly addressed by a higher minimum wage, a policy that would increase the earnings of Florida workers by billions, thereby stimulating economic growth. Additionally, the incomes of low-wage workers can also rise through non-wage interventions such as through increased tax credits as is possible through the federal Earned Income Tax Credit (EITC). The EITC is a refundable tax credit designed to reward work and reduce poverty, especially among low-income households.

Second, workplace discrimination may be reduced through greater enforcement of existing anti-discrimination laws and through greater transparency in pay structures that provide workers with valuable information in determining whether they are be unfairly paid. Government and employer policies focused on supporting child rearing such as paid parental leave and child care subsidies to quality child care, can also serve to reduce workplace discrimination as parents, and particularly mothers, would receive the supports they need to balance work and family. Furthermore, stronger worker protections such as wage theft enforcement would do a lot to secure the wages of vulnerable workers into the future.

Lastly, improving educational outcomes, especially college graduation rates would facilitate greater economic mobility. Improvements to the quality of public K-12 education in Florida are necessary, especially so that students may be better prepared to succeed in colleges, universities, or technical schools. While a greater share of young people are enrolling in college than ever before thanks to the availability of Pell grants and other education subsidies the proportion of students that actually graduate from college has seen little improvement. Additionally, companies may provide a greater emphasis on on-the-job training and skill development through state-business partnerships that foster a more educated and skilled workforce and a greater number of quality skilled-job openings. Given the importance of education in obtaining high paying jobs with high levels of skills and education requirements many improvements are needed to increase student success.
Endnotes

2) Note: working class consist of households below 66% of the median annual household income; middle class consist of households between 66% and 200% of the median annual household income; and upper class consist of households above 200% of the median annual household income.
4) Prior editions of the State of Working Florida published by RISEP as well as other reports on Florida’s economy can be found at www.risep-fiu.org
5) Source: U.S. Census American Community Survey 1-year estimates
6) Note: Incomes are adjusted by household size. Adjusted annual household income = annual household income / (number of people in household)^.5
7) Source: U.S. Census American Community Survey 1-year estimates
8) Note: Data is based on individual poverty rates as of 2014 for one individual.
9) Source: U.S. Census American Community Survey 1-year estimates
11) Note: Florida’s labor force was divided into equal deciles, 10 equally sized groups, by annual earnings.
13) Wages were adjusted for inflation and presented in 2014 dollars in order to allow for comparison.
14) White workers include white Hispanic workers.
Acknowledgments

This edition of the State of Working Florida is made possible by the Research Institute on Social and Economic Policy (RISEP) and by the institutional support of the Center for Labor Research and Studies at the Green School of International and Public Affairs at Florida International University.

Contact:
Alí R. Bustamante
Center for Labor Research and Studies
School of International and Public Affairs
Florida International University
(305) 348-1519
Albustam@fiu.edu