

THE STATE OF

WORKING FLORIDA

2012

LABOR DAY
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THE STATE OF WORKING FLORIDA 2012

by **BERNARDO OSEGUERA**

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ABOUT RISEP

RISEP studies issues of concern to working families and low-income communities in Florida. At **Florida International University** we are a resource and a model for the University community by conducting problem solving research together with local communities that provides the tools for those directly affected to participate more fully in the public debate.

RISEP
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THE STATE OF
WORKING FLORIDA
2012

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EXECUTIVE SUMMARY

This will be the fifth consecutive Labor Day in which the state of Florida continues to lag behind other states. Five years ago, the news was that the Great Recession was going to hit Florida harder, because it had relied so heavily on an inflated construction industry. Three years ago, the news was that Florida was breaking records in almost every economic indicator – but not in a good way. This year the news is that the recovery in Florida has been one of the most anemic in the country. Even though the Recovery officially began three years ago, Florida is still struggling with the aftermath of the greatest economic downturn since the Great Depression.

Some economic indicators have started to show improvement, like unemployment rates and the Job-Seekers ratio; however, others have worsened and Florida is still breaking records. The Recovery has not been a single recovery for all workers in Florida. In reality, our data show that the Recovery has been experienced differently, especially by gender and race.

Three years of economic recovery have allowed us to evaluate how Florida has been recovering and where it seems to be headed. At this writing, the prospects are bleak. Florida seems to be headed into another decade of jobless recovery, wage and income stagnation, more low-wage jobs, less public services, and more disparities between demographic groups.

CHAPTER 1

The Great Recession in Florida: Bad Recession, Worse Recovery.

Florida was one of the hardest hit states in the Great Recession. Three years of sluggish recovery have gone by and economic indicators have begun improve but Florida and the nation still are far from fully recovering. Unfortunately, Florida in the recovery has been faring worse than other states that were also hard hit by the recession and worse than the nation as a whole. The private sector has been recovering but ongoing job loss in the public sector has been putting the brakes on the recovery.

Florida was hit harder in the recession and has been underperforming in the recovery too.

- Florida lost 715,200 jobs in the Great Recession and has gained only 96,600 jobs since the recovery started. Florida has only recovered 13.5% of the jobs lost in the recession while the rest of the nation has recovered 34.6% of the jobs lost.

States that were hit as hard as Florida or even harder in the Great Recession have been recovering at a much faster pace.

- Florida in the recovery has been falling behind states like Texas, New York, Pennsylvania, and others. Even California and Michigan, which were very hard hit by the recession are doing better than Florida.

The private sector in Florida lags behind the relatively strong recovery of the private sector at the national level.

- The current private-sector recovery at the national level has been stronger than the recovery after the 2001 recession and is more similar to the recovery after the 1990 recession. Florida's lag in the current recovery is more prominent in this sector.
- If employment in the private sector is measured by the total hours worked in the economy, then Florida is lagging even more. Total hours worked in Florida's private sector have been restored more slowly than in the private sector in the U.S.

The jobs lost in the public sector have heavily been dampening the recovery.

- The current recovery has been the only one in the past forty years where jobs in the public sector have been lost. Florida lost 18,700 public sector jobs during the 2007 recession and has lost 22,100 more jobs since the recovery started for a total of 40,800 jobs lost since December 2007. The public sector at the national grew 0.9% during the Great recession and has lost 2.8% in the current recovery.

CHAPTER 2

Three Years into the Recovery and Florida Still is Not Working.

Three years of a very sluggish economic recovery have gone by and employment indicators have started to look better but Florida still is far from recovering. Almost five years have gone by since the Great Recession and the state's working age population has grown much faster than the slow rate at which jobs have been created, leaving behind a continuously widening deficit between the working age population and jobs in the labor market. The generalized lack of demand for work in the state has resulted in a long-term unemployment rate that no state has ever reached. The conditions of the labor market have been dire for so long that many people have dropped out of the labor force. Labor force participation rates keep plummeting even though we are three years into the recovery. These missing workers will exert an upward push on unemployment rates when prospects in the labor market get better and they decide to return to look for jobs.

Unemployment rates in Florida still are higher than the national average.

- Even though unemployment rates have declined, there still is widespread joblessness in Florida. Approximately one out of ten workers (925,000) in the state's workforce were unemployed in 2011 and the first half of 2012.

Weak job growth in the state keeps feeding a massive jobs deficit.

- Economies in good shape are supposed to grow and create enough jobs to at least keep up with the population growth. Adding the jobs that Florida should have created to keep up with population growth and the jobs that it has lost since the Great Recession started, the Jobs Deficit amounts to 1,175,000.

The probabilities of finding jobs still are stacked against job seekers.

- The Job-Seekers Ratio was 4.5-to-1 in the first half of 2012. For every job opening in Florida, there were approximately 3.5 workers for whom simply no job was available.
- Unemployed workers outnumber job openings in every industry, showing that it is a generalized lack of demand for work what explains the persistent joblessness in Florida and the nation. The cause is not that available workers do not match the skills required for the industries that are creating jobs.

No state has ever reached long-term unemployment rates as high as Florida.

- Long-term unemployment has kept rising through the recovery. In 2011, more than half (53%) of the unemployed workers in Florida had been unable to find a job for more than half a year.

Workers still struggling to find full-time jobs.

- Florida has been the 3rd highest ranked state with highest percentages of involuntary part-time workers since the start of the recession. Almost one out of every three part-time workers involuntarily worked part-time in 2011. Florida's economy heavily relies on low-wage industries like Retail Trade and Leisure and Hospitality where part-time jobs are extremely common.

More than one out of six workers are either unemployed, working less hours than desired, or waiting on the sideline.

- Underemployment rates in Florida were 17.6% in 2011. This means that more than one out of every six workers (1.6 million in total) were either unemployed, working part time involuntarily, or marginally attached to the labor force.

Unemployment rates have been declining because workers have simply given up looking for jobs.

- If the unemployed workers who decided to drop out of the labor force had remained looking for jobs, then unemployment rates in 2011 would have been 3 percentage points higher. These workers will probably come back sooner or later and will push unemployment rates upward.

CHAPTER 3

Recovery for Whom?

This report shows that there is no single "state of working Florida" or a single "state of the economy", but rather that Florida is a state that is experienced differently and often unequally. Florida is experienced differently not only by class but also by race and gender. The Great Recession only exacerbated these inequalities and the recovery has not been a recovery for all.

From Mancession to He-Covery

- The recession severely hit industries heavily composed of male workers, like Construction and Manufacturing, leaving more men unemployed. Almost five years after the Great recession, all labor market indicators show that men still are doing worse than women.
- Even though women make up nearly half of the labor force, men have absorbed most of the jobs that have been created in the recovery. The fact that more men are looking for jobs does not fully explain why men have absorbed twice as many jobs as women in Florida since the recovery started. Men at the national level have captured four times as many jobs as women.

This has been an early recovery for Whites, a late recovery for Hispanics, and still no recovery for Black workers.

- Unemployment rates for Whites stopped rising as early as in 2009, unemployment rates for Hispanics finally started to decline in 2011, but rates for Black workers have not yet begun to decline.
- Hispanics unemployment rates have been around 50% higher than those for non-Hispanic Whites and rates for Black workers tend to be closer to twice as high. The highest unemployment rate reached by Whites in the Great Recession is lower than the average unemployment rate for Black workers in over the past three decades.

CHAPTER 4

Wages Have Stagnated While Inequality Has Grown.

Economic prosperity has not been broadly shared in the last three decades. Wages for most workers have basically stagnated even though there has been sufficient economic growth to provide a substantial across-the-board increase in living standards. People in the upper end of the wage distribution are the only ones benefitting. These trends are the result of inadequate or absent policy responses. One such policy choice is the reluctance to increase the minimum wage and index it to inflation, leaving its purchasing power to erode. Florida is one of the few states in the nation that indexes its minimum wage to inflation, but only recently. The minimum wage in Florida is only 86% of what it was in the 1960's. Unemployment levels determine poverty levels to a large extent; however, low wages that fail to pull working families out of poverty are extremely decisive too.

The typical full-time worker in Florida lost $1,000 in 2011 over 2010 wages.

- Persistent, high joblessness exerts downward pressure on wages, and it sometimes takes time to see the full effect on wages. Wages declined $0.52 across the board in 2011, meaning that the typical full-time worker lost around $1,000 in yearly salaries.

The gap between low-wage and high-wage workers has widened in the last three decades.

- Wages have failed to keep up with the constant increases in worker productivity experienced in the last decades. Only people at the top have reaped the benefits of this growth. Workers in the top 20% were making 2.3 times more than workers in the bottom 20% in 1979 compared with 2.7 times more in 2011.

Wages also vary by gender and race.

- Women's wages have been catching up to men's, but there still is too much of a wage gap between genders. Still in 2011, women only earned 88% of what men earned. This percentage is only 74% at the national level.
- Over the last three decades, wage inequality between minority groups and Whites has only worsened. Hispanic workers earned about 85% of White wages 1979, and only 80% of Whites wages three decades later. Blacks wages have done even worse in Florida, in 1979, Blacks earned about 81% of White wages earned and only 75% three decades later.
- Wages for male workers started to decline one year earlier than women's. Since 2010, the typical male full-time worker has lost about $1,500 in yearly salaries. Women's wages have just begun to fall in 2011, but will probably continue to fall.
- Wages for Black workers started to decline as early as 2009 and have fallen roughly $1,300 for the typical full-time workers. Wages for Hispanics started to decline in 2010 and have only declined about $800 in yearly salaries.

Poverty continues to rise.

- Poverty has been on the rise since the Great Recession started. In 2010, roughly one out of every six people in Florida lived in poverty. Roughly one out of every four children lived in poverty in 2010.

Raising the wage floor is good economic policy.

- Trying to support a family on a minimum wage is becoming harder as food, housing, clothing, health care, transportation and other basic necessities become more expensive. The purchasing power of the minimum wage has been left to erode and the current minimum wage in Florida ($7.67 in 2012) is only 86% of what it was at its highest point in 1968.
- Low-wage industries that heavily employ minimum-wage workers, like Retail Trade, Health Care and Social Assistance, and Leisure and Hospitality, have been growing tremendously in the recovery, while higher-wage industries like Manufacturing, Construction, and Information keep losing jobs. Also, extremely low-wage occupations where between 10% and 30% of the workers make minimum wages are projected to employ 137,600 more workers in the next eight years.
- Most of the families in poverty have at least one employed worker. The declining value of the minimum wage over the past decades has made it harder for low-wage workers and their families to stay out of poverty. In 2012, a full-time minimum wage worker only earns 82.8% of the federal poverty line for a family of three, while one minimum wage worker could support a family of three above of the poverty line in the 60's and 70's.

CHAPTER 5

The Industrial Composition is Changing: Where is Florida Heading?

The industrial composition of the state is changing in the recovery. Florida's economy is heavily composed of low-wage industries, and judging by the growth in the recovery, it seems that Florida is moving further in the wrong direction. Three of the four industries that have been adding the most jobs to the recovery – Retail Trade, Leisure and Hospitality, and Health Care and Social Assistance - pay very low-wages and rely heavily on minimum wage workers. Higher-paying industries that have been strongly recovering in other states like Information, Construction, and Manufacturing are not growing in Florida. The underperformance of the Construction and Manufacturing industries is making Florida fall behind in the recovery.

Four major industries boost the recovery in Florida.

- Professional and Business Services, Health Care and Social Assistance, Retail Trade, and Leisure and Hospitality have been responsible for most of the growth in employment.
- Professional and Business Services, Retail Trade, and Leisure and Hospitality have recovered more than half (56%) of the jobs they lost during the Great Recession. Health Care and Social Assistance was the only industry in Florida that did not lose jobs during the recession and that has grown steadily through the recovery.

Why is Florida falling behind in the recovery?

- Florida has been recovering at a much slower pace than the rest of the nation, partly because Manufacturing and Construction in Florida have severely been underperforming in the recovery.
- Manufacturing is small in Florida. Manufacturing has been recovering strongly at the national level and in other states while it has only recently managed to stop losing jobs in Florida.
- Florida's economy largely depends on Construction. Unfortunately, Construction has been on a free fall since the Great Recession started, 270,000 jobs or 46.8% of the industry has simply been wiped out. The Construction Industry in some states and at the national level have started to create jobs. Compared with other states that have also not managed to stop losing jobs in the recovery, Florida has doubled, tripled, or even quadrupled the losses.

Mainly low-wage industries have been boosting the recovery.

- Retail Trade and Leisure and Hospitality pay the lowest wages in Florida, one third less than the average annual wage and around half of the average wage respectively. These industries have added 85,000 jobs in the recovery.
- These industries, along with Health Care and Social Services, which has also been boosting the recovery in Florida, heavily depend on minimum wage workers. A full 63.3% of all minimum wage workers are concentrated in these three industries.

INTRODUCTION

This year's State of Working Florida highlights how slow job creation has created growing inequalities in wages and among groups. The Great Recession ended in 2009 but Florida continues to do worse than other states, especially those that have been able to boost manufacturing, which has in turn spurred growth. This slow recovery has meant that many workers are working less hours and for less pay than they did in 2010. Additionally Florida's typical worker is taking home about $1,000 less on average today than in 2010. This is explained in part by the industries that are growing in Florida and the types of jobs they create. Retail Trade and Tourism, two of Florida's largest industries, employ 25% of our workers, mainly at low-wage jobs.

Since other states have been able to recover faster than Florida, we ask the question, "Recovery for whom?" and point to the growing inequalities in wages for the top 20% and the lowest 20%. It is our sincere wish that this report serves to help Florida's leaders better focus on informed policy-making that will spur growth and broadly shared prosperity.

CHAPTER 1
The Great Recession in Florida: Bad Recession, Worse Recovery.

The first decade of the 21st century has been a lost decade for many workers in America. Two recessions in seven years devastated the economy. The U.S. economy collapsed in 2007, but the lost decade of no wage or income growth and low levels of employment began well before the Great Recession. The 2007 recession came on the heels of a historically weak period of economic expansion following the 2001 recession. The three years after the 2001 recession ended have been the weakest period of economic recovery after any of the recessions in the past four decades. Then came three years – 2005, 2006, and 2007 – of unsustainable economic growth driven by a housing bubble made possible largely through a deregulated financial sector, leaving a fragile economy ready to collapse. Despite this large round of unsustainable job growth, unemployment rates at the national level never reached levels as low as in the end of the 1990's decade nor were the gains in the financial sector broadly shared. The housing bubble finally burst and the economy started to spiral down. By the end of 2007, the economy was on a free fall, bringing the hardest economic meltdown since the Great Depression.

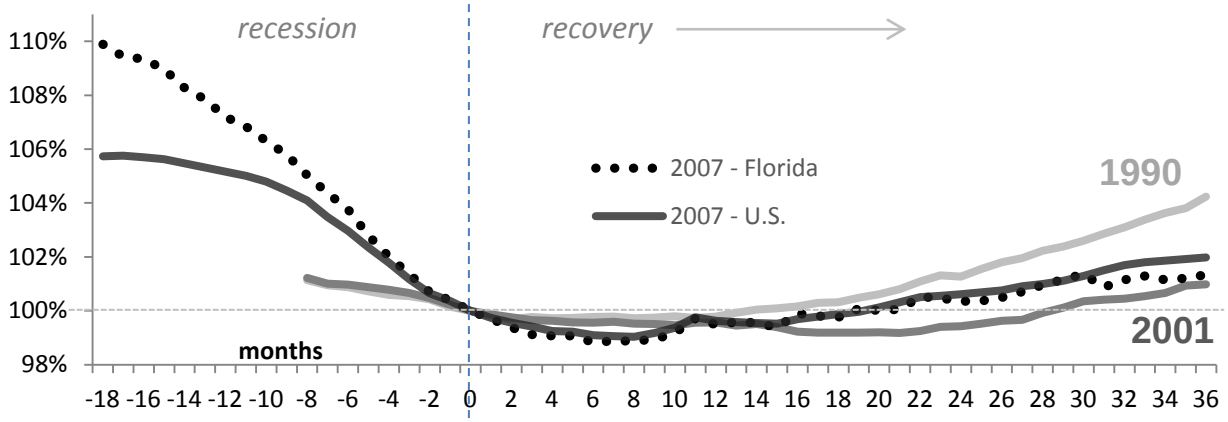
The Great Recession officially started in December 2007 and officially ended in June 2009, lasting 18 months. Three years or 36 months have gone by since the recovery started, from June 2009 to June 2012, and economic indicators have begun improve, but Florida and the nation as a whole still are far from fully recovering.

Florida was hit harder in the recession and has been underperforming in the recovery.

It is the length and severity of the Great Recession that explains why the economy still is in such bad condition three years after the recovery started. There is nothing atypically weak in the way the nation has been recovering after the Great Recession. Actually, if we compare job growth at the national level in the 36 months after the 2009 recovery started with the 36 months after each of the two previous recessions officially ended – March 1991 and November 2001 -, we see that the current recovery has been even stronger than the one after the 2001 recession.

Figure 1 shows how total employment changed during the three previous recessions and in the 36 months after the recoveries officially started at the national level and in Florida[1]. Employment levels have been set to 100% at the moment when each recovery officially started (**month 0**). To the right of **month 0** we see how employment changed after the recoveries officially started, and to the left of **month 0** the duration and severity of the recession. Using this graph we can compare the three previous recoveries at the national level and also how Florida compares to the rest of the nation in the current recovery.

Figure 1
Change in Total Employment since the Start of the Last Three Recoveries



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

Unfortunately, Florida has been doing significantly worse than the nation during the most recent recession and recovery period. The beginning of 2011 (approximately after the 20th month after the recovery started), can be seen as the point at which the recovery in Florida started to slow down and fall behind the rest of the nation. Florida lost 715,200 jobs in the Great Recession – from December 2007 to June 2009 -, and has gained 96,600 jobs since the recovery started. This means that Florida has only recovered 13.5% of the jobs lost in the recession, while the nation as a whole has recovered 34.6% of the jobs lost.

[1] Figure 1 only shows Florida in the 2007 recession and recovery.

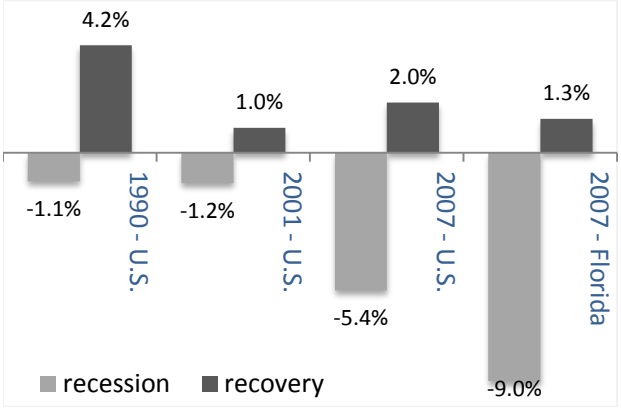
Figure 2 shows that, for the nation, employment in the 2007 recovery has grown twice as much as in the 2001 recovery – 2.0% in three years after the 2007 recovery started compared with 1.0% in three years since the 2001 recovery started. This figure also shows that Florida has been recovering more slowly than the rest of the nation – 1.3% growth in Florida since the recovery started compared with 2.0% at the national level.

Figure 2
Change in Total Employment since the Start of Last Three Recoveries

	employment change			
	recession		***recovery****	
	#	***%***	***#***	***%***
1990 recession – U.S.	-1240	*-1.1*	+4602	*+4.2*
2001 recession – U.S.	-1599	*-1.2*	+1284	*+1.0*
2007 recession – U.S.	-7479	*-5.4*	+2585	*+2.0*
2007 recession - Florida	**-715.2**	***-9.0***	**+96.6**	***+1.3***

** recovery = 36 months after official end of recession*
 # = employment in thousands

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



States that were hit as hard as Florida or even harder in the Great Recession have been recovering at a much faster pace.

Table 3 shows how the 15 states with largest employed populations have been faring since the official start of the recession and through the recovery. Florida has not been able to create jobs in industries like Construction and Manufacturing that have been key to the recovery in other states and in the nation as a whole. The states that have been growing the fastest and adding the most jobs to the economy are Texas, New York, Michigan, Pennsylvania, Ohio, and Indiana. These states have been adding jobs twice or more times as fast as Florida since the recovery started.

Texas has grown roughly four times as fast as Florida, with 1.3% growth in Florida since the recovery started compared with 4.9% percent growth in Texas. Michigan and Indiana have grown three times as fast at Florida, with 3.9% growth and 3.8% growth since the recovery started respectively. Ohio, Pennsylvania, and Virginia have grown around twice as much as Florida. Florida has only recovered 13.5% of the jobs lost in the recession, the second lowest in this list, only behind New Jersey with 11.7%. California, which was severely hit in the Great Recession has grown a bit faster than Florida, but has added almost 2.5 times as many jobs since the recovery started, with 238,100 jobs added since the recovery started in California compared with 96,600 jobs added in Florida. Illinois, North Carolina, and Georgia are some of the states with the largest employed population that have been doing as poorly as Florida in the recovery.

Table 3
Employment Change by States with the Largest Employed Populations (thousands).

	recession		*recovery*	employment change				
	Dec 2007	***June 2009***	***June 2012***	***recession***		***recovery***		***total empl. recovered***
	employment	*employment*	*employment*	*#*	*%*	*#*	*%*	
United States	**137,982**	**130,503**	**133,088**	**-7,479**	***-5.4***	**+2,585**	***+2.0***	**34.6%**
California	15190.7	14088.6	14326.7	-1102.1	*-7.3*	+238.1	*+1.7*	21.6%
Texas	10529.3	10281.4	10783.7	-247.9	*-2.4*	+502.3	*+4.9*	202.6%
New York	8784.4	8533.9	8803.4	-250.5	*-2.9*	+269.5	*+3.2*	107.6%
Florida	**7949.9**	**7234.7**	**7331.3**	**-715.2**	***-9.0***	**+96.6**	***+1.3***	**13.5%**
Pennsylvania	5812.6	5600.4	5729.7	-212.2	*-3.7*	+129.3	*+2.3*	60.9%
Illinois	5987.9	5643.2	5694.8	-344.7	*-5.8*	+51.6	*+0.9*	15.0%
Ohio	5420.4	5050.8	5175.9	-369.6	*-6.8*	+125.1	*+2.5*	33.8%
Michigan	4245.1	3834.6	3983.0	-410.5	*-9.7*	+148.4	*+3.9*	36.2%
North Carolina	4176.7	3901.7	3963.1	-275.0	*-6.6*	+61.4	*+1.6*	22.3%
Georgia	4150.3	3873.9	3928.9	-276.4	*-6.7*	+55.0	*+1.4*	19.9%
New Jersey	4085.3	3891.5	3914.2	-193.8	*-4.7*	+22.7	*+0.6*	11.7%
Virginia	3767.3	3638.0	3724.4	-129.3	*-3.4*	+86.4	*+2.4*	66.8%
Massachusetts	3292.8	3175.1	3244.5	-117.7	*-3.6*	+69.4	*+2.2*	59.0%
Indiana	2987.2	2770.6	2875.3	-216.6	*-7.3*	+104.7	*+3.8*	48.3%
Washington	2962.9	2819.9	2867.5	-143.0	*-4.8*	+47.6	*+1.7*	33.3%

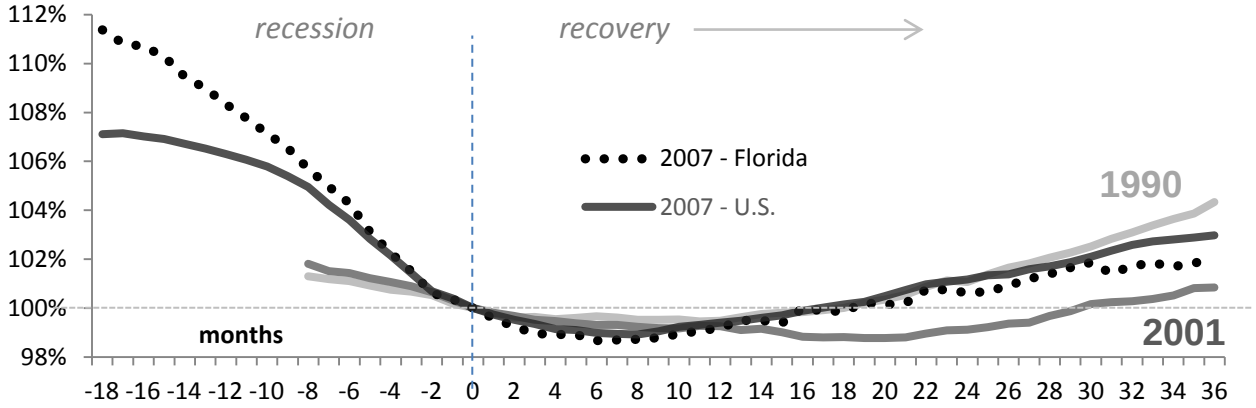
U.S. BLS: Current Employment Statistics (CES) ***total employment recovered*** *= jobs gained in recovery/jobs lost in recession*

The private sector in Florida lags behind the relatively strong recovery of the private sector at the national level.

The private sector has strongly been creating jobs in the current recovery. If we compare private sector employment at the national level in the current recovery with the two previous ones, we see that the recovery has been almost as strong as the recovery after the 1990 recession and much stronger than the recovery after the 2001 recession.

Figures 4 and 5 show how private sector employment changed during the three previous recessions and in the 36 months after the recoveries officially started at the national level and in Florida.

Figure 4
Change in Private-sector Employment since the Start of the Last Three Recoveries.



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

Florida's private sector has not been doing as well as the rest of the nation in the current recovery. Florida lost 696,500 private sector jobs in the Great Recession, and has gained 118,700 jobs since the recovery started. Florida has only recovered 17.0% of the private sector jobs lost in the recession, while the rest of the nation has recovered 41.9% of the jobs lost.

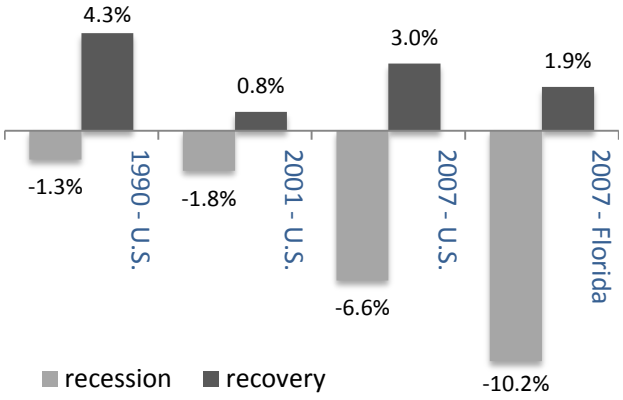
Figure 5 shows that employment in the 2007 recovery has grown almost four times as much as in the 2001 recovery, with 3.0% in three years since the 2007 recovery started compared with 0.8% in three years after the 2001 recovery started. The current recovery has been more similar to the recovery after the 1990 recession. This figure also shows that the private sector in Florida has been recovering much more slowly than the rest of the nation, with 1.9% growth in Florida since the recovery started compared with 3.0% at the national level.

Figure 5
Change in Private-sector Employment since the Start of the Last Three Recoveries.

	employment change			
	recession		***recovery****	
	#	***%***	***#***	***%***
1990 recession – U.S.	-1170	*-1.3*	+3900	*+4.3*
2001 recession – U.S.	-1984	*-1.8*	+918	*+0.8*
2007 recession – U.S.	-7673	*-6.6*	+3212	*+3.0*
2007 recession - Florida	**-696.5**	***-10.2***	**+118.7**	***+1.9***

** recovery = 36 months after official end of recession*
 # = employment in thousands

Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

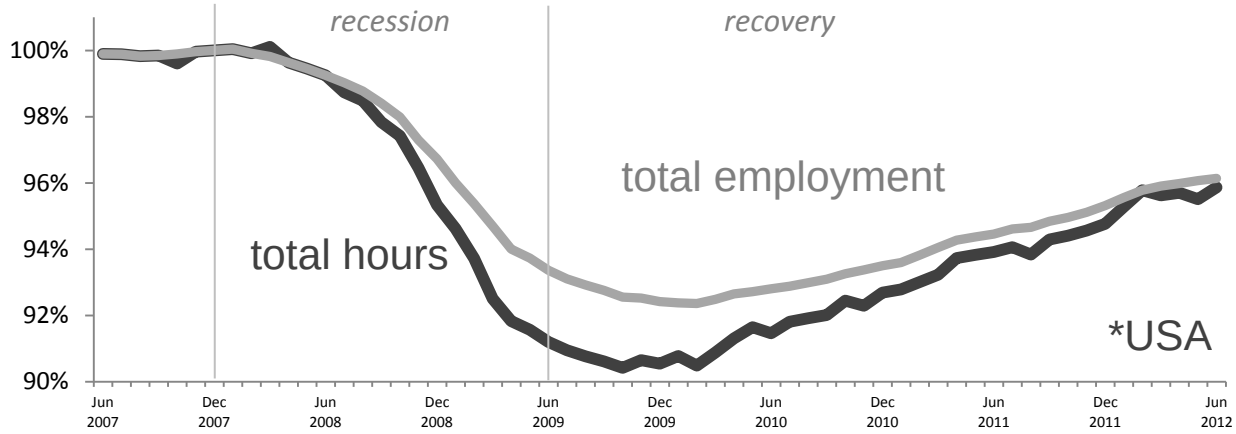


Total Employment v. Total Hours Worked in the Private-sector

When the 2007 recession started, the number of total hours worked in the economy dropped to even lower levels than employment as employers cut back on workers' hours or hired part-time workers instead of full-time workers. In the midst of the recession, during 2008 and 2009, a great concern was that employers would have to restore working hours to their employees before they could start creating new jobs.

Figure 6a show how total hours worked and total employment in the private sector have changed since the start of the recession and through the recovery at the national level. This graph shows that the private sector at the national level is doing well in restoring total hours worked and creating full time jobs. To better understand this trend, at the peak of the recession in 2009, total hours worked in the private sector were on average 31.4% lower than employment levels. By the first half of 2012 they were only 6.8% lower than employment levels, meaning that total hours have almost been fully restored and new jobs are being created at the national level. This trend is also reflected in the declining levels of involuntary part-time employment.

Figure 6a
Employment vs. Hours in the Private-sector in the Recession and Recovery (U.S.)

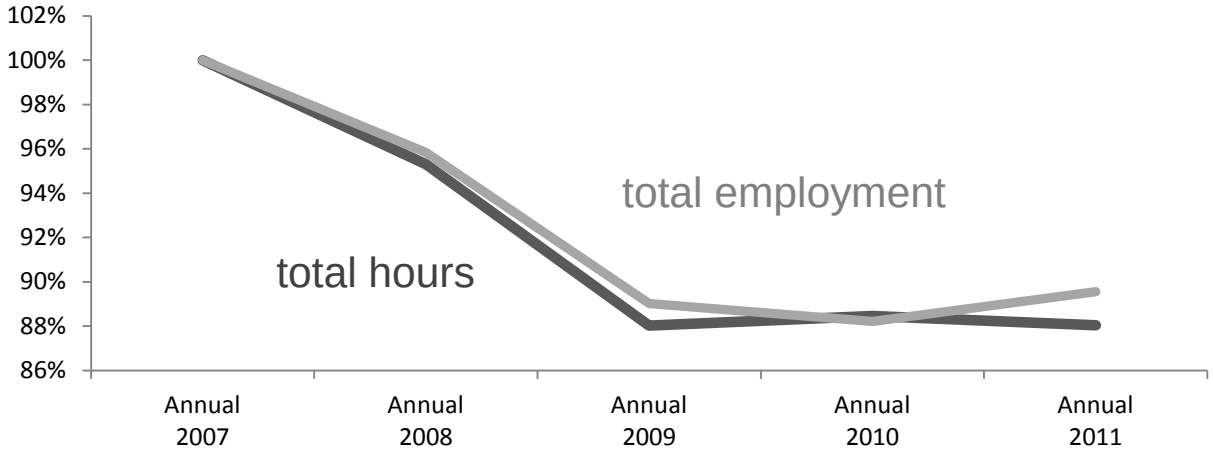


Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

Although seasonally adjusted data for total private employment and total private hours are not available at the state level, limiting the analysis to annual data, we can see that Florida is not doing nearly as well in this rubric. Even though employment levels in the private sector are higher in 2011 than in 2009, total hours worked have remained basically unchanged since the depth of the recession. In 2009, total hours worked were on average 9.2% lower than employment levels, but increased to 14.5% lower than employment levels by 2011. This shows that job creation has been lagging in Florida, but the restoration of total working hours has been lagging even more, which is a drag on recovery.

Figure 6b shows how total hours worked and total employment in the private sector have changed since 2007 in Florida.

Figure 6b
Employment vs. Hours in the Private-sector since 2007 in Florida



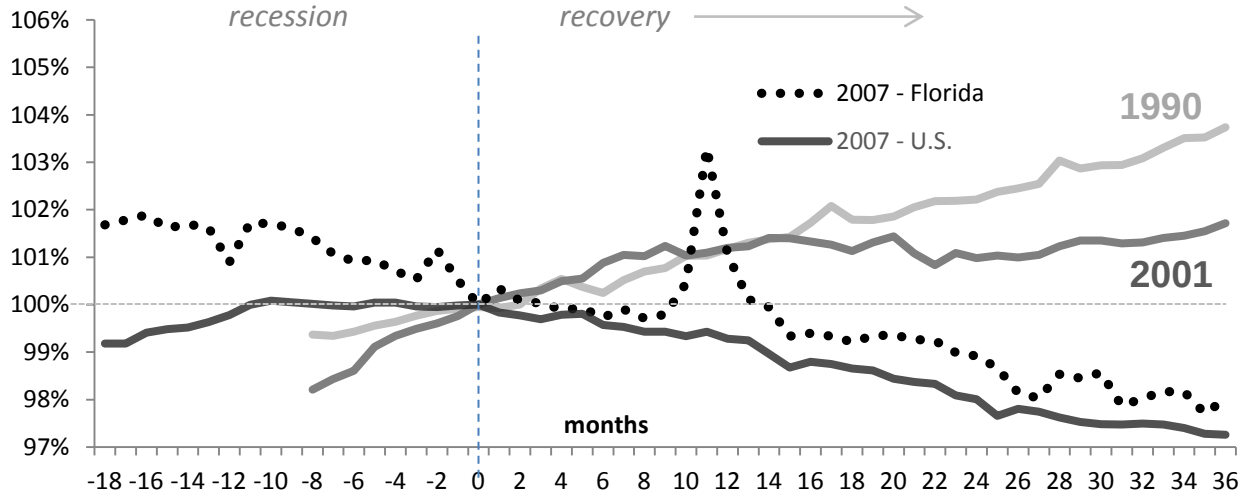
Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

The jobs lost in the public sector have heavily dampened the recovery.

The current recovery has been the only one in the past forty years where jobs in the public sector have been lost. The jobs lost in the public sector have been severely dampening the recovery. In both the 1990 and 2001 recessions, public sector jobs continued to grow in the recession and through the recovery. The U.S. started losing public sector jobs during the Great Recession and has not stopped shedding jobs in this sector three years into the recovery. Similarly, Florida had been losing jobs in the public sector since the start of the recession and has continued to lose jobs through the recovery.

Figure 7 shows how public sector employment changed during the three previous recessions and in the 36 months after the recoveries officially started at the national level and in Florida. The spike in employment at the 11th month of recovery for Florida is due to temporary Census jobs in early 2010, the recovery for the U.S. has been adjusted to exclude Census workers.

Figure 7
Change in Public-sector Employment since the Start of the Last three Recoveries.



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

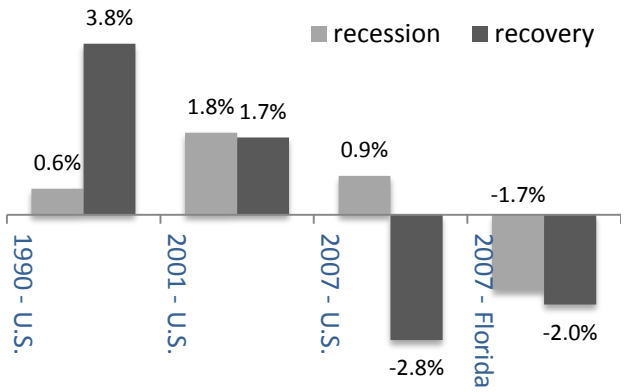
Florida lost 18,700 public sector jobs during the 2007 recession and has lost 22,100 more jobs since the recovery started. The U.S. gained 194,000 jobs during the recession, but has lost 627,000 jobs since the start of the recovery.

Figure 8 shows how public sector employment has grown in the 36 months after the 1990 and 2001 recoveries officially started at the national level, and shows how Florida and the U.S. have not stopped losing public sector jobs three years into the 2007 recovery[2]. This figure shows how the public sector at the national level grew twice as much (1.8%) during the 2001 recession as it grew during the 2007 recession (0.9%), and how the public sector grew tremendously through the 1990 and 2001 recoveries while it has dramatically lost jobs in the current recovery at the state and national level.

Figure 8
Change in Public-sector Employment since the Start of the Last Three Recoveries.

	employment change			
	recession		***recovery****	
	#	***%***	***#***	***%***
1990 recession – U.S.	+107	*+0.6*	+702	*+3.8*
2001 recession – U.S.	+382	*+1.8*	+366	*+1.7*
2007 recession – U.S.	+194	*+0.9*	-627	*-2.8*
2007 recession - Florida	**-18.7**	***-1.7***	**-22.1**	***-2.0***

** recovery = 36 months after official end of recession*
 # = employment in thousands



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

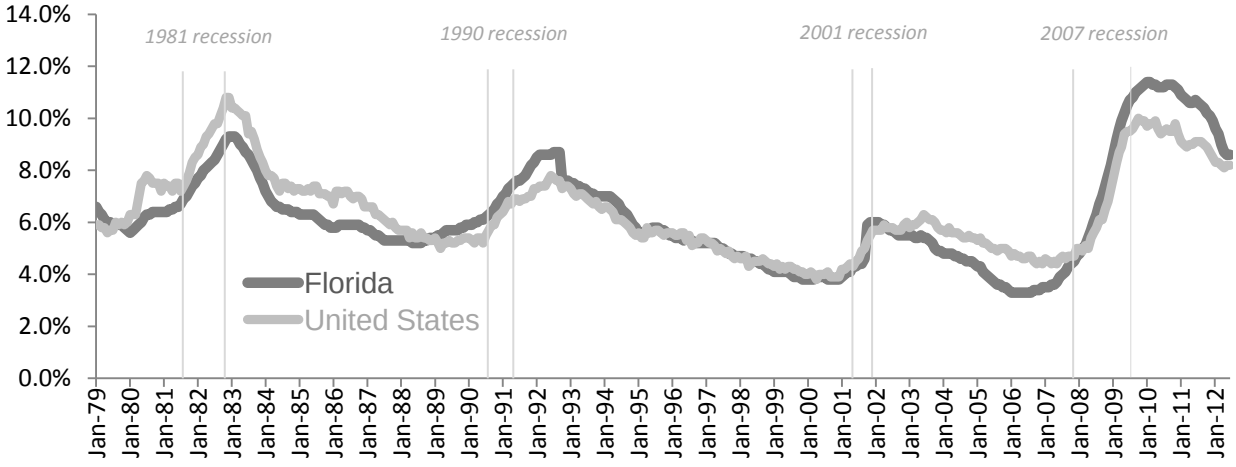
[2] Figure 8 only shows Florida in the 2007 recession and recovery.

CHAPTER 2
Three Years into the Recovery and Florida Still is Not Working.

Unemployment rates in Florida still are higher than the national average.

Figure 9

Monthly Unemployment Rates



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

Three years of a very sluggish economic recovery have gone by and we still are far from a full recovery. Unemployment rates in Florida skyrocketed in 2008, increasing 4.1 percentage points in one year to 10.4% on average in 2009. Even though the recession had officially ended in the summer of 2009, unemployment continued to rise in 2010, reaching its highest levels since the Great Depression – Florida reached its highest point at 11.4% and the U.S. at 10.0%. By 2010, Florida had lost around 800,000 jobs since the recession officially started.

Things began to look slightly better in 2011, when unemployment rates finally started to decline. Florida started to create jobs since early 2010, but not strongly enough to bring the unemployment rates down. In 2011, the rates at which jobs were being created accelerated a bit, going from an average of 14,100 new jobs every month in 2010 to 16,300 in 2011 and the first half of 2012. This job growth still is too slow, and job growth has stalled in the last semester. Unemployment rates in Florida fell as workers started to find jobs, from 11.3% in 2010 to 10.5% in 2011 and 9.0% in the first half of 2012.

Even though unemployment rates have declined, there still is widespread joblessness in Florida. Approximately one out of ten people in the state's workforce were unemployed in 2011 and the first half of 2012, translating into about 925,000 workers without jobs during this period. These trends were similar to the U.S. overall, although Florida, as one of the hardest hit states, has averaged about 1.3 percentage points higher than the nation since 2009.

Figure 10 shows monthly unemployment rates for Florida and the U.S. from June 2007 to June 2012, and Table 10a shows unemployment rates at the start of the recession in December 2007, at the start of the recovery in June 2009, and for the most recent 12 months for which the data were available.

Figure 35 in the Appendix shows the annual unemployment rates by counties in Florida in 2011.

Figure 10
Monthly Unemployment Rates During Recession and Recovery

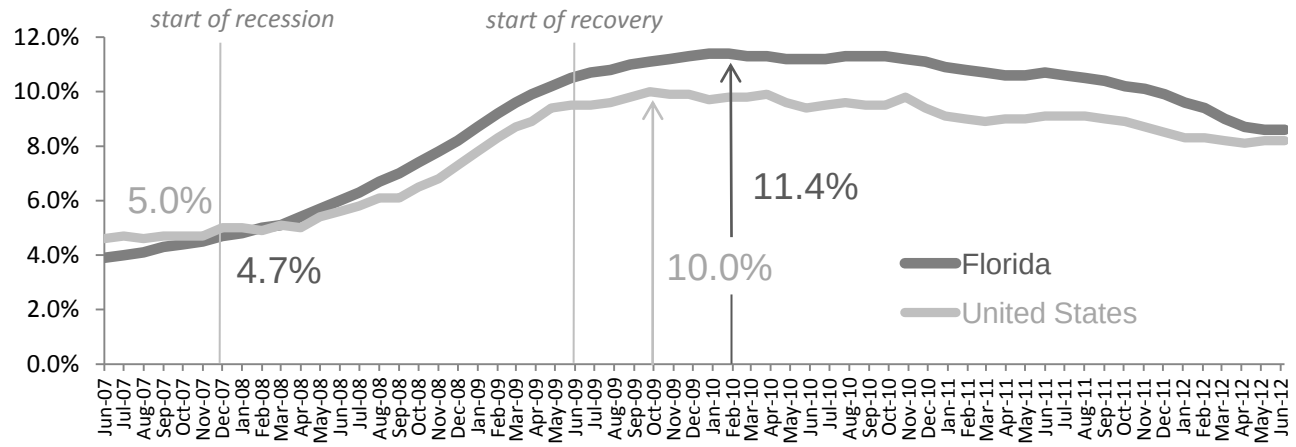


Table 10a

monthly unemployment rates (%)

	Dec 07	Jun 09	*Jul 11*	*Aug 11*	*Sep 11*	*Oct 11*	*Nov 11*	*Dec 11*	*Jan 12*	*Feb 12*	*Mar 12*	*Apr 12*	*May 12*	*Jun 12*	12m avg	* 2012
Florida	**4.7**	**10.5**	10.6	10.5	10.4	10.2	10.1	9.9	9.6	9.4	9.0	8.7	8.6	8.6	**9.6**	**9.0**
United States	**5.0**	**9.5**	9.1	9.1	9.0	8.9	8.7	8.5	8.3	8.3	8.2	8.1	8.2	8.2	**8.6**	**8.2**

Source: U.S. BLS: Local Area Unemployment Statistics (LAUS)

**Average unemployment rate for the first half of 2012*

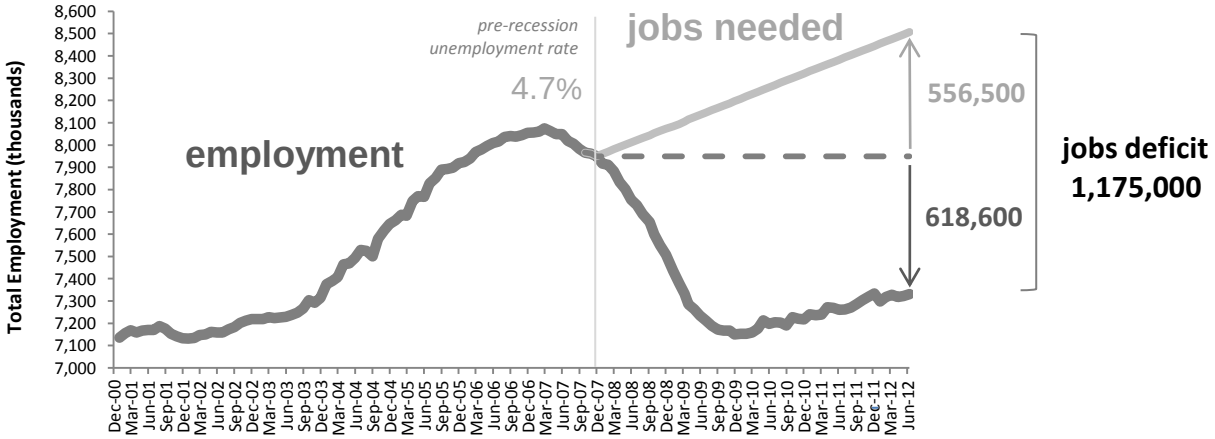
Weak job growth in the state keeps feeding a massive jobs deficit.

Three years after the recovery officially began, Florida still is 618,600 jobs below pre-recession levels of employment. It has truly been a very sluggish recovery for Florida. However, this large deficit only tells a part of the story, because economies in good shape are supposed to grow and create enough jobs to at least keep up with the growth of the working-age population.

Florida's working-age population - 16 years old and over - grew about 7% since the recession started, from December 2007 to June 2012. In order to keep up with that growth and maintain the pre-recession unemployment rate of 4.7 percent, Florida should have created 556,500 jobs. Instead, Florida has lost 618,600 jobs over this period. This adds up to a total shortfall of 1,175,100 jobs.

If Florida keeps creating jobs at the pace it has been in the past couple of quarters and if we take into account that population will continue to grow, the deficit will continue to grow instead of shrink.

Figure 11
The Jobs Deficit



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

The probabilities of finding jobs still are stacked against job seekers.

The Job Opening and Labor Turnover Survey (JOLTS) provides a closer, more detailed look at the dynamics of the labor market and at the prospects of job seekers. The JOLTS collects national-level data on job openings, hires, quits, layoffs, and other separations, and thus provides clearer diagnosis of the cause of the persistent high unemployment we are experiencing.

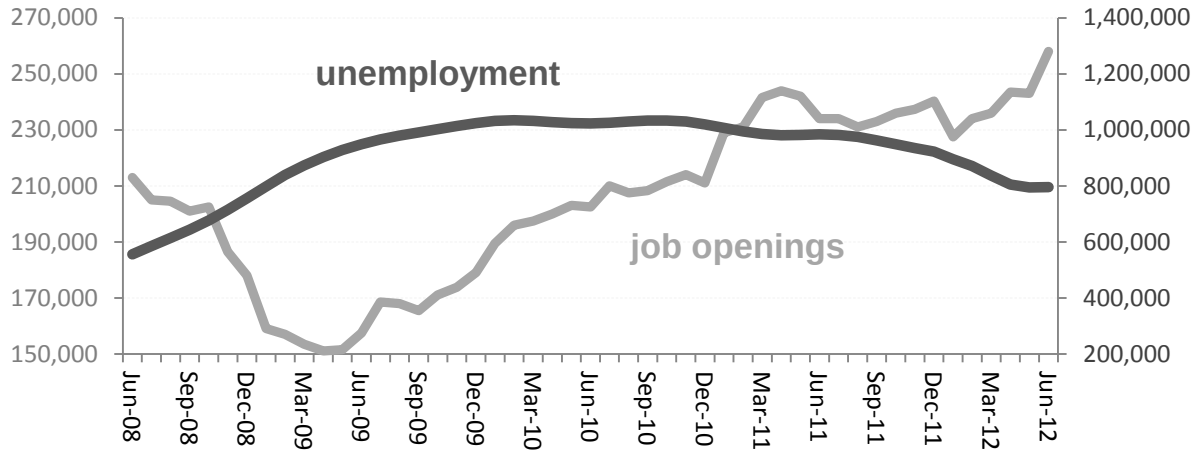
As job openings increase, prospects for job seekers start to look better and unemployment levels start to decrease. Job openings have been increasing since the start of the recovery, but too slowly, and to levels still far below pre-recession. Figure 12 shows the number of monthly job openings compared to unemployment levels in Florida.

A measure of the health of the labor market is the number of unemployed workers per job opening, also known as the Job-Seekers Ratio. The Job-Seekers Ratio in Florida reached its peak in the summer of 2009 at **7.0-to-1.** It started to decline to **5.9-to-1** in 2010 and to **5.5-to-1** in 2011. In the first half of 2012, the ratio was **4.5-to-1**. This means that for every job opening, there were approximately 3.5 people for whom simply no job was available. Florida's Job-Seekers ratio has approximately been one whole job seeker per job opening higher than the national level ratio since the start of the recession.

The probabilities of finding jobs still are stacked against job seekers. There simply are no jobs for more than three out of four workers in Florida. Also, unemployed workers outnumber job openings in every industry. This shows that the cause of high unemployment is a general lack of demand for workers, and not that available workers do not match the skills required for the industries that are creating jobs. Figure 36 in the Appendix show unemployment levels, job openings by industry and the Job-Seekers Ratio at the national level.

Figure 12

Unemployment levels and Job Openings in Florida



Source: Help Wanted Online Ads and BLS: Local Area Unemployment Statistics (LAUS)

JOLTS data specific for Florida are not available, but the Florida Department of Economic Opportunity publishes estimates from Help Wanted Online Ads, which are a compilation of online job ads from over 1,200 job boards, and although it is not a comprehensive survey of job openings the data are a direct indication of hiring intent by employers and serve as a measure of labor demand. To calculate the Job-Seekers ratio at the state level, we assume that the data from Help Wanted Online Ads proportionally underestimates the Job-Seekers Ratio at the national level as it underestimates the Jobs Seeker Ratio at the state level.

No state has ever reached long-term unemployment rates as high as Florida.

One measure that especially shows the long-lasting consequences of the recession is the length of time that workers are going without finding work. Long-term unemployment is the share of unemployed workers that have been seeking jobs for more than six months. All across the nation and particularly in the state of Florida, workers have struggled tremendously to find jobs.

Three years after the recovery officially started, the odds still are stacked against job seekers. In the first half of 2012, there were more than four jobless people for every job created in Florida and more than three in the U.S., meaning that there literally are no jobs for three out of four unemployed workers in Florida and no jobs for two out of three unemployed workers in the US. This generalized lack of demand for labor explains the persistent joblessness across the U.S.

Even though the recovery officially started three about three years ago, long-term unemployment remains at levels three times higher than when the recession started. Long-term unemployment at the national level has at least stopped rising in 2011 at 43.7%, practically the same rate as in 2010. Florida's long-term unemployment rate, however, has continued to rise in 2011, reaching record-high rates and making it number one among states. No state has ever had a long-term unemployment rate as high as Florida's, which was 53.0% in 2011. More than half of the unemployed in Florida – approximately 514,700 workers – had been looking for jobs for more than six months in 2011. Workers who are unemployed this long face devastating economic consequences for themselves and their families.

Figure 13
Long-term Unemployment, Florida and the U.S.

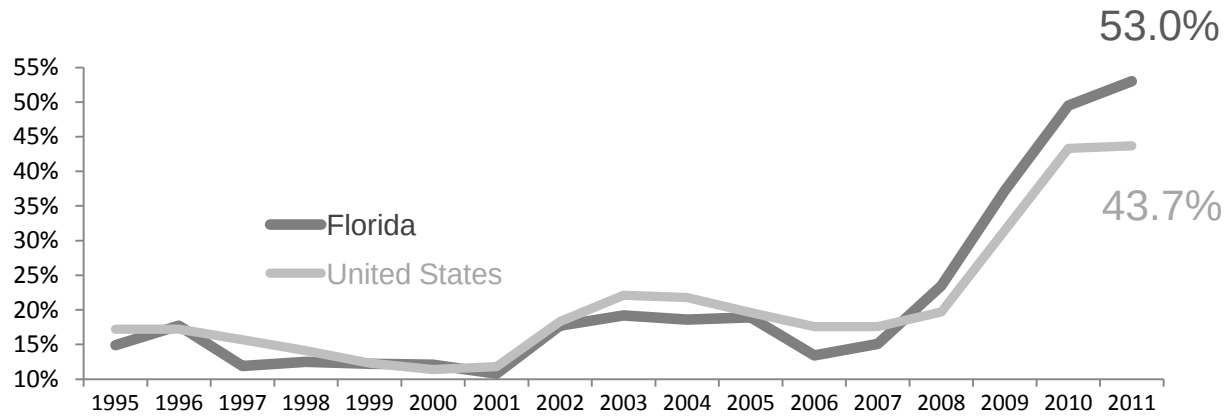


Table 13a

	long-term unemployment (%)										
	2001	***2002***	***2003***	***2004***	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***
Florida	10.8	17.7	19.2	18.6	18.9	13.4	15.1	23.5	37.2	49.5	53.0
United States	11.8	18.3	22.1	21.8	19.6	17.6	17.6	19.7	31.5	43.3	43.7

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Workers still struggling to find full-time jobs

Involuntary part-time employment is the share of part-time workers who gave an economic reason for working 34 hours per week or less. Economic reasons include unfavorable business conditions, inability to find full-time work, and seasonal declines in demand for work. In the past recession, businesses in economic strain were forced to reduce working hours for employees or to hire part-time instead of full-time workers. Involuntary part-time employment more than doubled in Florida after the start of the recession.

Unemployment rates understate the bad conditions of the labor market when many workers have to work part-time jobs involuntarily. Workers in this category have a job and count as employed workers, but they also are economically distressed. These workers are working less and earning less than what they need and may be struggling to make ends meet. In addition, many workers whose working hours have been reduced fall out of eligibility requirements for employer-provided benefits.

In 2011, involuntary part-time employment rates in the state and at the national level have finally started to drop after having risen constantly since the recession started. Florida's rates fell back to 2009 levels, from 33.1% in 2010 to 31.5% in 2011. However, Florida has ranked the 3rd state with highest percentages of involuntary part-time since the start of the recession. Almost one out of every three people working part-time was working part-time for economic reasons in Florida, this represents 6.8% of the employed population or 563,200 workers.

Historically, Florida has had higher levels of involuntary part-time employment than national levels due to the prominence of low-wage service sectors where part-time jobs with few benefits are extremely common. In 2011, Florida was 7 percentage points above national levels, 31.5% in Florida compared with 24.5% in the nation. Retail trade and Leisure & Hospitality are industries that heavily rely on part-time workers and pay very low wages. These industries employ approximately one quarter of all workers in Florida.

Figure 14

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

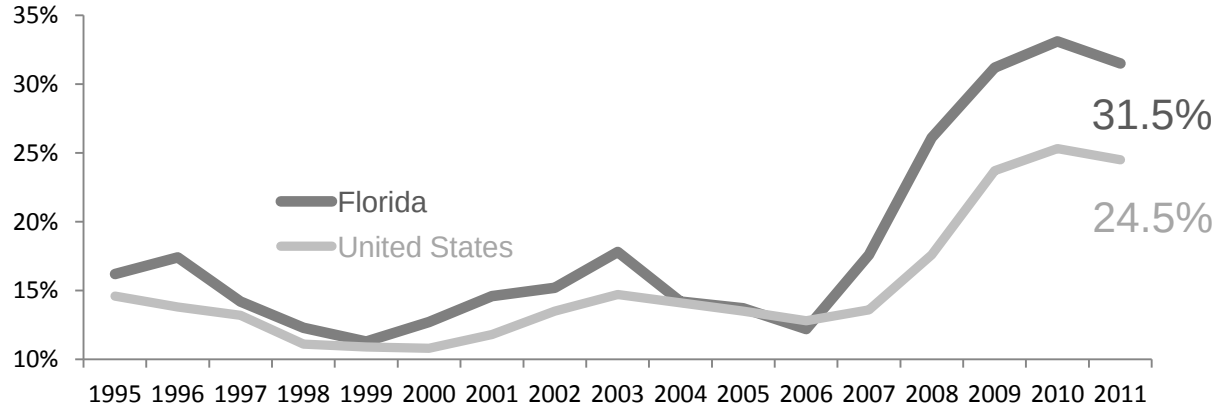


Table 14a

	Involuntary part-time employment (%)										
	2001	***2002***	***2003***	***2004***	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***
Florida	14.6	15.2	17.8	14.2	13.7	12.2	17.6	26.1	31.2	33.1	31.5
United States	11.8	13.5	14.7	14.1	13.5	12.8	13.6	17.6	23.7	25.3	24.5

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

More than one out of six workers are either unemployed, working less hours than desired, or waiting on the sideline.

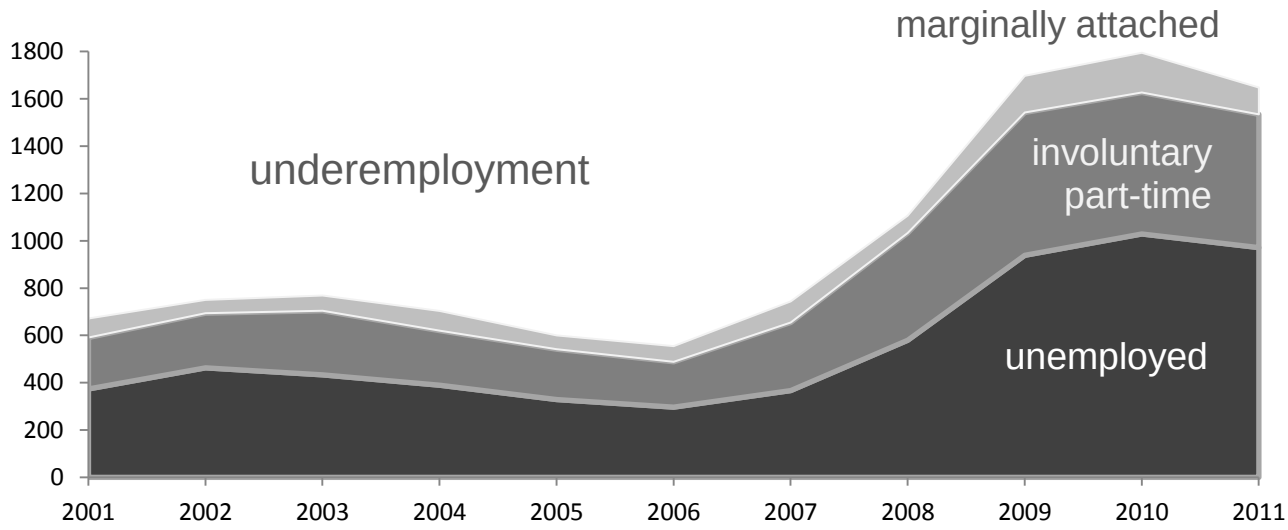
Underemployment is the most comprehensive measure of the gap between people's willingness to work and the availability of work. Underemployment combines the workers who are unemployed, workers who are working part time involuntarily, and those who want to work but are not actively searching because they believe no jobs are available – also referred the marginally attached.

Underemployment in Florida and in the U.S. escalated to historical levels after the start of the recession and reached its highest levels in 2010. Florida's underemployment levels have been above national levels since the start of the recession.

Even though the recovery officially started in 2009, underemployment rates didn't start to decline until 2011. In Florida, underemployment fell from 19.3% in 2010 to 17.6% in 2011, which brought us below 2009 levels. However, in 2011, more than one out of every six workers were without jobs, working part time involuntarily, or marginally attached to the labor force and Florida still is 1.8 percentage points higher than the national level.

In 2011, more than 1.6 million people were underemployed in Florida. Florida's underemployed labor force can be broken up the following way: approximately 971,000 workers unemployed, around 563,000 workers working part time involuntarily, and around 113,000 marginally attached to the jobs market.

Figure 15 - Underemployment Rates in Florida.



	underemployment (thousands)										
	2001	***2002***	***2003***	***2004***	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***
Marginally Attached	*80*	*56*	*64*	*83*	*58*	*66*	*89*	*73*	*155*	*168*	*113*
Involuntary Part-time	*217*	*231*	*271*	*231*	*213*	*192*	*288*	*454*	*604*	*563*	*563*
Unemployed	*374*	*463*	*433*	*390*	*329*	*297*	*367*	*580*	*939*	*971*	*971*
Total Underemployed	671	750	769	703	600	555	744	1106	1697	1795	1649
Underemployment Rate (%)	**8.3**	**9.2**	**9.3**	**8.3**	**6.9**	**6.2**	**8.0**	**11.9**	**18.4**	**19.3**	**17.6**

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

Unemployment rates have been declining because workers have simply given up looking for jobs.

The labor force participation rate is the share of working age population – 16 years old and over – who are either working or actively looking for jobs. Labor force participation is cyclical, because it shrinks when the economy slows down and increases when the economy is in expansion.

During economic recessions, it is harder for workers to find opportunities in the labor market. Unemployed workers give up on looking for jobs and drop out of the active labor force, and sometimes young people do not enter the labor force at all. Historically, Florida has had lower participation rates than the national level, because there is a large concentration of retirees who no longer participate in the labor force. In 2011, 61.1% of the working age population was actively participating in Florida compared with 64.1% in the nation as a whole.

Labor force participation in Florida and in the nation has declined constantly since the start of the recession and through the recovery. However, labor force participation in Florida has declined much more than at the national level since the start of the recession; 2.7 percentage points since 2007 in Florida, compared with 1.9 percentage points at the national level.

Figure 16
Labor Force Participation, Florida and the U.S.

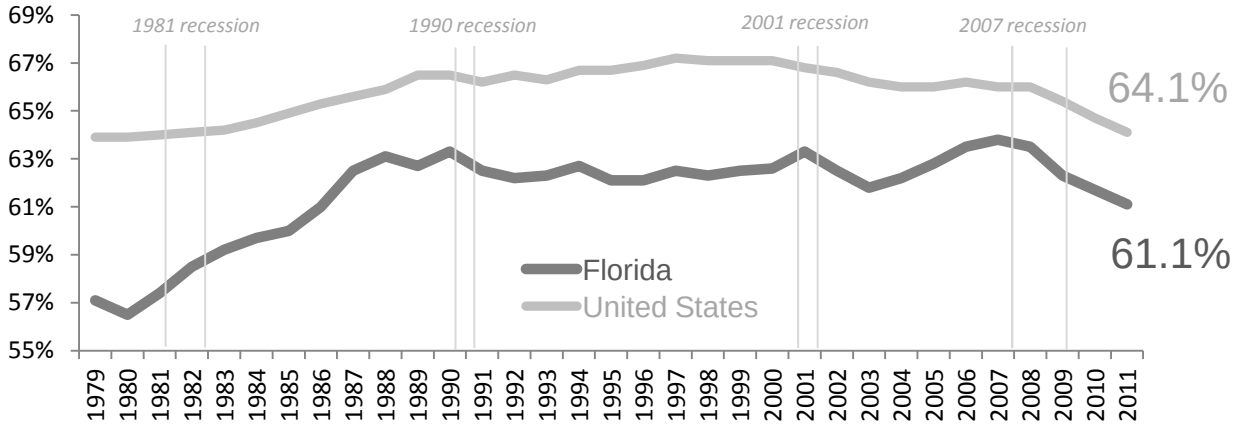


Table 16a

	labor force participation (%)										
	2001	***2002***	***2003***	***2004***	***2005***	***2006***	***2007***	***2008***	***2009***	***2010***	***2011***
Florida	63.3	62.5	61.8	62.2	62.8	63.5	63.8	63.5	62.3	61.7	61.1
United States	66.8	66.6	66.2	66.0	66.0	66.2	66.0	66.0	65.4	64.7	64.1

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Labor force participation at these historically low levels indicates that recent unemployment rates underestimate the bad conditions of the labor market. If participation rates had kept up with the growth in population and remained at pre-recession levels (63.8% in 2007 in Florida), then there would have been approximately 346,900 more people looking for jobs in 2011[3]. If none of these missing workers would have found employment and were added to the unemployment numbers, then unemployment rates in 2011 would have been approximately 3 percentage points higher in Florida.

This gives us an idea of the number of workers that have disappeared from the labor force and may return to look for jobs once the economy starts expanding and people start feeling more confident about the prospects of the labor market. Once these missing workers return, they will probably exert and upward push on the unemployment rates even though jobs are being created.

[3] This number takes into account that studies at the national level show that only 1/3 of the people who dropped out of the labor force are retiring people; hence, 2/3 of the labor force participation decline is due to the economic cycle.
Shierholz, Heidi. *Labor Force Participation - Cyclical versus Structural Changes since the Start of the Great Recession*. Issue brief no. 333. Economic Policy Institute, 24 May 2012. Web. <http://www.epi.org/publication/ib333-labor-force-participation-since-great-recession/>.

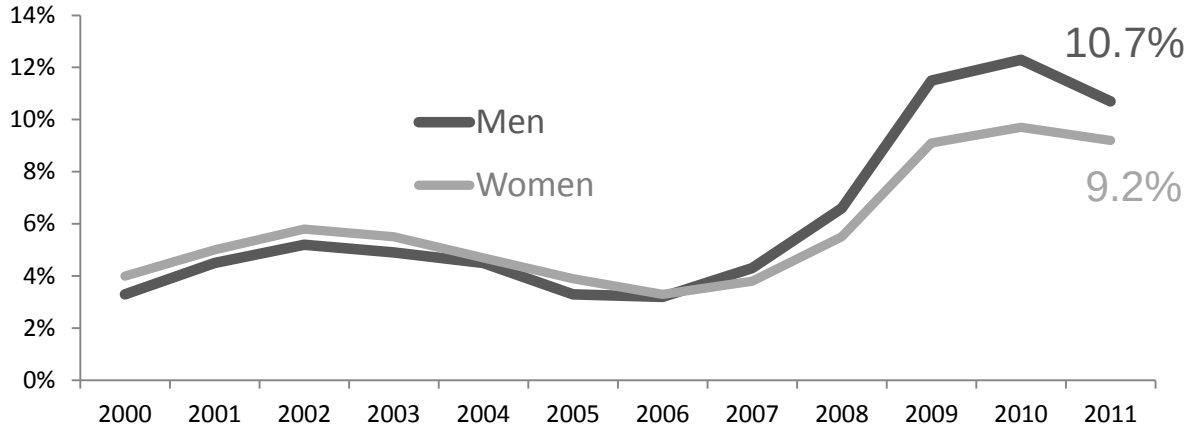
CHAPTER 3
Recovery for Whom?

From Mancession to He-Covery[4]

Women historically tend to have higher rates of unemployment than men, but since the recession started, men's unemployment rates have been higher than those of women. Women's unemployment rate in Florida did not go higher than 10% while men's hit its highest point at 12.3% in 2010. In 2011, unemployment rates for men declined to 10.7%, almost one percentage point below 2009 levels for men, while women's rates dropped back to 2009 levels.

[4] Generally attributed to blogger and economist Mark J. Perry. A "mancession" (man + recession) or a "hecession" (he + recession) is a business recession that affects more men than women. Perry, wrote about "The 2008 Male Recession? The Gender Jobs Gap" (December 5, 2008) and "The 'Man-Cession' Worsens, Record M-F Gap" (February 6, 2009). There is a "mancession" citation on another economics blog from February 1, 2009. "Mancession" made the New York (NY) *Times*'s "Buzzwords of 2009, defined as "A recession that affects men more than women. Also hecession."

Figure 17
Unemployment Rates by Gender in Florida



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

All economic indicators tell us that three years into the recovery, men still are doing worse than women. Long-term unemployment for men in Florida was 54%, 1.6 percentage points higher than women's. Men have disappeared more from the labor force since the start of the recession. Labor force participation for men has declined 4 percentage points from 2007 to 2011 and continued to decline in 2011, while women's participation in the labor force only declined 1.7 percentage points and stopped declining in 2010. Even though women tend to work more part-time jobs than men, more men do so involuntarily. One third of all men working part time did so involuntarily, while only one fourth of women did in 2011. Underemployment, which is a summation of indicators that measure the bad conditions of the labor market, also shows that men are still faring worse than women.

Table 18
Labor Force Statistics by Gender in Florida

	2007		2008		2009		2010		2011	
	Men	***Women***	***Men***	***Women***	***Men***	***Women***	***Men***	***Women***	***Men***	***Women***
Unemployment Rate	**4.3%**	**3.8%**	**6.6%**	**5.5%**	**11.5%**	**9.1%**	**12.3%**	**9.7%**	**10.7%**	**9.2%**
Part-Time Share	14.4%	23.2%	16.6%	24.0%	19.6%	28.4%	18.8%%	26.1%	17.8%	25.8%
Involuntary Part-Time	25.1%	12.4%	34.3%	19.7%	38.3%	25.8%	39.8%	27.9%	37.6%	26.8%
Underemployment	8.5%	7.5%	12.8%	11.0%	19.6%	17.2%	20.5%	18.0%	18.2%	17.0%
Long Term Unemployment	16.8%	13.0%	23.1%	24.0%	38.8%	35.0%	51.4%	46.8%	54.0%	51.8%
Participation Rate	70.6%	57.6%	70.0%	57.4%	68.2%	56.8%	67.8%	56.0%	66.6%	55.9%
Share of labor force	53.3%	46.7%	53.1%	46.9%	52.7%	47.3%	52.9%	47.1%	52.7%	47.3%

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Men in the Recovery

Most of the jobs that have been created in the recovery have been absorbed by men. Men were harder hit by the recession, because the industries that were most affected are heavily composed of male workers. Construction and Manufacturing, although not the only ones, are very salient examples. In comparison, Educational Services and Health Care Services, which have a higher percentage of female workers, were not hit as hard in the recession.

Men in Florida have captured around twice as many jobs as women since the recovery officially started – around 123,000 jobs for men and 73,000 for women. This disparity is greater at the national level where men have absorbed around four times as many jobs as women have since the recovery started. Men in Florida have only recovered one fourth of the jobs lost during the recession while women have recovered one third.

Men in Florida have been recovering more slowly than men at the national level, because the industries that were harder hit in the recession and that are heavily composed of male workers have been recovering at a different pace at the state and the national level. Construction at the national level has stopped losing jobs since the recovery officially began and has started to create jobs in some states, but this industry still keeps losing jobs in Florida. Manufacturing has been boosting employment at the national level since the recovery started, while Florida's manufacturing industry has only managed to stop losing jobs.

An early recovery for Whites, a late recovery for Hispanics, and still no recovery for Black workers.

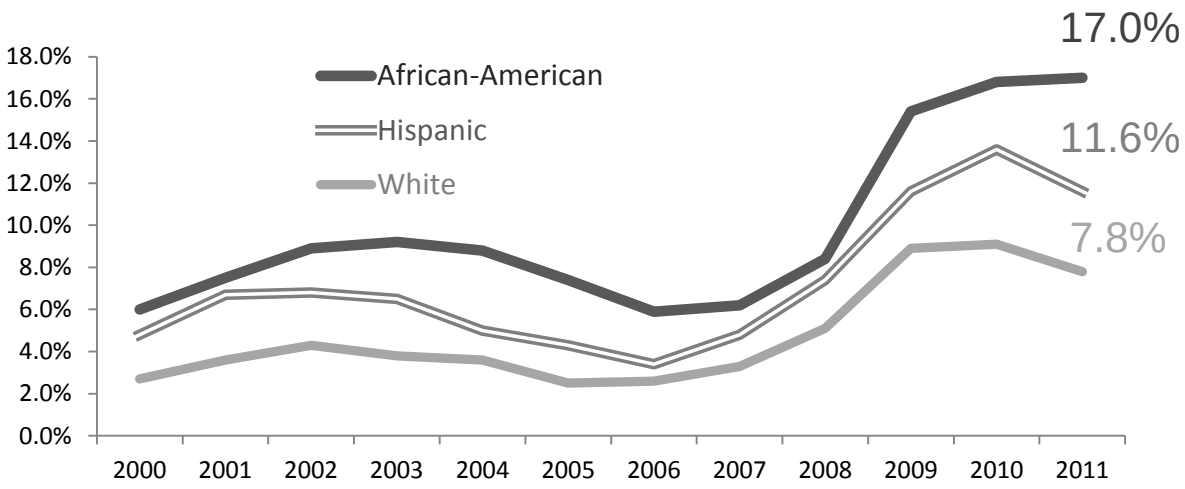
The recession affected workers of all occupations, industries, ages, educational levels, gender, and races. Three years after the recovery officially started, White, Black, and Hispanic workers still have unemployment rates more than twice as high as pre-recession levels. However, the devastating recession has only exacerbated inequalities between these demographic groups.

Hispanic workers and Black workers have historically fared worse in the economy than non-Hispanic Whites. Unemployment rates for Hispanics have been around 50% higher than those for non-Hispanic Whites and unemployment rates for Blacks tend to be closer to twice as high as rates for non-Hispanic Whites. To put this in perspective, the highest unemployment rate reached by Whites in the Great Recession is lower than the average unemployment rate for Black workers in the past three decades.

Black workers and Hispanic workers are more vulnerable to economic fluctuations, and the present economic recovery reflects this trend. Unemployment rates for non-Hispanic Whites in Florida stopped rising as early as in 2009, coinciding with the official start of the recovery, and declined from 9.1% in 2010 to 7.8% in 2011. Even though the recovery began in 2009, unemployment rates for Hispanic workers in Florida continued to rise through 2010 and finally started to decline in 2011 to 11.6%, still around 50% higher than unemployment rates for non-Hispanic Whites.

Black workers have been having the hardest time in the recovery. Actually, there has virtually been no recovery for Black workers and unemployment rates have not yet begun to decline. Unemployment rates for Blacks in Florida were 17.0% in 2011, more than twice as the unemployment rates for non-Hispanic Whites. The recovery at the national level has basically been the same as in Florida; an early recovery for non-Hispanic Whites, a late recovery for Hispanics, and still no recovery for Blacks.

Figure 19
Unemployment Rates by Race in Florida



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Underemployment for minority groups is higher, because they have higher unemployment rates, but also because many more Hispanic and Black workers are working part time involuntarily. Even though the share of part-time workers was practically the same for every demographic group in 2011, the percentage of people working part time for economic reasons is much higher for Hispanic and Black workers, 41.5% and 43.7% respectively, compared with 25.6% for non-Hispanic Whites. Hispanics and Blacks also have greater levels of workers marginally attached to the labor force.

Table 20
Labor Force Statistics by Race in Florida

	2007			2009			2010			2011		
	White	***Hispanic***	***Black***	***White***	***Hispanic***	***Black***	***White***	***Hispanic***	***Black***	***White***	***Hispanic***	***Black***
Unemployment Rate	**3.3%**	**4.8%**	**6.2%**	**8.9%**	**11.6%**	**15.4%**	**9.1%**	**13.6%**	**16.8%**	**7.8%**	**11.6%**	**17.0%**
Part-Time Share	20.3%	16.0%	15.8%	24.4%	22.7%	23.3%	22.2%	22.8%	22.9%	21.4%	21.4%	22.6%
Involuntary Part-Time	13.2%	29.4%	22.8%	24.8%	46.7%	38.5%	27.0%	44.6%	42.9%	25.6%	43.7%	41.5%
Underemployment	6.6%	10.0%	11.3%	15.6%	22.3%	25.5%	16.1%	23.8%	27.6%	14.3%	21.4%	26.8%
Long Term Unemployment	15.8%	14.4%	n.a.	35.9%	33.4%	46.1%	51.9%	44.6%	50.9%	51.3%	54.5%	54.2%
Participation Rate	61.4%	68.6%	66.7%	60.1%	66.7%	64.6%	59.6%	66.2%	63.4%	59.4%	65.2%	62.1%
Share of labor force	60.7%	22.4%	13.%	61.1%	21.4%	14.2%	60.4%	22.0%	14.4%	61.0%	21.2%%	14.4%

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Since the start of the recession, minority workers have disappeared and continue to disappear much more from the labor force. Labor force participation for Black and Hispanic workers declined around twice as much as for non-Hispanic Whites.

Labor force participation and the employment-to-population ratio in Florida have historically been lower for non-Hispanic Whites than for minority groups, because there is a large concentration of non-Hispanic Whites retirees in the state. However, the employment-to-population ratio for Blacks was lower than for Non-White Hispanics in 2011, because it has not stopped declining since the recession started, compared with the ratio for Hispanics, which stopped declining in 2010, and compared with the ratio for non-Hispanic Whites, which has started to rise since 2010.

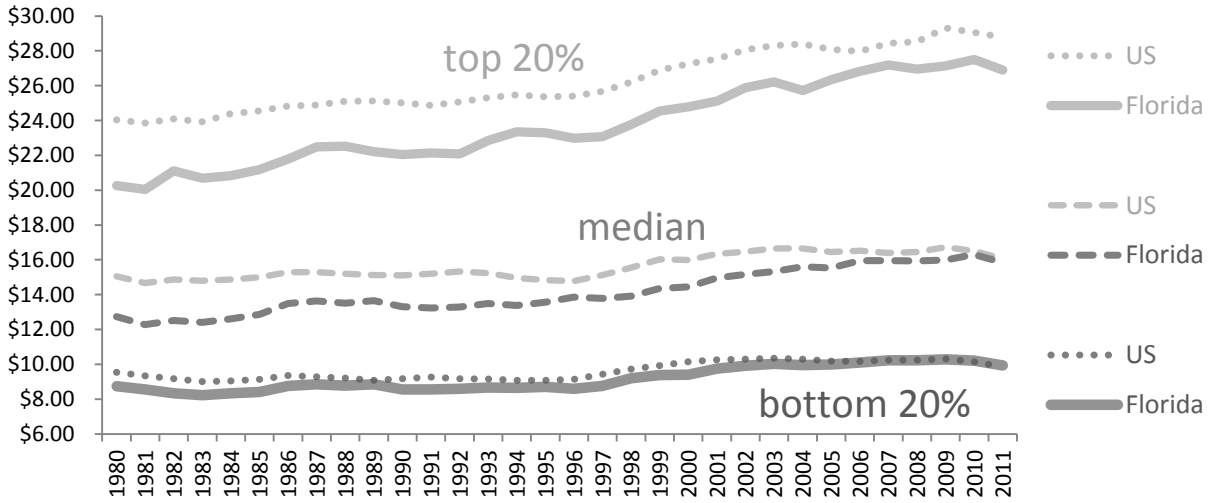
CHAPTER 4
Wages Have Stagnated While Inequality Has Grown.

The gap between low-wage and high-wage workers has widened in the last three decades.

Wages for most workers have basically stagnated during the last three decades and have failed to keep up with the constant increases in worker productivity. Wage gains have only been captured by people in the upper end of the wage distribution. In Florida, wages for workers in the bottom 20% of the distribution have only increased about 11% in more than three decades, but people in the top 20% have seen their wages increase almost three times faster (29%). In other words, workers in the bottom 20% are making less than one dollar per hour more than they used to three decades ago while people in the top 20% are making six dollars per hour more than they used to.

This has resulted in a constantly widening wage gap between workers in the upper and lower ends of the distribution. The difference between the wages of workers in the bottom 20% and workers in the top 20% was $11.94 per hour in1979, and this wage gap increased to $16.97 per hour in 2011. To put it in perspective, workers in the top 20% were making 2.3 times more than workers in the bottom 20% in 1979 compared with 2.7 times more in 2011.

Figure 21
The Wage Gap in Florida and the U.S.



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Table 21a

	wages ($)								
Florida	***1980***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Bottom 20%	8.73	8.40	8.56	8.71	9.40	9.98	10.29	10.21	9.93
Top 20%	20.26	21.18	22.05	23.29	24.78	26.34	27.14	27.50	26.90
How many times?	***2.3***	***2.5***	***2.6***	***2.7***	***2.6***	***2.6***	***2.6***	***2.7***	***2.7***
United States	***1980***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Bottom 20%	9.54	9.14	9.18	9.07	10.15	10.18	10.31	10.14	9.85
Top 20%	24.04	24.56	25.01	25.36	27.25	28.09	29.31	29.05	28.78
How many times?	***2.5***	***2.7***	***2.7***	***2.8***	***2.7***	***2.8***	***2.8***	***2.9***	***2.9***

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Inequality at the national level is greater. Wages for workers in the lower end are similar to those of workers in Florida, but the wages for people in the upper end are significantly higher, making the wage gap even wider. Workers in the top 20% were making 2.5 times more than workers in the bottom 20% in 1979 compared with 2.9 times more in 2011 at the national level.

The typical full-time worker in Florida lost $1,000 in 2011 over 2010 wages.

Wages lagged a couple of years before they started reflecting the disastrous effects of the recession on the labor force. Employment indicators like unemployment rates and the Job-Seekers Ratio began to improve in the past couple of years, but wages in Florida started to fall across the entire wage distribution in 2011. The average decline was $0.52 for all workers across the wage distribution, which translates into roughly $1,000 per year for a full time worker at 35 hours per week. Wages at the national level have been declining across the wage distribution since 2010 and since have declined $0.58 on average for all workers, only a bit more than what wages in Florida have declined in one year since 2011. This decline in wages represents a greater challenge for workers in Florida, because wages have always been lower than at the national level.

Persistent, high joblessness exerts downward pressure on wages, and it sometimes takes time to see the full effect of high unemployment on wages. There are some reasons that help explain the stagnation and decline in wages during bad economic times. Sometimes it is harder for employers to offer pay increases, and workers have to stay put in their jobs given the bleak prospects of finding better paying jobs. Given the increased competition in the labor market, lower-than-usual wages might suffice to attract qualified workers. Laid off workers oftentimes have to relocate into jobs that pay less than what they used to make, and sometimes they have to take temporary, lower-paying jobs only to help make ends meet. Wages also depend on the industries that are creating the jobs, and in Florida, many workers have been moving into low-wage industries like Retail Trade and Leisure and Hospitality, while higher-wage industries like Information and Manufacturing continue to underperform.

Table 22
Hourly Wages by Percentile

	wages ($)*								
	1980	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
10th percentile	7.72	7.20	7.13	7.24	7.98	8.20	8.36	8.34	8.16
20th percentile	8.73	8.40	8.56	8.71	9.40	9.98	10.29	10.21	9.93
30th percentile	9.84	9.88	10.06	10.21	10.76	11.55	11.76	12.17	11.90
40th percentile	11.05	11.28	11.68	11.74	12.76	13.51	13.92	14.21	13.87
Median - Florida	**12.73**	**12.87**	**13.30**	**13.57**	**14.45**	**15.53**	**15.99**	**16.31**	**15.85**
Median - United States	**15.06**	**15.00**	**15.11**	**14.84**	**15.99**	**16.45**	**16.73**	**16.51**	**16.06**
60th percentile	14.52	15.06	15.44	15.91	17.01	17.67	18.85	19.00	18.74
70th percentile	16.78	17.72	18.12	18.88	20.54	21.28	22.16	22.43	21.99
80th percentile	20.26	21.18	22.05	23.29	24.78	26.34	27.14	27.50	26.90
90th percentile	25.92	27.58	28.47	29.66	32.72	35.45	36.52	36.91	35.05

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS) **All wages for Florida except*

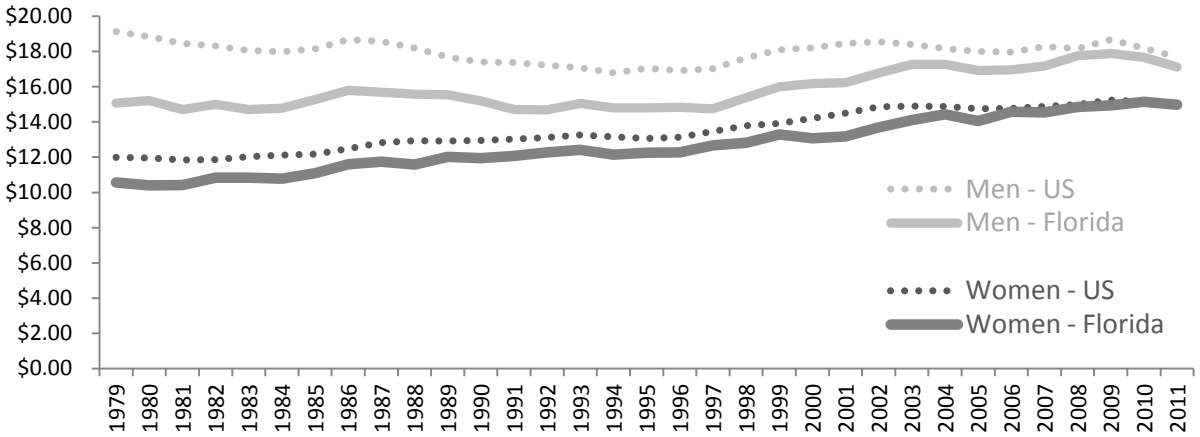
Wages vary by gender.

Wages for male workers in Florida started to decline in 2010, one year before wages similarly declined in 2011. Since 2010, median hourly wages for males have fallen $0.76, which translates into about $1,500 per year for a full-time worker at 35 hours per week. Women's wages have just begun to fall in 2011 and have only lost $0.16. However, if women's wages follow the trend of women's wages at the national level, they will continue to fall. Wages in Florida have historically been lower than at the national level for both women and men.

At the national level, median wages by gender started to decline one year earlier in 2009 for both females and males, and therefore, have fallen more. Men have lost almost one dollar ($0.98) and women have lost $0.37 since 2010; this translates into roughly $1,900 per year and about $700 per year for male and female full-time workers respectively.

Figure 23

Median wages for men and women in Florida and the U.S.



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Table 23a

	median wages ($)								
Florida	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Women	10.57	11.09	11.95	12.26	13.08	14.06	14.95	15.14	14.98
Men	15.07	15.27	15.19	14.80	16.17	16.92	17.88	17.67	17.12
Women/Men	***70.1%***	***72.6%***	***78.7%***	***82.8%***	***80.9%***	***83.1%***	***83.6%***	***85.7%***	***87.5%***
United States	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Women	11.99	12.18	12.96	13.07	14.20	14.75	15.25	15.15	14.88
Men	19.13	18.15	17.41	17.04	18.21	18.00	18.68	18.19	17.70
Women/Men	***62.7%***	***67.1%***	***74.4%***	***76.7%***	***78.0%***	***81.9%***	***81.6%***	***83.3%***	***84.1%***

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

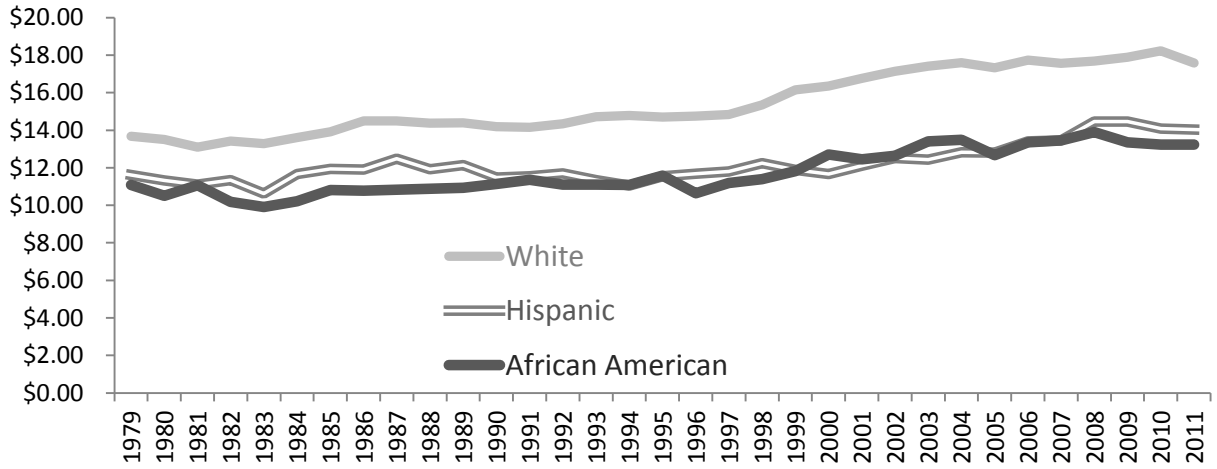
Even though men have been losing more ground in the recession and the recovery, they are still making much more than women. Over the past thirty years, women's wages in Florida have slowly been catching up to men's wages, but there still is unequal pay between genders. In 1979, women in Florida only earned 70% of what men earned. Since then, the wage gap between genders has slowly narrowed, but still in 2011, women only earned 88% of what men earned. The pay inequality between genders in Florida has always been less than in the nation. Women at the national level only earned 63% of what men earned in 1979 compared with 84% in 2011.

Wages also vary by race.

Wages for minority groups have been affected more in the aftermath of the recession. Wages for Black workers started to decline as early as in 2009 in Florida. Thus, 2011 has been the third year in a row that hourly wages for Blacks have fallen, losing $0.67 per hour in total, which translates into roughly $1,300 per year for full-time workers at 35 hours per week. In addition, Blacks workers in Florida tend to have lower wages than Black workers at the national level. Wages for Blacks in Florida have equated 94% of Black wages at the national level since 2000, around 89% in the decade of the 90's, and around 84% in the decade of the 80's.

Wages for Hispanics in Florida started to decline in 2010, one year after wages for Blacks. They have only declined $0.43 per hour, which amounts to about $800 per year for full-time workers. Hispanics in the rest of the nation have been faring worse than Hispanics in Florida, losing $0.60 per hour, which amounts to about $1,100 per year for full-time workers (in two years of declines in wages). In addition, Hispanics at the national level tend to have lower wages and only made around 95% of what Hispanics in Florida made since 2000. Hispanics are the minority group with the lowest wages in the nation.

Figure 24
Median Wages by Race in Florida



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Even though the U.S. economy has been through several prosperous cycles of growth and worker productivity has constantly been increasing over the last three decades, wage inequality between minority groups and Whites has worsened. It is evident that the economic prosperity has not been broadly shared. Wages for non-Hispanic Whites have grown 33% in three decades since 1979, while wages for minorities have only grown 25%, in addition to White wages being much higher than minority wages back then too.

The wage gap between non-Hispanic Whites and minority groups has continuously been widening. In Florida, Hispanic workers earned about 85% of what non-Hispanic Whites earned in 1979, and only earned 80% of what non-Hispanic Whites earned three decades later. Blacks wages have done even worse in Florida. In 1979, Blacks earned about 81% of what non-Hispanic Whites earned and only 75% three decades later.

Table 25

Median Wages for Black and White Workers in Florida and the U.S.

	median wages ($)								
Florida	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Black	11.09	10.81	11.14	11.58	12.70	12.67	13.36	13.24	13.23
White	13.67	13.91	14.19	14.70	16.36	17.33	17.88	18.23	17.58
Black/White	***81.1%***	***77.7%***	***78.5%***	***78.8%***	***77.6%***	***73.1%***	***74.7%***	***72.6%***	***75.3%***
United States	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Black	13.11	12.26	12.67	12.45	13.69	13.70	14.23	14.12	13.67
White	15.88	15.65	16.20	15.94	17.32	17.82	18.35	18.20	17.77
Black/White	***82.6%***	***78.3%***	***78.2%***	***78.1%***	***79.0%***	***76.9%***	***77.5%***	***77.6%***	***76.9%***

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Table 26

Median Wages for Hispanic and White Workers in Florida and the U.S

	median wages ($)								
Florida	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Hispanic	11.62	11.93	11.48	11.54	11.67	12.80	14.46	14.08	14.03
White	13.67	13.91	14.19	14.70	16.36	17.33	17.88	18.23	17.58
Hispanic/White	***85.0%***	***85.8%***	***80.9%***	***78.5%***	***71.3%***	***73.9%***	***80.9%***	***77.2%***	***79.8%***
United States	***1979***	***1985***	***1990***	***1995***	***2000***	***2005***	***2009***	***2010***	***2011***
Hispanic	12.90	12.11	11.69	11.12	11.91	12.22	12.81	12.50	12.21
White	15.88	15.65	16.20	15.94	17.32	17.82	18.35	18.20	17.77
Hispanic/White	***81.2%***	***77.4%***	***72.2%***	***69.8%***	***68.8%***	***68.6%***	***69.8%***	***68.7%***	***68.7%***

Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

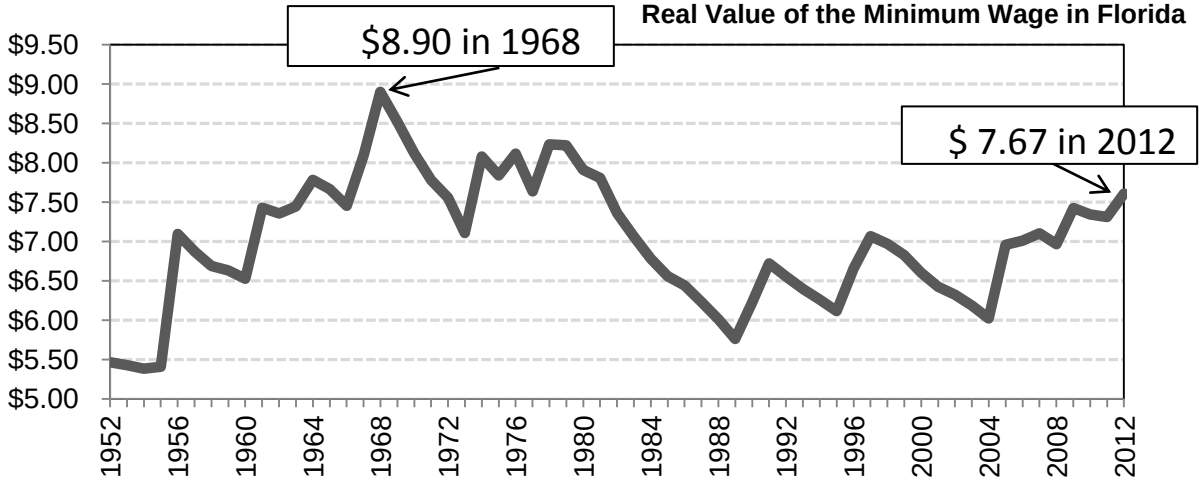
Raising the wage floor is good economic policy.

Low-wage industries that heavily employ minimum-wage workers, like Retail Trade, Health Care and Social Assistance, and Leisure and Hospitality, have been growing tremendously in the recovery. Meanwhile higher-wage industries like Manufacturing, Construction, and Information keep losing jobs. Florida's extremely low-wage occupations, where between 10% and 30% of the workers make minimum wage, like Waiters and Waitresses, Retail Salespersons, Food Preparation & Serving Workers, and Nursing and Home Health Aides, are projected to create 137,600 new jobs by 2019[5].

The minimum wage is one of the most important labor policies we have, and is especially important in a state like Florida that depends heavily on low-wage industries associated with tourism. Florida has been one of the leaders in setting a minimum wage that keeps up with inflation so that its purchasing power does not diminish over time.

Despite the annual adjustments for inflation to the wage floor, the recession has had a negative effect on wages for the bottom 20% of workers, whose wages have been declining every year since 2008. For the large and growing number of low-wage workers, trying to support a family is becoming harder every day as food, housing, clothing, health care, transportation and other basic necessities become more expensive .This trend is evident in the erosion of the purchasing power of Florida's minimum wage, which was its greatest in 1968 when it was worth $8.90 in 2011 dollars. The current minimum wage of $7.67 in 2012 is only 86% of what it was at its highest point in 1968. Figure 27 shows the real value of Florida's minimum wage since 1952 in 2011 dollars (using CPI-U-RS).

Figure 27
Real Value of the Minimum Wage in Florida



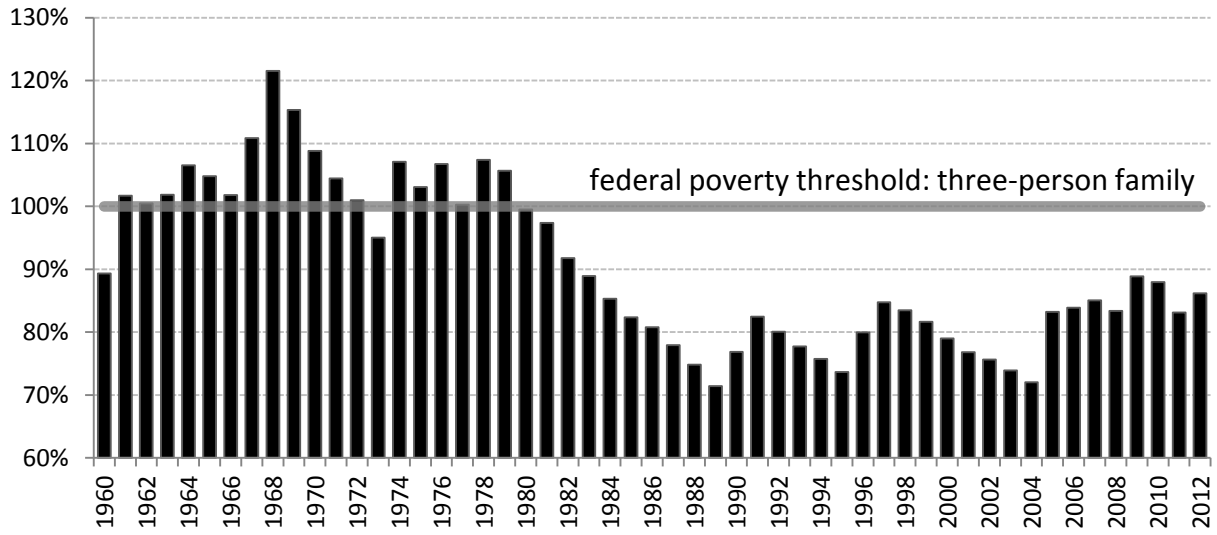
[5] Oseguera, Bernardo. *The Florida Minimum Wage: Good for Workers, Good for the Economy*. Issue brief. Research Institute on Social and Economic Policy (RISEP), 29 Feb. 2012. Web.
http://www.risep-fiu.org/2012/02/the-florida-minimum-wage-good-for-workers-good-for-the-economy/

The declining real value of the minimum wage over the past decades has made it harder for low-wage workers and their families to stay out of poverty. Most of these families in poverty have at least one employed worker. Therefore, levels of unemployment determine poverty levels, but low wages that fail to pull working families out of poverty are extremely decisive too.

As Figure 28 illustrates, during most of the 60's and 70's, a full-time worker earning the minimum wage could support a family of three well above the federal poverty line. The wage of one minimum wage worker sufficed to support a family of three at 5% above of the poverty line on average in the two decades from 1960 to 1979. In 2012, the Floridian full-time minimum wage worker only earns 82.8% of the federal poverty threshold for a family of three. Figure 28 shows the annual salary of a full-time, full-year employee making minimum wage compares to the federal poverty threshold for a family of three by year since 1960.

Figure 28

Minimum Wage for Full-time Workers as Percentage of Poverty Line in Florida



As hard as it is to make it on a minimum wage of $7.67, the minimum wage for tipped workers is even lower, currently $4.65 per hour. The reasoning for this is that workers who receive tips will ultimately earn more than the minimum wage, and if they do not, the law says the employer is supposed to supplement the difference so that the hourly wage meets the mandated minimum of $7.67. However research in Florida has shown that restaurant workers are one of the most susceptible groups to wage theft[6], casting doubt on the uniformity of adherence to this part of the law.

[6] Hernandez, Cynthia S. *Wage Theft: How Millions of Dollars Are Stolen from Florida's Workforce*. Issue brief. Research Institute on Social and Economic Policy (RISEP), 26 Jan. 2012. Web. http://www.risep-fiu.org/2012/01/wage-theft-how-millions-of-dollars-are-stolen-from-floridas-workforce/

What is the outlook for minimum wage jobs?

Figure 29 shows the employment growth projections from 2011 to 2019 by occupation and shows the percent of minimum wage workers in very low-wage occupations – occupations in which at least 10% of the workers make a minimum wage. These are the 15 occupations that are projected to add the most job growth to the state's economy. Together they will add 322,656 jobs in the next eight years or over 40% the total job growth in the state.

However 137,600 jobs or 42.6% of all the jobs created by these 15 occupations will be created in very low-wage occupations. These occupations include Retail Salespersons, Food Preparation & Serving Workers, Cashiers, Nursing, Psychiatric, and Home Health Aides, Waiters and Waitresses, and Security Guards. These six low-wage occupations employed over one million workers in 2011 or slightly over 14% of Florida's total labor force, and are forecast to grow 13.3% by 2019.

Figure 29
Employment Projections from 2011 to 2019 by Occupation in Florida

	employment projections				min. wage workers
	2011	***2019***	***change***	***% change***	***%***
Customer Service Representatives	*154,510*	*188,610*	34,110	*22.1%*	
Retail Salespersons	***257,880***	***291,130***	***33,240***	***12.9%***	**13.7%**
Registered Nurses	*156,490*	*185,970*	29,480	*18.9%*	
Nursing, Psychiatric, & Home Health Aides	***124,860***	***154,790***	**29,930**	***24.0%***	**10.1%**
Food Preparation & Serving Workers *	***159,760***	***187,190***	**27,430**	***17.2%***	**28.8%**
Office Clerks, General	*147,750*	*169,010*	21,260	*14.4%*	
Landscaping & Groundskeeping Workers	*98,040*	*117,960*	19,920	*20.3%*	
Stock Clerks & Order Fillers	*160,170*	*180,070*	19,900	*12.4%*	
Cashiers	***223,440***	***240,960***	**17,520**	***7.8%***	**25.1%**
Secretaries, Except Legal, Medical, & Executive	*151,120*	*167,330*	16,210	*10.7%*	
Accountants & Auditors	*81,170*	*96,860*	15,700	*19.40%*	
Bookkeeping, Accounting, & Auditing Clerks	*113,730*	*128,940*	15,210	*13.40%*	
Waiters & Waitresses	***186,970***	***201,930***	**15,000**	***8.0%***	**21.2%**
Security Guards	***79,460***	***93,980***	**14,520**	***18.2%***	**14.9%**
Executive Secretaries & Administrative Assistants	*91,860*	*105,128*	*13,268*	*18.24*	
Total for top 15 occupations	*2,187,192*	*2,509,848*	322,656	14.8%	
Six low-wage occupations	***1,032,370***	***1,169,970***	**137,600**	**13.3%**	

Source: Florida Department of Economic Opportunity: Employment Projection data. The percentage of minimum wage workers in occupation is the author's calculation using the U.S. BLS Current Population Survey (CPS)

**include fast food restaurant workers*
*(low-wage occupations in **bold**)*

Poverty continues rising.

Historically, Florida has had higher levels of poverty than the nation as a whole, but during the period of expansion between the 2001 recession and the 2007 recession, Florida briefly brought its poverty rate below that of the nation. The recession has erased those gains and pushed poverty rates in Florida to higher levels than the U.S. in 2009 and 2010.

In 2010, 16.0 percent of the population, or roughly 1 in 6 people in Florida lived in poverty, while 15.1% lived in poverty at the national level. Child poverty has increased dramatically since the recession too; child poverty rates have increased 4.8 percentage points since 2007 in Florida. In Florida and the U.S., nearly one out of every four children lived in poverty in 2010; 22.7% in Florida and 22.0% at the national level.

Poverty is calculated by the income and size of a family. In 2010, the poverty threshold for a single individual was $11,139. For a family of four, the poverty threshold was $22,314. However, poverty thresholds are based on goods budgets from 1963. These thresholds have been only adjusted for inflation, and no longer reflect the real cost of living that includes basic family necessities like housing and healthcare. Therefore, the poverty threshold grossly underestimates how many people can truly be considered poor or not able to meet their basic needs.

Figure 30
Poverty and Children Poverty Rates in Florida and the U.S., 1980 to 2010

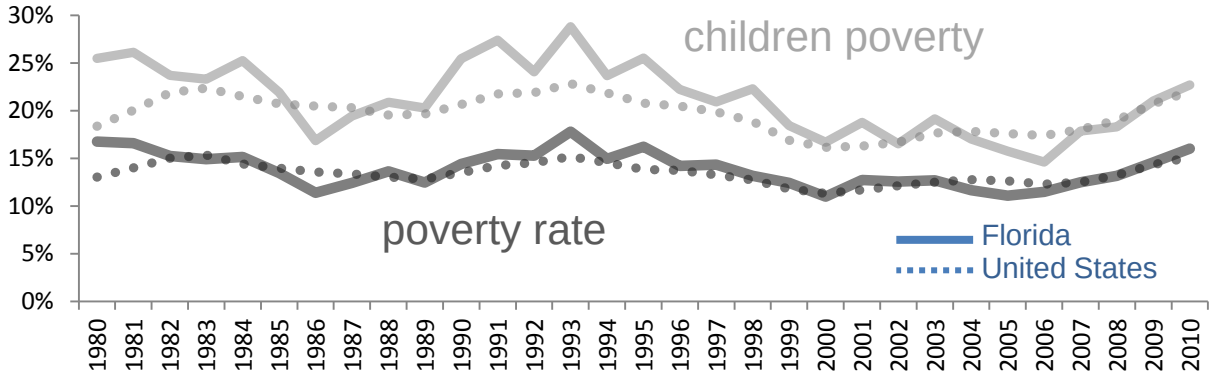


Table 30a

	poverty rates (%)									
poverty rates	***1980***	***1985***	***1990***	***1995***	***2000***	***2006***	***2007***	***2008***	***2009***	***2010***
Florida	16.7	13.4	14.4	16.2	11.0	11.5	12.5	13.1	14.6	16.0
United States	13.0	14.0	13.5	13.8	11.3	12.3	12.5	13.2	14.3	15.1
children poverty rates	***1980***	***1985***	***1990***	***1995***	***2000***	***2006***	***2007***	***2008***	***2009***	***2010***
Florida	25.5	21.9	25.4	25.5	16.7	14.6	17.9	18.3	21.0	22.7
United States	18.4	20.7	20.6	20.8	16.2	17.4	18.0	19.0	20.7	22.0

Source: U.S. Census Bureau

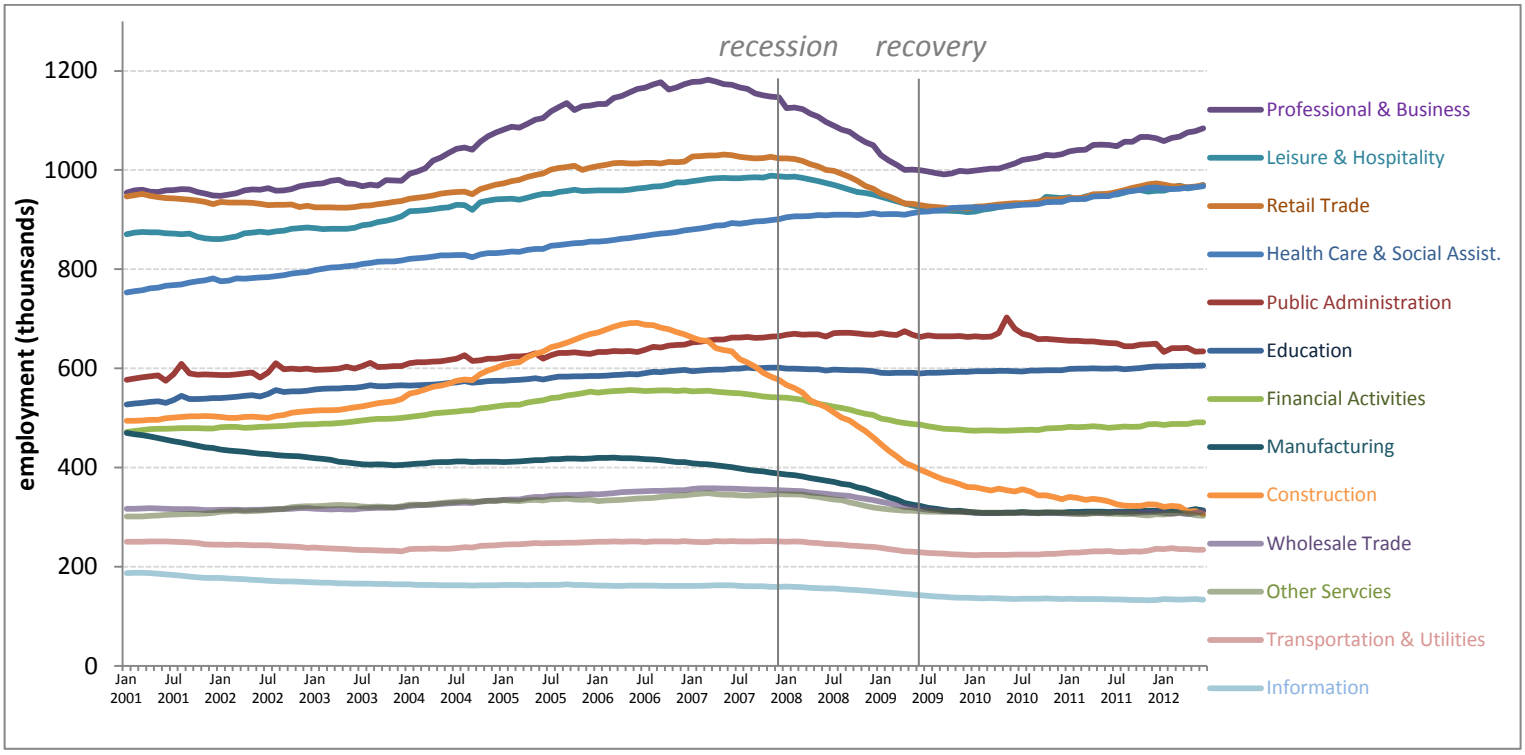
CHAPTER 5
The Industrial Composition is Changing: Where is Florida Heading?

Florida is recovering at a very slow pace. Florida not only is doing worse in the recovery than the nation as a whole, but it is also underperforming compared with other states that were hit as hard or even harder by the recession. Some explanation for the sluggish recovery can be found by analyzing at the industrial composition of the state's economy and seeing how differently industries in Florida have been faring in the recovery compared to other states and the nation as a whole.

The start of the recovery was officially dated in June 2009. However, total employment continued to fall all the way through the end of 2009, and even beyond for certain industries. It is only after the troughs – the lowest levels of employment in an economic cycle - that total employment levels really start to rise. The U.S. hit its trough in February 2010 and Florida hit its trough in December 2009 with an employment level of 7,150,000.

A look at the visual representation of employment levels helps to make better sense of how industries have been performing. Figure 31 shows employment by industry in Florida since 2001 and Table 31a shows employment levels in Florida at the official start of the recession (December 2007), at the official start of the recovery (June 2009), and employment levels in three years after the recovery officially started.

Figure 31
Employment Level by Industry in Florida



Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

Table 31a

	total employment *(thousands)* and share *(%)* by industry										employment change			
	recession				*recovery*									
	Dec 2007		***June 2009***		***June 2010***		***June 2011***		***June 2012***		***recession***		***recovery***	
	empl.	*share*	*empl.*	*share*	*empl.*	*share*	*empl.*	*share*	*empl.*	*share*	*#*	*%*	*#*	*%*
Total Nonfarm	**7949.9**		**7234.7**		**7197.4**		**7260.4**		**7331.3**		**-715.2**	***-9.0***	**+96.6**	***+1.3***
Professional & Business	1146.8	*14.4%*	999.5	*13.8%*	1013.4	*14.1%*	1050.5	*14.5%*	1084.2	*14.8%*	-147.3	*-12.8*	+84.7	*+8.5*
Leisure & Hospitality	987.6	*12.4%*	925.2	*12.8%*	929.3	*12.9%*	951.0	*13.1%*	970.2	*13.2%*	-62.4	*-6.3*	+45.0	*+4.9*
Retail Trade	1023.4	*12.9%*	929.3	*12.8%*	933.5	*13.0%*	952.6	*13.1%*	969.3	*13.2%*	-94.1	*-9.2*	+40.0	*+4.3*
Health Care & Social Assist.	901.2	*11.3%*	915.7	*12.7%*	928.4	*12.9%*	947.4	*13.0%*	967.3	*13.2%*	+14.5	*+1.6*	+51.6	*+5.6*
Public Administration	651.3	*8.2%*	653.6	*9.0%*	670.3	*9.3%*	642.1	*8.8%*	634.3	*8.7%*	+2.3	*+0.3*	-19.3	*-3.0*
*Education **	614.9	*7.7%*	599.9	*8.3%*	604.5	*8.4%*	608.6	*8.4%*	615.3	*8.4%*	-15.0	*-2.4*	+15.4	*+2.6*
Financial Activities	541.2	*6.8%*	486.4	*6.7%*	475.0	*6.6%*	480.4	*6.6%*	491.3	*6.7%*	-54.8	*-10.1*	+4.9	*+1.0*
Manufacturing	388.1	*4.9%*	322.6	*4.5%*	308.9	*4.3%*	310.4	*4.3%*	313.4	*4.3%*	-65.5	*-16.9*	-9.2	*-2.9*
Wholesale Trade	354.3	*4.5%*	317.2	*4.4%*	308.8	*4.3%*	307.6	*4.2%*	312.4	*4.3%*	-37.1	*-10.5*	-4.8	*-1.5*
Construction	576.9	*7.3%*	395.8	*5.5%*	351.7	*4.9%*	331.5	*4.6%*	306.9	*4.2%*	-181.1	*-31.4*	-88.9	*-22.5*
Other Services	346.9	*4.4%*	311.8	*4.3%*	308.9	*4.3%*	307.0	*4.2%*	302.4	*4.1%*	-35.1	*-10.1*	-9.4	*-3.0*
Transportation & Utilities	251.2	*3.2%*	229.3	*3.2%*	224.3	*3.1%*	231.6	*3.2%*	234.3	*3.2%*	-21.9	*-8.7*	+5.0	*+2.2*
Information	159.4	*2.0%*	142.9	*2.0%*	135.0	*1.9%*	134.0	*1.8%*	133.9	*1.8%*	-16.5	*-10.4*	-9.0	*-6.3*

Source: U.S. Bureau of Labor Statistics: Current Employment Statistics (CES)

*Education includes public and private education

Four major industries boost the recovery in Florida.

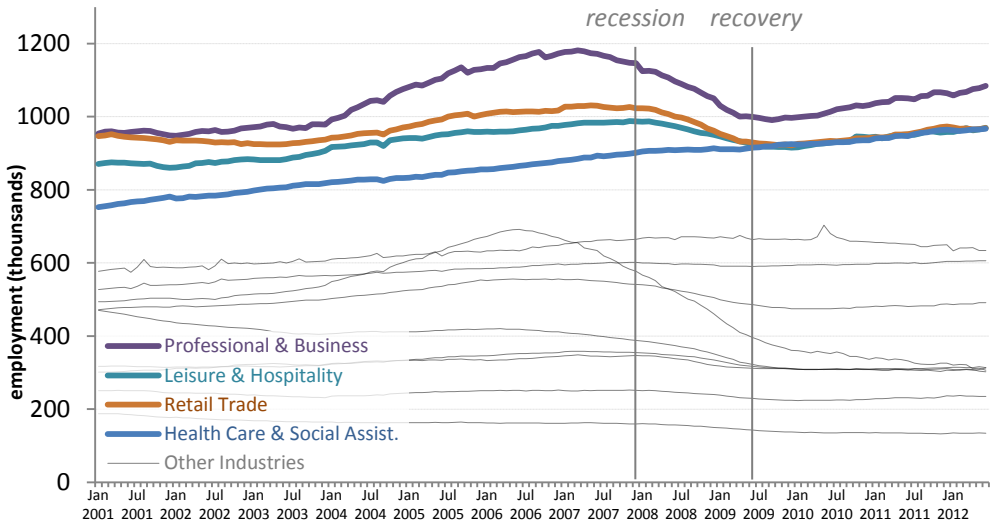
Four industries have been responsible for most of the growth in employment since the start of the recovery. Professional and Business Services, Health Care and Social Assistance, Retail Trade, and Leisure and Hospitality are the four largest private industries in Florida. Together they make up around 54% of the total number of jobs in the state. These were the largest industries at the national level too. In Florida, these four industries together created a total of 221,300 net jobs in three years since the official start of the recovery.

Professional and Business Services, Retail Trade, and Leisure and Hospitality in Florida have recovered more than half (around 56%) of the jobs they lost during the 18 months of recession between December 2007 and June 2009. Health Care and Social Assistance was the only industry in Florida that did not lose jobs during the recession and that has kept growing steadily through the recovery. This industry has grown 7.3% and created 66,100 jobs since the official start of the recession.

Since the recovery started, the Health Care and Social Assistance, Professional and Business Services, and Retail Trade industries have been creating jobs at a very similar pace in Florida and at the national level. Only Leisure and Hospitality out of these four industries has performed differently at the state than at the national level. Leisure and Hospitality in Florida has been growing at a slightly faster pace versus the national level. Florida's economy relies heavily on tourism. Figure 32 shows monthly employment levels in Florida in these four industries.

Figure 32

Employment Level in the Four Industries with Greatest Job Growth in Florida

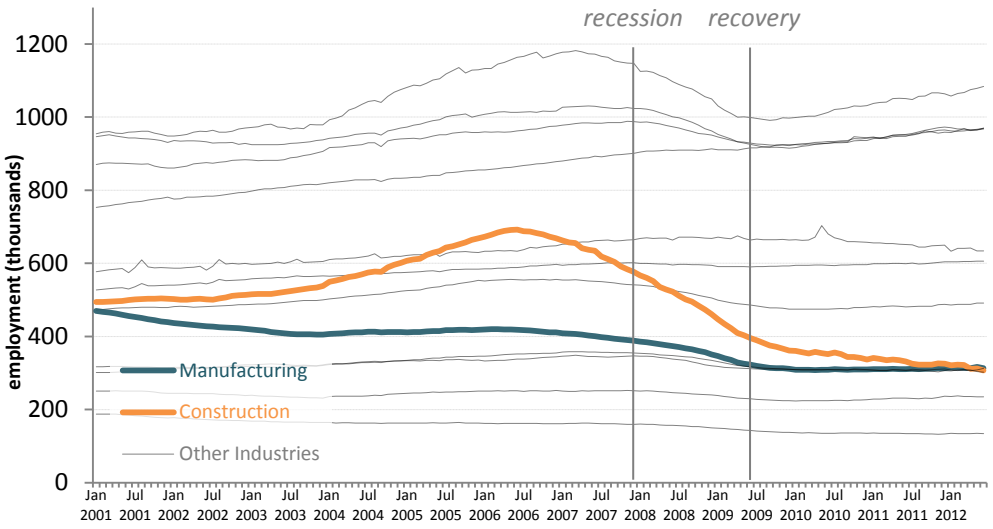


Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Why is Florida falling behind in the recovery?

If we look at the four largest private industries in Florida, we can see how they have been recovering similarly to the rest of the U.S. We could get a sense that Florida is keeping pace with the rest of the nation. However, from what we have seen in this report, it is evident that Florida has been faring worse. Looking at the Manufacturing and Construction industries helps us start to understand why Florida is recovering at a much slower pace than the rest of the nation. States that are outperforming Florida in the recovery are states in which the Manufacturing and Construction industries are faring better. Figure 33 shows employment levels in Manufacturing and Construction.

Figure 33
Employment Levels in Construction and Manufacturing in Florida



Source: U.S. Bureau of Labor Statistics: Current Population Survey (CPS)

Manufacturing

The Manufacturing industry in Florida is small compared to the rest of the nation. Manufacturing is the fifth largest private industry at the national level. Historically it was the fourth largest private industry, but Leisure and Hospitality took the fourth place since the December 2007 recession severely hit Manufacturing. The share of total employment concentrated in the Manufacturing industry at the national level has been around 9% of total employment since the recession started, while the share of

total employment concentrated in Florida's Manufacturing industry has only been around 4.5% of all the jobs in the state.

Unfortunately, Manufacturing has been growing strongly in the recovery at the national level and in the states with the largest employed populations. Florida simply is missing out. Manufacturing at the national level has added 237,000 jobs (2.0% growth) since the recovery officially started, primarily in Michigan that has seen Manufacturing grow around 19.0%, Indiana (14.5% growth), Ohio (7.6% growth), Wisconsin (4.8% growth), Illinois (4.6% growth), and Texas (2.5% growth). In comparison, Florida lost 16.9% of the Manufacturing jobs in the recession and has lost 2.8% since the recovery started, amounting to a total of 74,700 manufacturing jobs lost since the recession started including 65,500 lost in the recession and 9,200 lost since the recovery started. In summary, Manufacturing in Florida has only managed to stop losing jobs in the recovery, while Manufacturing in the rest of the nation has been growing strongly.

Construction

Construction still is one of the most influential industries in setting the rhythm of the recovery in Florida, just as it was in the recession. Four and a half years after the recession started, Construction has not been able to stop losing jobs, and continues to bring down the economy and dampen the recovery in Florida.

Jobs in Florida's Construction industry made up 6.0% of all construction jobs in the country in 2011, making it the third state in terms of share of employment, behind Texas (10.2%) and California (10.1%). However, at the peak of the housing bubble in 2006, Florida was the second state with the largest share of all construction jobs in the country (8.8%), only behind California with 12.1%.

Florida's economy in 2006 relied on Construction much more heavily than any of the states with the largest employed populations. In Florida, 8.5% of the state's total employment was concentrated in Construction in 2006, while states like Texas, California, and North Carolina only had around 6% of the state's total employment in Construction. In contrast, New York, Pennsylvania, Illinois, Ohio, and Michigan only had around 4%. Compared to all other smaller states that also relied very heavily on Construction, Florida in 2006 was the third state only behind Nevada and Arizona, with 11.2% and 9.1% of the state's total employment in Construction respectively.

The share of the state's total employment concentrated in Construction has changed dramatically since the collapse of the housing bubble. In 2011, Construction only represented 4.5% of all the jobs in the

state, while it represented around 8.4% at the peak of the bubble in 2005 and 2006 and around 7.2% from 2000 to 2004.

Florida lost 181,100 construction jobs only in the recession - from December 2007 to June 2009-, and the downward trend has continued all the way through the recovery. Florida has lost 88,900 construction jobs in the recovery - from June 2009 to June 2012. This jobs loss in Construction alone cancels the jobs added in the recovery by Professional and Business Services (84,700 jobs) or the net jobs added by Leisure and Hospitality and Retail Trade together (85,000 jobs between these two industries).

In total, Construction has lost 270,000 jobs, or in other words, 46.8% of the industry has been wiped out since the official start of the recession. This figure ignores the fact that Florida's Construction industry started to lose jobs in the summer of 2006, one and a half years earlier than the official start of the recession. The jobs only lost in the Construction industry (270,000) equals to 43.6% of the total jobs that Florida has lost since the official start of the recession (618,600).

The recovery in the Construction industry has been different in other states and at the national level. For example, Construction industries in states like California, Texas, Ohio, and Pennsylvania, for example, have already hit the trough in the recovery and have started to actually grow. This also is true for Construction at the national level. Contrastingly, Florida has continued to lose 22.5% of the Construction industry since the recovery officially started, and is the second state with the largest loss since the recovery started behind Nevada, which has lost 39.0%.

Compared to states that have not been able to start growing their Construction industries again, like New York, Illinois, and Michigan, Florida has lost two, three, or even four times as much of its Construction industry since the start of the recovery; Illinois has lost 13.9%, North Carolina has lost 11.2%, New York has lost 9.6%, Michigan has lost 5.6%, and the nation as a whole has lost 8.3% of Construction since the official start of the recovery.

Mainly low-wage industries have been boosting the recovery.

Florida is low-wage industry state, and this is reflected in the fact that workers across the entire wage distribution in Florida make less than workers at the national level. This has always been true in Florida, but given that we are in a period of economic recovery, in which the industrial composition of the state and the nation are changing, it is very important to know what type of jobs are being created, what type of jobs are not being created, and what type of jobs are being lost. Table 34 shows the average annual wage by industry and how it compares to the total average annual wage.

Table 34
Average Annual Wage by Industries in Florida - 2011

	average annual wage	annual wage compared to total average	share of employment
Information	$64,360	*pays 52% more*	1.9%
Wholesale Trade	$63,096	*pays 49% more*	4.3%
Financial Activities	$59,466	*pays 41% more*	6.6%
Manufacturing	$52,375	*pays 24% more*	4.3%
Public Administration	$52,277	*pays 24% more*	8.5%
Professional & Business Services	$50,874	*pays 20% more*	14.7%
Transportation & Utilities	$50,118	*pays 18% more*	3.8%
Health Care & Social Assistance	$46,174	*pays 9% more*	14.2%
Total/ All industries	**$42,310**	-----	**100%**
Education*	$40,935	*pays 3% less*	7.9%
Construction	$40,926	*pays 3% less*	4.7%
Other Services	$29,849	*pays 29% less*	3.3%
Retail Trade	$27,070	*pays 36% less*	13.3%
Natural Resources & Mining	$25,386	*pays 40% less*	1.2%
Leisure & Hospitality	$22,070	*pays 48% less*	13.5%

Source: U.S. BLS: Quarterly Census of Employment & Wages **Education includes public and private education*

Florida's four largest industries – Professional and Business Services, Leisure and Hospitality, Retail Trade, and Health Care and Social Assistance – have been creating the most jobs since the recovery started: a total of 221,300 net jobs between the four of them. Out of these four industries, only Professional and Business Services and Health Care and Social Assistance pay above the average annual wage in Florida ($42,310 in 2011).

Retail Trade and Leisure and Hospitality, which together make up more than one fourth of all the jobs in Florida, pay very low wages. Retail Trade pays one third less than the average annual wage in Florida,

and Leisure and Hospitality only pays around half of the average wage. These two industries together have added 85,000 jobs since the recovery officially started. Retail Trade, Leisure and Hospitality, and Health Care and Social Assistance heavily depend on minimum wage workers. A full 63.3% of all minimum wage workers in Florida work in these three industries[7].

Manufacturing jobs are highly-paid jobs. They pay 24% more than the average annual wage in Florida. Unfortunately, Florida has a very small Manufacturing industry. Manufacturing in Florida only made up 4.3% of all employment in 2011, compared to 8.9% for the national as a whole. Unfortunately, Florida has not been able to create Manufacturing jobs since the recovery started like the rest of the nation has. Furthermore, Florida has lost 2.9% of its Manufacturing industry since the recovery started, while the industry has grown 2.0% in the rest of the country.

Construction and Information have been losing jobs since the recession and through the recovery. Construction used to pay above the average annual wage, but in 2010 and 2011 it sank below the average annual wage. Information in Florida pays 52% more than the average wage, and it has lost 25,500 net jobs since the start of the recession (16,500 in the recession and 9,000 since the recovery started).

[7] Oseguera, Bernardo. *The Florida Minimum Wage: Good for Workers, Good for the Economy*. Issue brief. Research Institute on Social and Economic Policy (RISEP), 29 Feb. 2012. Web.
http://www.risep-fiu.org/2012/02/the-florida-minimum-wage-good-for-workers-good-for-the-economy/

CONCLUSION

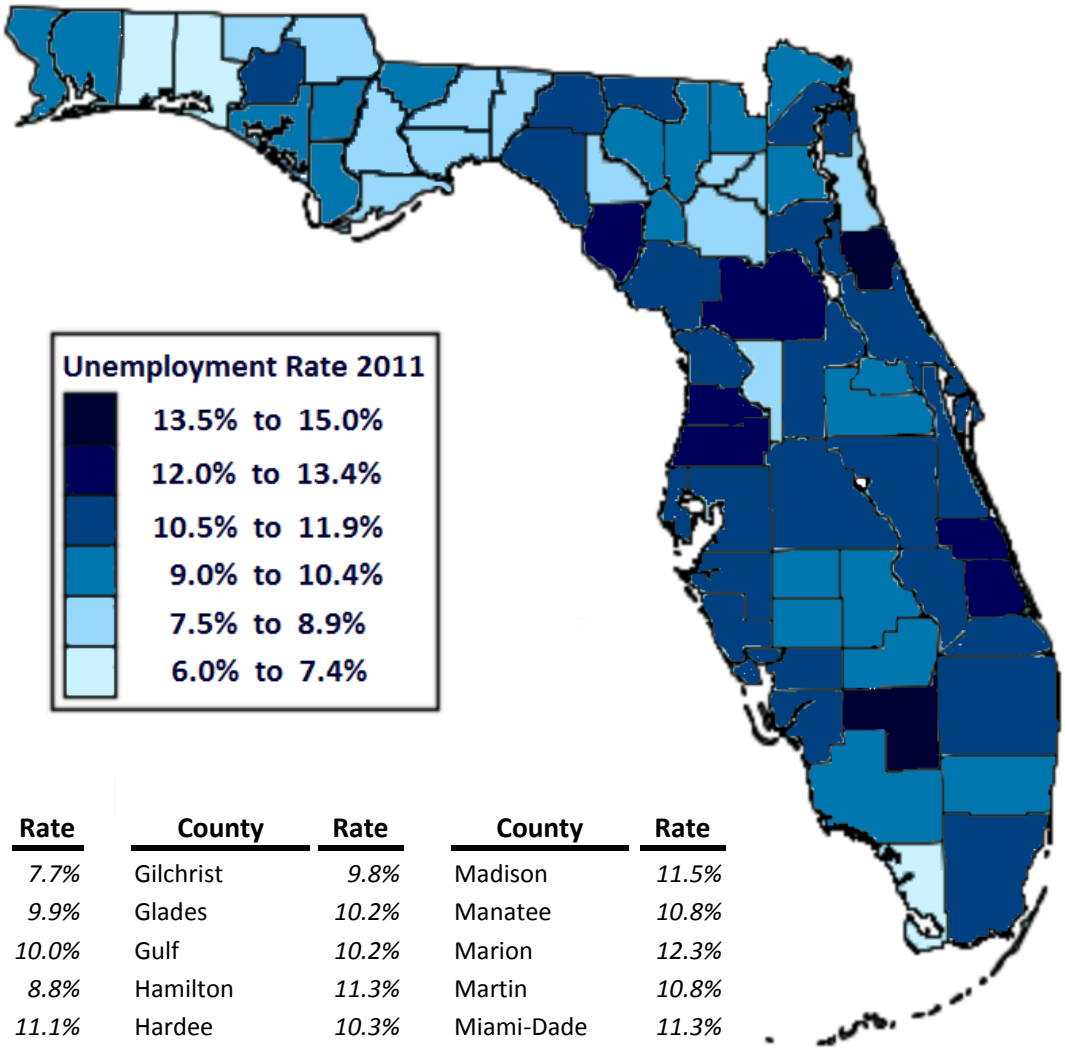
Our analysis finds Florida in bad shape. Most of the economic indicators we looked at show Florida is one of the worst performing states in the nation. Looking forward, we see a slow recovery in employment and jobs being created in very low-wage industries and occupations, leading to more stagnant wages and more disparities between demographic groups.

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

Finally, we have seen how minority groups in Florida, particularly African American and Hispanic workers, have been severely affected by the recession and have not been recovering equally. Policymakers should understand which communities are in the worst economic shape and make sure to target job creation and investment programs to these communities to make sure that Florida experiences a full recovery from the recession with opportunities for growth and prosperity available to all in the state.

APPENDIX

Figure 35
Unemployment Rates in 2011 by County in Florida



County	Rate	County	Rate	County	Rate	County	Rate
Alachua	*7.7%*	Gilchrist	*9.8%*	Madison	*11.5%*	Sarasota	*10.7%*
Baker	*9.9%*	Glades	*10.2%*	Manatee	*10.8%*	Seminole	*9.7%*
Bay	*10.0%*	Gulf	*10.2%*	Marion	*12.3%*	Sumter	*8.5%*
Bradford	*8.8%*	Hamilton	*11.3%*	Martin	*10.8%*	Suwannee	*9.3%*
Brevard	*11.1%*	Hardee	*10.3%*	Miami-Dade	*11.3%*	Taylor	*10.9%*
Broward	*9.2%*	Hendry	*14.4%*	Monroe	*6.4%*	Union	*8.2%*
Calhoun	*9.5%*	Hernando	*13.4%*	Nassau	*9.6%*	Volusia	*10.8%*
Charlotte	*10.8%*	Highlands	*10.4%*	Okaloosa	*7.4%*	Wakulla	*8.3%*
Citrus	*11.9%*	Hillsborough	*10.5%*	Okeechobee	*11.7%*	Walton	*7.1%*
Clay	*9.3%*	Holmes	*8.2%*	Orange	*10.3%*	Washington	*10.9%*
Collier	*10.3%*	Indian River	*12.6%*	Osceola	*11.6%*		
Columbia	*9.7%*	Jackson	*8.1%*	Palm Beach	*10.8%*		
Desoto	*9.9%*	Jefferson	*8.9%*	Pinellas	*10.5%*		
Dixie	*12.8%*	Lafayette	*8.1%*	Polk	*11.6%*		
Duval	*10.6%*	Lee	*11.1%*	Putnam	*11.9%*		
Escambia	*10.1%*	Leon	*8.0%*	Saint Johns	*8.5%*		
Franklin	*7.9%*	Levy	*11.3%*	Saint Lucie	*13.0%*		
Gadsden	*10.3%*	Liberty	*8.3%*	Santa Rosa	*9.1%*		
Flagler	*14.1%*	Lake	*11.2%*	Pasco	*12.0%*		

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

Number of unemployed far outstrips number of available jobs across the board.

Figure 36

Unemployment Levels, Job Openings, and Job-Seekers Ratio in the U.S.

(units for Total/All Industries = 10,000; units for all other industries = 1,000)

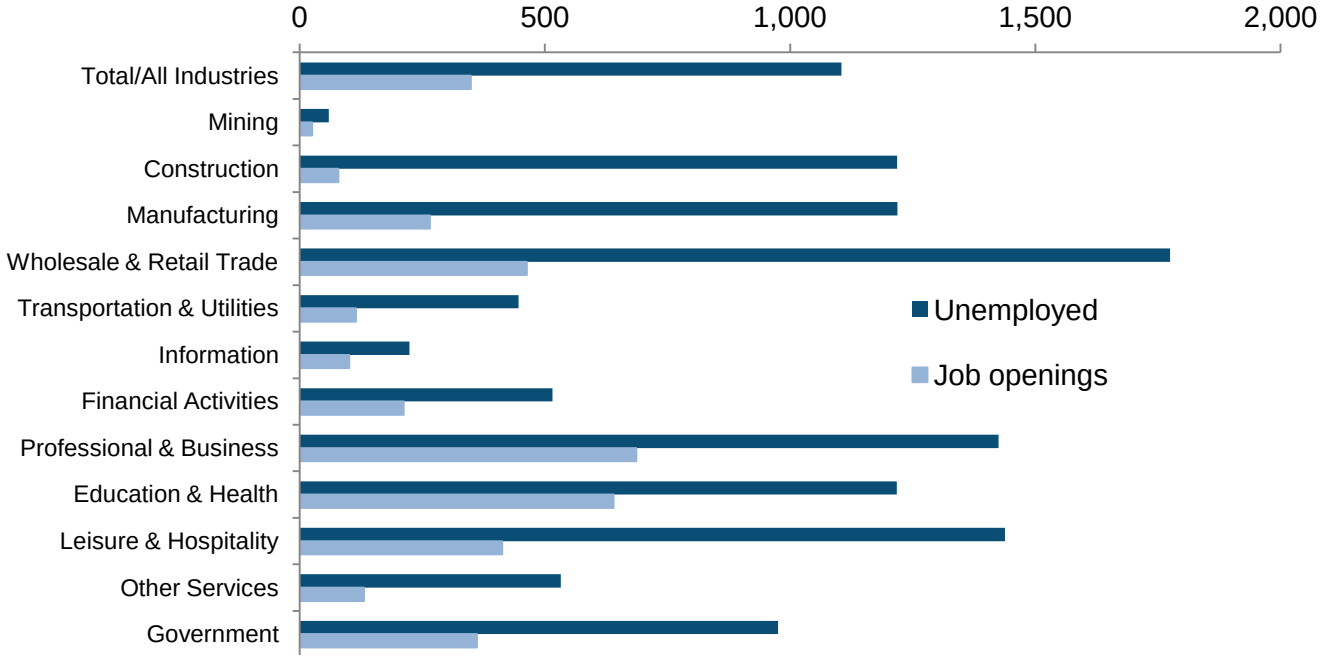


Table 36a (units = 1)

	unemployed	job openings	job-seekers ratio
Total/All Industries	**11,045,100**	**349,200**	**3.2**
Mining	59,400	25,700	**2.3**
Construction	1,218,000	79,000	**15.4**
Manufacturing	1,218,600	265,300	**4.6**
Wholesale & Retail Trade	1,774,900	463,300	**3.8**
Transportation & Utilities	446,500	115,000	**3.9**
Information	223,800	100,800	**2.2**
Financial Activities	515,500	211,900	**2.4**
Professional & Business	1,425,200	686,300	**2.1**
Education & Health	1,217,500	640,200	**1.9**
Leisure & Hospitality	1,438,000	413,000	**3.5**
Other Services	532,500	131,000	**4.1**
Government	975,200	361,100	**2.7**

Source: Source: U.S. Bureau of Labor Statistics: Job Openings and Labor Turnover Survey and the Current Population Survey

Note: Due to the fact that the data are not seasonally adjusted, these are 12-month averages, July 2011– June 2012