

Unemployment

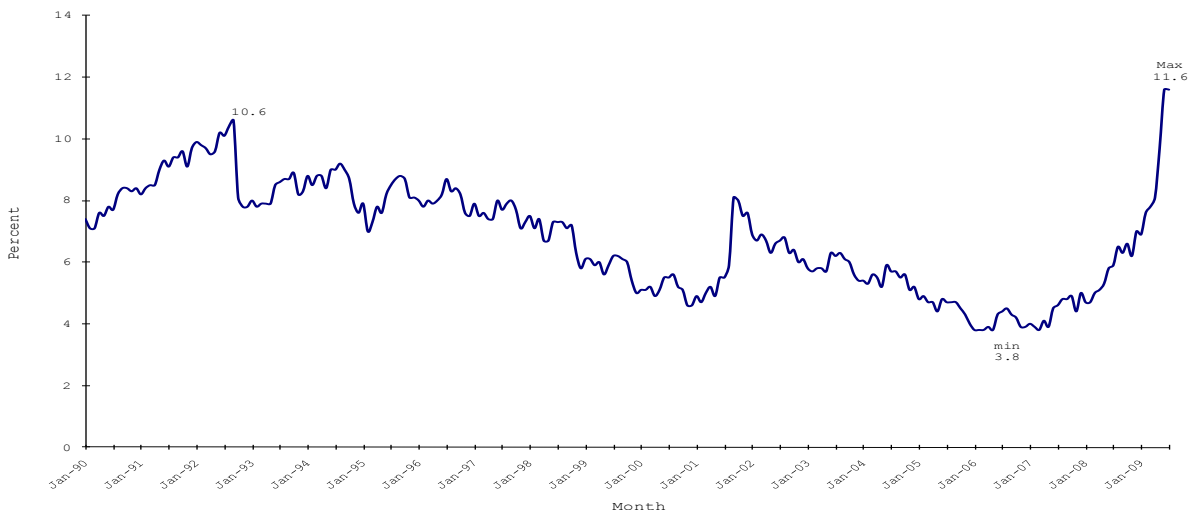
Just almost one year ago, in our June 2008 Issue, we touched upon the concept of the unemployment rate in the Employment issue of *At-a-Glance*. The present issue is wholly dedicated to the unemployment rate, as it seems pertinent to examine it now due to the dramatic shift we have seen in its level during the past couple of months. In the Employment issue we mentioned how the annual average unemployment rate in the County stood at 3.8 percent (since revised to 4.4 percent) in 2007. Now for June 2009, the preliminary rate stands at 11.6 percent.

These “rates” refer to the headline unemployment rate as defined by the US Bureau of Labor Statistics (BLS) that is the official agency in charge of measuring unemployment. The rate is derived from the ratio of people currently unemployed to all people currently belonging to the civilian labor force. In order to belong to the civilian labor force an individual must be 16 years of age or older, and either currently working or actively

looking for work. To be considered unemployed an individual has to have actively searched for employment during the prior four weeks, and be available to begin working if hired. As with any other statistic, we can segment the unemployment rate in several ways. In this issue of *At-a-Glance* we will look at the unemployment rate over time, by cities, and broken down by characteristics of individuals, in particular: gender, race and Hispanic origin, place of birth and age group.

The 11.6 percent rate for June 2009 is the highest monthly rate for the past nineteen years. More striking than the actual number is the speed at which it shot up in the last couple of months. In March 2007 the rate stood at 3.8 percent, and then took almost two years to double, reaching 7.6 percent in February 2009. Based on the past 20 years, this would be considered a poor performance, but it was made much worse by an additional increase of 4 percentage points during the following 4 months. The monthly unemployment rate for

CHART 1
Monthly Unemployment Rate Miami-Dade County January 1990 - July 2009



Source: Bureau Labor Statistics, Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.

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the County since 1990, including its sharp rise in the last four months, is depicted in Chart 1.

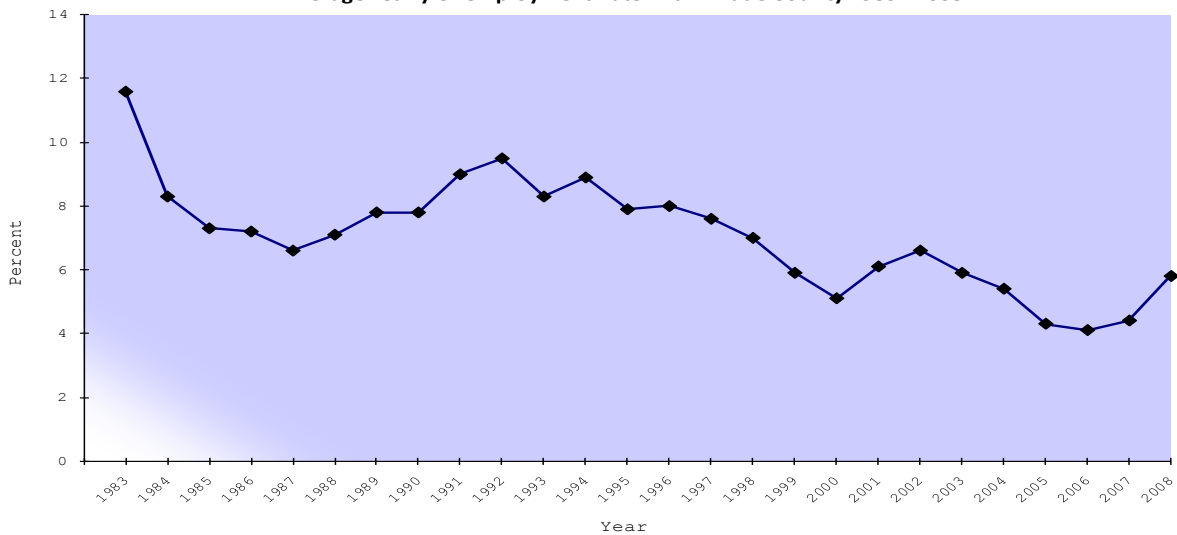
To go back even further we must rely on the annual unemployment rate shown in Chart 2 that depicts the rate since 1983.

In terms of the annual unemployment rate, given the information we have up to July 2009, it appears likely that 2009 will have the highest rate since 1983. To surpass the 11.6 percent annual rate set in 1983, the monthly rates for the last five months of this year would have to go above 15 percent.

The municipalities with the highest rates are Miami Gardens and Hialeah. They have an unemployment rate that is more than twice the lowest unemployment rate found in the city of Coral Gables.

The cities of Miami Gardens, Hialeah, North Miami, North Miami Beach and the City of Miami are above the countywide average(see Chart 3), while Cutler Bay, Aventura, Homestead, Miami Beach and Coral Gables are below. In relative terms, Homestead and Coral Gables have seen the highest percentage increase between January and July.

CHART 2
Average Yearly Unemployment Rate Miami Dade County 1983 - 2008



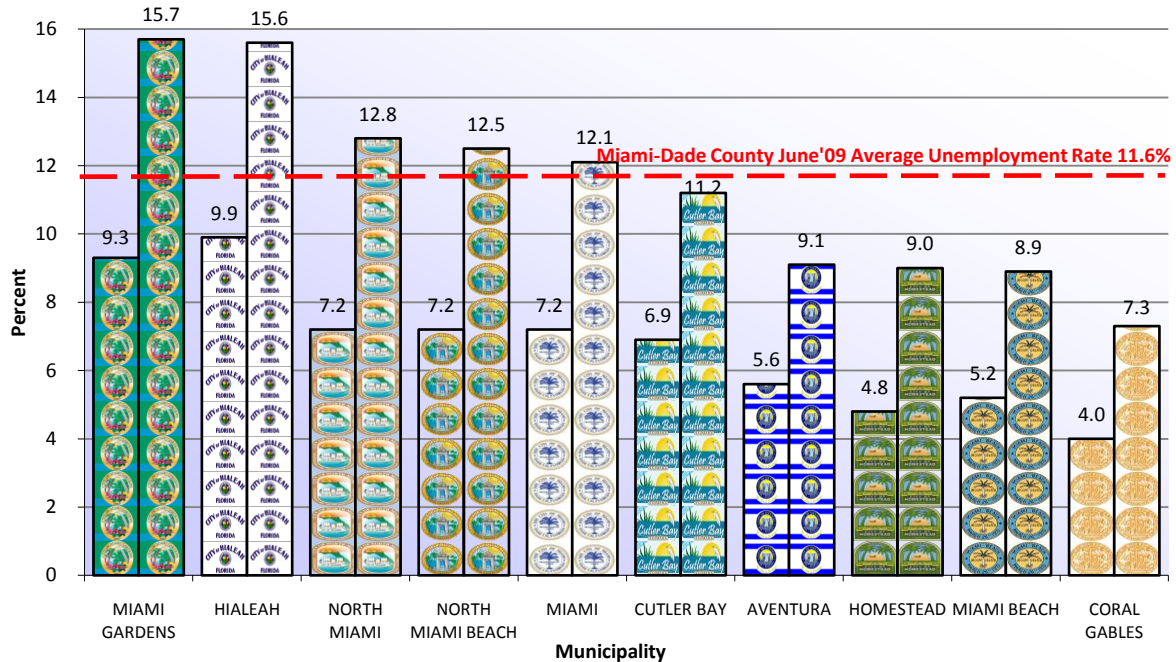
Source: Bureau Labor Statistics, Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.

The Bureau of Labor Statistics publishes the unemployment rate for a select number of cities within the County. Chart 3 shows the unemployment rates for January and July of 2009 for 10 municipalities.

Just as the unemployment rate is higher in some areas than in others, the unemployment rate is higher in some sectors of the population than in others.



CHART 3
Unemployment Rate by Municipality, January and June 2009



Source: State of Florida - Agency for Workforce Innovation, Local Area Unemployment Statistics (LAUS) Program. Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.

In order to break the unemployment rate down by groups we must rely on a different data source, the American Community Survey published by the U.S Census Bureau, for which the latest year available is 2007.

Although these numbers do not reflect the situation of the current economic downturn, they do show us the relative position of the different groups within the County.

CHART 4
Unemployment Rate by Gender and Place of Birth
Miami-Dade County 2007

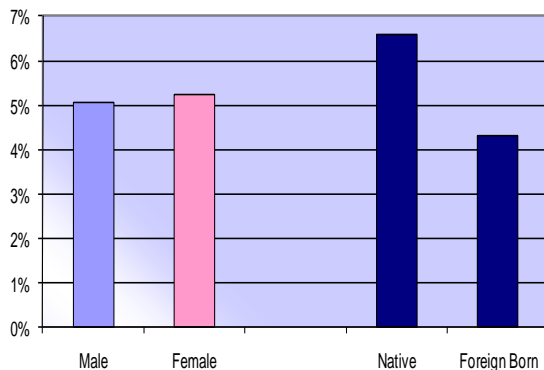
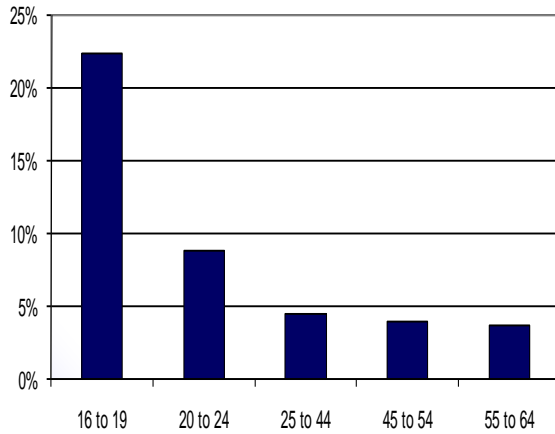


Chart 4 depicts the situation by gender and place of birth. Here we can see that there is no difference by gender when it comes to the unemployment rate. At the same time, people born in the United States have a higher incidence of unemployment than foreign born persons.

When analyzed by age; it is found that young people are more likely to be unemployed than older people, mainly due to the fact that they are newly entering the workforce and it takes time to find a suitable first job (See Chart 5).

Source: U.S. Census Bureau, American Community Survey 2007, Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.

CHART 5
Unemployment Rate by Age Group
Miami-Dade County 2007



Source: U.S. Census Bureau, American Community Survey 2007, Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.

In terms of race and Hispanic origin, Asians, who tend to have higher levels of educational attainment, have the lowest incidence unemployment; while non-Hispanic Blacks have the highest, at 8.4 percent compared to the overall unemployment rate of 5.1 percent in 2007.

As mentioned earlier, it is unlikely that the average annual unemployment rate in 2009 will be higher than the figure for 1983, especially since the national economic situation seems to be stabilizing. At the same time it is unlikely that the employment situation will improve in the short term given that employment tends to lag overall economic recovery.

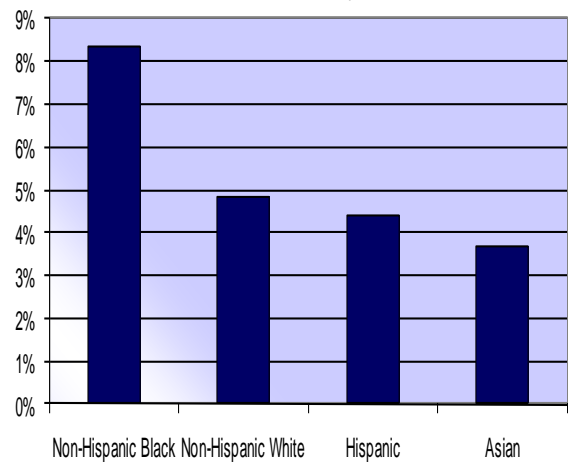
Finally, since studies and talk of unemployment rates tend to elicit skepticism, especially in terms of the actual number of persons unemployed, a mention of the “Alternative

measures of labor force underutilization” might be useful to the reader.

The official unemployment rate as defined at the beginning of this issue of *At-a-Glance*, is the third level in a six step progressively broader set of measures published by the BLS. Although not provided at the County level, the national numbers can give us some insight into the issue.

At the national level the official unemployment rate for July 2009 was 9.7 percent while the broadest measure of unemployment was 16.8 percent. This measure includes, in addition to the unemployed, marginally attached workers plus persons employed part-time for economic reasons. By including these two categories, the resulting unemployment rate is 73 percent higher than the official rate.

CHART 6
Unemployment Rate by Race and Hispanic Origin
Miami-Dade County 2007



Source: U.S. Census Bureau, American Community Survey 2007, Prepared by Miami-Dade County Department of Planning and Zoning, Research Section 2009.



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Table 1
Labor Force and Employment
Miami-Dade County
1983-2008

Year	Labor Force	Employment	Unemployment	Unemployment rate
1983	878,403	776,151	102,252	11.6
1984	875,804	802,859	72,945	8.3
1985	870,880	807,541	63,339	7.3
1986	895,024	830,818	64,206	7.2
1987	922,648	861,837	60,811	6.6
1988	947,171	880,205	66,966	7.1
1989	962,133	886,919	75,214	7.8
1990	987,269	909,877	77,392	7.8
1991	993,360	903,785	89,575	9.0
1992	1,003,487	908,454	95,033	9.5
1993	1,005,640	922,379	83,261	8.3
1994	1,038,546	946,280	92,266	8.9
1995	1,046,242	963,940	82,302	7.9
1996	1,072,171	985,952	86,219	8.0
1997	1,093,568	1,010,126	83,442	7.6
1998	1,102,294	1,025,506	76,788	7.0
1999	1,100,623	1,036,022	64,601	5.9
2000	1,103,485	1,046,900	56,585	5.1
2001	1,098,226	1,031,747	66,479	6.1
2002	1,079,850	1,008,866	70,984	6.6
2003	1,083,357	1,019,631	63,726	5.9
2004	1,097,454	1,038,442	59,012	5.4
2005	1,113,560	1,065,417	48,143	4.3
2006	1,166,002	1,118,704	47,298	4.1
2007	1,196,086	1,143,548	52,538	4.4
2008	1,212,446	1,142,665	69,781	5.8

Source: Bureau Labor Statistics, Miami-Dade County Department of Planning and Zoning, Research Section, 2009.



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Table 2

Unemployment Rate By Demographic Characteristics

Miami-Dade County 2007	
ALL	5.1%
Gender	
Male	5.1%
Female	5.2%
Place of Birth	
Native	6.6%
Foreign Born	4.3%
Age	
16 to 19	22.3%
20 to 24	8.7%
25 to 44	4.4%
45 to 54	3.9%
55 to 64	3.6%
Race and Hispanic Origin	
Non-Hispanic Black	8.4%
Non-Hispanic White	4.9%
Hispanic	4.4%
Asian	3.7%

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

Note: Race and Hispanic Origin is for individuals 16 to 64 years old. All other are for individuals 16 years and older.

Table 3

Unemployment Rate by Municipality January and July 2009

Municipality	January	July	Percent Change
Miami Gardens	9.3	15.7	69%
Hialeah	9.9	15.6	58%
North Miami	7.2	12.8	78%
North Miami Beach	7.2	12.5	74%
Miami	7.2	12.1	68%
Cutler Bay	6.9	11.2	62%
Aventura	5.6	9.1	63%
Homestead	4.8	9.0	88%
Miami Beach	5.2	8.9	71%
Coral Gables	4.0	7.3	83%

Source: State of Florida - Agency for Workforce Innovation, Local Area Unemployment Statistics (LAUS) Program.

