O'Hara: Florida Chamber's scorecard raises flags about jobs, senior tsunami | Opinion

Sun Sentinel Editorial Page Editor Rosemary O'Hara talks with Florida Chamber Foundation economist Jerry Parrish about danger signs ahead for Florida's economy.

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Twelve insights from Florida Chamber Foundation's state scorecard

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If you like to paint by the numbers, paint storm clouds on Florida's horizon because a gray tsunami is headed our way that's destined to change our population mix and threaten how we are taxed for government services.

On the sunny side, numbers compiled by the Florida Chamber Foundation show we've made remarkable progress in high school graduation rates, averaging 80.7 percent statewide. Though one in five children still fails to complete school, it wasn't so many years ago that graduation rates hovered around 50 percent.

But before we go puffing our chests, consider the high number of Florida children living in poverty — 23.4 percent, including a good number with disabilities — and you'll see the biggest threat facing our state's economic growth.

"If you take the poverty rate of kids under 18, and the high school graduation rate, if you could only give me two metrics to predict how well a county was going to do, I would pick those," says Jerry Parrish, the foundation's chief economist.

Parrish recently presented the state's updated scorecard at the Broward Workshop's 9th Annual State of the County Forum. I called him later to dig deeper into the numbers on the website, thefloridascorecard.org.

"If you're in poverty, your probability of graduating high school is lower than everyone else," he says. Plus, poverty leads to more disabilities because of poor nutrition and lack of health care. "So if you work on child poverty and get more kids through high school, it's highly correlated with economic success."

It's hard to discuss poverty and health care without veering into Florida's stubborn refusal to expand Medicaid two years ago. To its credit, during the heat of battle, the Florida Chamber endorsed accepting those federal dollars, with caveats. But in the face of stiff winds from Gov. Rick Scott and Florida House leaders, its board of business titans retreated.

Medicaid expansion remains a touchy subject for a right-leaning business group, and Parrish is quick to point out that the foundation is the chamber's non-political arm. But he also notes that "it's pretty unusual for a state chamber to talk about poverty at all, much less to have a big initiative to address it."

Parrish is right about that. The chamber, and CEO Mark Wilson, deserve kudos for addressing an issue Florida ignores at our peril.

Too often in politics, people in poverty are discussed in derisive tones, as though they chose to live in a deep hole by failing to study or work hard. You see it in Tallahassee's current push to force Medicaid recipients — who can make no more than $11,000 a year — to pay premiums. Perhaps it's why the chamber focuses on children in poverty. No one can blame them.

That issue aside, Parrish eagerly enters the fray on the push by the Florida House to eliminate Enterprise Florida, the state's economic development agency; and reduce funding for Visit Florida, its tourism marketing arm.

Job creation is slowing down, he says. Florida created 60,800 fewer jobs in 2016 than the year before. He predicts another 54,000 drop-off in jobs created this year.

"You don't have to kill Enterprise Florida and Visit Florida to kill jobs. Just talking about killing those agencies is already killing jobs in this state. It's creating a whole lot of uncertainty," he says. "You can print that one, because it's happening."

Come on, I countered. You're saying we created 60,000 fewer jobs last year — *last year?* — because of today's debate in Tallahassee?

Parrish says several factors are at play. The dollar is getting stronger, so international business, including exports, is getting tougher. And with unemployment down, the labor market has tightened. "But part of it is that Florida started sending signals that we're going to change the way we do business."

But we're a low-tax state, I argued. And we've reduced regulations. Plus, the state's top economist says 18 of Florida's 26 economic development programs have returned less than a dollar for every dollar invested over the last three years. Rather than write big checks to recruit big companies, wouldn't we be better off attracting people by investing in good schools, good transportation systems, clean air and water, and a trained workforce?

"Businesses look at everything," he says. "Everything is important. But if two states are equal, your fiduciary responsibility is to bring back the best deal you can get. If Georgia is offering us $10 million and Florida is offering zero, it's a very quantifiable thing. It's a hard number. Workforce comparisons are fuzzy."

Parrish says Florida only offers incentives to businesses that create high-wage jobs in industries that diversify the state's mix. And companies are only paid if they create the jobs. And if the contract calls for creating 100 jobs, sometimes more are created, which is where we get the real bang for our buck.

I could have argued more. I could have told him about homegrown businesses unhappy about incentives given to competitors. Or companies that didn't create the promised jobs and didn't give the money back. Or the lack of transparency in how this money has been spent.

But we weren't going to agree. Plus, we needed to discuss more numbers, including:

Florida's big-deal economy: If Florida were a country, we'd have the world's 16th largest economy. We're predicted to top a trillion dollars by 2019.

Help wanted, skills wanted: With the state unemployment rate at 5 percent, 501,000 people are looking for work, yet 242,000 jobs remain open. "That tells us we have a skills gap," Parrish says. "Either somebody doesn't have the skills to take one of those jobs, or they won't be able to move to a different part of the state. If we could fill those jobs, our unemployment rate could be cut in half."

Disabled workforce: About 2 million disabled Floridians are of workforce age, yet more than 700,000 are unemployed.

Moving vans rolling: The state's population grew by 367,525 between July 2015 and July 2016 — more than 1,000 residents a day. Population growth is good and bad. It generates more tax revenue, but creates a greater demand for services.

Most popular spots: Sumter County, home to The Villages, was last year's top destination spot, growing by 4.3 percent, or 5,114 people. Osceola County was second, at 4.0 percent, or 12,987 people.

South Florida counties fall further down the scale. Broward's population grew by 22,351, or 1.2 percent; Palm Beach County grew by 21,967, or 1.5 percent; and Miami-Dade grew by 20,352, or 0.8 percent.

Gray tsunami: Florida is already older than the nation and is about to get older. Our over-65 demographic is expected to grow by 2 million by 2030 — from 18.5 percent to 24 percent of our population. Problem is, Florida runs on sales and use taxes, so we need people to make and spend money. Seniors spend more on services, which are not taxed.

"They also vote in a much higher percentage, so they'll probably vote 'no' for a local school bond or a big infrastructure project, unless it benefits them directly," Parrish says. "This is likely going to change the way we tax people, because people will spend less on taxable goods."

Fewer working-age people: Today, 57 percent of Floridians are either older than 65 or younger than 16. In 2030, 70 percent are expected to be either too old or too young to work. "How are we going to tax people to cover the government services they need?" he asks.

Gap in people aged 50-59: By 2030, the number of Broward residents aged 50-54 is projected to drop by 20 percent, and those aged 55-59 are projected to drop by 12 percent. Perhaps they'll be buying mobile homes or going to live near their grandchildren, Parrish says. But a bigger part of the explanation is that the birth rate fell between the Baby Boom and Echo Boom generations.

Miami-Dade hemorrhaging wealth: Only three Florida counties have steadily seen "negative wealth migration" since 1992, according to howmoneywalks.com, a site that tracks where Americans move via IRS records. Two — Alachua and Leon — are university towns. Parrish says that can be explained by a student who earns nothing moving somewhere for a paying job. But Miami-Dade has lost $4.59 billion in wealth. While the county is attracting people from other states and countries, a sizable number of its residents are leaving.

South Floridians drifting north: IRS records show the most popular landing spots for people leaving Broward are: Palm Beach County, followed by the counties of St. Lucie, Martin, Lee and Brevard.

The top spots for people leaving Palm Beach County are Martin, St. Lucie and Indian River counties. Then, Fulton County, Georgia. Then, Marion County.

Broward incoming: Broward got its biggest population bump from Miami-Dade, followed by Queens County, NY; Nassau County, NY; Cook County, Illinois; and Kings County, NY.

Palm Beach County incoming: Palm Beach County got its biggest population bump from Broward, followed by Nassau County, NY; Fairfield County, Connecticut; Cook County, Illinois; and New York County, NY.

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