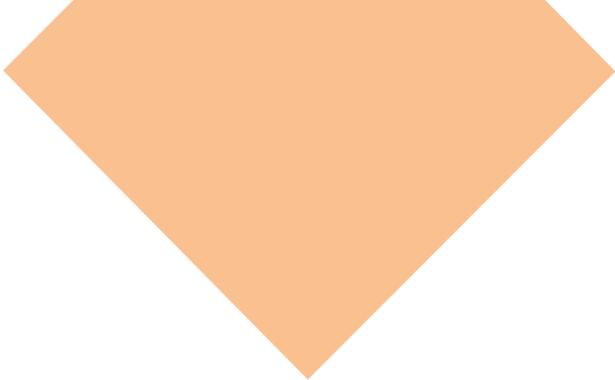


STATE OF WORKING FLORIDA

2021



Pandemic Economy

The 18th edition of the State of Working Florida focuses on the COVID-19 pandemic's impact on the Florida economy and explains why some Floridians continue to face economic adversity while others have recovered from the pandemic recession. Since March 2020, Floridians have lived in an economy driven by our public health successes and failures in addressing the COVID-19 pandemic. However, differences in vulnerability and exposure to the pandemic's disruptions have led to distinct outcomes among workers, industries, and regions 18 months later.

This report explains how Florida's economy performed during the ongoing COVID-19 pandemic. The analysis focuses on both the broad aggregate economic performance of the state as well as that of the state's diverse population. This report suggests that the pandemic's disproportionate impact on certain demographic groups, regions, and industries requires that policymakers center equity in Florida's pandemic response and recovery.

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EXECUTIVE SUMMARY

The 18th edition of the State of Working Florida focuses on the COVID-19 pandemic's impact on the Florida economy and explains why some Floridians continue to face economic adversity while others have recovered from the pandemic recession. Data show that the state's undergoing economic recovery from the March 2020 shock of the pandemic has been uneven as historical economic vulnerabilities across demographic groups, regions, and industries have been exacerbated and inequities deepened. This report calls for policymakers to center equity in Florida's pandemic response and recovery and close gaps present in both public health and economic assistance delivery.

Key Findings:

- ▶ Florida has recorded nearly 2.9 million cases of COVID-19 infections and more than 40,000 related deaths.
- ▶ Nearly 11 million of the 21.5 million (51 percent) Florida residents currently eligible for COVID-19 vaccines have been fully vaccinated.
- ▶ Florida's unemployment rate increased by 0.4 percentage points to 5.1 percent from February to July 2021 – providing further evidence of the economic uncertainty associated with the pandemic.
- ▶ The Sebring metro area has the highest unemployment rate, 7.5 percent, among Florida counties – includes Glades County, the county with the lowest vaccination rate with just 32 percent of their eligible population having received at least one vaccination dose.
- ▶ The COVID-19 pandemic led to a sudden loss of 1,178,100 job between February and April 2020, a 13 percent decline in all nonfarm jobs.
- ▶ The Crestview-Ft. Walton Beach-Destin metro area has the lowest unemployment rate among counties with 4.4 percent.
- ▶ As of July 2021, 151,119 workers have yet to return to Florida's labor force based on February 2020 levels.
- ▶ As of July 2021, Florida's employment level shows a pandemic deficit of 331,150 employed workers.
- ▶ Between the first and second quarters of 2020 the unemployment rate increased by 22.2 percentage points for Black workers, 23.7 percentage points for Latino workers and 15.4 percentage points for White workers.
- ▶ As of June 2021, insured unemployment compensation claims in Florida were just 8.8 percent of the total seen in June 2020.
- ▶ The overwhelming majority of insured unemployment compensation claimants, 89.4 percent, are adult prime-age workers or more senior workers.
- ▶ As of June 2021, the 50.2 percent of insured claims in Florida, 45,415, involved occupations in Sales and Related, Office and Administrative Support, and Administrative Support/ Waste Management/ Remedial Support.
- ▶ The Leisure and Hospitality sector has recovered to just 83.2 percent of the pre-pandemic employment level.
- ▶ In 2020, White workers earned a median hourly wage of \$22.03 while Black workers earned \$16.76, a difference of \$5.27 an hour.
- ▶ In 2021, college graduates earned \$10.62 more an hour than those with some college education and \$12.52 more than workers with just a high school diploma.
- ▶ The wage gap between union and non-union workers has widened to record levels, a \$5.19 pay premium for union workers.

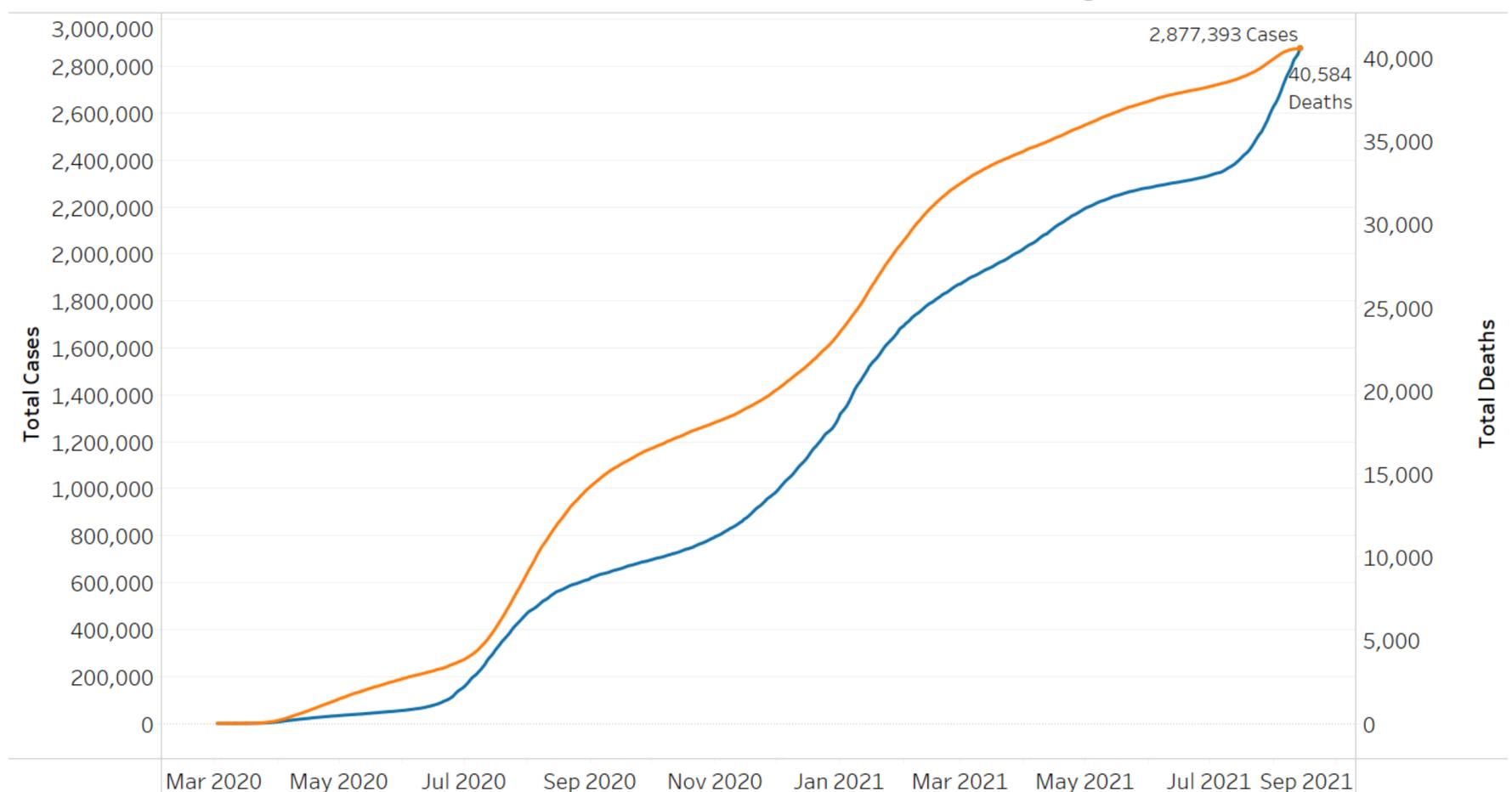
Florida and the Pandemic

Since March 2020, the state of Florida has recorded nearly 2.9 million cases of COVID-19 infections and more than 40,000 related deaths (as of Aug 14, 2021). Latino residents represent 41.6 percent of cases while White residents account for 36.9 percent of cases but

Florida has recorded nearly 2.9 million cases of COVID-19

55.5 percent of deaths. As of August 16, 2021, Florida reported a seven-day moving average of 21,786 cases. Additionally, between August 6 to 12 Florida reported 151,764 cases and 1,071 deaths, representing the ongoing pandemic risk to Florida residents.

Florida COVID-19 Cases and Deaths: Mar. 1, 2020 - Aug. 14, 2021



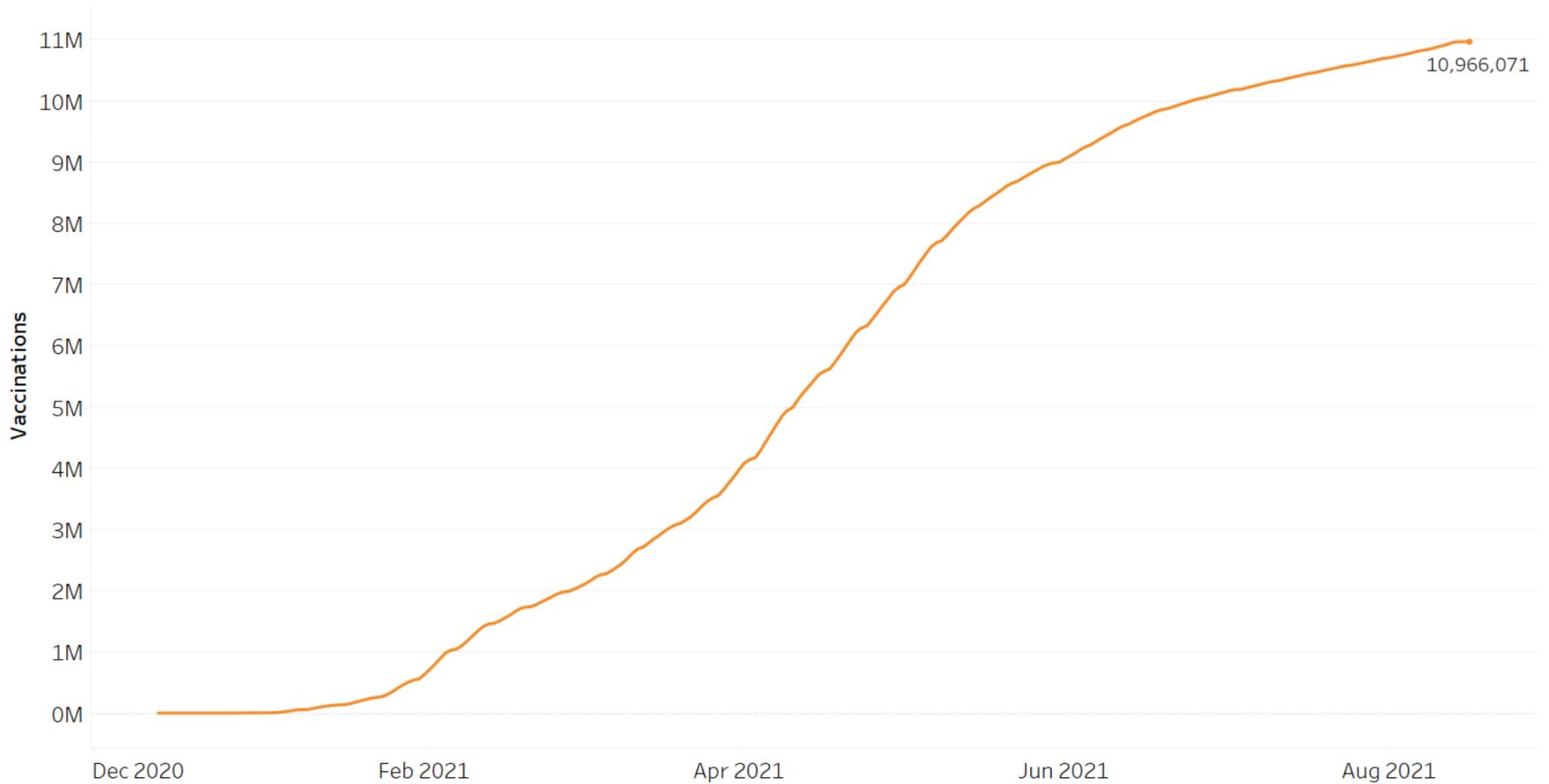
Source: U.S. Centers for Disease Control and Prevention COVID Data Tracker <https://covid.cdc.gov/covid-data-tracker/#datatracker-home>

Nearly 11 million of the 21.5 million (51 percent) Florida residents currently eligible for COVID-19 vaccines have been fully vaccinated. An additional 2.2 million Floridians have received a single dose and have yet to receive their second dose

11 million Floridians fully vaccinated

to complete vaccination. The majority of vaccinated Floridians were inoculated with the COVID-19 vaccine between February and June 2021. Therefore, much work is needed to drastically increase vaccination rates, which have slowed in the past months, and limit future outbreaks.

Florida COVID-19 Full Vaccinations: Dec. 15, 2020 - Aug. 16, 2021



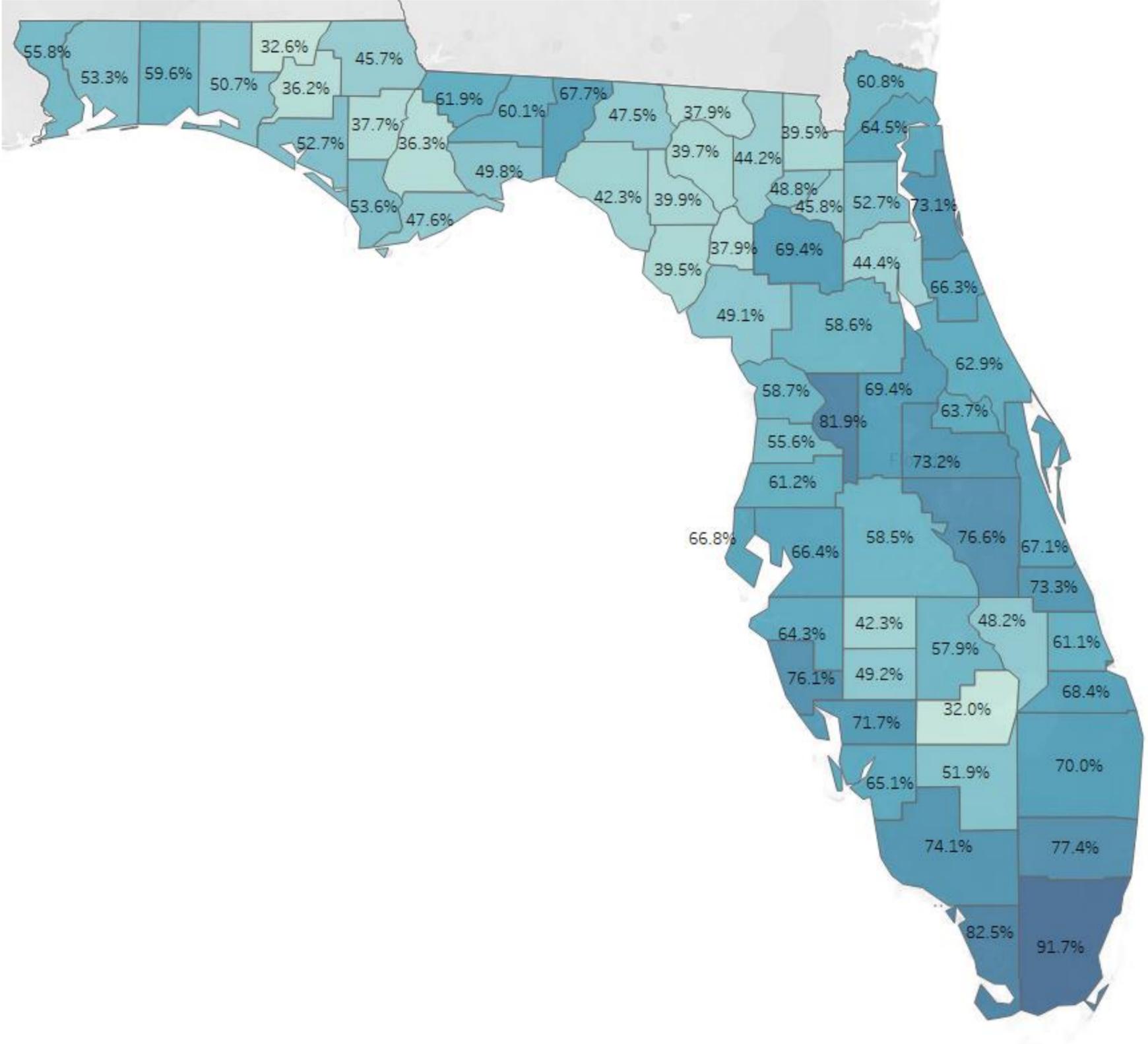
Source: U.S. Centers for Disease Control and Prevention COVID Data Tracker <https://covid.cdc.gov/covid-data-tracker/#datatracker-home>

Data show that COVID-19 vaccination efforts have not been equally successful across Florida counties. Counties in Florida’s East coast, along the I-95 corridor, have the highest vaccination rates while counties in the northern part of the state lag considerably. Miami-Dade County has the highest vaccination rate

Miami-Dade County has the highest vaccination rate

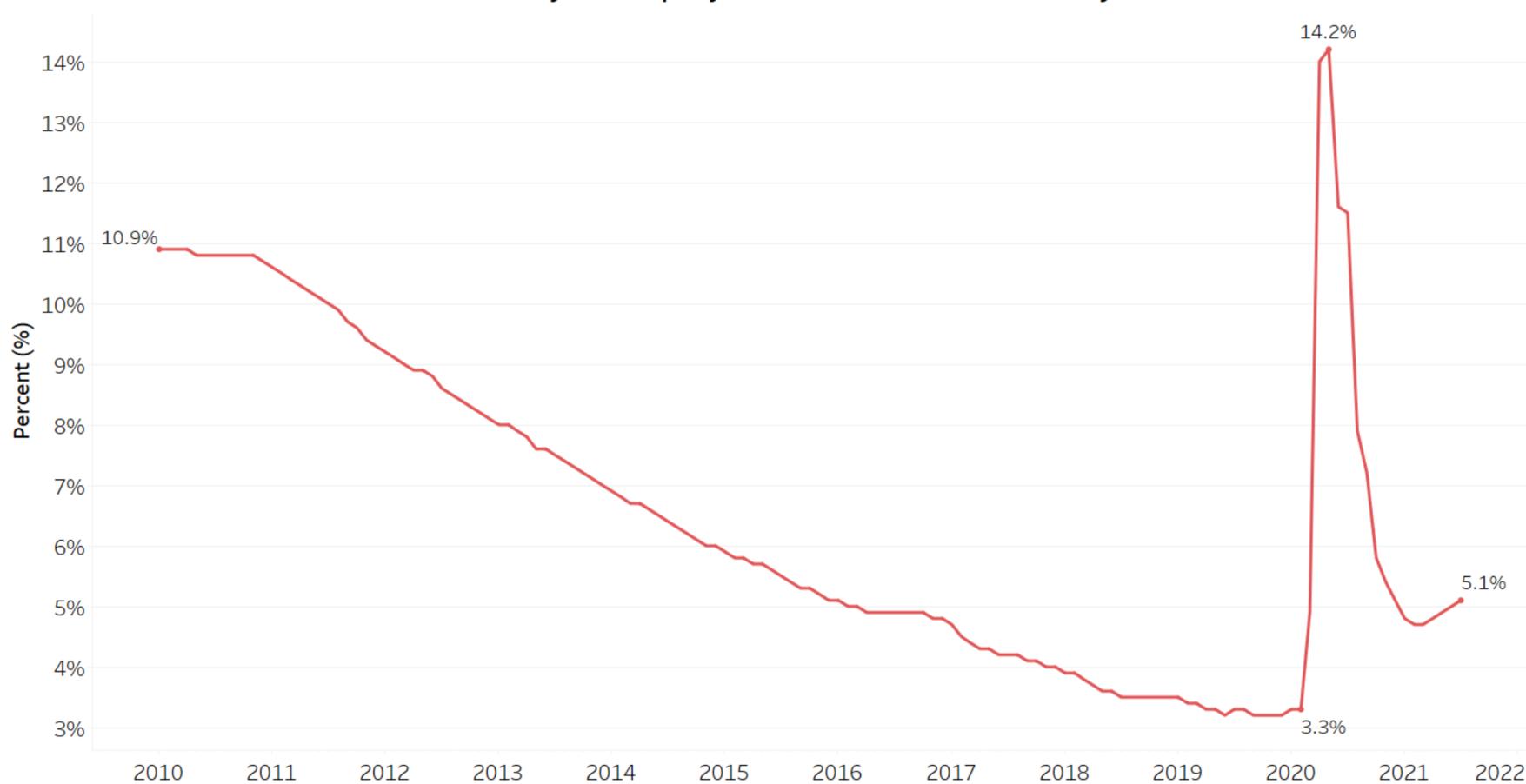
among Florida counties with 91.7 percent of the vaccine eligible population having received at least one vaccination dose. Conversely, Glades County has the lowest vaccination rate with just 32 percent of their population having received at least one vaccination dose. Vaccination rate variation among Florida counties largely reflects the variation in population density as more dense counties have greater vaccination rates. However, a stronger effort among state policymakers to mandate and/or provide vaccinations can prove successful in closing the vaccination rate divide.

Florida Share of Population Aged 12 and Older
With At Least One COVID-19 Vaccination Dose: Aug. 16, 2021



Source: U.S. Centers for Disease Control and Prevention COVID Data Tracker <https://covid.cdc.gov/covid-data-tracker/#datatracker-home>

Florida Monthly Unemployment Rate: Jan. 2010-July 2021



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

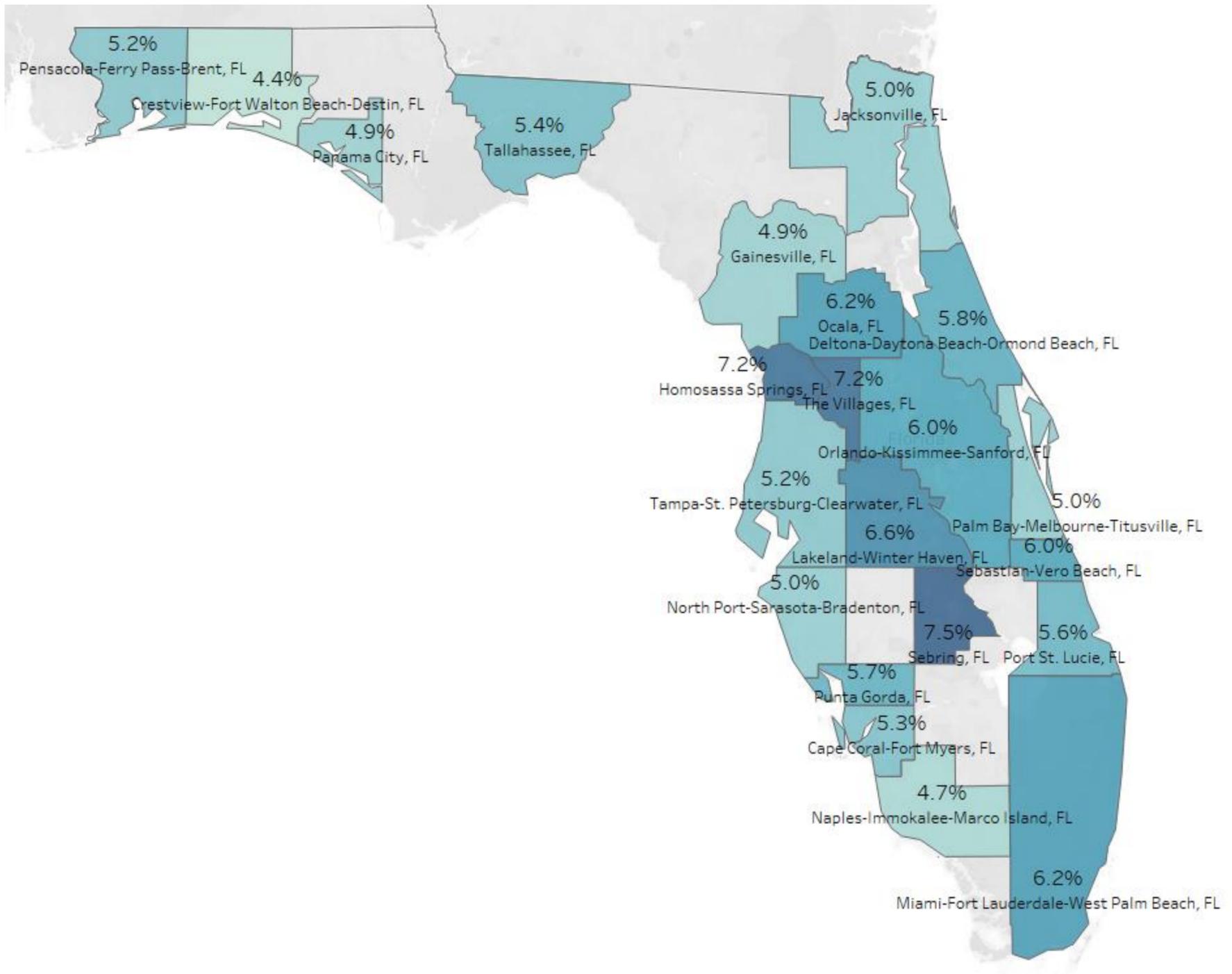
Between November 2010 and February 2020 Florida experienced a sustained decline in its unemployment rate. However, Florida's unemployment rate increased nearly 11 percentage points from 3.3 percent to 14.2 percent between February and May 2020.

The unemployment declined to 4.7 percent by

February 2021 as numerous measures to mediate the health risks and economic disruptions of the pandemic were implemented at the federal, state, and local levels. The occurrence of COVID-19 outbreaks has continued to constrain economic growth as noted by the 0.4 percentage point increase in the unemployment rate to 5.1 percent from February to July 2021 – providing further evidence of the economic uncertainty associated with the pandemic.

Pandemic led to a 14.2 percent unemployment rate

Florida Monthly Unemployment Rate by Metro Area: June 2021



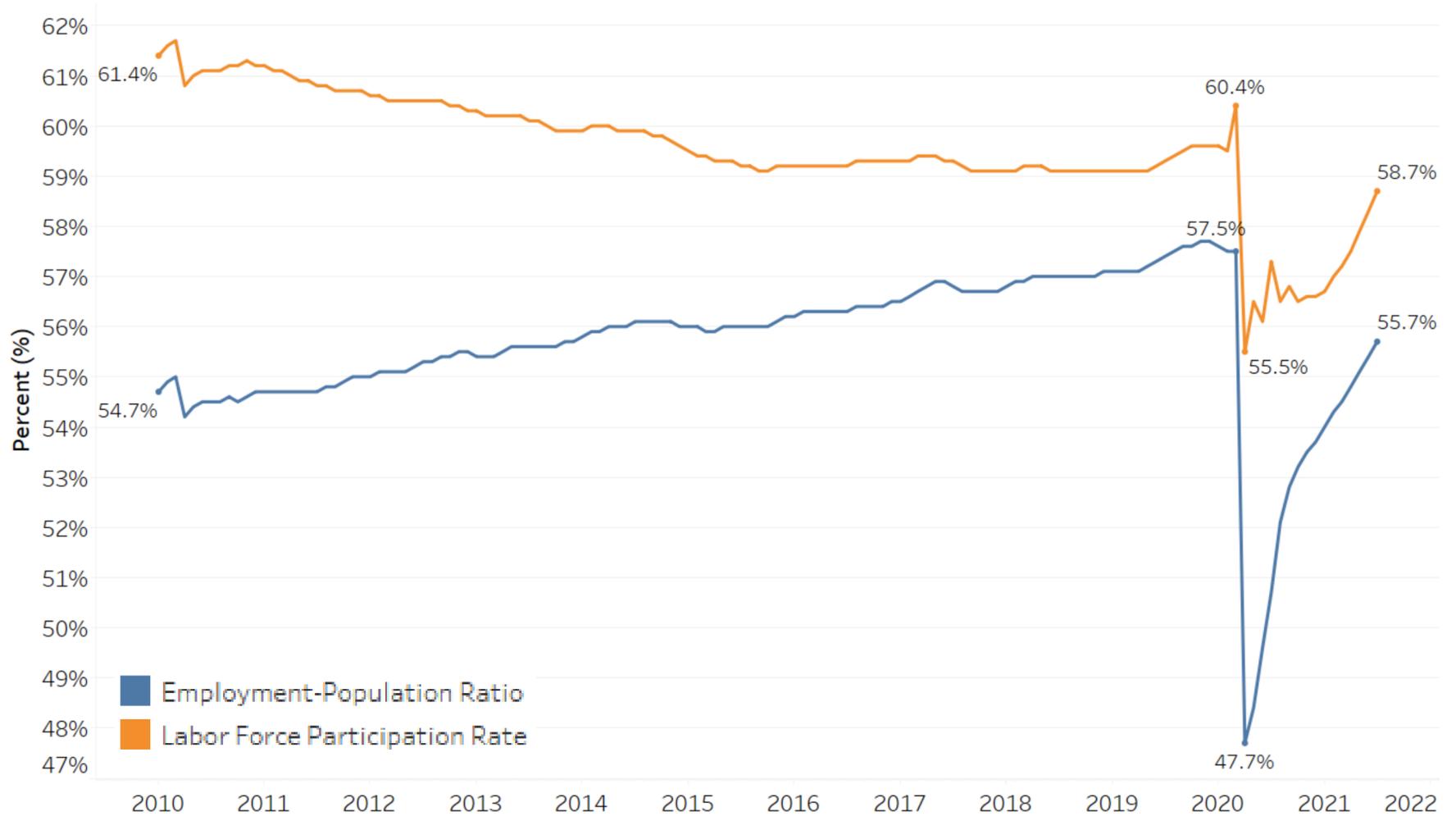
Source: U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics

The most recently available data, which covers June 2021, shows that high rates of unemployment continue to persist in several of Florida's metropolitan areas. In particular, the Sebring metro area has an unemployment rate of 7.5 percent.

Importantly, the Sebring metro area includes Glades County – the county with the lowest vaccination rate. The metropolitan areas with highest unemployment rates include The Villages metro and the Homosassa metro, each with 7.2 percent. The lowest unemployment rate can be found in the Crestview-Ft. Walton Beach-Destin metro area with 4.4 percent.

Sebring metro has a 7.5 percent unemployment rate

Florida Monthly Labor Force and Employment Participation: Jan. 2010-July 2021



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

The unemployment rate provides the share of unemployed workers that are part of Florida's labor force. Of equal importance are the workers that fell out of the labor force altogether because of the pandemic. Data show that the labor force participation rate and the employment to population ratio have yet to recover from their pre-pandemic levels. As of July 2021, 151,119 workers have yet to return to Florida's labor force based on February 2020 levels. Similarly, as of July 2021, Florida's employment level shows a pandemic deficit of 331,150 employed workers. It is important to note workers that leave the labor force are not entitled to unemployment compensation and are not considered to be unemployed.

Florida has a pandemic deficit of 331,150 employed workers

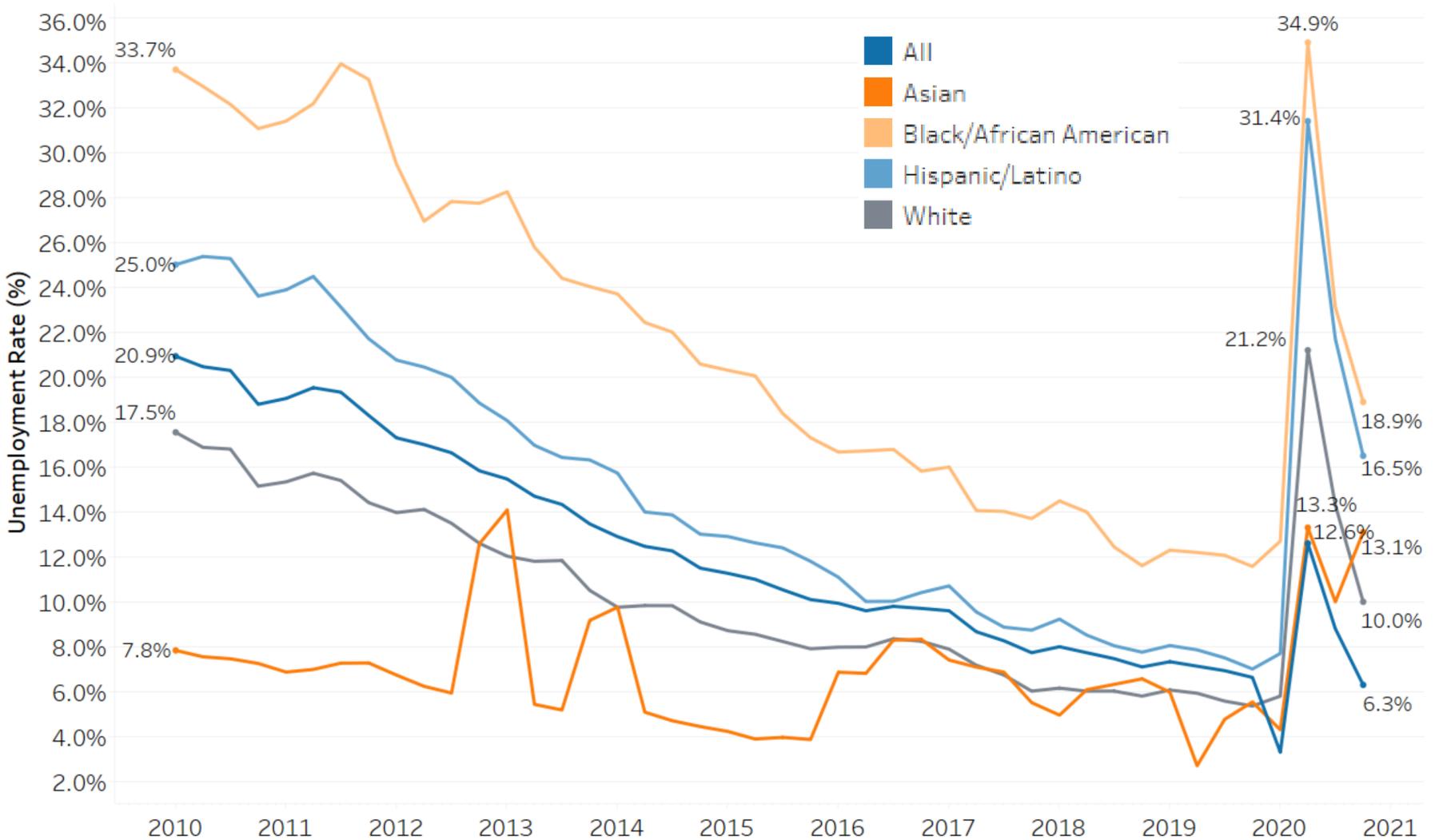
Equity Matters

Policymakers must center equity when assessing COVID-19's impact on Florida residents. For example, Florida's aggregate unemployment rate obscures the fact that the unemployment rate for Black and Latino workers has historically been

Black unemployment grew by 22.2 percentage points

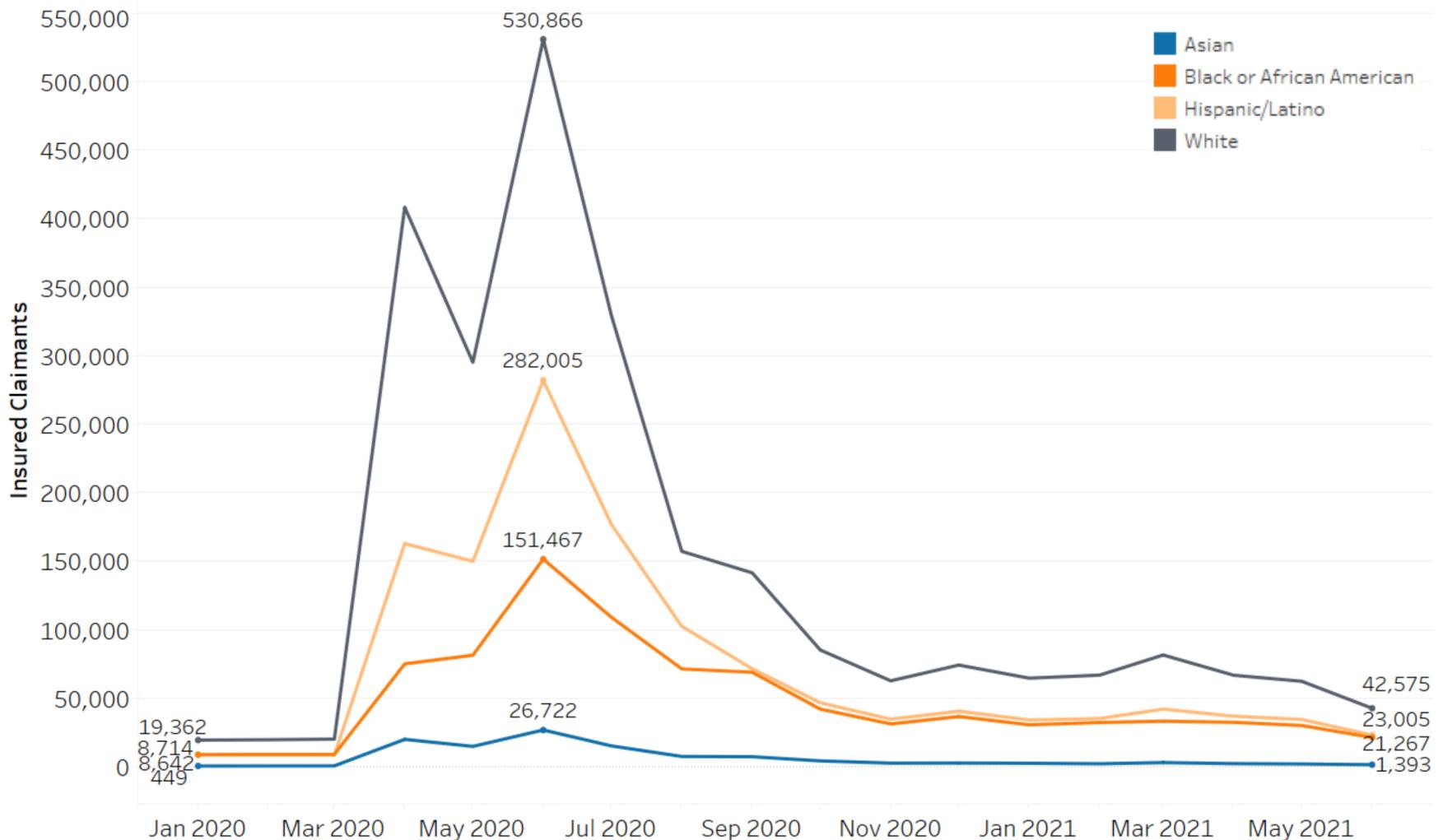
higher than that of White workers. These workers are three times as likely to have COVID-19 than their White counterparts. Similarly, the Black and Latino workers faced greater increases in unemployment relative to White workers. Between the first and second quarters of 2020 the unemployment rate increased by 22.2 percentage points for Black workers, 23.7 percentage points for Latino workers and 15.4 percentage points for White workers. The most recent figures for the second quarter of 2021 shows that the labor market recovery has done little to close the gap in labor market outcomes among workers as policymakers have not targeted reemployment policies to historically marginalized groups.

Florida Unemployment Rate by Race/Ethnicity: 2010Q1-2021Q2



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

Florida Monthly Unemployment Compensation Insured Claimants: Jan. 2020-June 2021



Source: U.S. Department of Labor Characteristics of the Unemployment Insurance Claimants

The preponderance of unemployment is also visible in the sharp rise in the level of insured unemployment compensation claimants in Florida. In June 2020, insured claims grew to more than 1 million of which 48.3 percent comprised of workers not identifying as White, 496,343 claimants.

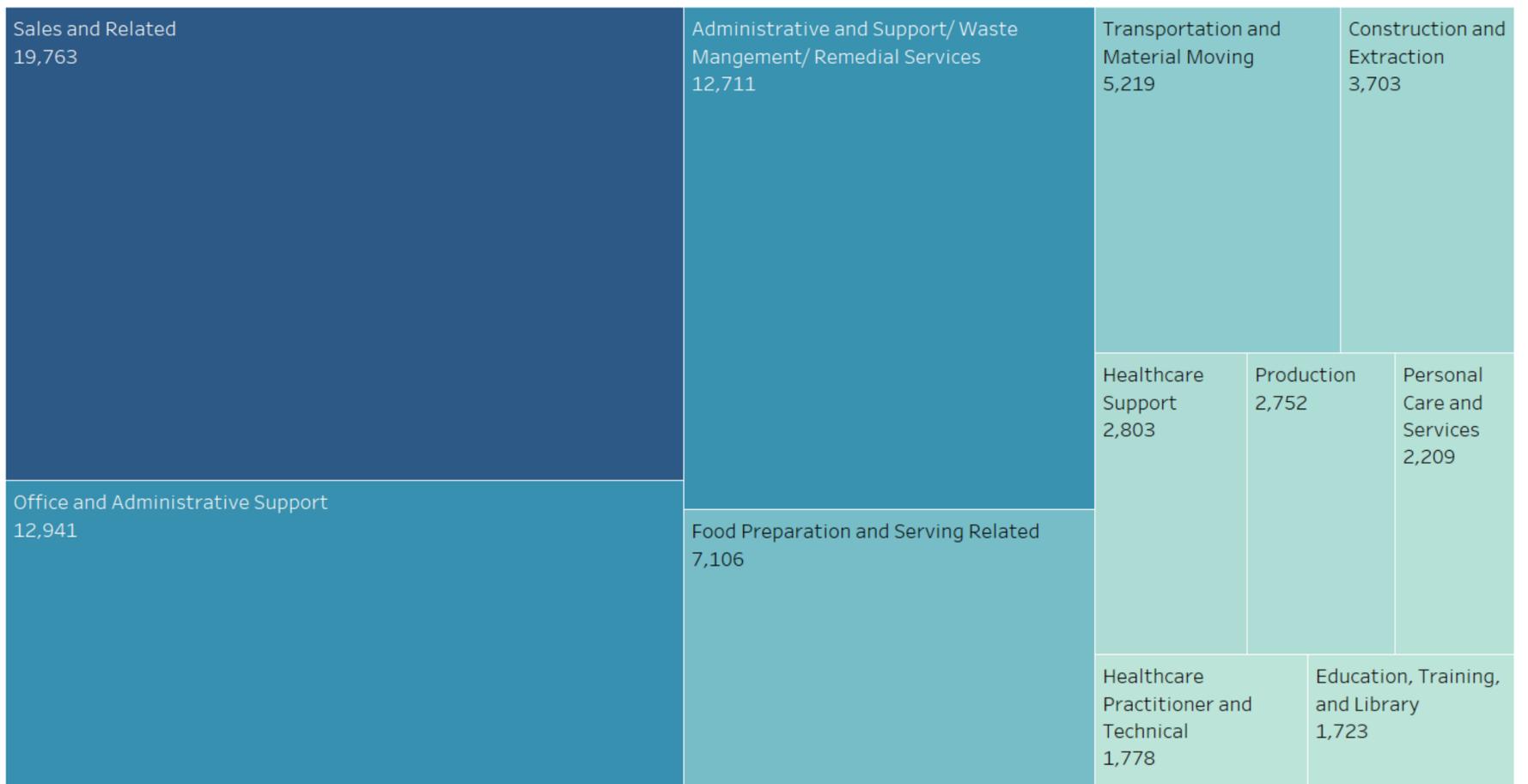
However, as federal supplements to state unemployment compensation were withdrawn claims have declined drastically. As of June 2021, insured claims in Florida were just 8.8 percent of the total seen the previous June. Despite being disproportionately vulnerable to unemployment only 44,272 Black and Latino workers received unemployment compensation benefits in June 2021. With the ongoing pandemic – and the jobs deficit that has yet to be closed – Florida’s unemployed workers are not receiving the income assistance they critically need.

Over the year, insured claims declined by 91.2 percent

Florida Monthly Unemployment Compensation Insured Claimants by Age Group: June 2021



Florida Monthly Unemployment Compensation Insured Claimants by Main Occupation: June 2021



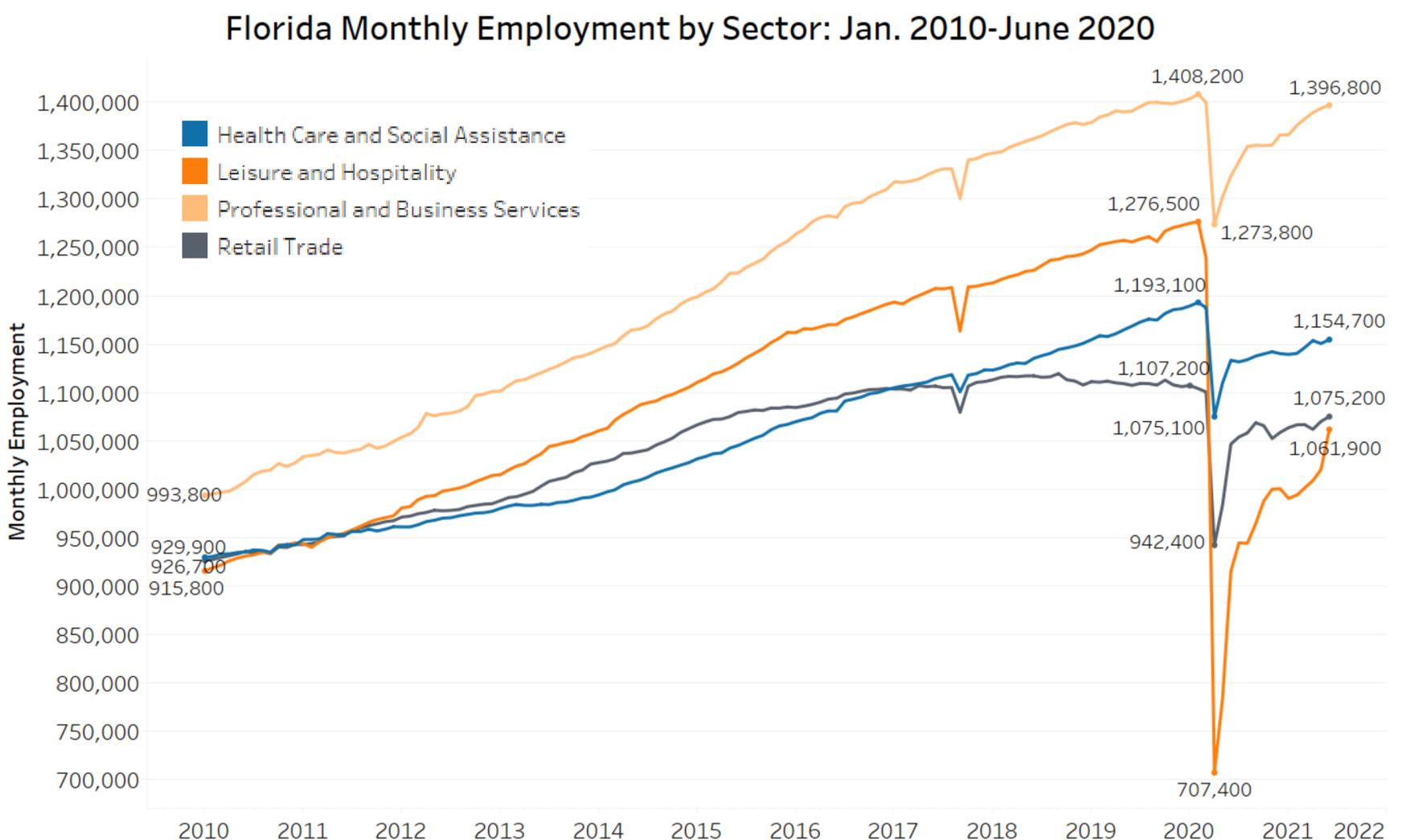
Source: U.S. Department of Labor Characteristics of the Unemployment Insurance Claimants

A closer look at the composition of unemployment compensation claimants as of June 2020 shows that only 9.6 percent of claimants are under the age of 25, 8,689 claimants. Therefore, the overwhelming majority of claimants, 89.4 percent, are adult prime-age workers or more senior workers. The latter is of great importance to

89.4 percent of the unemployed are adult and senior workers

the state's economic recovery because older workers are more likely to experience long durations of unemployment than younger workers because they have greater constraints in obtaining new skills and credentials and/or moving to new occupations and industries.

It is also revealing that as of June 2021 the 50.2 percent of insured claims in Florida, 45,415, involved occupations in Sales and Related occupations, Office and Administrative Support occupations, and Administrative Support/Waste Management/Remedial Support occupations. The occupations with high levels of unemployment signal that labor demand is low due to broader economic conditions that are dampening growth. Unlike the historic levels of unemployment observed last year, especially in the Leisure and Hospitality industry, that were driven by public health concerns the unemployment conditions workers in Florida are currently experiencing are demand driven. This dynamic requires that policymakers address the specter of long-term unemployment throughout the state.



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

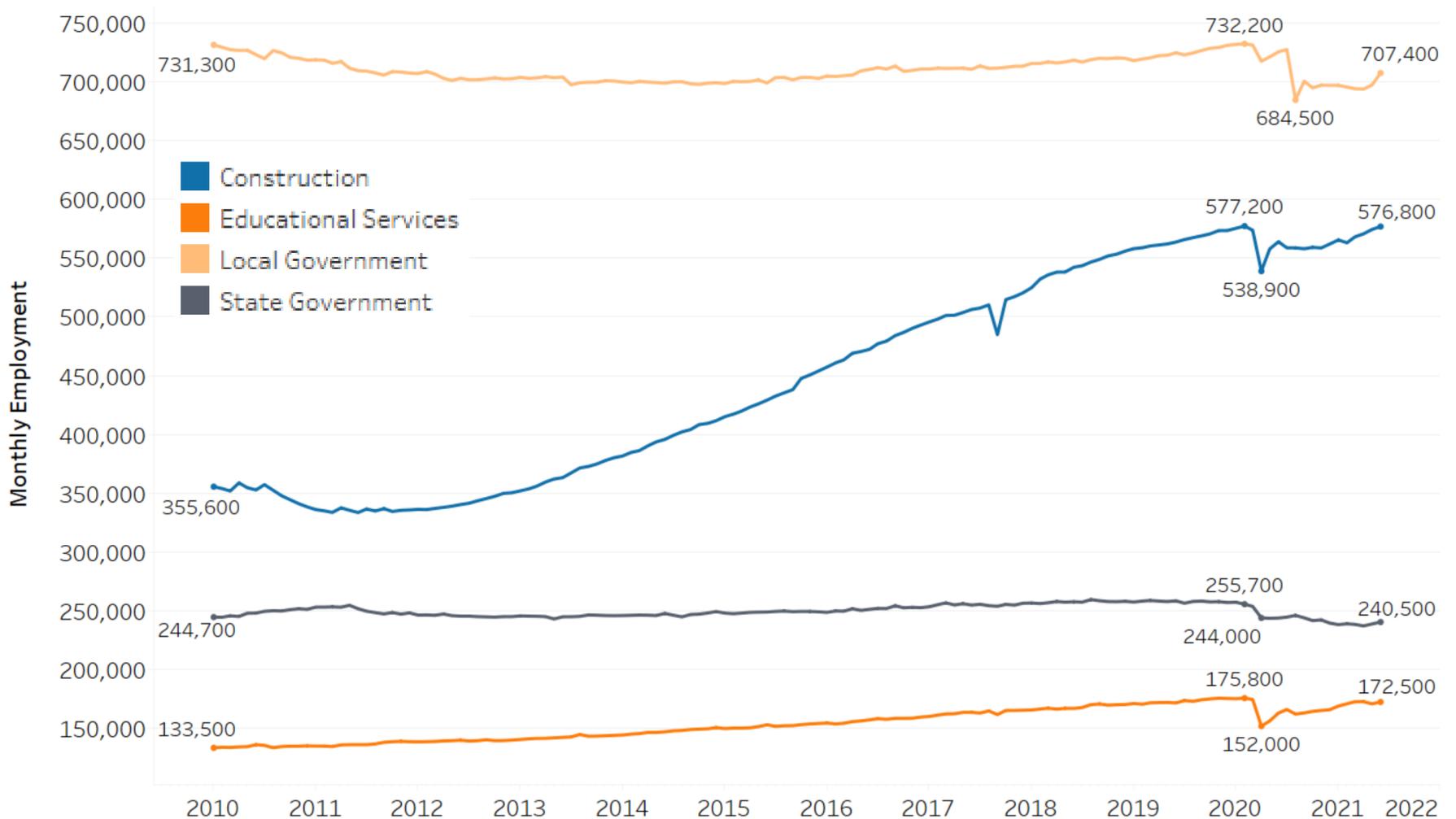
The recovery has stalled

The monthly employment figures by sector provide additional evidence that the industries hit the hardest by the pandemic have recovered much of their employment losses during the past year but that the recovery has stalled. For example, the Professional and

Business Services, Health Care and Social Assistance, and Retail Trade sectors have nearly recovered all employment lost during the pandemic: 99.1, 96.8, and 97.1 percent recovered as of June 2021, respectively. However, the unprecedented 44.6 percent employment decline between February to April 2020 in the Leisure and Hospitality sector has since recovered to just 83.2 percent of the pre-pandemic employment level. Active economic policies must close these employment deficits and promote growth above the pre-pandemic levels in order to bring Florida's economy back.

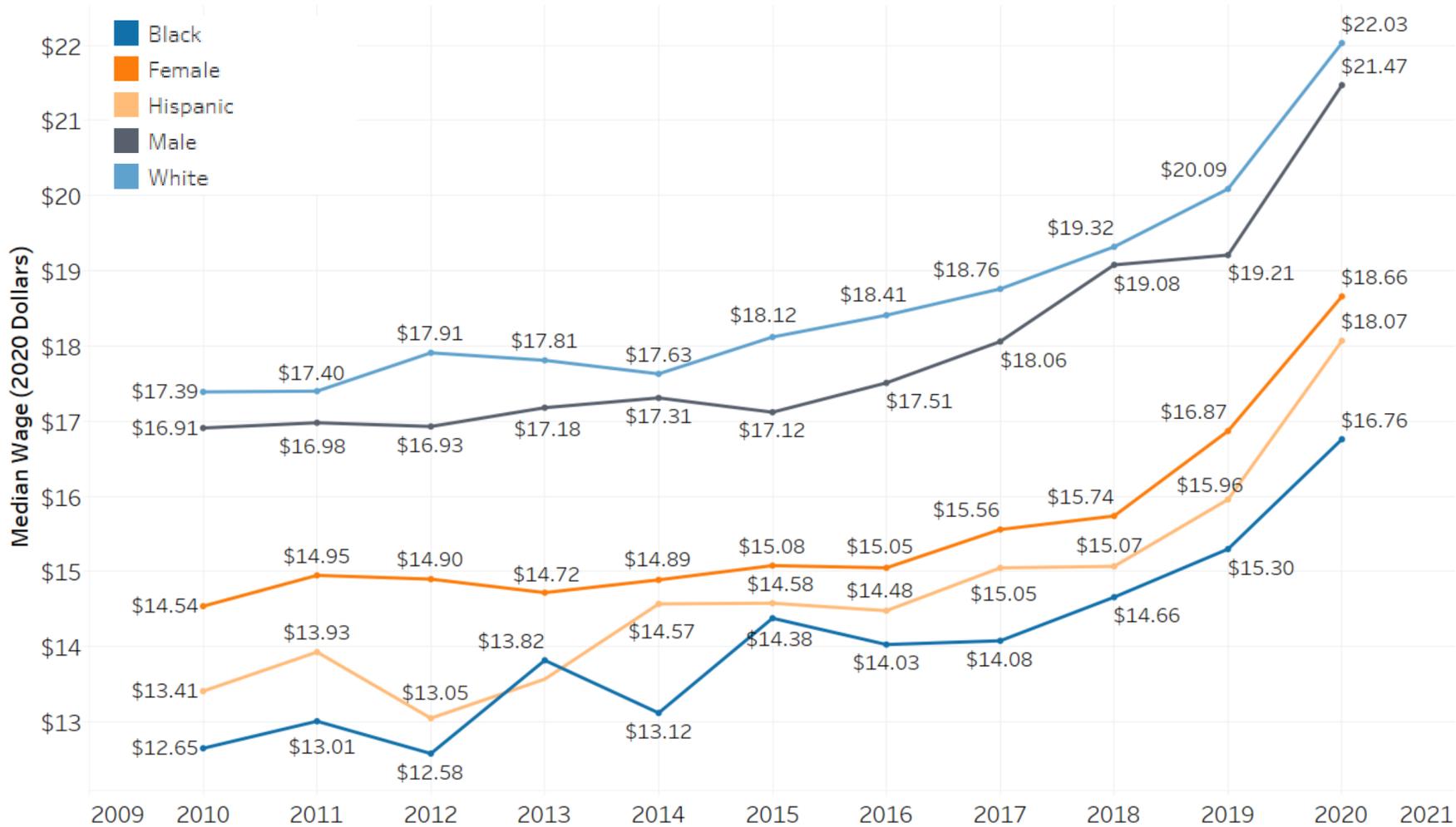
A full economic recovery is also missing in the sectors that were only mildly impacted by the pandemic. For example, the Local Government and State Government sectors which, as of June 2021, are at 96.6 and 94 percent of the pre-pandemic February 2020 employment levels, respectively. The decline and lack of full recovery in local and state government employment is concerning because the pandemic has shown that government agencies are critical in addressing the economic, health, and social impacts of a public health crisis. The Construction and Educational Services sectors are both near full recovery with a June 2021 employment level that was 99.9 and 98.1 percent of pre-pandemic employment, respectively.

Florida Monthly Employment by Sector: Jan. 2010-June 2020



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

Florida Median Wage by Worker Demographic: 2010-2020



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

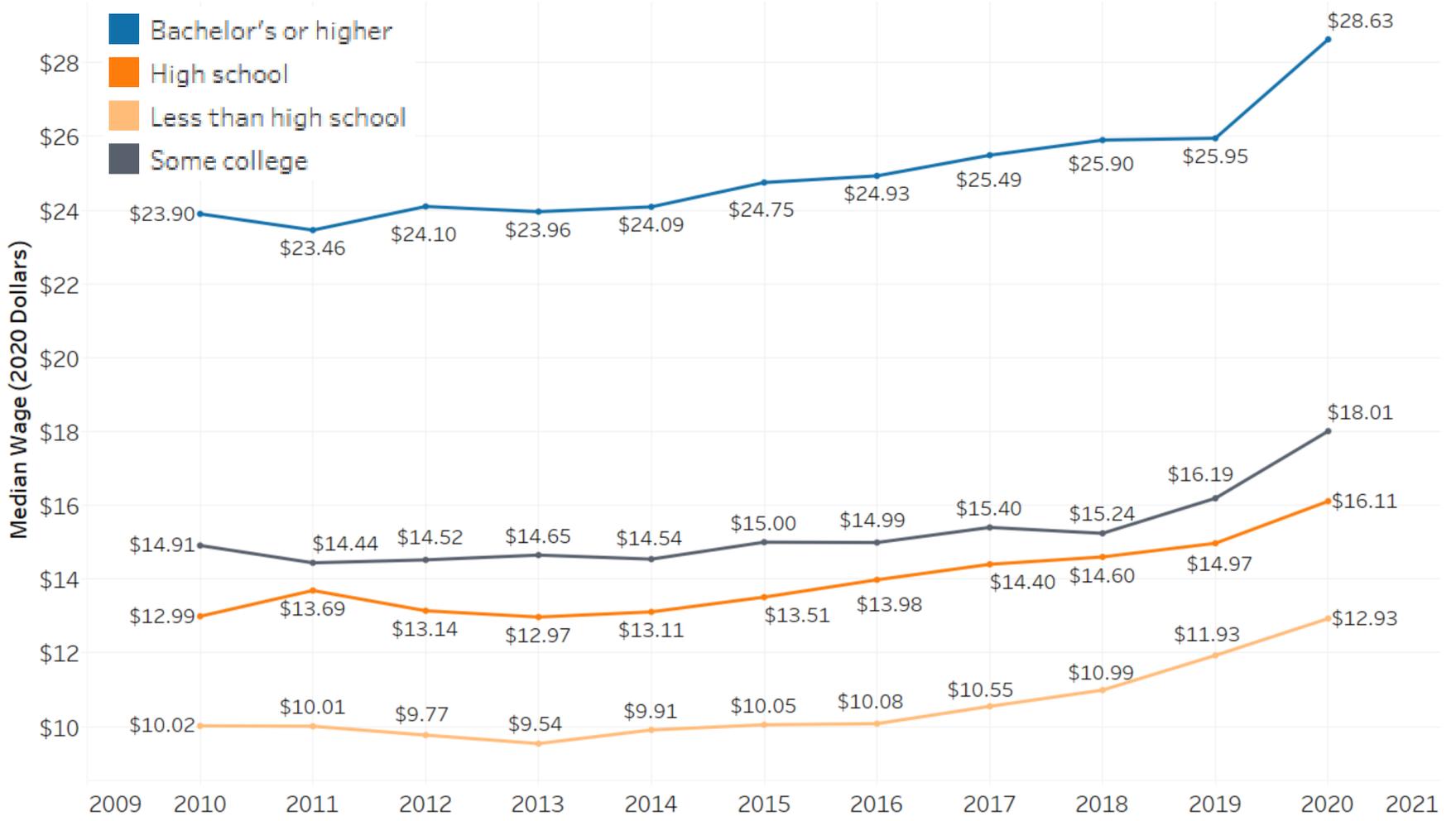
Lastly, even among workers that were able to maintain employment or become reemployed we find that wage inequity has increased during the pandemic. Adjusted for inflation data show that White workers earned a median hourly wage of \$22.03 while

Black workers earned \$16.76, a difference of \$5.27 an hour. The wage gap between White and Black workers in 2020 was the largest since 2012. While smaller than in recent years, the wage gap between White and Latino workers was \$3.96 in 2020 and the wage gap between male and female workers was \$2.81. Improving pay equity policies including promoting greater pay transparency is critical to further closing existing pay inequities.

Wage gap between White and Black workers increased to \$5.27 an hour

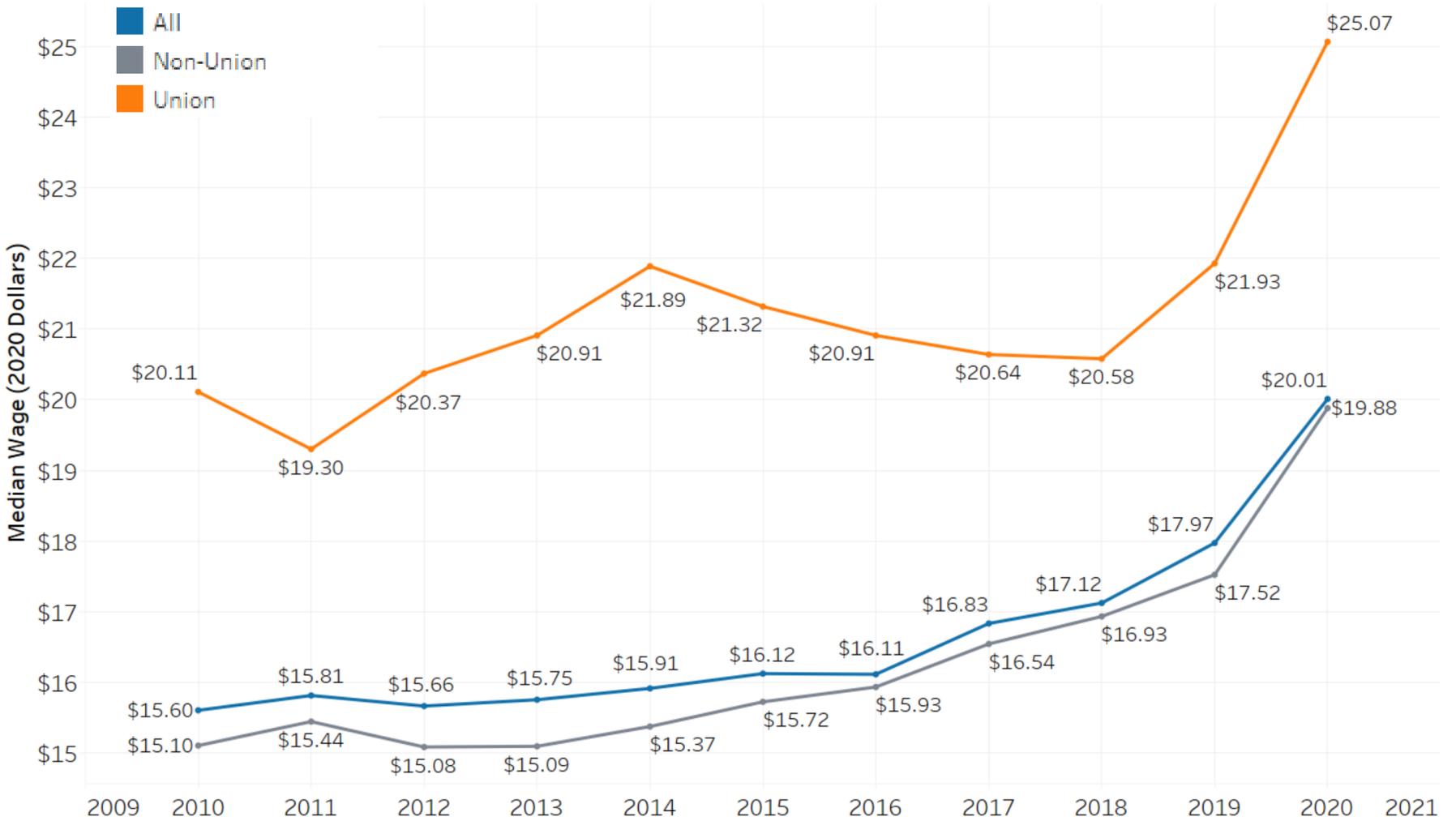
Similarly, the pandemic's disproportionate impact on workers with lower levels of educational attainment has led to the greatest pay gap between college graduates and non-college graduates. In 2021, college graduates earned \$10.62 more an hour than those with some college education and \$12.52 more than workers with just a high school diploma. The wage gap between union and non-union workers has also widened to record levels. In 2020 union workers typically earned \$5.19 more an hour than non-union workers. The data suggest that unionization may serve as a useful strategy in closing the wage gap between workers with distinct levels of educational attainment.

Florida Median Wage by Worker Educational Attainment: 2010-2020



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

Florida Median Wage by Worker Union Status: 2010-2020



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

Conclusion

The state of Florida and its economy continues to exist under the constraints of the COVID-19 pandemic. While numerous economic sectors have recovered much of the economic and employment losses experienced in the early months of the pandemic the economy has stalled as policymakers have withdrawn economic support. Furthermore, the state's undergoing economic recovery from the March 2020 shock of the pandemic has been uneven as historical economic vulnerabilities across demographic groups, regions, and industries have been exacerbated and inequities deepened. The latter is most evident in the employment and wage disparities along race and educational attainment. Similarly, adult and older workers – as well as workers in more administrative support occupations – are facing the prospects of long unemployment durations. Florida's policymakers must act boldly and decisively and provide greater public health and economic assistance to Floridians to prevent a long economic stall. The pandemic worsened Florida's economic disparities and policymakers mustn't do the same and pursue an equity-centered recovery.



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