

# The State of Working Florida 2014

By Alí R. Bustamante

Research Institute on Social and Economic Policy  
Center for Labor Research and Studies  
Florida International University  
Miami , FL 33199

Contact : Ali Bustamante Ph.D. (c)  
Phone: (305) 348 - 1519  
Email: [Albustam@fiu.edu](mailto:Albustam@fiu.edu)



# Table of Contents

Executive Summary.....	Page 2
Introduction.....	Page 7
Chapter 1: Inequality in Florida.....	Page 9
Chapter 2: Dimensions of Inequality.....	Page 13
Race/Ethnicity.....	Page 14
Sex.....	Page 17
Citizenship Status.....	Page 20
Educational Attainment.....	Page 22
Industry Wages.....	Page 23
Chapter 3: Social Mobility.....	Page 26
Chapter 4: Policy Recommendations.....	Page 35
Acknowledgements.....	Page 37

**State of Working Florida 2014**  
Research Institute on Social and Economic Policy  
Center for Labor Research and Studies  
Florida International University  
Labor Day – Sept. 1, 2013

**Executive summary:**

This 11<sup>th</sup> edition of State of Working Florida focuses on wage inequality in Florida through an analysis of labor market and demographic indicators for the period between 1980 and 2013. At the core of this edition are the questions ‘how unequal is Florida today and how has inequality changed over time?’.

This report focuses on wages and wage inequality instead of overall wealth or household income inequality because wages are the greatest source of income for most people and dramatically affect the quality of life and social mobility afforded to Floridians. In fact, wages not only determine how well families are doing but also ultimately determine the general health of our overall economy. Strong and growing wages reflect a strong and growing economy but low wages mean Floridians have less money to spend on food, housing, healthcare, transportation and many other resources that define their quality of living..

Using data from the Bureau of Labor Statistics: Current Population Survey, the Bureau of Labor Statistics: Annual Social and Economic Supplement 2013, and the U.S. Census: American Community Survey this report provides evidence for a stagnant median wage and increasing wage inequality in Florida. Comparing the wage gap between the top and bottom 25% of wage earners data show that inequality has because many Floridians have experienced economic marginalization or are stuck in low-wage industries while few privileged workers absorbed most of the economic gains since 1980. The growing gap between high and low wage earners means that Florida’s workers are living in increasingly separate worlds.

Ultimately, economic marginalization and large employing low-paying industries play a large role in the stagnation of general wages and in increasing inequality. What’s more is that

inequality directly affects the likelihood of future social mobility and the economic prosperity of our state. However, inequality can be reduced and social mobility increased by increasing the minimum wage, wage theft protections, pay transparency, on-the-job training, state-business skill development, and union representation to everyone's benefit, especially those historically marginalized groups.

**Highlights by chapter include the following:**

**Chapter 1, Inequality in Florida:**

- Since 1980, the median wage in Florida has increased at an average annual rate of 3.4% while the average wage increased at a slightly faster pace, 4.4%.
- Overall, the median wage increased by \$7,283 between 1980 and 2013, a 26.3% increase.
- Much of the wage growth since 1980 occurred between 1995 and 2000 during the technology boom in the U.S. that brought a one-time sharp increase in wages.
- The wages of top wage earners grew 2.8 times faster than then wages of low-wage earners between 1980 and 2013.
- In 1980, the disparity between the wages of the top 25% and the lowest 25% was \$47,992 and by 2013 the gap had grown to \$74,607, an increase of 55.5%.

**Chapter 2, Dimensions of Inequality:**

- Between 1980 and 2013 the wages of whites grew at an annual rate of 5% compared to 4% for blacks and 3% for Latinos.
- In 2013, whites earned an annual median wage that was \$10,000 higher than that of blacks and Latinos.
- In 2013 racial/ethnic minorities earned 5.3% less than white workers with similar levels of education, age, and in the same occupation.
- In 2013, blacks were three times as likely to be in poverty than whites and Latinos are 2.4 as likely to be poor than whites.

- In 2013, more than one in four blacks were in poverty, 27.0%, as were more than one in five Latinos, 22.0%, compared to 9.0% of whites.
- Between 1980 and 2013, whites averaged an unemployment rate of 4.8% compared to 10.6% for blacks and 7.4% for Latinos.
- Between 1980 and 2013, the wage disparity between men and women has declined by a whopping 31%. The decline is due in large part to the fast wage growth of women whose wages grew at an average annual rate of 6% between 1985 and 2013 compared to just 2% for men.
- Despite women's wage gains, men earned \$9,672 more than women in 2013 on average.
- Even when controlling for education, age, and occupation, women earned 20% less than men in 2013, signaling that the wage inequality between men and women is shaped by the economic marginalization of women in the workplace.
- Between 1995 and 2013, Florida's non-citizen population earned considerably less than citizens and the wage disparity grew by 9.5% during that time.
- In 2013, native citizens earned \$11,960 more a year than non-citizens.
- Even after controlling for education, age, and occupation, non-citizens earned 4% less than citizens (native and naturalized) in 2013.
- Workers with a bachelor's degree or higher earned \$24,960 more a year than workers with only a high school degree in 2013.
- The wage disparity among different levels of educational attainment has increased since 1980 as the wages of workers with a bachelor's degree or higher grew at an average annual rate of 3% compared to 1% for high school graduates and -1% for non-high school graduates.

### **Chapter 3, Social Mobility:**

- Since 1985, the lowest paying industries in Florida remained consistent. The worst paying industries include private household services, food services and drinking places, agriculture, textile and apparel manufacturing, personal services, retail trade, accommodations, and social services.

- The lowest paying industries in Florida have historically paid a median annual wage below \$30,000 and below \$20,000 in the case of private household services and food services and drinking places.
- Since the early 2000s, professional and technical services, computer manufacturing, and internet service industries have emerged as some of the highest paying industries in Florida.
- In 1980, the bottom 25% of wage earners was mainly female (68%), white (64%), native-born (83%), and with a high school education or less (77%).
- By 2013, the bottom 25% of wage earners still mainly female (58%), white (55%), native-born (75%,) and with a high school education or less (56%). This means that the poorest workers have become more male, more racially/ethnically diverse, more foreign-born and more educated.
- Between 1980 and 2013 women, whites, blacks, and the least educated made considerable gains in social mobility as their presence among the lowest paid wageworkers declined. However, these gains were offset by the increased presence of men, Latinos/Hispanics, foreign-born residents, and the higher educated among the bottom 25% of wage earners.
- Since 1985, most low-wage workers are employed in retail trade, food services and drinking places, administrative and support services, educational services and health care services. The fact that the same industries have employed a large portion of low-wage workers over time indicates that these industries have experienced disproportionately low wage growth at the expense of workers, their families, and the overall economy but not at the expense of their rising profits.
- Between 1985 and 2013, retail trade, food services and drinking places, administrative and support services, educational services and health care services have increased their numbers of men, Latinos/Hispanics, foreign-born residents, and the higher educated. However, educational services and health care services continue to be heavily employed by women.
- By 2013, the top 25% was still male (63%), white (83%), and native-born (87%) but it is much more educated (62% with a bachelor's degree or higher).

- Between 1980 and 2013 the representation of women and blacks among the top 25% of wage earners more than doubled while the share of Latinos/Hispanics tripled.
- The share of the top 25% of wage earners without college education dwindled from 43% to 15% and the share of non-citizens declined by half.
- The main employing industries for the top 25% of wage earners has remained relatively consistent between 1985 and 2013 for the exception of the rise in professional and technical services and the decline in transportation jobs.
- Educational services and retail trade employ a large share of low-wage workers as well as high-wage workers.

#### **Chapter 4, Policy Recommendations:**

- Higher wages to low-wage workers can be directly addressed by a higher minimum wage, a policy that would increase the earnings of Florida workers by approximately \$2.6 billion.
- Stronger worker protections such as wage theft enforcement would do a lot to secure the wages of workers into the future.
- Workplace discrimination may be declined through greater enforcement of existing anti-discrimination laws and through greater transparency in pay structures that provide workers with valuable information in determining whether they are be unfairly paid.
- Upward mobility within companies may be achieved through a greater emphasis on on-the-job training and skill development through state-business partnerships that foster a more educated and skilled workforce and a greater number of quality skilled-job openings.

Prior editions of the State of Working Florida published by the Research Institute on Social and Economic Policy (RISEP) as well as other reports on Florida's economy can be found at [www.risep-fiu.org](http://www.risep-fiu.org).

## Introduction:

This 11<sup>th</sup> edition of State of Working Florida focuses on wage inequality in Florida through an analysis of labor market and demographic indicators for the period between 1980 and 2013. This report focuses on wages and wage inequality instead of overall wealth or household income inequality because wages are the greatest source of income for most people and dramatically affect the quality of life and social mobility afforded to Floridians.<sup>1</sup> In fact, wages not only determine how well families are doing but also ultimately determine the general health of our overall economy.<sup>2</sup> Strong and growing wages reflect a strong and growing economy.

At the core of this edition are the questions ‘how unequal is Florida today and how has inequality changed over time?’. We posit that inequality in Florida has been driven by stagnating wages and an unequal distribution of opportunities to earn livable wages.

Using data from the Bureau of Labor Statistics: Current Population Survey, the Bureau of Labor Statistics: Annual Social and Economic Supplement 2013, and the U.S. Census: American Community Survey this report provides evidence for a stagnant median wage and increasing wage inequality in Florida. Comparing the wage gap between the top and bottom 25% of wage earners data show that inequality has increased because many Floridians are stuck in low paying jobs with few opportunities to obtain quality jobs. Furthermore, the low-wage trap affecting many Floridians is reducing social mobility for many.

Data show that the bottom 25% of wage earners has been predominantly white, female, and non-college educated. The top 25% has been almost exclusively white, male, and not heavily college-educated until the 1990s. Over time, women and people of color have not had the same wage earning opportunities as white male. Women with similar levels of education, age, and in the same occupation as men earned 20% less and racial/ethnic

---

<sup>1</sup> Data from the Bureau of Labor Statistics: Annual Social and Economic Supplement 2013 shows that wages represent 63.4% of the earned annual income of the average household in Florida.

<sup>2</sup> Heidi Shierholz and Lawrence Mishel. 2013. *A Decade of Flat Wages: The Key Barrier to Shared Prosperity and a Rising Middle Class*. Economic Policy Institute. Washington D.C



minorities earned 5.3% less than whites that were similarly educated, aged, and in the same occupation. This ultimately harms the social mobility of these economically marginalized groups and partly explains why not much demographic change has occurred in the top 25% while the bottom 25% has become increasingly more female and racially diverse.

Additionally, the bottom 25% tend to be employed in food services and administrative services, two of the largest employing and yet lowest paying industries in Florida. Conversely, the top 25% has been mainly employed in professional services, public administration, and hospitals; industries that have experienced considerable disproportionate wage gains. Severe wage gaps are also visible within industries as is evident with retail trade, educational services, and health care services; large employing industries encompassing a large number of low- and high-wage earning Floridians. The wage gaps between and within industries have increased because the wages of high-wage earners have risen faster than the wages of low-wage earners during the past three decades in Florida.

Ultimately, economic marginalization and large employing low-paying industries play a large role in the stagnation of general wages and in increasing inequality. What's more is that inequality directly affects the likelihood of future social mobility and the economic prosperity of our state. However, inequality can be reduced and social mobility increased by increasing the minimum wage, wage theft protections, pay transparency, and union representation to everyone's benefit, especially those historically marginalized groups.

Prior editions of the State of Working Florida published by the Research Institute on Social and Economic Policy (RISEP) as well as other reports on Florida's economy can be found at [www.risep-fiu.org](http://www.risep-fiu.org).

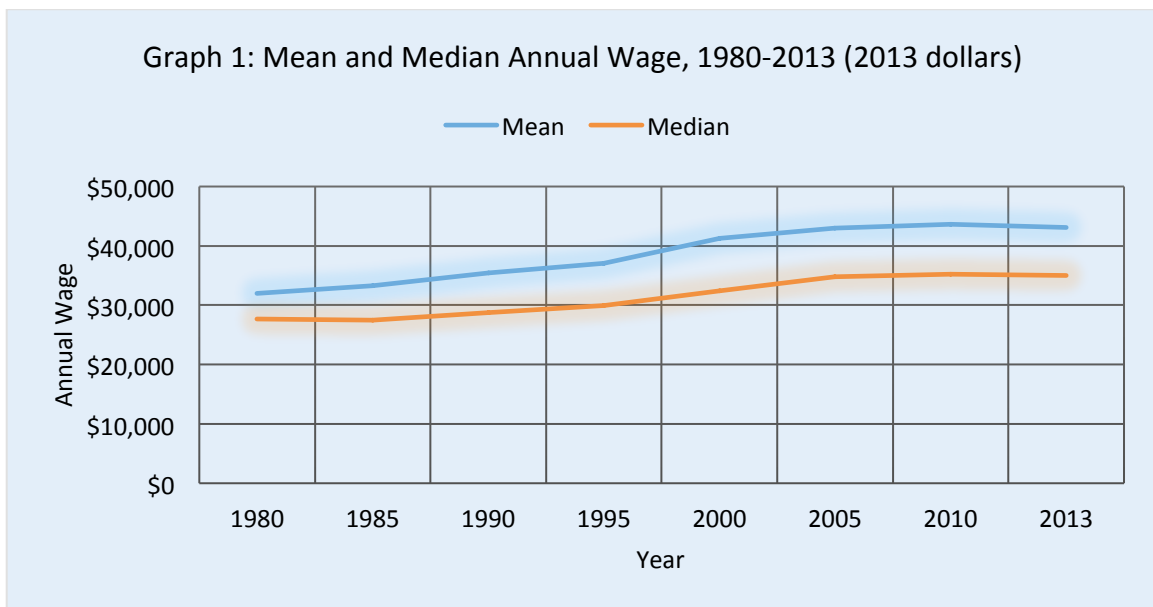
## Chapter 1 – Inequality in Florida:

Between 1980 and 2013, the median wage in Florida has increased at an average annual rate of 3.4% while the average wage increased at a slightly faster pace, 4.4% (see graph 1). Overall, the median wage increased by \$7,283 between 1980 and 2013, a 26.3% increase. Much of the wage growth since 1980 occurred between 1995 and 2000 during the technology boom in the U.S. that brought a one-time sharp increase in wages. However, not all Floridians experienced these wage gains the same way. The growing divide between high- and low-wage earners is observed as growing wage inequality.

---

Between 1980 and 2013, the median wage in Florida has increased at an average annual rate of 3.4%

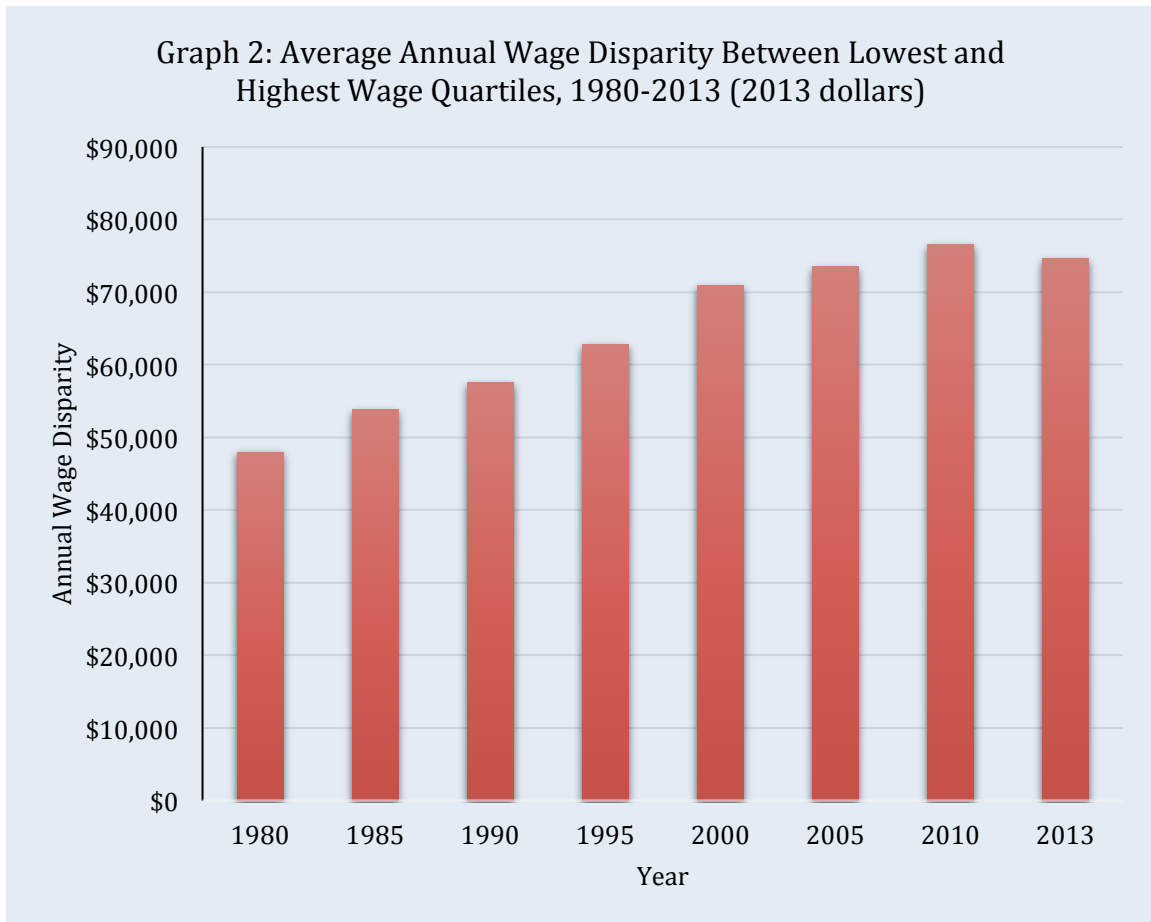
---



Source: Bureau of Labor Statistics: Current Population Survey

When comparing the wages of the top and bottom wage earners a troubling trend emerges. The pay gap between high and low wage earners increased drastically between 1980 and 2013, and it was large to begin with. In 1980 the pay disparity between high and low wage earners was \$47,992 and this ballooned to \$74,607 in 2013 (see graph 2). This trend is troubling because wages directly shape the quality of life of most Floridians and a growing gap between

high and low wage earners means that Florida's workers are living in increasingly separate worlds.



Source: Bureau of Labor Statistics: Current Population Survey

We analyze wage inequality through an analysis of the distribution of wages among Florida's workers. The greater the gap between high- and low-wage earners the greater the wage inequality. Wage inequality signals whether the gains of a growing economy are being

---

The overall wage gains for the top 25% was more 3.5 times greater than the wage gains for lowest 25% during this period

---

equally distributed to all workers or whether certain workers are being privileged over other.

When separating all wage earners into quartiles, four equally populated groups, we observe the average annual wages of each

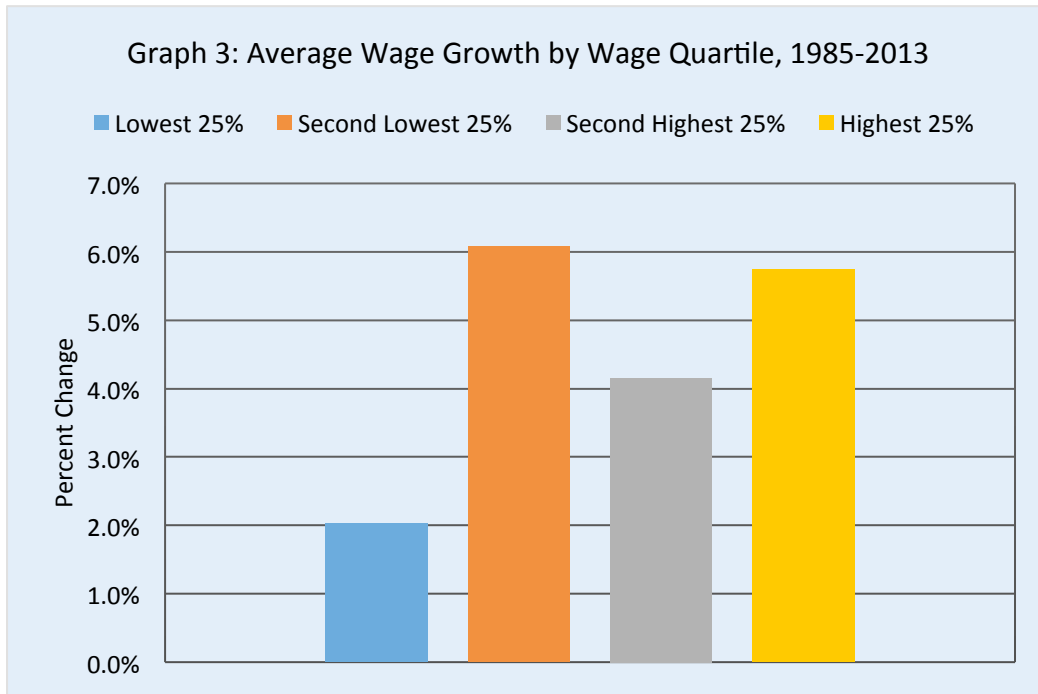
group for the years 1980 through 2013 (see table 1). In 2013, each quartile represents a quarter of the 8.75 million wage-earning workers in Florida. Data show that wage gains have greater for higher wage groups between 1980 and 2013. In fact, the overall wage gains for the top 25% was more 3.5 times greater than the wage gains for lowest 25% during this period. What's more is that the top 25% of wage earners experienced faster and more consistent wage growth than the bottom 25% between 1980 and 2013.

Table 1: Average Annual Wage by Wage Quartile, 1980-2013 (2013 dollars)				
Year	Lowest 25%	Second Lowest 25%	Second Highest 25%	Highest 25%
1980	\$12,333	\$22,499	\$32,979	\$60,325
1985	\$11,650	\$22,645	\$35,312	\$65,552
1990	\$12,478	\$14,957	\$36,820	\$70,086
1995	\$12,340	\$24,391	\$38,008	\$75,173
2000	\$14,021	\$26,052	\$41,369	\$84,965
2005	\$14,586	\$27,922	\$43,482	\$88,116
2010	\$13,897	\$28,064	\$44,819	\$90,483
2013	\$14,012	\$27,594	\$43,691	\$88,618
% Change 1980-2013	13.6%	22.6%	32.5%	46.9%

Source: Bureau of Labor Statistics: Current Population Survey

Conversely, lower wage earners experienced the lowest wage increases as well as the slowest rates of wage growth among the quartiles of wage workers. On average, wages for the lowest 25% of wage earners grew by an average annual rate of 2.1% while the wages of the top 25% grew by an average annual rate of 5.7% (see graph 3). This means that the wages of top wage earners grew 2.8 times faster than then wages of low-wage earners. As a result, the wage

gap between the lowest 25% and top 25% of wage earners has widened between 1980 and 2013.



Source: Bureau of Labor Statistics: Current Population Survey

In 1980, the disparity between the wages of the top 25% and the lowest 25% was \$47,992 and by 2013 the gap had grown to \$74,607, an increase of 55.5% (see table 2). This fact underlies the point that the severity of wage disparities has increased between 1980 and 2013 because the wages of low-wage earners has not kept pace with the wages of higher wage earners. The latter signals the prevalence of a downward pressure on the wages of low-wage earners over time. Low wages mean Floridians have less money to spend on food, housing, healthcare, transportation and many other resources that define their quality of living. Wages also directly affect individual and household consumption, which is reflected in the overall wellbeing of the economy.

---

In 1980, the disparity between the wages of the top 25% and the lowest 25% was \$47,992 and by 2013 the gap had grown to \$74,607, an increase of 55.5%

---

Table 2: Average Annual Wage Disparity Between Lowest and Highest Wage Quartiles, 1980-2013 (2013 dollars)	
Year	Wage Disparity
1980	\$47,992
1985	\$53,901
1990	\$57,608
1995	\$62,832
2000	\$70,944
2005	\$73,530
2010	\$76,586
2013	\$74,607
% Change 1980-2013	55.5%

Source: Bureau of Labor Statistics: Current Population Survey

## **Chapter 2 –Dimensions of Inequality:**

The factors influencing wage inequality are complex and multidimensional and cannot be reduced to one single explanation. The following section analyzes some the factors that influence wage inequality in the context of Florida’s economy. Additionally, this section seeks to dispel any assumption that wage inequalities are only due to skill and/or education differences and highlight the disparities in wage-earning opportunities for different demographic groups.

Race, sex, citizenship status, and educational attainment have historically played important roles in shaping the wage earning opportunities of Floridians and they continue to do

so today. The disproportionate gains or losses of wages allotted to some groups over others ultimately leads to groups being privileged or marginalized in the workforce.

## Race

The majority of Floridians identify themselves as white, black/African American, or Latino/Hispanic, 95.3% of the 19.3 million Florida residents.<sup>3</sup> Florida has historically had a white majority and continues to do so, albeit with a growing number of black and Latino/Hispanic residents. In 2013, 56.8% of Floridians were white, 15.3% black/African American, and 23.2% Latino/Hispanic. Since 1980, the wage disparity between the median wage of whites and blacks grew by 79% while the wage disparity between whites and Latinos/Hispanics grew by 150% (see table 3).

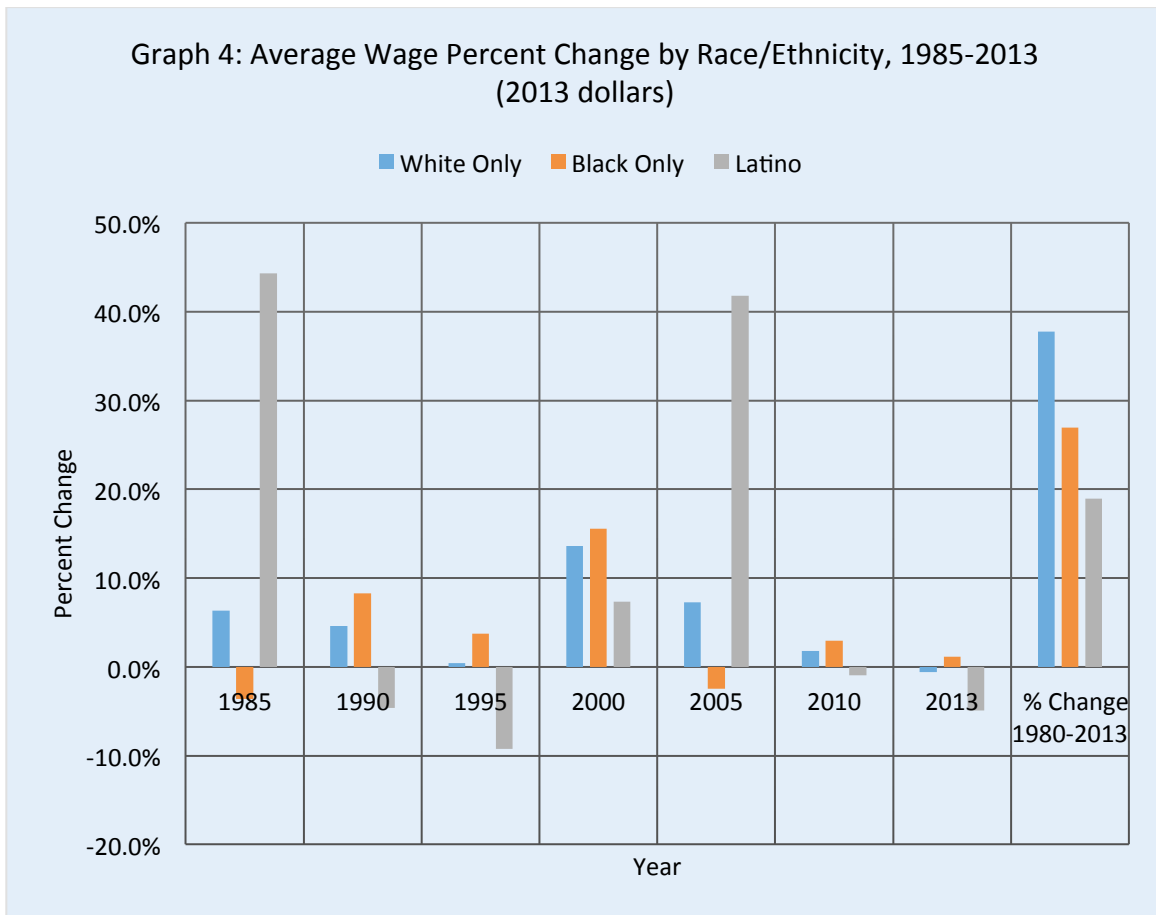
Table 3: Median Annual Wage and Wage Disparity by Race/Ethnicity, 1980-2013 (2013 dollars)					
Year	White Only	Black Only	White-Black Wage Disparity	Latino	White-Latino Wage Disparity
1980	\$28,272	\$22,394	\$5,878	\$24,213	\$4,059
1985	\$30,060	\$21,579	\$8,481	\$25,766	\$4,294
1990	\$31,446	\$23,360	\$8,086	\$24,258	\$7,188
1995	\$31,569	\$24,229	\$7,340	\$24,466	\$7,103
2000	\$35,874	\$27,996	\$7,878	\$25,323	\$10,551
2005	\$38,470	\$27,301	\$11,169	\$27,301	\$11,169
2010	\$39,167	\$28,106	\$11,061	\$28,757	\$10,410
2013	\$38,948	\$28,434	\$10,514	\$28,800	\$10,148
% Change 1980-2013	37.8%	27.0%	78.9%	18.9%	150.0%

Source: Bureau of Labor Statistics: Current Population Survey

<sup>3</sup> U.S. Census: American Community Survey 2013

Between 1980 and 2013 the wages of whites grew at an annual rate of 5% compared to 4% for blacks and 3% for Latinos (see graph 4). In 2013, whites earned an annual median wage that was \$10,000 higher than that of blacks and Latinos. This means that the white population benefited more from the past three decades than blacks and Latinos.

Between 1980 and 2013 the wages of whites grew at an annual rate of 5% compared to 4% for blacks and 3% for Latinos



Source: Bureau of Labor Statistics: Current Population Survey

Furthermore, our analysis of the data shows that in 2013 racial/ethnic minorities earned 5.3% less than white workers with similar levels of education, age, and in the same occupation.



Racial/ethnic minorities are not being valued the same way as equally skilled white workers when it comes to wages and salaries.

The disparity in earnings between racial/ethnic groups has real consequences on the quality of life of Floridians. In 2013, blacks were three times as likely to be in poverty than whites and Latinos are 2.4 as likely to be poor than whites (see table 4). The poverty rates for all racial/ethnic groups have declined between 1980 and 2013 by considerable margins. Whites experienced an 18.2% decline, blacks a 27.0% decline and, Latinos a 15.4% decline. However, the poverty declines do not underscore the preponderance of poverty among blacks and Latinos and the continued disparities. In 2013, more than one in four blacks were in poverty, 27.0%, as were more than one in five Latinos, 22.0%, compared to 9.0% of whites.

In 2013, more than one in four blacks were in poverty, 27.0%, as were more than one in five Latinos, 22.0%, compared to 9.0% of whites

Table 4: Poverty Rate by Race/Ethnicity, 1980-2013			
Year	White Only	Black Only	Latino
1980	11%	37%	26%
1985	8%	32%	16%
1990	8%	33%	24%
1995	10%	33%	26%
2000	7%	21%	16%
2005	7%	21%	14%
2010	10%	26%	25%
2013	9%	27%	22%
% Change 1980-2013	-18.2%	-27.0%	-15.4%

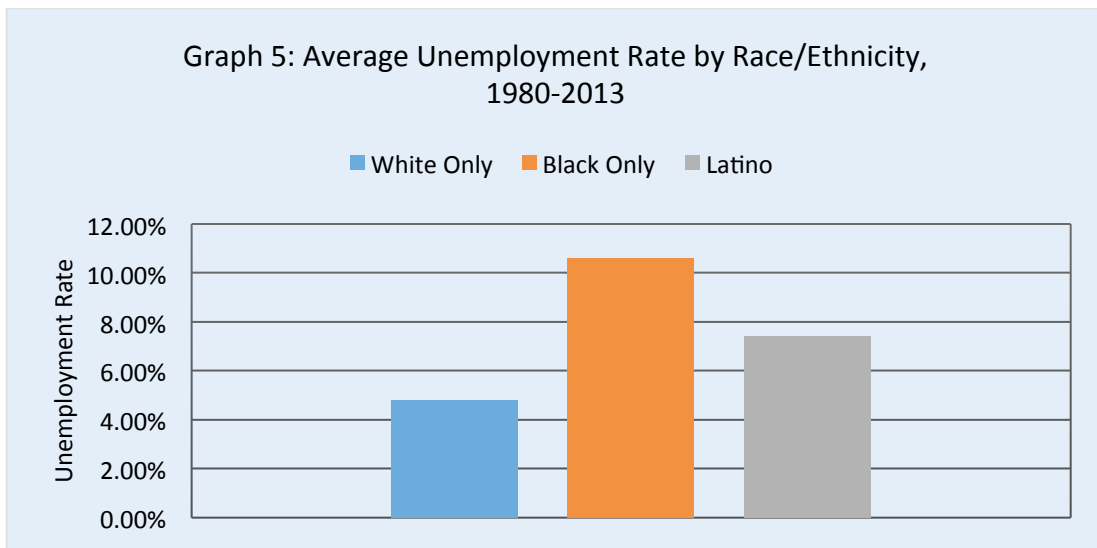
Source: Bureau of Labor Statistics: Annual Social and Economic Supplement

---

Between 1980 and 2013, whites averaged an unemployment rate of 4.8% compared to 10.6% for blacks and 7.4% for Latinos

4.8% compared to 10.6% for blacks and 7.4% for Latinos (see graph 5). Blacks and Latinos already have a more difficult time finding employment than whites and once employed, they're paid disproportionately low wages.

Additionally, the effects of wage inequality are amplified by the disproportionate rates of unemployment among blacks. Blacks are more than twice as likely to be unemployed as whites and this further limits their quality of life. Between 1980 and 2013, whites averaged an unemployment rate of



Source: Bureau of Labor Statistics: Current Population Survey

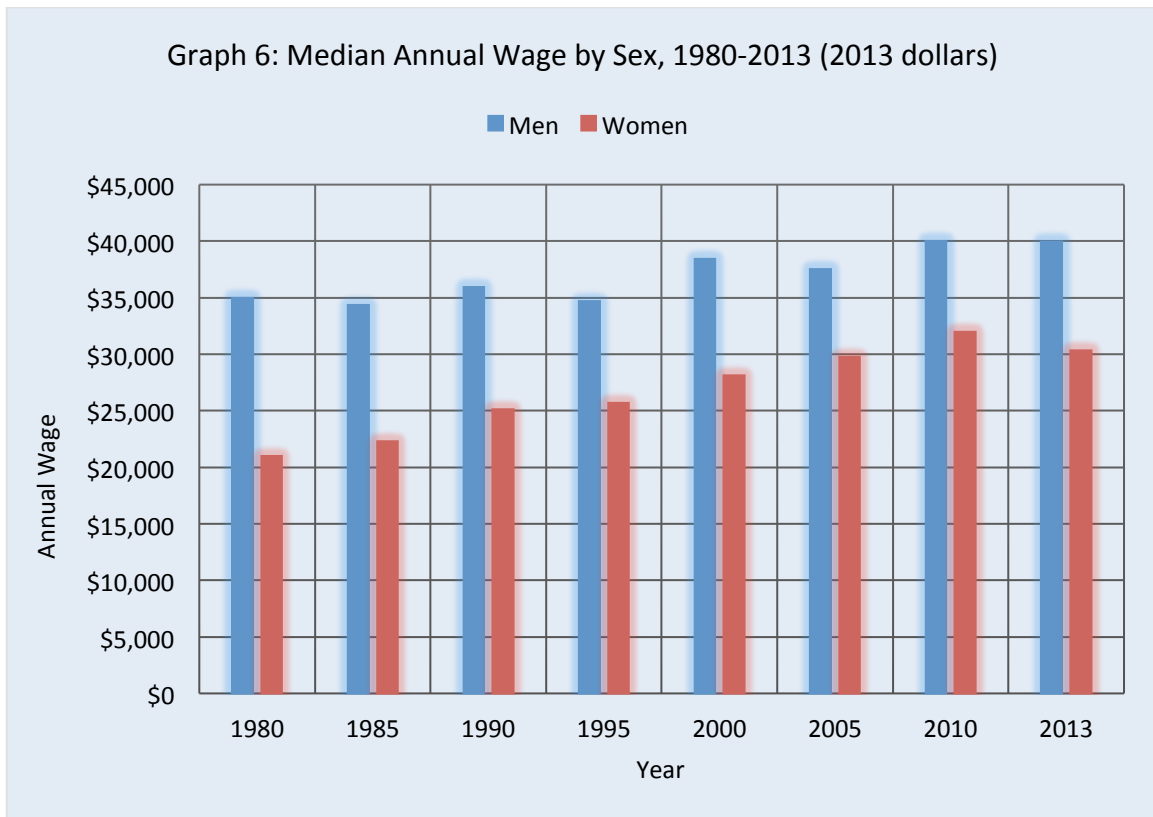
### Sex

Between 1980 and 2013, the wage disparity between men and women has declined by a whopping 31%. The decline is due in large part to the fast wage growth of women whose wages grew at an average annual rate of 6% between 1985 and 2013 compared to just 2% for men. However, despite women's wage gains, men earned \$9,672 more than

---

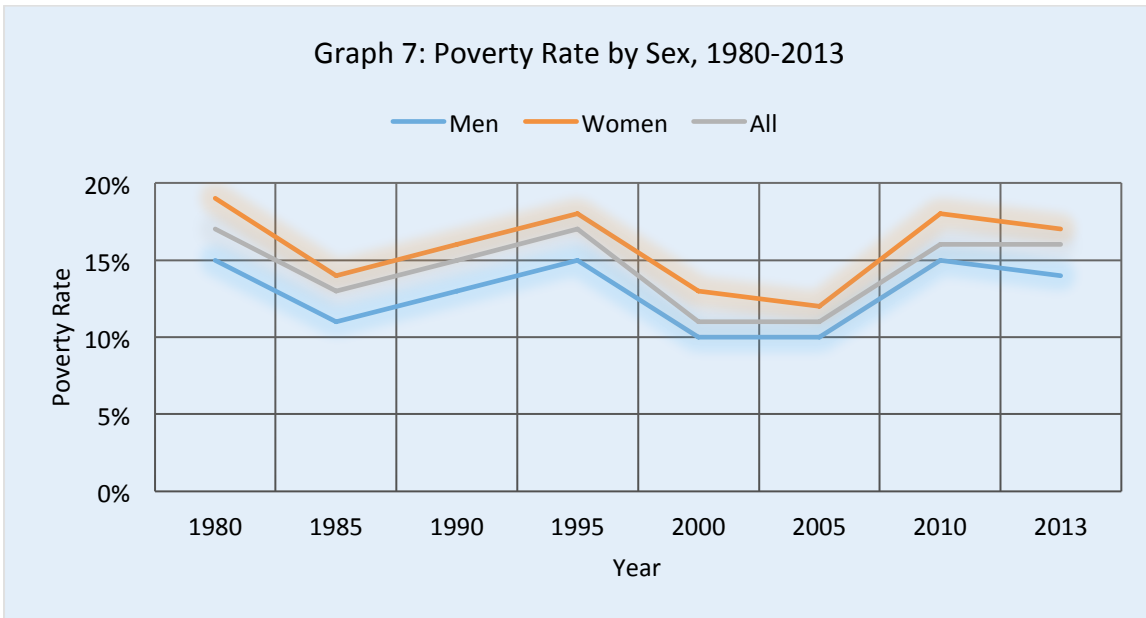
Even when controlling for education, age, and occupation, women earned 20% less than men in 2013

women in 2013 on average (see graph 6). Even when controlling for education, age, and occupation, women earned 20% less than men in 2013, signaling that the wage inequality between men and women is shaped by the economic marginalization of women in the workplace.

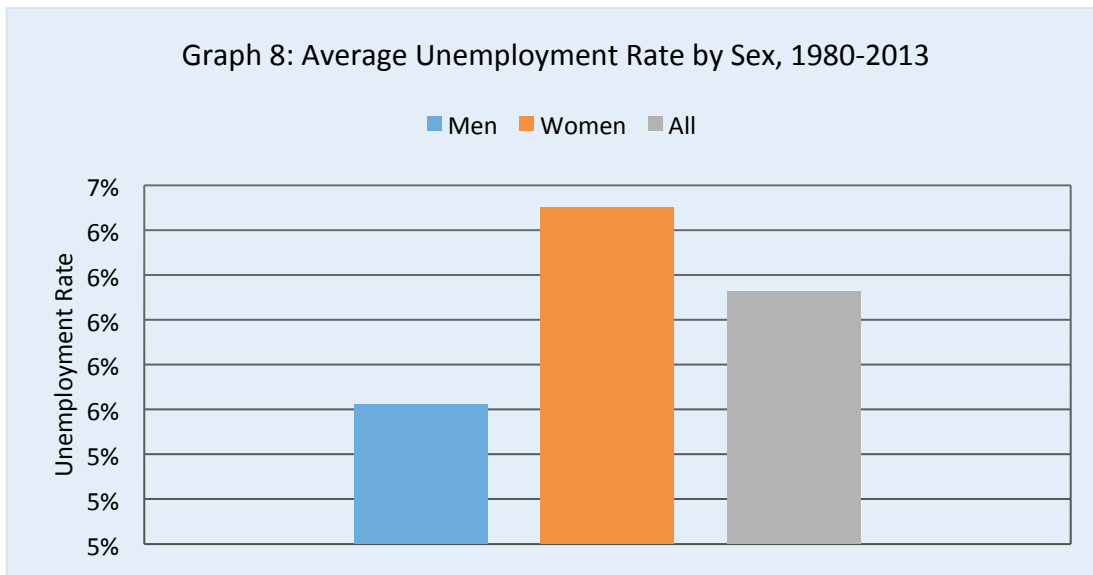


Source: Bureau of Labor Statistics: Current Population Survey

Additionally, between 1980 and 2013 women averaged an unemployment rate of 6.5% compared to 5.6% for men and women were 3% more likely to be poor than men (see graphs 7 and 8). Therefore, the trend of discounting women's wage because of their sex proves to make them very economically vulnerable.



Source: Bureau of Labor Statistics: Annual Social and Economic Supplement



Source: Bureau of Labor Statistics: Current Population Survey

## Citizenship status

Between 1995 and 2013, Florida's non-citizen population earned considerably less than citizens and the wage disparity grew by 9.5% during that time. In 2013, native citizens earned \$11,960 more a year than non-citizens.<sup>4</sup> Even after controlling for education, age, and occupation, non-citizens earned 4% less than citizens (native and naturalized) in 2013. What's more is that the wages of native citizens grew almost twice as fast as the wages of non-citizens between 1995 and 2013, 2.7% and 1.4% respectively, further increasing the wage gap between the two groups.

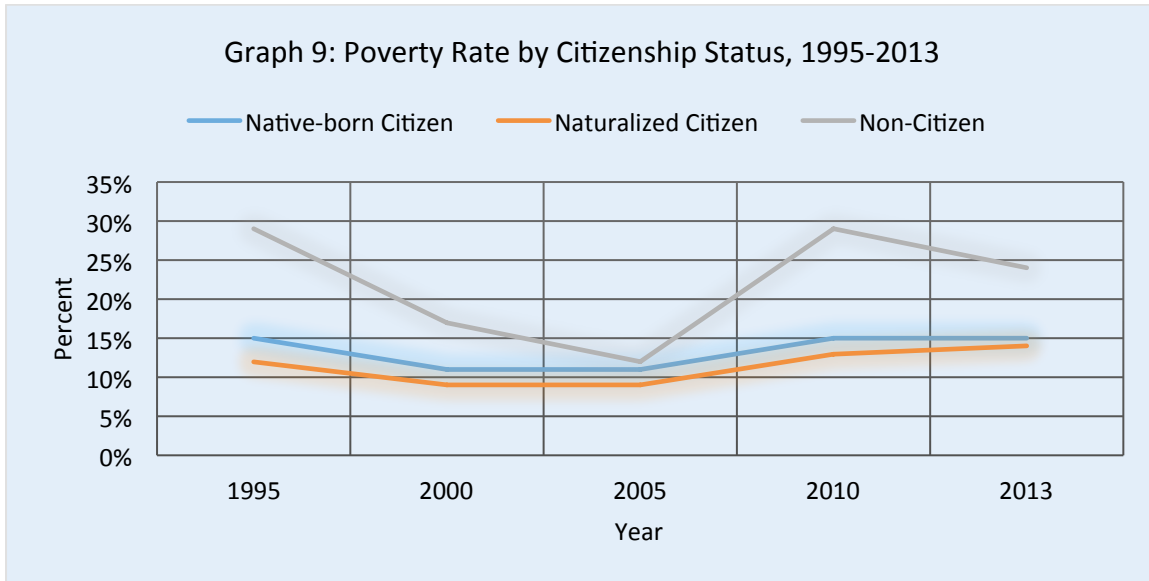
Table 5: Median Annual Wage and Wage Disparity by Citizenship Status, 1995-2013 (2013 dollars)			
Year	Native-born Citizen	Non-Citizen	Citizen -Non-Citizen Wage Disparity
1995	\$34,604	\$23,677	\$10,927
2000	\$35,336	\$25,323	\$10,013
2005	\$37,074	\$24,819	\$12,255
2010	\$37,223	\$25,000	\$12,223
2013	\$36,920	\$24,960	\$11,960
% Change 1980-2013	6.7%	5.4%	9.5%

Source: Bureau of Labor Statistics: Current Population Survey

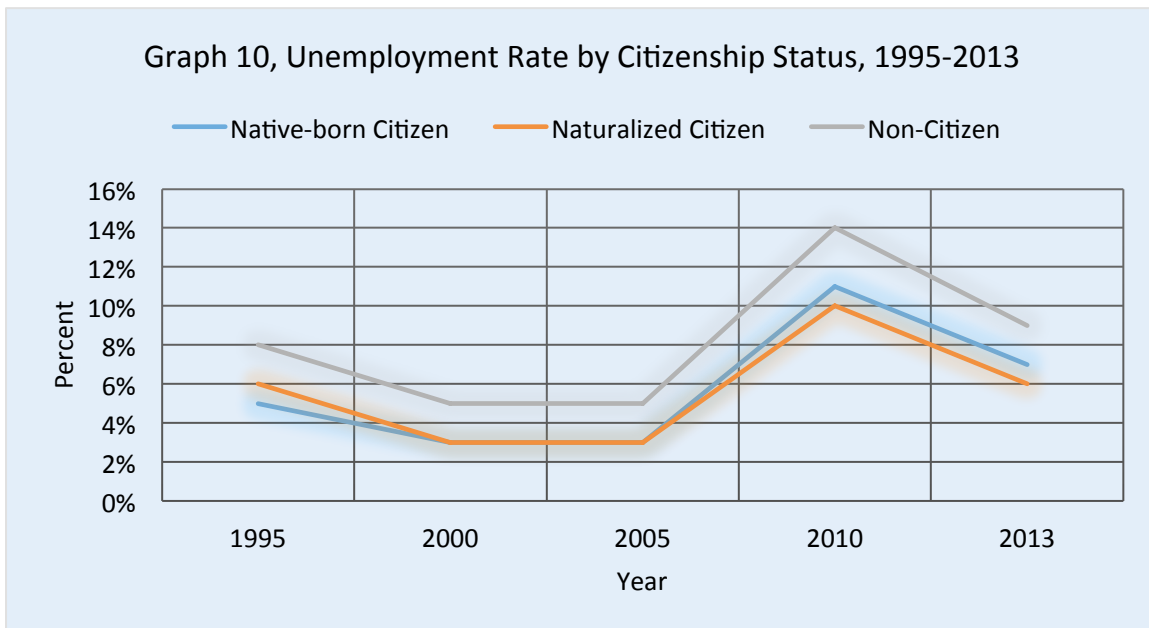
Additionally, in 2013, naturalized citizens earned \$1,040 more a year than native citizens. If the wages of naturalized citizens is any indication, foreign-born residents who become citizens tend to out earn native citizens in Florida. This may be due to a selection bias about who can ultimately become a citizen in the U.S. but it also signals that citizenship may be a path towards greater economic prosperity. Nonetheless, non-citizens in Florida that have yet

<sup>4</sup> The non-citizen population is estimated to be split evenly between authorized and non-authorized immigrants in Florida according to Pew Research Center. 2013. *Population Decline of Unauthorized Immigrants Stalls, May Have Reversed*. Washington D.C.

to obtain citizenship status have considerably higher rates of poverty and unemployment than citizens (see graphs 9 and 10). Unsurprisingly, in 2013, the poverty rate of non-citizens was 24.0% and 14.5% for citizens.



Source: Bureau of Labor Statistics: Annual Social and Economic Supplement



Source: Bureau of Labor Statistics: Current Population Survey

## Educational attainment

The greatest wage disparity is observed in the pay gap between lower and higher educational attainment. Higher educated workers make considerably higher wages than worked with lower educational attainment. In fact, workers with a bachelor’s degree or higher earned \$24,960 more a year than workers with only a high school degree in 2013 (see table 6). The wage disparity among different levels of educational attainment has also increased since 1980 as the wages of workers with a

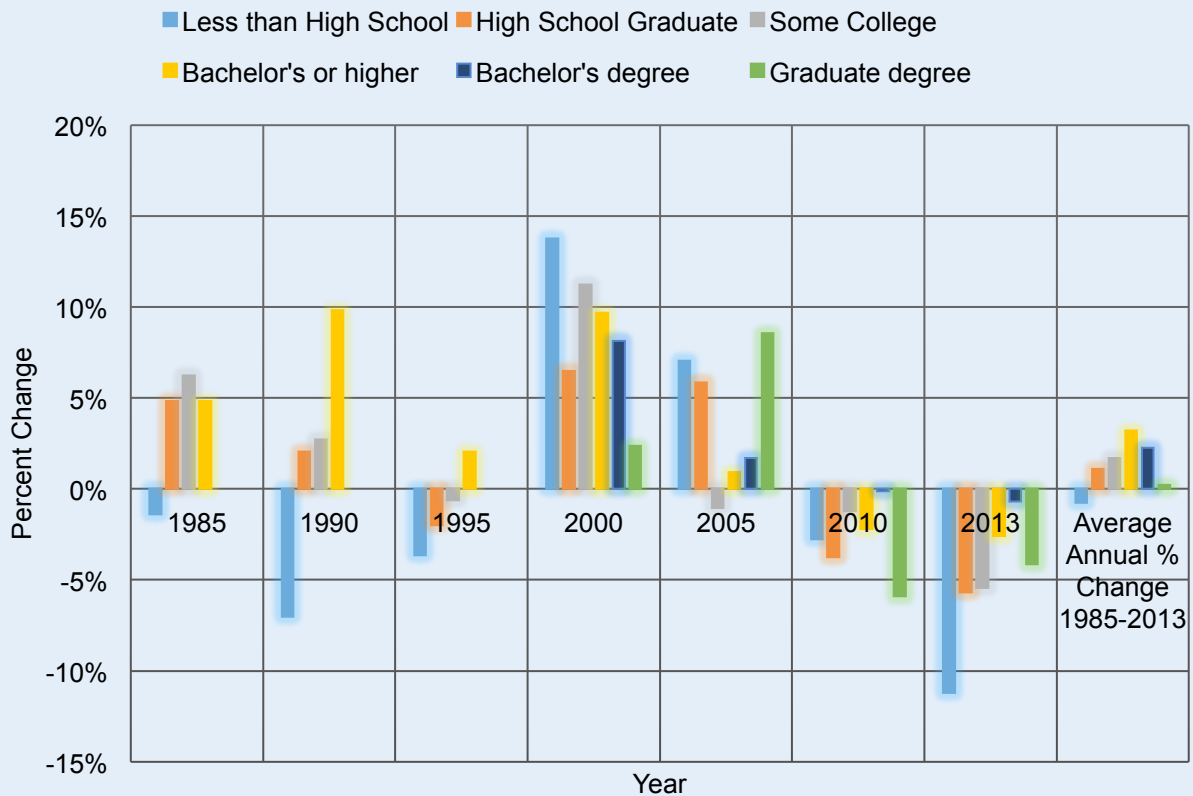
The wage disparity among different levels of educational attainment has also increased since 1980 as the wages of workers with a bachelor’s degree or higher grew at an average annual rate of 3% compared to 1% for high school graduates and -1% for non-high school graduates

bachelor’s degree or higher grew at an average annual rate of 3% compared to 1% for high school graduates and -1% for non-high school graduates(see graph 11). This means that educational attainment has grown in importance in determining wages and therefore quality of life.

Table 6: Median Annual Wage by Education Level, 1980-2013 (2013 dollars)						
	Less than High School	High School Graduate	Some College	Bachelor's or higher	Bachelor's degree	Graduate degree
1980	\$19,595	\$25,193	\$27,992	\$41,989	-	-
1985	\$19,324	\$26,410	\$29,738	\$44,017	-	-
1990	\$17,969	\$26,953	\$30,547	\$48,336	-	-
1995	\$17,314	\$26,419	\$30,354	\$49,327	\$45,532	\$61,323
2000	\$19,695	\$28,136	\$33,764	\$54,108	\$49,239	\$62,766
2005	\$21,086	\$29,783	\$33,410	\$54,602	\$50,073	\$68,134
2010	\$20,500	\$28,667	\$33,001	\$53,390	\$50,001	\$64,103
2013	\$18,200	\$27,040	\$31,200	\$52,000	\$49,660	\$61,454
% Change 1980-2013	-7.1%	7.3%	11.5%	23.8%	9.1%	0.2%

Source: Bureau of Labor Statistics: Current Population Survey

Graph 11: Average Wage Percent Change by Education Level, 1985-2013



Source: Bureau of Labor Statistics: Current Population Survey

### Industry

Wage inequality has also been driven by wage gaps between industries. Since 1985, the lowest paying industries in Florida remained consistent. The worst paying industries include private household services, food services and drinking places, agriculture, textile and apparel manufacturing, personal services, retail trade, accommodations, and social services (see table 7). These industries have

The worst paying industries include private household services, food services and drinking places, agriculture, textile and apparel manufacturing, personal services, retail trade, accommodations, and social services



historically paid a median annual wage below \$30,000 and below \$20,000 in the case of private household services and food services and drinking places. This means that the low-paying industries of the 1980s and 1990s have experienced little wage growth during the 2000s and 2010s.

Table 7: Lowest 10 Paying Industries During 2000-2013 by Average Rank (out of 50 Industries)		
Average Rank	Industry	Median Annual Wage
49.5	Private Household Services	\$15,751
48	Food Services and Drinking Places	\$19,359
47.25	Agriculture	\$19,925
44.75	Textile, Apparel, and Leather Manufacturing	\$23,020
43.25	Personal and Laundry Services	\$23,518
42.75	Accommodation	\$23,636
41.75	Retail Trade	\$24,938
40.5	Social Assistance	\$25,300
40	Administrative and Support Services	\$25,625
39.75	Arts, Entertainment, and Recreation	\$26,049

Source: Bureau of Labor Statistics: Current Population Survey

Additionally, two of the top five employing industries in the Florida are low-wage industries, retail trade and food services and drinking places. The permanence of traditional low-wage industries in Florida reflects the state’s commitment to tourism and agriculture as well as the prevalence of personal and private household services such as domestic work.

Data show that workers along the food chain, such as in the planting, harvesting, processing, packing, transportation, preparation, service, and selling of food are particular

---

Since the early 2000s, professional and technical services, computer manufacturing, and internet service industries have emerged as some of the highest paying industries in Florida

economically vulnerable in Florida. Besides being some of the lowest paid workers in Florida they tend to lack benefits and upward mobility while overlying on public assistance programs.<sup>5</sup>The shared marginalization of workers along the food chain has already stimulated a response among workers to leverage their shared importance across industries towards the improvement of wages and

working conditions.

Likewise, the top paying industries in Florida have also remained fairly consistent since 1985. Mining, utilities, chemical manufacturing, telecommunications, and transportation equipment manufacturing continue to pay median annual wages above \$40,000 and each has experienced considerable wage growth since 1985 (see table 8). However, since the early 2000s, professional and technical services, computer manufacturing, and internet service industries have emerged as some of the highest paying industries in Florida.

---

<sup>5</sup> Food Chain Workers Alliance. 2012. *The Hands That Feed Us: Challenges and Opportunities for Workers Along the Food Chain*. Los Angeles.

Table 8: Top 10 Paying Industries During 2000-2013 by Average Rank (out of 50 Industries)		
Average Rank	Industry	Median Annual Wage
2.33	Internet Service Providers and Data Processing Services	\$86,501
5.75	Mining	\$64,568
5.75	Utilities	\$50,944
7	Computer and Electronic Manufacturing	\$55,025
7.75	Professional and Technical Services	\$48,786
8.75	Chemical Manufacturing	\$49,748
9.75	Telecommunications	\$46,037
10	Transportation Equipment Manufacturing	\$48,165
11.23	Finance	\$44,617
11.75	Insurance	\$44,942

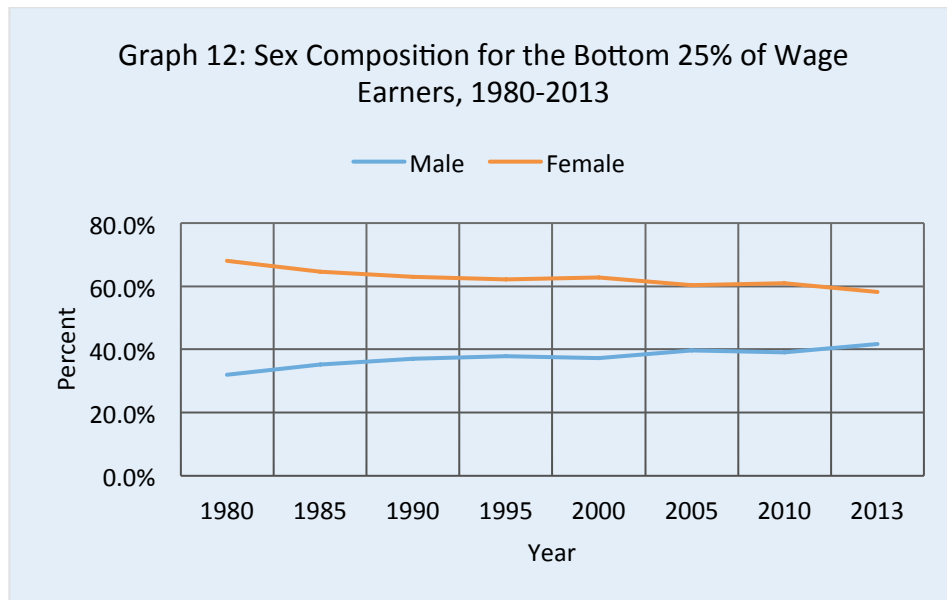
Source: Bureau of Labor Statistics: Current Population Survey

**Chapter 3 – Social Mobility:**

The same factors that shape wage inequality in Florida and structure economic marginalization and privilege in the workplace also affect the opportunities for social mobility among workers. A comparison of the demographic composition of the top and bottom 25% of wage earners between 1980 and 2013 shows that upward social mobility has increased, albeit marginally, but remains difficult for most.

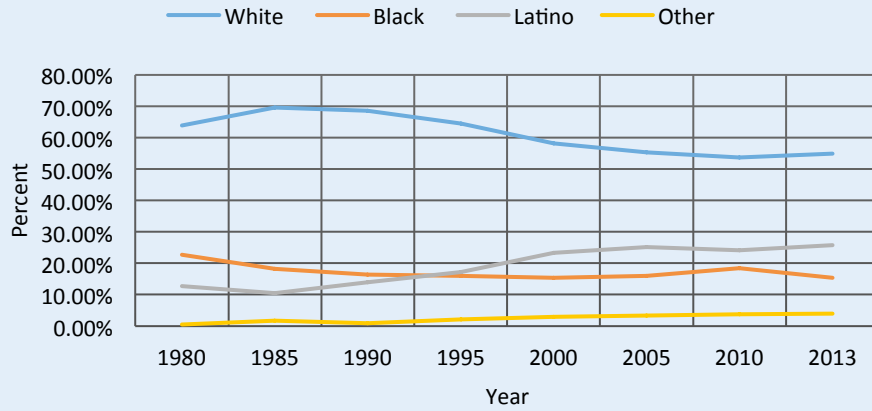
In 1980, the bottom 25% of wage earners was mainly female (68%), white (64%), native-born (83%), and with a high school education or less (77%). By 2013, the bottom 25% of wage earners still mainly female (58%), white (55%), native-born (75%), and with a high school education or less (56%). This means that the poorest workers have become more male, more racially/ethnically diverse, more foreign-born and more educated. Between 1980 and 2013 women, whites, blacks, and the least educated made considerable gains in social mobility as their presence among the lowest paid wageworkers declined. However, these gains were offset by the increased presence of men, Latinos/Hispanics, foreign-born residents, and the higher educated among the bottom 25% of wage earners (see graphs 12, 13, 14 and 15). This means that the upward mobility of the latter groups has declined disproportionately.

Between 1980 and 2013 women, whites, blacks, and the least educated made considerable gains in social mobility as their presence among the lowest paid wageworkers declined. However, these gains were offset by the increased presence of men, Latinos/Hispanics, foreign-born residents, and the higher educated among the bottom 25% of wage earners



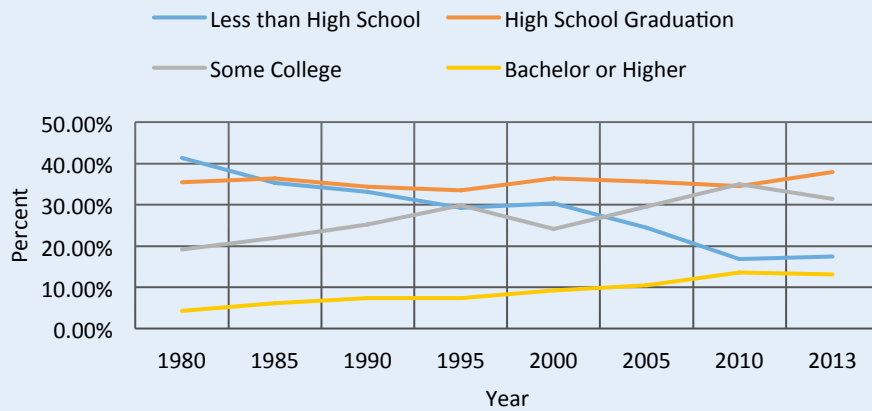
Source: Bureau of Labor Statistics: Current Population Survey

**Graph 13: Race/Ethnicity Composition for the Bottom 25% of Wage Earners, 1980-2013**



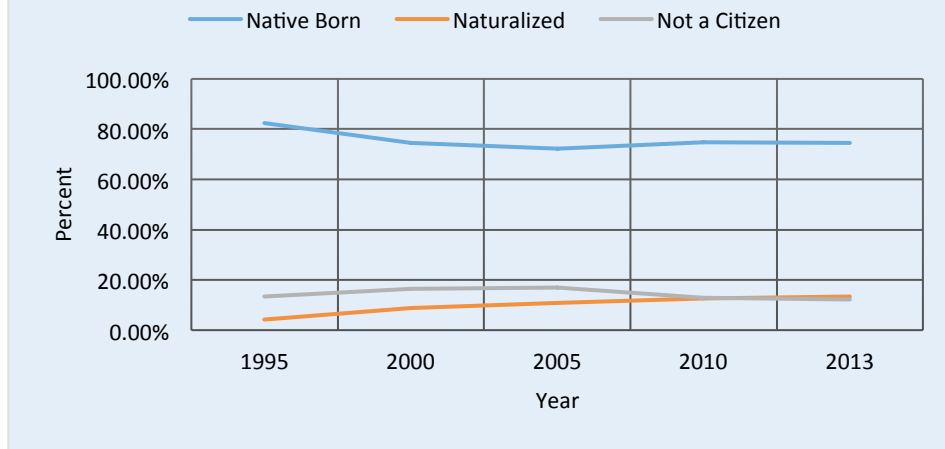
Source: Bureau of Labor Statistics: Current Population Survey

**Graph 14: Education Composition for the Bottom 25% of Wage Earners, 1980-2013**



Source: Bureau of Labor Statistics: Current Population Survey

Graph 15: Citizenship Status Composition for the Bottom 25% of Wage Earners, 1980-2013



Source: Bureau of Labor Statistics: Current Population Survey

Since 1985, most low-wage workers are employed in retail trade, food services and drinking places, administrative and support services, educational services and health care services

Furthermore, the main employing industries for the bottom 25% of wage earners remained constant between 1985 and 2013 (see tables 9 and 10). Since 1985, most low-wage workers are employed in retail trade, food services and drinking places, administrative and support services, educational services and health care services. The fact that the

same industries have employed a large portion of low-wage workers over time indicates that these industries have experienced disproportionately low wage growth at the expense of workers, their families, and the overall economy but not at the expense of their rising profits.

Table 9: Top 6 Employing Industries for Bottom 25% of Wage Earners During 1985-1995 by Average Rank	
Average Rank	Industry
1	Retail Trade
2	Food Services and Drinking Places
3.33	Personal Services, Except Private Household
3.67	Educational Services
5.33	Business Services
7.33	Health Care Services, Except Hospitals

Source: Bureau of Labor Statistics: Current Population Survey

Table 10: Top 6 Employing Industries for Bottom 25% of Wage Earners During 2000-2013 by Average Rank	
Average Rank	Industry
1	Retail Trade
2	Food Services and Drinking Places
3	Administrative and Support Services
4	Educational Services
4.75	Health Care Services, Except Hospitals
6.25	Arts, Entertainment, and Recreation

Source: Bureau of Labor Statistics: Current Population Survey

It is important to note that these industries are not sensitive to automation and outsourcing because they are service industries dependent on face-to-face interaction. Workers are crucial to the success of these industries and yet they are being left out of the economic gains reaped by these industries. Since 1985, retail trade, food services and drinking places, administrative and support services, educational services and health care services have also

offered some of the lowest wages when compared to other industries. It is, therefore, no surprise that these industries reflect the same demographic shifts observed in the composition of the bottom 25% of wage earners. Between 1985 and 2013, retail trade, food services and drinking places, administrative and support services, educational services and health care services have increased their numbers of men, Latinos/Hispanics, foreign-born residents, and the higher educated. However, educational services and health care services continue to be heavily employed by women.

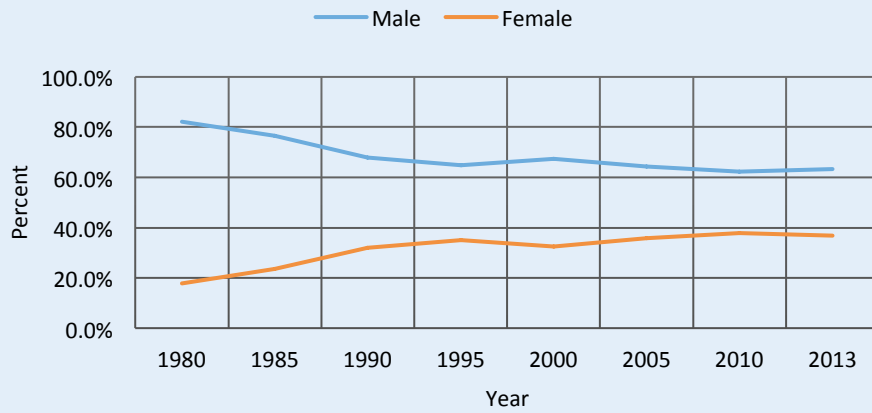
---

Between 1980 and 2013 the representation of women and blacks among the top 25% of wage earners more than doubled while the share of Latinos/Hispanics tripled

Conversely, in 1980, the top 25% of wage earners was male (82%), white (96%), native-born (83%), and of varying levels of educational attainment (only 33% with a bachelor's degree or higher). By 2013, the top 25% was still male (63%), white (83%), and native-born (87%) but it was much more educated (62% with a bachelor's degree or higher). Between 1980 and 2013 the representation of women and blacks among the top 25% of wage earners more than doubled while the share of Latinos/Hispanics tripled (see graphs 16, 17, 18 and 19). At the same time, the share of the top 25% of wage earners without college education dwindled from 43% to 15% and the share of non-citizens declined by half. This means that the opportunities for economic success among Floridians with little education and without citizenship have declined considerably, along with their social mobility. It is also worth noting that the increase of women and people of color among the top 25% of wage earners remains disproportionately small; a sign of their increasing social mobility but continued marginalization in the workplace.

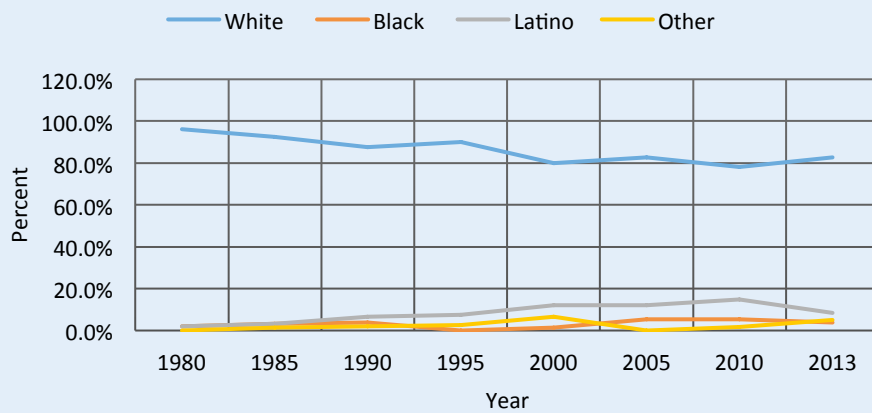


**Graph 16: Sex Composition for the Top 25% of Wage Earners, 1980-2013**



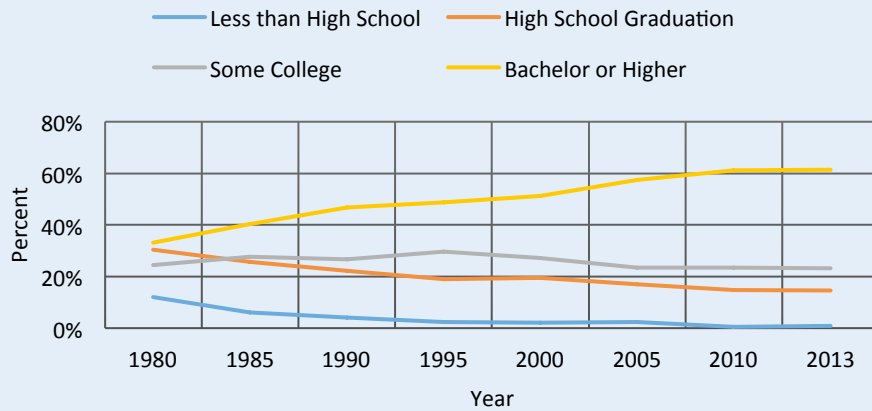
Source: Bureau of Labor Statistics: Current Population Survey

**Graph 17: Race/Ethnicity Composition for the Top 25% of Wage Earners, 1980-2013**



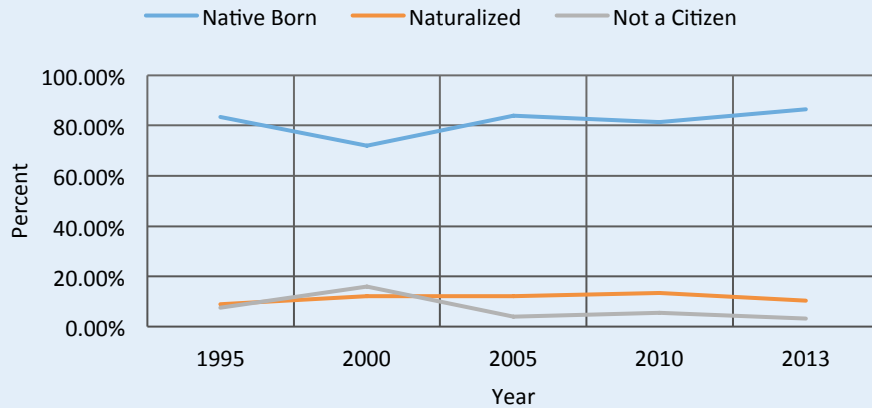
Source: Bureau of Labor Statistics: Current Population Survey

**Graph 18: Education Composition for the Top 25% of Wage Earners, 1980-2013**



Source: Bureau of Labor Statistics: Current Population Survey

**Graph 19: Citizenship Status Composition for the Top 25% of Wage Earners, 1980-2013**



Source: Bureau of Labor Statistics: Current Population Survey

The main employing industries for the top 25% of wage earners has remained relatively consistent between 1985 and 2013 for the exception of the rise in professional and technical services and the decline in transportation jobs. The top employing industries since 1985 included educational services, retail trade, and hospitals (see tables 11 and 12). Surprisingly,

these are not some of the highest paying industries because the highest paying industries tend to employ a generally small share of the overall workforce. In fact, retail trade is generally one of the lowest paid industries in Florida. Conversely, educational services and retail trade employ

Conversely, educational services and retail trade employ a large share of low-wage workers as well as high-wage workers

a large share of low-wage workers as well as high-wage workers. The latter signals that large pay gaps exist within industries as well as among industries. This may mean that workers in educational services and retail trade may have opportunities to achieve economic mobility within the industry or it may mean that the industry is polarized by

employers who pay very low-wages or very high wages but not both due to intra-industry market dynamics. Educational services is likely an example of the former and retail trade an example of the latter. Given the increasing levels of education within the top 25% of wage earners since 1980 it may be possible that education levels also influence the polarization of wages within educational services and retail trade.

Table 11: Top 6 Employing Industries for Top 25% of Wage Earners During 1985-1995 by Average Rank	
Average Rank	Industry
1	Educational Services
2	Transportation
3.33	Retail Trade
4	Hospitals
6.33	Construction
6.33	Wholesale Trade

Source: Bureau of Labor Statistics: Current Population Survey

**Table 12: Top 6 Employing Industries for Top 25% of Wage Earners During 2000-2013 by Average Rank**

Average Rank	Industry
1.5	Educational Services
1.75	Professional and Technical Services
3.75	Retail Trade
3.75	Public Administration
5.75	Hospitals
5.75	Health Care Services, Except Hospitals

Source: Bureau of Labor Statistics: Current Population Survey

#### **Chapter 4 – Policy Recommendations:**

This 11<sup>th</sup> edition of the State of Working provides evidence that wage inequality is growing in Florida because of the continued economic marginalization of women and minorities and the drag on wages from low-wage industries like food services and drinking places. Florida’s economic structure has not changed very much since 1985 and while women and minorities are experiencing some social mobility, they are disproportionately earning less than similarly skilled men and whites in the same industries.

Florida policymakers and businesses can narrow the wage inequality gap by paying higher wages to low-wage workers, stopping workplace discrimination, and promoting greater mobility within companies. Higher wages to low-wage workers can be directly addressed by a higher minimum wage, a policy that would increase the earnings of Florida workers by approximately \$2.6 billion.<sup>6</sup> Additionally, stronger worker protections such as wage theft enforcement would do a lot to secure the wages of workers into the future. Workplace discrimination may be declined through greater enforcement of existing anti-discrimination

<sup>6</sup> David Cooper. 2013. Raising the Federal Minimum Wage to \$10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost. Economic Policy Institute. Washington D.C.

laws and through greater transparency in pay structures that provide workers with valuable information in determining whether they are be unfairly paid. Lastly, greater mobility within companies may be achieved through a greater emphasis on on-the-job training and skill development through state-business partnerships that foster a more educated and skilled workforce and a greater number of quality skilled-job openings.

**Acknowledgements:**

This edition of the State of Working Florida is made possible by the Research Institute on Social and Economic Policy (RISEP) and the Center for Labor Research and Studies at Florida International University. The author would like to thank the RISEP advisory board for their support and labor in shaping this report. Special recognition is deserved to Larissa Andrade, Grether Barbon and Alan Marquez (RISEP interns and Florida International University students) and Samantha Rios and Alex Wellnitz (Posse Foundation interns) for their research contributions on this report and previously published reports and infographics.

**Contact:**

Ali Bustamante Ph.D. (c)

Phone: (305) 348-1519

Email: [Albustam@fiu.edu](mailto:Albustam@fiu.edu)

Research Institute on Social and Economic Policy

Center for Labor Research and Studies

Florida International University

Miami, FL 33199

