



Economic Insecurity in Florida, 2022

Mary Gatta, PhD

Co- Public Policy Director, AAUW Florida

The American Association of University Women (AAUW) Florida advocates for all women to achieve economic security. Using the [Elder Index](#) as a benchmark for economic security in retirement and the [Basic Economic Security Tables \(BEST\)](#) for economic security while working, we found that many Floridians faced economic insecurity in 2022. However, women in our state tend to face greater economic insecurity than do men throughout their lives. This policy brief presents data on current economic insecurity rates in Florida and ways to address the crisis.

How much income do Floridians need to meet the real costs of living?

The Basic Economic Security Tables™ Index (BEST) is a measure to give families, advocates and policy makers a clear understanding of the incomes families need to afford basic expenses. Economic security is the ability to afford housing, utilities, food, transportation, childcare, health care, emergency and retirement savings, and necessary household expenses. Individuals who lack the income needed to meet these basic needs are forced to choose among them. To attain basic economic security in 2022 in Florida:

- ✓ A single worker needed to earn \$36,101 annually, and a couple without children needed to earn \$52,886 annually.

The presence of children in the household increases the needed income for economic security.

- ✓ A single parent with an infant needed to earn \$57,127 a year, and a single parent with an infant, preschool and school-aged children needed \$73,789 in income.
- ✓ For families with two earners, the household needed \$85,007 if they had an infant and preschool aged child; and \$80,028 if they had a preschool age and school aged child.

In 2022 to be economically secure in retirement in Florida, the Elder Index ranged from an annual income of \$21,828 to \$44,280 depending on marital status and housing status (own a home, rent a home, or hold a mortgage). Specifically:

- ✓ A retired single Floridian who owned a home without a mortgage needed \$21,828 in income, whereas that same individual needed \$27,996 if they rented a home, and \$33,120 if they had a mortgage on a home.
- ✓ For retired couples, the annual incomes needed to be higher to attain economic security. If a retired couple owned their home outright, they needed an annual

income of \$33,120. For couples who rented their home, they needed \$39,156 and if they paid on a mortgage, they needed \$44,280 a year in income.

Are Florida workers economically secure?

Overall, 36% of all Florida working households earned incomes that were **below** economic security for their family type in 2022. That means that despite having at least one worker in the home, over a third of the households did not earn enough to be economically secure.

- ✓ Looking just at one's personal income, 45% of all full-time workers in the state did not earn enough to be economically secure. Gender differences were significant here:
 - Fifty-eight percent of female full-time workers did not earn enough to be economically secure, as compared to 36% of male full-time workers.
 - This inequity is tied to both the gender pay gap and occupational segregation in the state.
 - The [Bureau of Labor Statistics](#) finds that women continue to earn about 85% of what men in the state earn.
 - Women are concentrated in traditionally female occupations that are often associated with lower rates of pay. The top three jobs for women in 2022 were: Registered Nurses, Elementary and Middle School Teachers and Customer Service Representatives.

There were also key racial inequities in regard to the economic security of working families in the state.

- ✓ In 2022, 72% of White households were above economic security for their family type. In contrast, 56% of Hispanic households and 47% of Black households were above economic security.

Marital status and presence of children in a household was also a key indicator of economic security.

- ✓ Among all married households, only about a quarter (26%) lived below economic security, whereas households that only have a single adult, 40% were economically insecure. Gender differences are also important here. Specifically:
 - Among single adults living alone, men fared better than women. Sixty-four percent of men who lived alone have incomes that were above economic security as compared to only 55% of women who live alone.

Not surprisingly, married couples without children tended to do the best in terms of economic security in Florida.

- ✓ Specifically, 80% of married couples households were above the economic security index. In contrast, 69% of married couples with children were above economic security for their family type.

Single mother homes had the highest rates of economic insecurity in 2022.

- ✓ Over three-quarters (76%) of female headed households with children lived below economic security in Florida; and over half (54%) of male headed households with children had incomes below economic security.

Are Florida's retirees economically secure?

Retirement in the sunshine state does not guarantee an economically secure life. Specifically:

- ✓ In 2022, 38% of Florida retired households did not have enough income to cover their basic needs.

Looking across gender, older women are more likely to be economically insecure than older men. Specifically:

- ✓ 37% percent of Florida women lived in households that are economically insecure, compared with 30% of men.

Gender differences in individual retirement incomes were significant in Florida as women are significantly poorer than are men in their retirement years.

- ✓ Including all forms of retirement income (Social Security, retirement savings and/or pensions), Florida men's median annual income in 2022 was \$35,449, while women's median annual income stood at \$28,846.
- ✓ Looking just at Social Security, the income disparity was even greater. The median income for Florida men in 2022 was \$18,970, while women's income was only \$13,550.
- ✓ This is particularly troubling because women in Florida depended on Social Security to cover over two thirds of their living expenses. Not surprising then, over half (52%) of single retired women were economically insecure, as opposed to 46% of single retired men.

In addition, we found race impacted one's chances of living below the Elder Index.

- ✓ A greater percentage of Hispanic, Asian and Black households lived below the Elder Index than did White households. Specifically, 31% of White households lived below the Elder Index in Florida, whereas 57% of Asian households, 61% of Black households, and 71% of Hispanic households were economically insecure in 2022.

Housing status was also a key indicator of economic insecurity as Floridians age.

- ✓ Retired individuals who rented their homes were the most economically insecure in the state, as over two-thirds (67%) of them lived below the Elder Index in 2022. In contrast 40% of retired households who owned their home with a mortgage were economically insecure, and 29% of those who owned their home without a mortgage were economically insecure.

Finally, as individuals age, the need for care often increases. Sadly, we found that despite being caregivers throughout their lives, as women age and need increased levels of medical care, they were more likely to find themselves economically insecure, than did men.

- ✓ Specifically, 47% of all retirees who had difficulty caring for themselves; and 47% who have difficulty living independently are economically insecure. Again, gender differences are significant here.
 - Over half of women (52%) who need care are economically insecure, compared to about 40% of comparable men.

Recommendations

Far too many Floridians experience economic insecurity in 2022. As the cost of living continues to rise in our state, we are concerned that the proportion of economically insecure Floridians will increase. Further, gender, race and the presence of children in a household all impact a resident's probability of economic insecurity. This highlights the pervasiveness of systemic inequities in our labor market and retirement system. While true economic security results from a combination of actions at the federal and state levels, along with employers, AAUW-Florida is interested in focusing currently on steps the State of Florida can take to improve economic security.

Address gender and race inequities in the labor market including the gender/race pay gap and occupational segregation. Women fare worse than men in regard to economic insecurity. Therefore, labor market inequities—such as pay gaps, occupational segregation and discrimination—must be addressed in order to ensure that all Floridians can achieve economic security. Women lose income as a result of the gender pay gap. This loss of income impacts savings and Social Security payments. Closing the gender pay gap in Florida is a critical step in helping women better secure retirement. In addition, Florida policy should foster the development and funding of state and local programs that introduce young girls to careers that are nontraditional for their gender in order to address occupational sex segregation.

Address childcare barriers that impact mothers' labor market participation. The case of single mothers in Florida is particularly troubling, as single mothers experience the greatest economic insecurity in the state. Childcare is a significant barrier for single mothers to achieve economic security. In addition to labor market inequities, the state must fully address childcare (access and affordability) and other barriers facing single mothers.

Provide paid leave to all workers. The gender gap in Social Security income results in part because women bear the brunt of caring labor in the home. When women take time out to care for a child or family member, they are forgoing income. Florida must follow the lead of several states and ensure paid leave for workers who take time out of the labor market to provide critical care. Paid family leave insurance provides women with access to income while performing critical family caregiving.

Increase savings opportunities for workers. State-based retirement plans could provide access to retirement savings accounts for millions of working women who do not have access to any workplace savings opportunities. Florida should investigate the possibility for developing a state-based retirement program for its workers.

Increase supports/public assistance for seniors and other vulnerable groups. For many workers and current retirees, it is simply too late to save. A successful retirement will not be grounded in their savings that they accumulate but, instead, in lowering the costs of their life expenses. We must provide access to affordable housing and enhanced supports for other life necessities such as subsidize electricity, along with an investment in a public transportation and food supports.

Address healthcare inequities. Healthcare costs are a significant barrier to economic security in the state for both workers and retirees. Florida should join the ranks of other states that have expanded Medicaid through the Affordable Care Act to provide coverage to more Floridians.

Methodological Notes

This analysis compares annual incomes required for basic economic security, as defined in The Basic Economic Security Tables (BEST) and the Elder Economic Security Standard Index (Elder Index), to 2022 1-year American Community Survey PUMS data for statewide estimates. Data analysis was conducted by Jessica Horning.

The BEST Population

The study sample includes those living in US households composed of family types included in the BEST Index—one or two adults and between zero and six children. "Adults" are defined as between 19 and 64 years of age. Children are divided into four age categories: infant (age 0-2), preschooler (age 3-5), schoolchild (age 6-12) and teenager (age 13-18). Eighteen-year-olds are adults if they are either in a married or unmarried partnership or if there are no over-18 adults in the household and the 18-year old(s) is/are not attending high school. Households included in the study sample are limited to "family" units—individuals whose relationships suggest economic interdependence and resource sharing. In a two-adult household, adults are partners (either married or unmarried). In households with children, the children are biological or adopted children, stepchildren, siblings, grandchildren, other relatives, foster children, or other nonrelatives. This analysis excludes households with multiple, non-partnered adults. Economic security calculations compare total household income to the BEST Index by family type. Where specified, earnings (either individual or total household) are compared to the BEST in order to investigate the specific value of work and the impact of wages on security.

The Elder Index Population

The study sample is limited to households for which Elder Index values are calculated: households composed of either a single adult aged 65 or older or an elder couple where both

adults are age 65 or older. All adults are fully retired (reporting zero earnings and no work in the past year). Seniors who live in group quarters, including institutional settings, and those who reside with an unrelated roommate or family member other than a partner are not included in this analysis. The incomes of individuals living in homes they do not own and for which they do not pay rent are compared to the US Elder Index value for renters. When elders' incomes are compared to Elder Index values, payments from cash-equivalent public assistance programs and Supplemental Security Income (SSI) are excluded from elder incomes. While public assistance programs, particularly food support programs and energy assistance, are critical to helping many elders address the gap between income and economic security needs, elders who depend on an often under-funded social safety net cannot be fully secure.