

Socioeconomic Conditions in Miami-Dade County

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Mission and Focus of SEDC

- Created in 2001 to advise the Miami-Dade County in response to a worsening recession after September 11th and on matters of economic development strategy.
- The SEDC believes that local government economic policies and investments should strive to achieve
 - local economic prosperity for all county residents,
 - sustainable economic development,
 - and social equity.
- Over the years the SEDC has offered a number of recommendations and been an active participant in the development of the Strategic Plan and the Comprehensive Development Master Plan.

In 2008 the SEDC Recommended Guiding Principles for Economic Development Policies

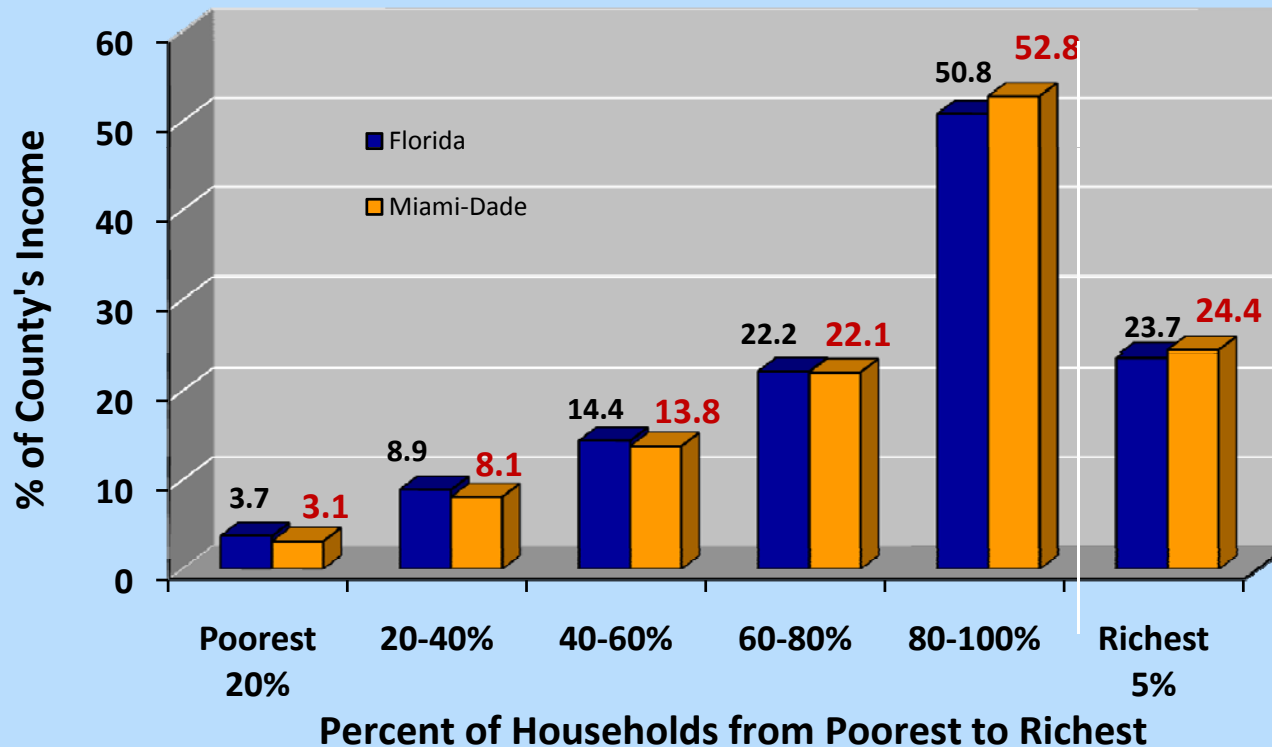
- **“Recognizing that economic development is a long-term process and that prosperity is defined as a high quality of life for all Miami-Dade residents, the County’s economic development policies should:**
 - be formulated with a long term perspective that emphasize socio-economic development and reductions in poverty,
 - address economic disparities that exist both geographically and across social communities within the County,
 - promote income growth and social equity for all communities,
 - balance the desire for economic growth and development with the interest of preserving and enhancing the natural environment,
 - be based on reliable and current economic information and methodologically sound economic analyses,
 - ensure proper stewardship of the public’s scarce financial resources, and
 - be transparent and provide for clear accountability.”

Economic Growth versus Economic Development

- These terms are commonly used interchangeably, but they have distinct meanings to an economist. Economic growth is not necessarily economic development.
- For example, economic growth with an increase in income disparities does not represent economic development.
- The focus of the SEDC has not solely been on traditional economic indicators like GDP, personal income and employment, but has also included social indicators like income distribution, poverty rates, educational attainment and access to healthcare.
- While Miami-Dade has done pretty well in terms of the traditional economic indicators, it has not shown progress in these broader indicators of economic development.

Income Distribution in Miami-Dade

Share of Household Income by Income Class



Source: U.S. Census Bureau, 2007 American Community Survey

Income Distribution in Miami-Dade

- A high degree of income disparity exists in Miami-Dade County. Income disparity measures in the County exceed those observed for Florida as a whole and in the nation as well.
- The richest 5% of households account for 24% of total household income in the County.
- The richest 20% of households in Miami-Dade County account for 53% of total household income.
- By contrast, the poorest 20% of households receive just 3% of all household income in the County.
- The poorest 40% earn just 11% of all income earned in Miami-Dade County.

Comparison of Average Income by Income Class

Average Household Income by Income Class

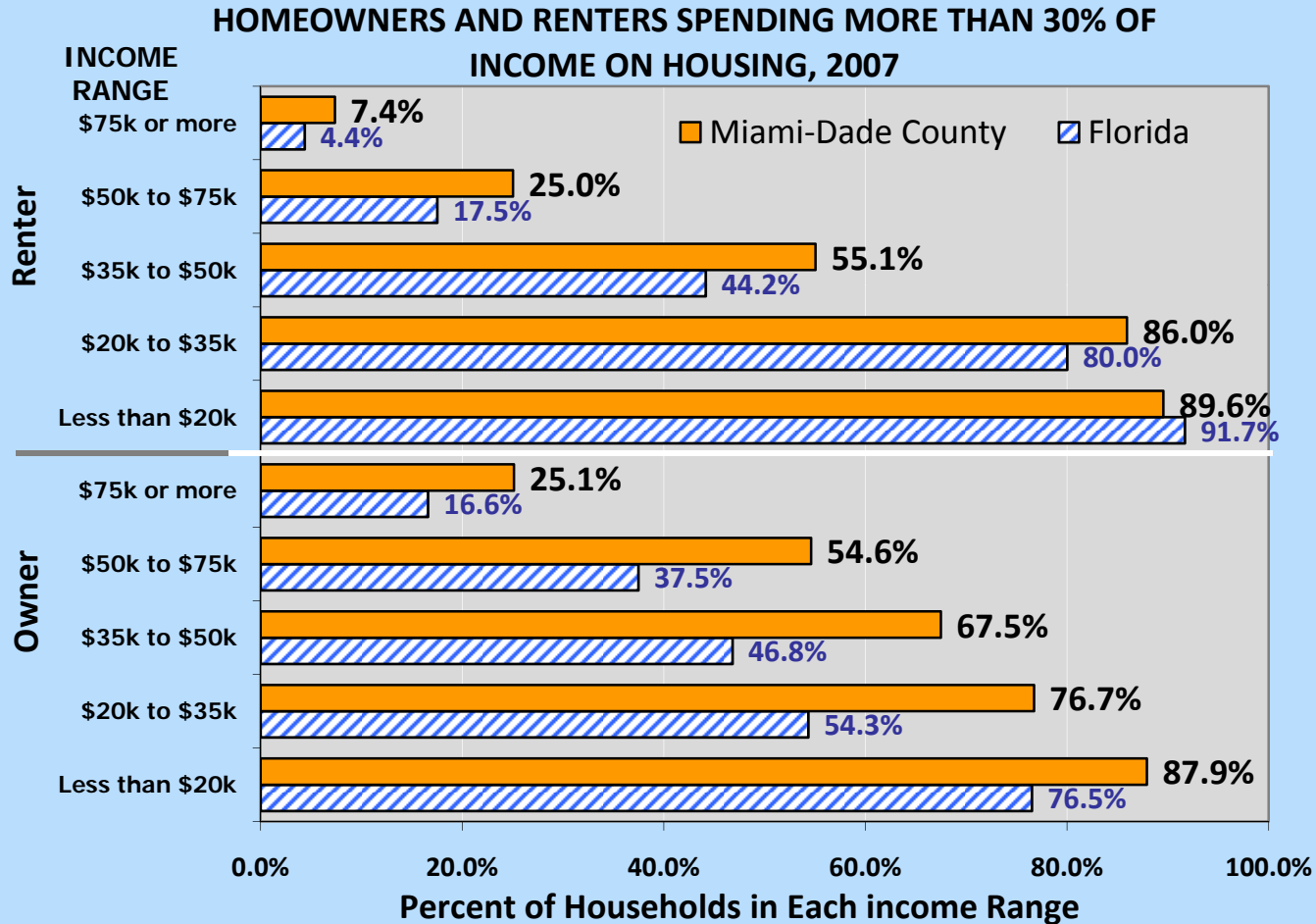
	Florida	Miami-Dade
Poorest 20%	\$ 12,143	\$ 10,031
20-40%	\$ 29,672	\$ 25,866
Middle Income	\$ 47,984	\$ 44,029
60-80%	\$ 73,596	\$ 70,731
80-100%	\$ 168,675	\$ 168,659
Richest 5%	\$ 315,336	\$ 311,648

Source: U.S. Census Bureau, 2007 American Community Survey

Comparison of Average Income by Income Class, 2007

- The average household income for the poorest 20% in Miami-Dade was \$10,031 compared to \$12,143 for the same income class in Florida.
- The average income for the top 20% in the County (\$168,659) was almost 17 times greater than the poorest 20%.
- The average household in the top 5% earned over 7 times more than the typical middle income household (\$311,648K vs \$44,029).

Housing Cost is a Significant Burden for Middle and Low Income Households



Source: U.S. Census Bureau, 2007 American Community Survey

Housing Cost Burden by Income Class

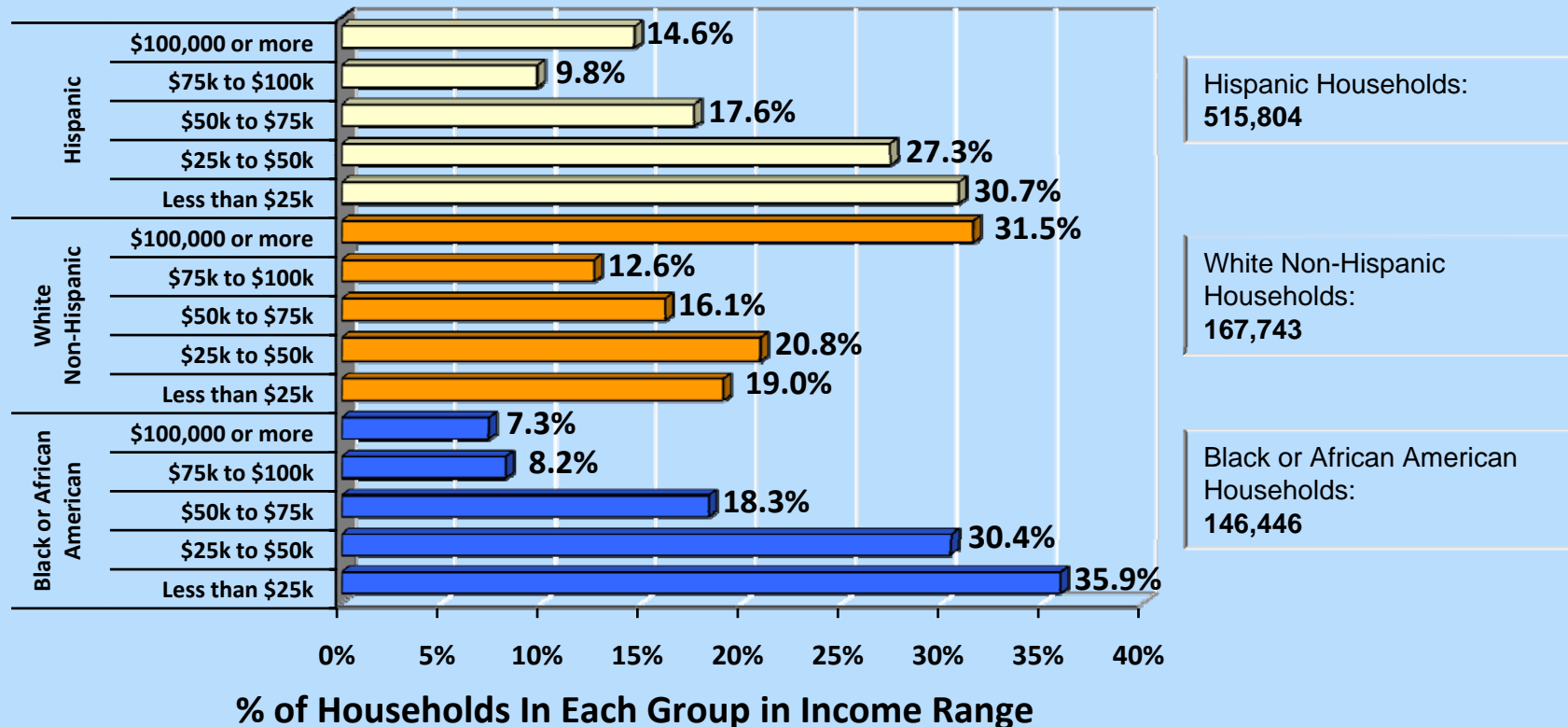
- A little more than half (55.1%) of renters earning \$35k to \$50k were housing cost burdened in 2007.
- Over two-thirds of homeowners (67.5%) earning \$35k to \$50K were cost burdened in 2007.
- 81% of renters in Miami-Dade County earning less than \$50,000 per year in 2007 paid more than 30% of their income for rent and 77% of homeowners were likewise burdened.

Housing Cost Burden by Income Class

- For households earning less than \$35,000 per year in 2007, 88% paid more than 30% of their income for rent. For homeowners in that range, 82% paid more than 30%.
- The frequency of housing cost burdened households diminishes as income rises, but housing cost and not income is the main factor in this issue.
- Miami-Dade County had a higher proportion of housing cost burdened households than the State in 2007. 57% of all households in Miami-Dade were cost burdened in 2007 compared to 44% in all of Florida.
- While housing prices have fallen significantly over the past year, this will provide only temporary relief. Affordable housing is a long term problem.

Income disparities by race and ethnicity should not be ignored.

PERCENT OF HOUSEHOLD INCOME BY INCOME RANGE AND RACE/ETHNICITY IN 2007



Source: U.S. Census Bureau, 2007 American Community Survey

Income Disparities by Race and Ethnicity, 2007

- Percent of households earning more than \$100,000
 - White Non-Hispanic: **32%** (1 in 3 households earning +\$100K)
 - Hispanic: **15%** (1 in 7 households)
 - Black or African American: **7.3%** (1 in 14 households)
- Percent of households earning \$75,000 to \$100,000
 - White Non-Hispanic: **13%**
 - Hispanic: **10%**
 - Black or African American: **8%**
- Percent of households earning less than \$50,000
 - White Non-Hispanic: **40%**
 - Hispanic: **58%**
 - Black or African American: **66%**

Disparities in Educational Attainment, 2007

Educational Attainment for Miami-Dade Population over 25 Yrs Old by Race/Ethnicity

	Less than high school diploma	High school degree (including equivalency)	Some college or associate's degree	Bachelor's degree or higher
White Non-Hispanic Persons	9.3% 26,664	22.9% 65,862	25.3% 72,574	42.5% 121,955
Hispanic or Latino Persons	26.2% 270,650	28.2% 291,273	22.0% 227,125	23.6% 243,736
Black or African American Persons	27.5% 76,858	35.8% 100,041	21.6% 60,308	15.1% 42,073

Source: U.S. Census Bureau, 2007 American Community Survey

Disparities in Educational Attainment, 2007

- 28% of Black or African American residents did not graduate from high school. An additional 36% did not go further in their education than gaining a high school diploma. Only 15% received a Bachelor's degree or higher.
- Among Hispanics the numbers were similar. 26% did not graduate from high school, and an additional 28% did not go further than a high school diploma. 24% received a Bachelor's degree or higher.
- In comparison, only 9% of White Non-Hispanic residents failed to finish high school. An additional 23% stopped after high school and, 42% received at least a Bachelor's Degree.

How can the County promote economic development?

- The barriers to economic development are complex and without simple solutions, but it is clear that economic progress lies in
 - Education
 - Entrepreneurship, and
 - Innovation
- Policies and programs that strengthen these areas and promote the inclusion of minorities will accelerate local economic development.
 - Access to capital, education and training are particularly important