



Despite Economic Growth, Prosperity Remains Out of Reach for Millions of Americans

The economic prosperity engine continues to speed forward, but millions of Americans remain on the sidelines. That is the conclusion of a new scorecard, which analyzes the financial well-being of the nation's households. The scorecard also provides pragmatic policy solutions that states can consider to open the doors to economic prosperity for everyone.

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Overall, as the [2017 Prosperity Now Scorecard](#) points out, the U.S. economy recorded positive growth and the unemployment rate declined to 4.9 percent in 2016. Below the surface, however, is a telling story of how the gains of economic progress have not reached the kitchen tables or the savings accounts of millions of Americans. The story is grimmer for Americans of color. For example, African-American workers are more than twice as likely as white workers to be unemployed (8.7 percent vs. 4.0 percent, respectively), according to the scorecard. Likewise, earnings below the poverty level of African-American (24.8 percent), Hispanic (22.2 percent), and Native American (26.2 percent) households are more than twice the rate for white households (10.4 percent).

While millions of new jobs have been created, the creation of quality jobs – those paying wages high enough to cover basic expenses and save for the future – lags behind. The scorecard notes that one in four jobs in the United States is low-wage, paying median wages that leave full-time workers below the poverty threshold for a family of four and not nearly enough to cover the cost of living. Low wages, unreliable employment and irregular work schedules are the top contributors to volatile income and households' financial insecurity. In 2016, 44 percent of households did not save any income for emergencies. Almost 37 percent didn't have liquid savings to keep them afloat at the poverty level for three months if they lose their jobs.

Acquiring assets such as a home are important for upward mobility and long-term financial security. However, the growing cost of owning a home pushes ownership farther away from many who don't already own one. In the last year alone, the median value of homes rose 7.3 percent to \$194,500, while median incomes rose by just 3.9 percent to \$55,775, notes the Scorecard. Simultaneously, more than half of renters and 30 percent of homeowners are cost burdened, paying more than 30 percent of household income for housing.

Florida's economy grew on average 3 percent, added more than \$172 billion in personal income and added more than 1.5 million non-farm jobs since 2010. However, Florida-specific [data](#) provided in the scorecard shows that despite these gains, many households are not experiencing any upward mobility. On all five broad policy areas that the report considers critical for promoting widespread prosperity, Florida performed poorly compared to the rest of the country (the 50 states plus the District of Columbia).

Financial Assets and Income

Florida ranks 38 out of 51, corresponding to an overall a grade of 'D.' Of note:

- Almost 46 percent of Floridians do not have liquid assets to keep them afloat for three months at the federal poverty level if they lose their jobs, compared to the U.S. average of almost 37 percent.
- Fewer Florida households have saving accounts and emergency savings relative to the state's population compared to the average for the nation, while a greater share of Florida [households have zero net worth](#) compared to the U.S. average.
- Only four out of a total of 20 policies that can open the doors to financial assets and income security and prosperity for households have been adopted in Florida. The state did not eliminate the asset test for households seeking support from the Temporary Assistance for Needy Families (TANF) program and the bottom 20 percent of income earners continue to pay a higher effective tax rate than the top 1 percent of earners.

Business and Jobs

Florida ranks 33 out of 51, corresponding to an overall grade of 'C.' Of note:

- Almost one out of three jobs in the state are low-wage jobs, compared to an average one out of four jobs in the U.S.
- Average annual pay of \$46,680 in Florida is almost 12 percent less than the average of \$52,942 for the nation.
- Only 3 out of a total of 10 policies that can promote business ownership and job security have been adopted in Florida. Currently, agriculture, domestic and tipped workers are not covered by the state minimum wage laws and Florida's average weekly unemployment benefits are less than 50 percent of the state's average weekly wage.

Homeownership and Housing

Florida ranks 45 of out 51, corresponding to an overall grade of 'D.' Of note:

- The share of homeowners and renters that pay more than 30 percent of their income for housing costs is higher for Florida than the average for the nation.
- High-cost mortgage loans, delinquent mortgage loans and foreclosure rates are all higher for Florida than for the U.S.
- Eight out of a total of 12 policies that can promote homeownership and affordable housing have been adopted in Florida. Current state laws do not protect those who have affordable housing vouchers from discrimination in the housing market, nor does the state provide foreclosure protection for tenants.

Health Care

Florida ranks 50 out of 51, corresponding to an overall grade of 'F.' Of note:

- The state's uninsured rate of 16.2 percent (in the scorecard) is higher than the U.S. average of 10.2 percent.
- A higher percentage of Floridians forgo doctor visits due to cost and have poor or fair health compared to the national average.
- Neither of the two policies identified that can expand health care coverage and promote healthy and more productive lives has been adopted by Florida. The state did not expand Medicaid to at least 138 percent of the federal poverty level or limit hospital charges, billing or collections.

Education

Florida ranks 23 out of 51, corresponding to an overall grade of 'C.' Of note:

- Math and reading proficiency at the 8th-grade level lags the average for the country.
- Florida's high school graduation rate is 77.9 percent, which is 5.3 percentage points lower than the national average.
- Only three out of a total of 9 policies that can improve education outcomes and better equip students with the skills and knowledge for good paying jobs have been adopted by Florida. The state does not provide supplemental Head Start grants or require full-day kindergarten.

These findings confirm that the gains from economic growth do not automatically benefit households, and that state policies can play a significant role in determining whether everyone gets a chance at financial independence and economic prosperity. Equally important are the type of policies that are successful in promoting widespread prosperity. Cuts to programs such as Medicaid and TANF in Louisiana and massive tax cuts for businesses and the wealthy in Kansas did not help families move up the economic ladder or grow the state's respective economies. Instead, these policies pushed families further down the economic ladder and made it more difficult for them to get ahead. These experiments should serve as cautionary tales for other states.

When hard working families are struggling to get ahead and the economy is in a period of growth, it is time for state lawmakers to rethink current state policies and commit to improving them. Fortunately, there is no shortage of good policy ideas for creating widespread opportunity. Those initiatives that provide an income boost for families, encourage savings, improve job quality, create access to homeownership and increase retirement security have been proven to expand opportunity and put families on a path to economic success.