

ALICE in Florida

- ▶ ASSET LIMITED
- ▶ INCOME CONSTRAINED
- ▶ EMPLOYED

Barely Getting By

Some 2.7 million households led by working Floridians above the poverty level are struggling to pay for housing, food, insurance and other necessities. Can the Florida Legislature — which begins its regular session on January 9 — help them?

By Mike Brassfield

The headlines for Florida's economy have been sunny and bright: Hundreds of people move here every day, drawn by a business-friendly environment and a vibrant lifestyle. The unemployment rate is at historic lows, below 3%. Every hour Florida gains an additional \$4.48 million in net income as wealthy people from the Northeast, Midwest and even California arrive, the Internal Revenue Service reports.

For the most part, Florida is one big boomtown.

But the flip side of the state's golden era of growth has become millions of Florida households struggling to get by even though they have full-time jobs that once would have secured them a comfortable, middle-class life here, shows research from the United Way. Nearly one-third of Florida residents in their prime working years — 30% of whom have college degrees, according to the United Way's data — are living paycheck to paycheck, under pressure from soaring costs of housing, childcare and insurance, along with some of the highest inflation rates in the country.

They are Floridians like Katrina Whittaker, a 59-year-old teacher in Fort Lauderdale whose monthly mortgage payment has gone up by \$1,200. She fills her gas tank once a week for her commute, but she gets paid every two weeks and sometimes takes out a payday loan to gas up. "The mortgage went up, insurance went up, everything went up but my salary," she says. "That means you live off of high-interest credit cards."



2024 Legislature: ALICE in Florida

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Katrina Whittaker, a Fort Lauderdale teacher, sometimes relies on payday loans and high-interest credit cards to make ends meet — and she's not alone. Nearly one-third of Florida households are above the poverty line but can't afford the basics.

ALICE in Florida

The United Way of Florida describes households who are in a tenuous financial balance, such as Whittaker's, as ALICE — Asset Limited, Income Constrained, Employed. Florida has one of the highest percentages of households living below the ALICE threshold, ranking 44th among states for financial security. Florida has become such an expensive place to live that a family of four can earn 2.5 times the federal poverty level — about \$66,000 a year — and still be barely getting by, the United Way's research shows.

"These are the people who keep the economic engine of Florida humming," says United Way of Florida CEO Melissa Nelson. "ALICE bags your groceries. ALICE sits next to you on the pew at church. We're talking about people who are working as hard as they can, as fast as they can and they're always one paycheck away from disaster."

The vulnerability of Florida's modest income families has ripple effects for Florida employers, who have been grappling with labor shortages and worker turnover since the pandemic. Some public employers — such as law enforcement agencies and school districts — are moving toward building housing for their employees while private companies are directing resources into childcare benefits in an effort to bring stability to their workforces.

When researchers looked at a collection of essential expenses — such as housing, childcare, utilities and insurance — they projected that Florida's 2023 rate of inflation would be 8.1%, more than twice the national average. Largely driven by housing costs and labor costs being passed on to consumers, while much of the nation saw a cooling in price increases last year, Florida did not.

When state lawmakers convene for their 60-day, 2024 session on January 9 with a budget flush with billions as the state dodged an economic slowdown in 2023, advocates for the working poor will be pushing for measures that provide relief.

People behind the numbers

Barb Smith is a Tampa 72-year-old who works as a live-in caregiver. Since 2019, she's been volunteering at a food kitchen operated by the non-profit Feeding Tampa Bay. When inflation started hitting hard a couple of years ago, she started running out of money.

"Gas prices went up. Everything went up," she says. Suddenly, she found herself needing

Losing Ground for Decades

The United Way's ALICE Essentials Index in Florida, which tracks the increasing prices of basic essentials such as food, childcare and housing, increased an average of 3.3% annually from 2007 to 2023 — outpacing the 2.5% average annual increases in the national Consumer Price Index, which tracks a broader range of goods. The median wage for a retail salesperson increased just 1.9% annually during the same period, according to the United Way.

Topping the Tallahassee Agenda

The United Way of Florida is advocating for measures from the Florida Legislature that it says could help those below the ALICE threshold:

► CHILDCARE AFFORDABILITY

Tax exemptions for businesses that provide childcare for workers, and increased eligibility for Florida's subsidized early education program.

► HOUSING ATTAINABILITY

Last year's bipartisan Live Local Act incentivizes the construction of affordable housing through private investment with tax credits, refunds, and property tax exemptions, and prohibits local government from enacting rent-control policies. The legislation also provides down-payment assistance to first-time homebuyers earning about \$100,000 a year for a family of four. In 2023, the Florida Legislature set aside \$711 million in state funds for the historic initiative; lawmakers



Rep. Tom Leek

expect the Live Local Act to receive continued robust funding this year. "I think you'll see both sides of the Legislature and the governor continue to support workforce housing through the Live Local Act and Hometown Heroes," says Rep. Tom Leek (R-Ormond Beach), chair of the House Appropriations

Committee. "The pressure on housing prices ends up squeezing out the folks you need to have a good community, like cops and teachers and nurses."

► TAX HELP FOR ALICE FAMILIES

\$1.8 million in funding for Voluntary Income Tax Assistance, a program that last year helped 72,000 ALICE families get \$76 million in federal income tax refunds and \$20 million in Earned Income Tax Credits. The Legislature's 2023 tax relief package totaled \$1.269 billion, according to Florida TaxWatch. Most of the tax cuts, mostly in sales taxes, were nonrecurring; only \$300 million were recurring. "If you look at where the Legislature has focused its tax cuts in the last several years, it's been designed to get to working-class folks, the people who need it the most. I expect to see any tax cuts we have affecting the largest swath of people we can, whether they're working-class folks or parents or whatever it may be," Leek says.



Barb Smith, 72, works as a live-in caregiver and volunteers at a Feeding Tampa Bay food kitchen. When gas prices and other expenses shot up a couple of years ago, it was hard to make ends meet. “I had some dental work done that really threw me. I’m still trying to pay on that,” she says.

the services of the same food pantry where she’d been volunteering every day. She’s still just barely getting by. “You just can’t save any money,” she says.

Until ALICE came along, the number of people in Smith’s situation were never counted.

The federal poverty level was established in the 1960s, so relying solely on poverty statistics drastically undercounts the number of households that are in need, according to the United Way. The organization partnered with researchers and formed an advisory committee representing some of Florida’s largest institutions and corporate entities to establish a new measurement, the ALICE threshold. They sifted through data from the U.S. Census Bureau and the Bureau of Labor Statistics as well as cost-of-living adjustments specific to ZIP codes to identify households that are struggling to pay for basic needs — housing, food, health care and childcare.

They found that 1.1 million Florida households are in poverty, another 2.7 million are above the federal poverty level but below the ALICE threshold, and about 4.7 million are above the ALICE threshold.

Hard times for low-wage, working families aren’t unique to Florida. Poverty is on the rise across the nation, according to recent census data. In particular, the child poverty rate more than doubled nationally from 2021 to 2022 due in large part to the expiration of the expanded Child Tax Credit at the end of 2021, says the Chil-

45%

The percent of Floridians who live below the ALICE income threshold.

\$26,500

Annual income for a family of four to be below the federal poverty level.

\$66,324

The estimated cost of household essentials needed to live and work in the modern economy for a family of four.

Source: ALICE Household Survival Budget, 2021. The United Way of Florida, ALICE in the Crosscurrents, 2023

dren’s Defense Fund. The Biden administration estimated that 2.4 million Florida families benefited from the temporary boost. Also expired is the expanded federal Child and Dependent Care Credit, which helped offset childcare costs for families earning up to \$125,000 a year.

Florida is especially hard hit because of its rising cost of living and a labor force skewed toward the service and tourism industries. Of the 20 most common occupations in Florida, 70% pay less than \$20 an hour, the United Way’s Nelson says.

About one in six elementary or middle school teachers in Florida lives below the ALICE threshold. More than one in 10 registered nurses do as well.

ALICE households span the range of Florida’s demographics, sparing neither young workers nor those at retirement age, the United Way’s research shows. “The two populations most impacted and struggling financially right now are those who are below 25 and have a household, and those who are over 65,” Nelson says. “When people see an older gentleman grab their groceries at Publix, they assume he’s there because he wants to keep busy, or he likes to socialize. But frequently, it’s because he can’t make ends meet.”

ALICE in Florida

Fleeing the Cost of Living

Increasingly, businesses in Florida's more expensive counties are having trouble hiring enough workers. For every three people who move to Florida, two move away. Census data shows that nearly 740,000 people moved to Florida in 2022 while nearly 490,000 left, says Stefan Rayer, population program director for the University of Florida's Bureau of Economic and Business Research. Floridians are mostly moving to less expensive southern states such as Georgia, North Carolina, Tennessee and Texas.

The out-migration is evident in Florida's most expensive housing markets in South Florida. Miami-Dade and Broward counties had more people moving out than moving in between 2020 and 2022, Internal Revenue Service migration data shows.

Census records, though, show the shift in those populations to wealthier families away from moderate wage earners: The per capita income of those moving to Miami-Dade County was \$144,498, while the per capita income of those leaving was \$39,059, says Maria Ilcheva, census information center lead at Florida International University's Jorge M. Pérez Metropolitan Center. Citing IRS data, an economist for the Miami Realtors Association says newly arrived households brought with them \$10.4 billion in adjusted gross income, an

amount more than double 2020's figure and 174% more than pre-pandemic levels.

That shift from a community of moderate means to one much wealthier reverberates through the workforce, producing deeper labor shortages in services, construction and other sectors central to the economy.

For most ALICE families, the financial pressures — especially in parts of the state where rents have skyrocketed — aren't just a strain on their wallets, but also a major source of anxiety, says Doug Griesenauer, vice president of community impact for the United Way Suncoast, which covers five counties in the Tampa Bay region. He points to a recent "household pulse" survey done in Florida by the U.S. Census Bureau which asked renters: What is the likelihood of you leaving your home due to eviction in the next two months?

"Literally more than half (51%) of Floridian renters believed it was very likely or somewhat likely they were getting evicted in the next two months," Griesenauer says. "Obviously, half of all Floridians have not gotten evicted. But half of all renters are worried about eviction because they're struggling financially. And if you're worried about where you're going to live in two months, that's always going to be in the back of your head."

"These are people who are just genuinely afraid."

Targeted Tax Breaks

Lawmakers in 2023 passed \$1.269 billion in tax relief through new exemptions and a series of "sales tax holidays" in which the tax is suspended for two weeks throughout the year. Parents benefit from new exemptions on diapers, baby wipes, clothing, strollers and cribs. Dental hygiene products and adult diapers also are sales tax exempt. Two, two-week back-to-school sales holidays — one in July/August and the other in January — cover clothes, backpacks and school supplies. Advocates for Florida's ALICE population support expanding the back-to-school sales tax and similar sales tax holidays. For 2024-25, DeSantis is proposing more than \$1.1 billion in tax breaks, including six sales tax holidays and a one-year exemption on taxes, fees and assessments on home owners insurance policies to reduce premiums up to 5%.

— Michael Fechter

How much will the state legislature have to spend?

► The 2023-24 state budget was \$116.5 billion. Gov. Ron DeSantis is proposing a \$114.4 billion budget for 2024-25.

► Florida's General Revenue Fund collections have exceed expectations, in part because the expected recession failed to materialize last year, state economists say. "Florida's remarkable fiscal run continues," says Florida TaxWatch.



► SOUTHWEST FLORIDA

A Microcosm of Economic Stress

When the Sarasota Chamber of Commerce recently set out to find how the region's housing shortages were impacting businesses, one group of survey responses stood out: Those from its young professionals' group.

Of the roughly 500 responses from chamber members ages 40 and younger, 70% said they were considering leaving Sarasota because of the cost of housing. One in five commuted more than 40 miles per day because they could not afford to live locally. Other findings in the survey: 73% of local businesses said the lack of affordable housing affected their ability to recruit and retain workers. Hundreds of workers responding to the poll said they had turned down job offers there because of the cost of housing.

"It affects businesses' ability to recruit people to come here and work. The wages aren't keeping up with the cost of living here," says Heather Kasten, president and CEO of the Greater Sarasota Chamber of Commerce. "The labor market is tight enough. Throw in this lack of affordable housing, and the business community is really feeling the pinch of that."

Sarasota County's largest employer, the Sarasota Memorial Health Care System, felt that it needed to make market pay adjustments for 6,500 out of 10,000 staffers in 2023. It did the same thing for 6,000 staffers in 2022.

"We understand that the cost of living in our region, especially housing, is a challenge not only for entry-level employees but also those earning \$50,000 or \$60,000 a year or more," says its spokeswoman, Kim Savage. "We have had to step up and widen our recruitment efforts to attract a sufficient number of qualified candidates."

Sarasota County's largest private employer, PGT Innovations, is considered one of Florida's manufacturing success stories. (It makes impact-resistant windows and doors and has been riding a wave of expansion as home construction booms.) But even a top manufacturer that's frequently lauded for how it supports its workforce can have trouble finding employees, so the company has launched initiatives to retain its roughly 5,500 employees amid a challenging economy. Just paying competitive wages wasn't enough anymore, says CEO Jeff Jackson.

PGT built its own childcare center where employees get a steep discount, and they keep it open late for swing-shift workers. It opened a free on-site health care clinic for workers and their families. For employees' dependents, it offers \$2,000-a-year scholarships for college or trade school. And it



PGT Innovations, a manufacturer of impact-resistant windows and doors, built a \$1.9-million childcare center for employees at its Venice facility and subsidizes the cost of care. Company leaders see it as a model for the region.

spent \$15 million to make every employee a shareholder in the company.

"Housing is a tough one. We can't build homes," Jackson says. "But what we can do is try to help our folks in any way

we can in terms of making life easier in other areas that we can impact — within the confines of being a public company and making money at the same time."

Most of the 2,200 workers at its Venice headquarters commute from places historically more affordable than Sarasota, such as Englewood, Port Charlotte and Punta Gorda. But those places keep getting pricier as waves of newcomers arrive. "Tons of people are moving to Florida, so all these areas where my employees live are becoming less affordable," Jackson says. "People are having to move farther away from work. It just makes it tougher."

The Senior Friendship Centers, a Sarasota-based non-profit, serves four counties. The centers are having trouble filling professional-level positions because applicants won't move here from other parts of the country and the state. "They accept the job and then back out because they can't afford a place to live," says President and CEO Erin McLeod. "We've lost several staff members over the last couple of years who'd had to move or leave the state because their landlord raised their rent."

Of 40 staffers who work at the Sarasota headquarters, only two live in Sarasota County while the rest commute from less expensive neighboring counties such as Charlotte or DeSoto. "We have staff in other states that work for us now. They moved away for housing purposes," McLeod says.

In expensive Collier County, the school district has been forced to change how it recruits new teachers. It's making increasing use of programs such as Teach 4 Collier, which recruits locals who want to change careers, and Grow 2 Teach, which trains non-instructional staffers in the district to be teachers.

"Getting folks from outside the county tends to be difficult because of the housing and the cost of living here," says Val Wenrich, the district's chief human resources officer. "A lot of our recruiting is done directly in the county — people don't have to struggle to find housing because they already live here."

ALICE in Florida

HOUSING

By Michael Fechter

The Reluctant Developer

Monroe County Sheriff Rick Ramsay sometimes feels like he's running "a training ground for police." Young recruits come to work in the Florida Keys, but too many leave for other jurisdictions after a few years, unable to afford a place to live even with salaries starting at \$58,689.

Monroe County is Florida's most expensive for fair market rent, the National Low Income Housing Coalition says. It takes a salary of nearly \$81,000 to afford housing, and in Key West some 41% of residents are at the United Way's ALICE threshold or below.

"Paradise," Ramsay says, "is not cheap."

But its residents and its visitors need effective policing, and in times of crisis, they need immediate response. So Ramsay, in his 11th year as sheriff, spends a lot of his time finding places for his deputies and other staffers to live.

He turned some available space inside Monroe County's jail in Key West into a 40-bed bunkhouse. More than half of his detention deputies live in Miami-Dade, more than three hours north in the lightest traffic. The bunkhouse provides them with private sleeping quarters, separate showers for men and women, a kitchen, a TV room and a gym. A second bunkhouse has room for 34 people during hurricanes and other around-the-clock circumstances. A gun range in Marathon similarly has 80 cots for post-hurricane housing and a backup generator.

But the biggest change is due in June, when a 24-unit apartment building featuring 16 one-bedroom units and eight two-bedroom units, opens on Trumbo Road overlooking Key West Harbor. It won't cost taxpayers a dime, Ramsay says. Developers of the neighboring Steam Plant condominium, with units

that sell for \$3 million, are paying for construction.

A public-private partnership ensures Ramsay can earmark the units for his people. Key West police and firefighters can apply for any unleased units ensuring it is "truly a first responder complex." The Steam Plant people benefit by controlling who becomes their neighbors — and Ramsay agreed to reduce the number of units and ceded design and landscaping decisions to them to seal the deal. "I'm having to do things no other agencies are having to do," he says. "I don't want to be in the construction business. But if I don't do it, who else is going to do it?"





Monroe County Sheriff Rick Ramsay is working to create housing options for recruits priced out of the region. He converted space inside Monroe County's jail into a 40-bed bunkhouse and teamed up with a developer to create 24 affordable units in this new apartment building.

The Legislature's Challenge

► THE PROBLEM:

Florida became the fastest-growing state in the nation during the pandemic, and it will continue to grow. The influx of hundreds of thousands of new residents exacerbates Florida's housing shortage and contributes to skyrocketing costs. As a result, Florida non-profits that traditionally serve the poor and the working class are noticing a new trend: an increasing number of people with stable jobs turning to them for help. "We're seeing more families coming to us looking for housing solutions. There aren't enough dollars left in the month," says Tim Marks, CEO of Metropolitan Ministries, which houses and feeds needy people in Tampa. Longtime volunteers compare it to the Great Recession of 2008-2009 — with one big difference. "In '08 and '09, we could find affordable housing solutions because landlords were begging for tenants," Marks says. "These days, it's a different story."

► 2023 LEGISLATIVE ACTION:

The Live Local Act, provides tax credits

and clears out zoning hurdles for multifamily housing builders as long as at least 40% of the units go to people making up to 120% of the area's median income. In addition, the Sadowski Housing Trust has \$402.685 million for housing assistance, funded by documentary stamp taxes.

► THIS LEGISLATIVE SESSION:

Since the Live Local Act only took effect July 1, major changes are not expected although local governments are looking to regain more authority. A proposed tweak to the tax credit portion may expand to cover the whole property. Another consideration may be tax incentives to help keep landlords from turning away from residential leases to vacation rental businesses. "Anything that keeps landlords in the game" helps, says Scott Pridgen, executive director of AH Monroe, an affordable housing non-profit. DeSantis has proposed a collection of property and sales tax cuts to lower housing costs as well as new funding for homebuyer programs in his 2024-25 budget.

How much can workers afford to pay for housing each month?

\$500-699

- Cashiers
- Farmworkers
- Laundry / Dry-Cleaning Workers
- Home Health / Personal Care Aides
- Waiters / Waitresses
- Janitors
- Maids / Housekeepers
- Childcare Workers
- Retail Salespersons
- Preschool Teachers
- Hotel Desk Clerks
- Security Guards
- Hairdressers

\$700-899

- Nursing Assistants
- Receptionists
- Landscapers / Groundskeepers
- Cooks
- Substitute Teachers
- Customer Service Reps
- Office Clerks
- Pharmacy Technicians
- Construction Laborers
- Tellers
- Veterinary Technicians
- Dental Assistants
- Painters
- Medical Assistants

\$900-1,200

- Administrative Assistants
- Light Truck Drivers
- Mental Health / Substance Abuse Social Workers
- Truck Drivers
- Auto Mechanics
- Roofers
- Carpenters
- Paramedics
- Licensed Practical Nurses
- Social Workers
- Plumbers / Pipefitters
- Electricians

Source: Shimberg Center for Housing Studies at the University of Florida; Florida Department of Economic Security. Based on median wage for occupations in Broward County. Assumes full-time worker, 30% of income spent on housing costs.

ALICE in Florida

HOUSING



Working Toward a Dream

Sharisse Brantley, 29, and her husband, Breun, 32, are the parents of three young children. She is a childcare professional with a college degree, taking care of infants and toddlers at the non-profit Jack & Jill Early Childhood Learning in Fort Lauderdale, which serves working families earning modest wages. He is an entrepreneur and musician who runs a DJ and entertainment business, *Profound Sound Productions*, playing parties and events throughout South Florida.

Sharisse grew up in the same house her parents have owned for 30 years, and the couple have dreams of their children growing up knowing a home of their own. So far that dream has been elusive. The couple live in a two-bedroom townhome with their children, a 1-year-old boy and

3- and 5-year-old daughters. The rent has gone up from \$1,500 to \$1,800 in two years, and they can't afford another rent hike.

South Florida has some of the highest median monthly rents in the nation, according to the National Association of Realtors, along with some of the nation's highest inflation rates. A recent study from Florida Atlantic University and two other schools found South Florida was one of 11 markets nationwide where the average renter needed to earn at least \$100,000 to not be rent-burdened. Florida had four markets in the top 10 on the list.

"We've been trying to save money, but things have been difficult with the kids getting sick and me having to miss work," says Sharisse Brantley, who recently stayed home when her 1-year-old

Sharisse and Breun Brantley of Fort Lauderdale have weathered \$300 in rent increases over the past two years but can't afford another. Florida Atlantic University researchers say South Florida is one of 11 markets nationwide where the average renter needs to earn at least \$100,000 to afford rent.

son developed a contagious respiratory virus that can turn serious. “Hopefully in five to 10 years, we’ll be able to save enough to purchase a home — somewhere for our kids to grow up.”

Breun Brantley started out as a musician before working as a DJ and playing in live bands. The business expanded to include event production, and offering his services as a photographer, videographer and lighting tech. During the pandemic, events evaporated and the couple was evicted from their apartment. “You pick yourself up and keep on going,” she says. “We stayed with my parents for a year.” That Thanksgiving, Breun Brantley posted on his Instagram page where family life is chronicled in school photos and baby videos, a simple message: “Grateful beyond measure.”

The Brantleys rebounded and moved into the townhouse in 2021. But times are still tight for the family. “The price of

groceries has gone up. Feeding a family of five, it’s a lot,” she says. “I budget out what we’re going to cook for the week, and I have to be mindful of not overspending.”

On weekends, Sharisse Brantley pitches in on the business. “Most of his work is on the weekends. That’s something I do with him as well. I’ll DJ a small birthday party or a baby shower,” she says.

There’s not much room in their budget to take the inevitable surprise expenses — such as when the dryer broke and there was no money to replace it. With three small children and the mountains of laundry they produce, Sharisse Brantley finds herself hauling it to a laundromat after work. “I work from 9 to 6, and sometimes I don’t get off until 6:30 or 7 if I have a late family. Now, I have to go to a laundromat to do the wash. Going without a dryer is getting to me.” — *Mike Brassfield*

Florida Housing and the Fed

When Federal Reserve Bank of Atlanta President and CEO Raphael Bostic visited Florida’s Space Coast in April, he got a firsthand look at the economic renaissance sweeping the region as the private space industry flourishes, NASA plans a return to the moon and high-tech investments bring young STEM talent flooding into the area.

In Brevard County, 28% of the jobs are deemed higher wage, compared to Florida’s 24% and the nation’s 25%, according to an Atlanta Fed report. The median household income is more than \$65,000 — putting it in the upper third of Florida’s 67 counties.

But Bostic, who has authored research on affordable housing and served in national leadership positions on housing policy, also learned the good times have a downside when it comes to workforce housing. Brevard County civic and business leaders told Bostic that the scarcity of affordable housing is fueling a brain drain of mid-career public school educators even as Brevard residents voted in 2022 to tax themselves more to pay for across-the-board pay hikes for teachers and school employees and to create an affordable housing trust fund. “Pricing is always about supply and demand,” Bostic told the gathering. “When demand is higher than supply, the price goes up. The question is where the new supply is coming from. Is there a strategy or energy or focus?”

That’s why the Fed is now looking toward Florida’s Live Local Act as among the new solutions to ease the state’s housing



While rents are stabilizing, they’re still unaffordable for moderate wage earners.

supply crunch. The tools provided to local government and homebuilders are “fantastic,” says Sarah Stein, a senior advisor in community and economic development at the Federal Reserve Bank of Atlanta.

“There are developers who now are considering projects in places that they just never would have looked at before because of the barriers of rezoning,” Stein says, “which could affect the supply significantly. It’s really going to be a question of how local jurisdictions are using these tools, how they are finding a way to maybe synchronize them with existing tools — other financing

possibilities and programs — and really working with stakeholders, whether they’re for-profit or non-profit communities to get these units built so that people have a place to live.”

The Fed also tracks the cost of renting, and Stein says the curve of steep price increases is flattening, albeit at high rates still unaffordable to moderate wage earners. In some Florida cities, such as Jacksonville, there have been slight decreases in month-over-month rates, but “rent is still much higher than pre-pandemic,” she notes.

“The best chance is for localities to take a hard look at their piece of this local, regional, statewide, national issue around access to safe, affordable and stable housing for everyone and figure out how they’re going to use these tools and other tools at their disposal to address that issue. And certainly, the state of Florida has made more tools available to them than they had before,” Stein says.

— *Michael Fechter*

ALICE in Florida

FOOD INSECURITY

By Mike Brassfield and Mike Vogel



Single mom Rachel Wilson works two jobs and struggles to put food on the table for 16-year-old family friend Seth, left; son Jaxson, 8; and daughter Grace, 17.

Eating Up the Budget

“We were living pretty well until the whole COVID situation. Then half my clients dropped off the face of the earth. Since COVID, we have struggled more than we ever had in Florida,” says Rachel Wilson, a transplant from Kansas City, a hairdresser and single parent. With hair dressing down to a part-time job, she’s now an Instacart shopper six days a week and is trying to find a third gig.

Wilson, 41, has a grown son, Tyler, 22, who has his own place and is working. “I have more than once borrowed from my child,” she says. At home to support are daughter Grace, 17, son Jaxson, 8, and Seth, 16, a family friend in need of a place to stay, and two dogs. She coupons “a lot,” buys

in bulk to save money and gets the grocery store butcher to cut meat into smaller portions to stretch over more meals. An acquaintance gets her access to grocery store food being cleared on its sell-by date, which she then takes home and freezes immediately. She receives Supplemental Nutrition Assistance Program benefits. However, intricate program rules involving hours worked and income recently knocked her benefit down by \$200 a month to \$400 even though her income didn’t improve. “It was really, really rough the last 45 days. There are days when we eat something we don’t want to, but it’s food and there’s seasoning and we can make it taste good.”

ALICE in Florida

FOOD INSECURITY

On the Table in Tallahassee

► THE PROBLEM

Food insecurity is defined as lacking access to sufficient food for a healthy, active lifestyle. Prior to the COVID-19 pandemic, the rate of food insecurity in Florida had been going down consistently — dropping from 16.2% in 2020 to 10.6% in 2022, according to the state Department of Health. The federal Bureau of Labor Statistics reports the average Florida household spends \$6,677 on food each year; the state has some of the highest food prices in the nation.

The state saw an uptick in food insecurity to 11.4% between 2020-2022, according to U.S. Department of Agriculture data, and amid inflation, Florida food banks say they're feeding more people than ever. "Prior to COVID, we were an 18- or 20-million-pound food bank. Now we're more like a 34-million-pound food bank," says Michael Ledger, president and CEO of Feeding the Gulf Coast, which serves seven counties in the western Panhandle. Rising food costs also make it harder for food banks to fill the gaps. Before inflation took off, \$1 million would buy 12.5 million pounds of food, says Stephen Shelley, the CEO of the Homestead-based non-profit Farm Share. Now, it buys 7.6 million pounds. Farm

Share averages 100 million pounds of food distributed a year — around 83.3 million meals.

► 2023 LEGISLATIVE ACTION

Last year, the Legislature provided \$6.5 million each to Feeding Florida and Farm Share, the state's two biggest food bank groups, up from \$5 million in recent years. Legislators devoted another \$5 million to a pilot project to get more Florida-grown food to those in need. Between those appropriations and other smaller ones, "the Legislature invested a record amount on food insecurity," says Stephen Shelley, Farm Share CEO. "We hope that trend continues."

► THIS LEGISLATIVE SESSION

Robin Safley, executive director of Feeding Florida, is asking the Legislature for \$10 million this year. The group asked for the same amount last year and got the \$6.5 million. She wants to expand its "Farmers Feeding Florida" program. That program sources produce, dairy and protein from the agriculture industry to distribute to people across Florida. "The clients that we serve have a higher incidence of diabetes and cardiovascular disease, so we know how vital it is for us to provide as much fresh product as possible," Safley says.

"The unemployment rate's low, but that doesn't mean it puts food on the table for families — 80% of the folks coming in here have at least one job."

— *Paco Velez, president and CEO of Feeding South Florida, which serves four counties.*

"Five years ago, we didn't have any pantries inside of schools. Today, we have 75 of them," says Thomas Mantz, president and CEO of Feeding Tampa Bay, which serves more than 90 million meals a year through a network of food pantries in 10 counties. "There are often times when we are a family's fourth week of the month. If a family is able to make it through three weeks on their regular income, organizations like ours fill that gap."



Feeding Florida, a statewide network of food banks, is requesting \$10 million from the Legislature. Last year, the organization provided 404 million pounds of food to 2.2 million Floridians.

ALICE in Florida

INSURANCE

By Mike Vogel

Insurance Burdens

Justine Johnson, 35, moved into her three-bedroom, two-bath home in Vero Beach in 2020 through Habitat for Humanity. A single mother, she works in medical billing and has two children, ages 6 and 1. Her mortgage is fixed at \$400 a month, but her escrow for insurance and taxes jumped last year by \$303, taking her overall payment up by 52.5%. Part of that increase owes to an assessment to pave the roads in her neighborhood, and part comes from increased government taxes. But most of the increase is from higher property insurance. She had expected to be able to save money this year once she stopped paying for childcare for her oldest when she entered kindergarten, but no longer. “I really can’t save anything. If I didn’t luck out with my daughter going to kindergarten, I would be negative. I’m just getting by. It’s definitely been difficult.”



Justine Johnson works in medical billing and has two children, ages 6 and 1. Her mortgage is fixed, but her taxes and insurance collectively increased her payment nearly 53% last year. “I really can’t save anything,” she says.

Surging Premiums

Rising home and auto insurance costs have dealt a double whammy to Florida consumers in recent years. Floridians pay some of the highest rates in the nation for property insurance, with premiums tripling over the past five years. During the same period, Florida car insurance rates have climbed nearly 42% and are 59% higher than the U.S. average.

Florida Auto Insurance

| Year | Average Premium |
|------|-----------------|
| 2019 | \$2,244 |
| 2020 | 2,304 |
| 2021 | 2,160 |
| 2022 | 2,638 |
| 2023 | 3,183 |

Florida Home Insurance

| Year | Average Premium |
|-------|-----------------|
| 2019 | \$1,988 |
| 2020 | 2,505 |
| 2021 | 3,181 |
| 2022 | 4,231 |
| 2023* | 6,000 |

*2023 premium average is estimated

Source: Insurance Information Institute

ALICE in Florida

INSURANCE

Addressing Spiraling Premiums

► THE PROBLEM:

Whether for home or auto, insurance is costly and getting costlier. Floridians pay triple the national average for home coverage. Renters also suffer through insurance costs passed on by landlords in the rent: Some 91% of monthly rent is a pass-through of maintenance, taxes and insurance, according to the Florida Apartment Association. Meanwhile, insurance companies failed or cut back on writing policies, leading the number of customers at state-backed Citizens Property to soar. The money-losing insurance industry attributes the trouble to the weather, litigation and fraud. Bankrate reported last year that full coverage auto insurance — averaging \$265 a month — costs 37% more in Florida than the national average while minimum coverage, at \$94 per month, costs 45% more.

► 2023 LEGISLATIVE ACTION:

House Bill 837, the Legislature's overhaul of the state's tort law, was a big win for insurers, business groups and state-subsidized Citizens Insurance, but consumer relief has been slow to materialize. "Our current challenges in the insurance market have been years in the making. We realize it's going to take some time for the market to adjust," says Amanda White, who works for the Florida Apartment Association's government affairs team.

State Insurance Commissioner Michael Yaworsky says the changes are bearing fruit in the form of lower reinsurance cost increases for insurers — the insurance that carriers buy to supplement their own capital — and more capital coming into the market to offer insurance and take customers off Citizens' hands. The number of policies at Citizens isn't rising as fast as feared. Projections were for upwards of 1.5 million policies at year-end 2023, but instead the count came in around 1.32 million.

► THIS LEGISLATIVE SESSION:

Republican legislative leaders this year seem inclined to pause on further insurance law changes given the scope of what was done in 2023. "We swung for the fences, and we got a lot done," Senate Banking and Insurance Chairman Jim Boyd (R-Bradenton) told media after a committee hearing last year.

"Our No. 1 priority is keeping House Bill 837 intact and giving the reforms the chance and time to play out," says Logan McFaddin, lobbyist for the American Property Casualty Insurance Association in Tallahassee.

Senate banking and insurance committee member Victor Torres Jr. (D-Kissimmee) favors requiring companies that sell auto insurance in Florida to also sell homeowners, supports a moratorium on companies dropping policies and has questioned why the state doesn't cap rate increases.

ALICE in Florida

Part II: Coming in February

► FLORIDA'S CHILDCARE CRISIS



Florida is facing a childcare cliff in 2024 when \$3 billion in federal emergency relief that has stabilized the industry since the pandemic ends. For working families — particularly those whose incomes put them above the poverty line but too low to manage skyrocketing housing, insurance and inflation — the rising daycare costs are consuming even

larger parts of their monthly budgets. The average working family spends \$730 a month on childcare, the Florida Chamber of Commerce reports.

Florida's businesses are losing almost \$2.6 billion each year in reduced revenue and extra recruitment costs as a result of employees' childcare challenges, Florida TaxWatch calculated in a study released in late 2023. Meanwhile, Florida families endure an aggregate income loss of \$8.2 billion annually due to childcare-related turnover, lost work due to absences and having to drop out of the labor market because they cannot find affordable, quality childcare, according to the TaxWatch report. The Florida Chamber pegs the direct financial impact of insufficient childcare coverage on Florida's economy at \$5.38 billion each year.

The Florida Legislature set aside \$1.6 billion in the state's 2023-24 budget for early learning services, which includes the state's universal VPK program for 4-year-olds. But subsidized care is difficult for families to access; advocates for lower-wage working families say the income limits are so low that two parents working minimum wage jobs make too much money to qualify for state help. Meanwhile, childcare workers find affording the state's rising cost of living challenging too, and staffing and turnover at childcare centers is high.

In February's issue of FLORIDA TREND, the second part of a series examining the lives of the state's struggling working families will focus on the ongoing childcare crisis, the looming financial cliff and what business and political leaders can do to address it. To learn more about Florida's ALICE (Asset Limited, Income Constrained, Employed) families, visit floridatrend.com/ALICEinFlorida 