

# Miami-Dade County Prosperity Initiatives Feasibility Study



[www.metropolitan.fiu.edu](http://www.metropolitan.fiu.edu)



#prosperity305



@FIUMetroCenter

# The Chairman's Council for Prosperity Initiatives



Hon. Barbara J. Jordan



Hon. Jean Monestime



Hon. Daniella Levine-Cava



# 1

## Examine the Feasibility and Best Practices of Programs to Improve Economic Opportunity And Self-Sufficiency



Social Enterprise  
Incubators and  
Accelerators



Community Land  
Trusts



Community Benefit  
Agreements



Children's Savings  
Accounts



Employee Owned  
Business  
Cooperatives

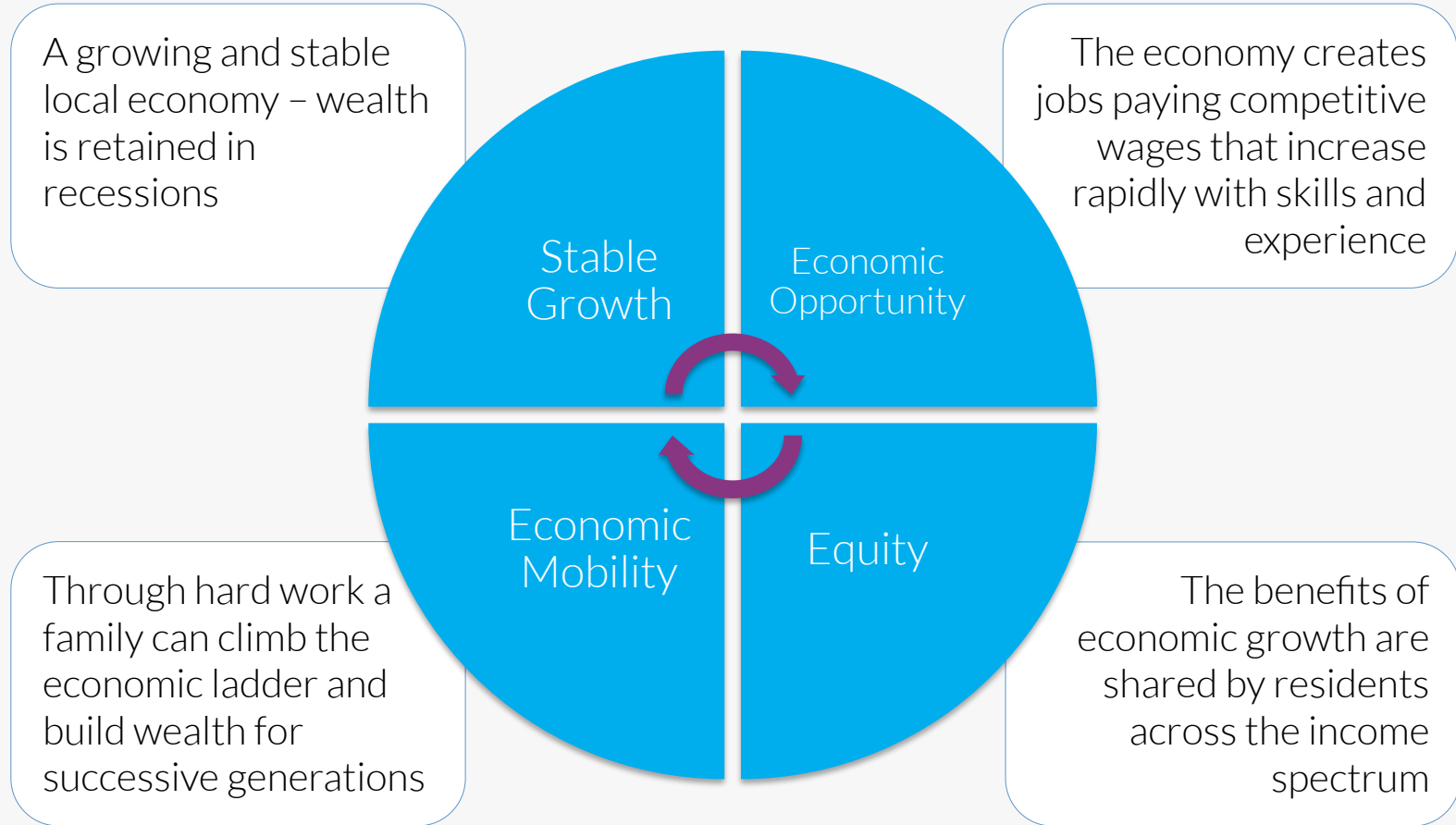


## 2

## Build an Economic Justification for Action

When Moral Arguments Aren't Enough

# Prosperity Defined: What Makes a Prosperous Region?



# Why Prosperity Matters



## Benefits

Prosperous  
counties  
outperform  
low-prosperity  
counties

Prosperous  
Counties  
maximize  
human capital –  
skills & talent

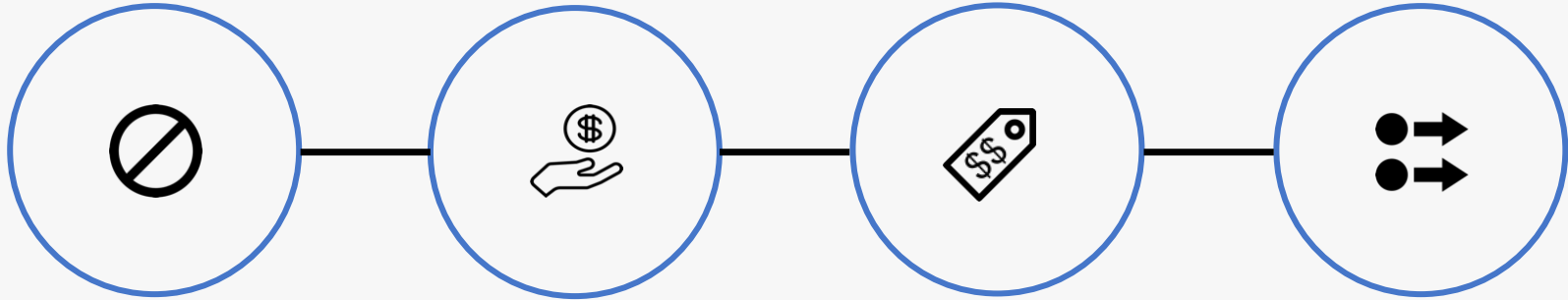
U.S. economic  
competitiveness  
relies on the  
productivity &  
prosperity of its  
metros

## Costs

Barriers to  
prosperity hurt  
low income  
households

Limited  
prosperity  
creates  
additional  
public costs  
and a drag on  
the regional  
economy

Limited  
Prosperity  
poses threats  
to workers  
across the  
income  
spectrum



Identify the Barriers  
to Prosperity

What are the  
Economic Impacts of  
Broader Prosperity?

What are the  
Costs of Inaction?

Program  
Feasibility

What works,  
at What Cost?

Action Agenda

*Let's Do This*



1

Despite Miami-Dade's considerable assets the County's economy is less competitive and underperforming

2

In Miami-Dade County the Barriers to expanded prosperity have been growing, rather than easing

3

Failing to address Miami-Dade County's prosperity gap could present a sustained, growing drag on the broader economy

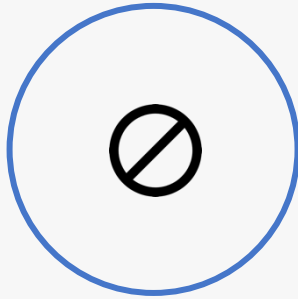


4

The impacts and barriers to expanded prosperity in Miami-Dade are not limited to the County's lowest income earners

5

Programs to expand prosperity are a sound economic investment



## Miami-Dade's Prosperity Gap: The Barriers to Prosperity

# A Central Question

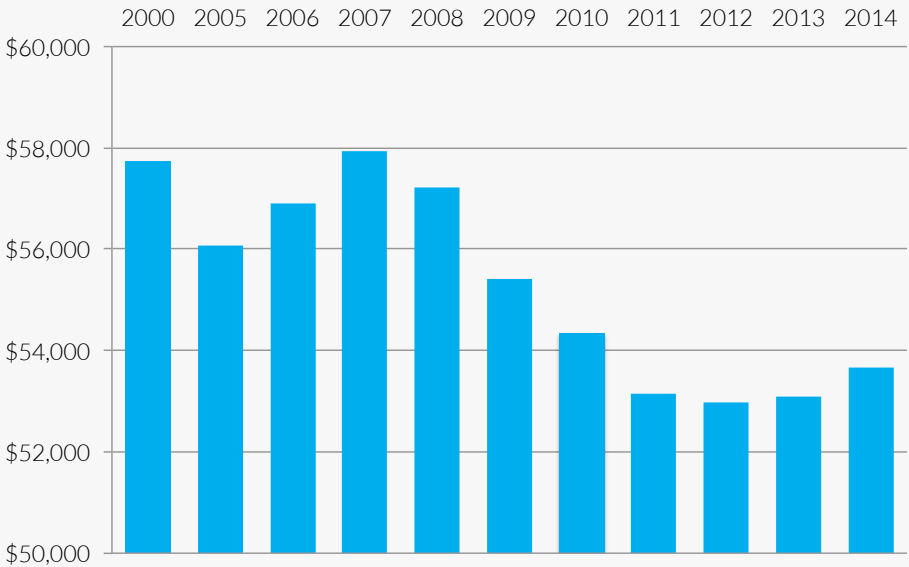




# Is that still the case today?



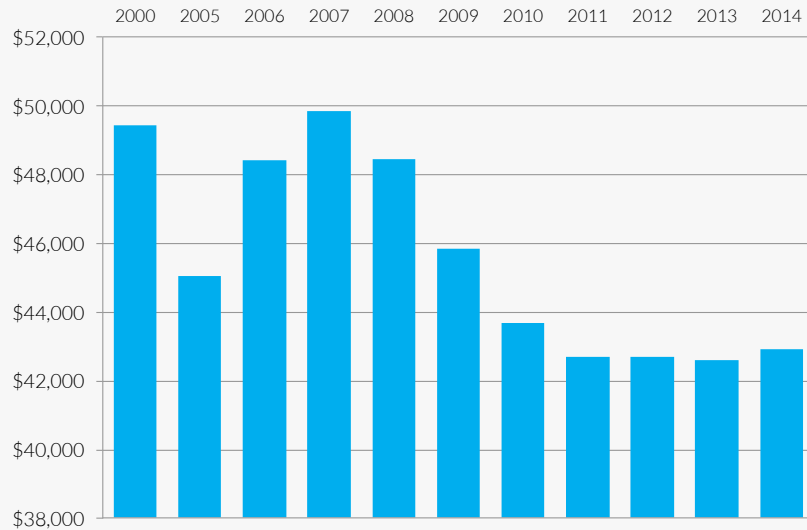
Real Median Household Income  
United States



- 7.1%  
Loss in Median Income



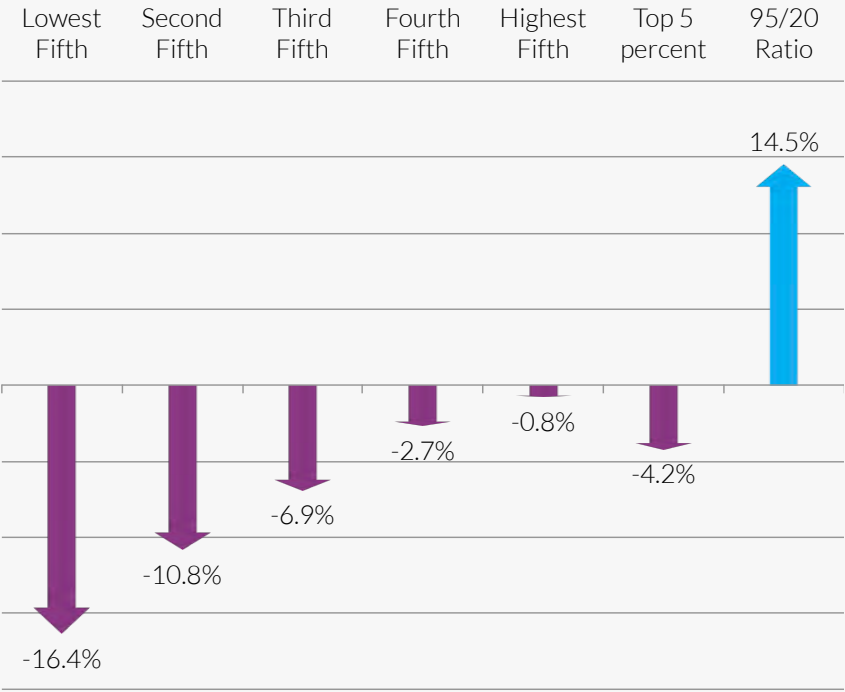
## Real Median Household Income Miami-Dade County



- 13%  
Loss in Median Income



Change in Mean Household Income by Quintile, 2000 - 2014  
United States



- 200%

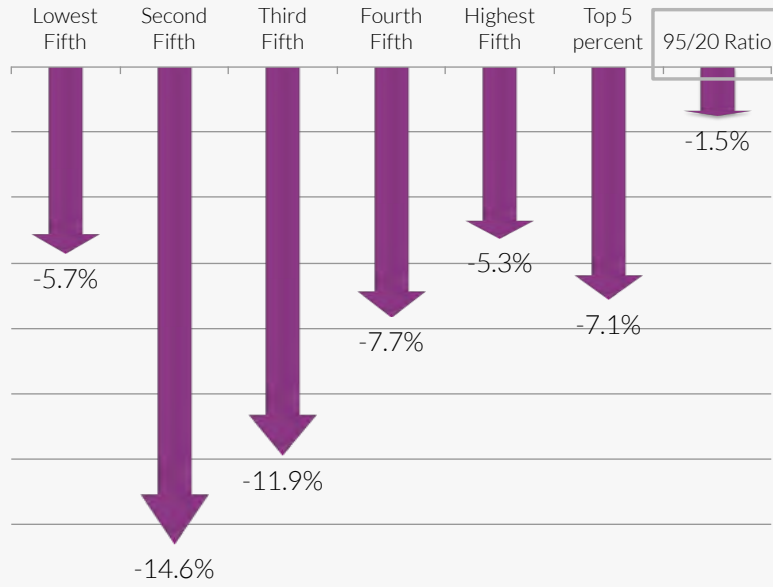
Income Loss of 2 Lowest Quintiles vs. 3 Upper Quintiles

14.5%

Increase in 95/20 Ratio  
2000 - 2014



## Change in Mean Household Income by Quintile, 2000 - 2014 Miami-Dade County



**- 34.2%**  
Income Loss of at the Middle

**-1.5%**  
Decrease in 95/20 Ratio  
2000 - 2014

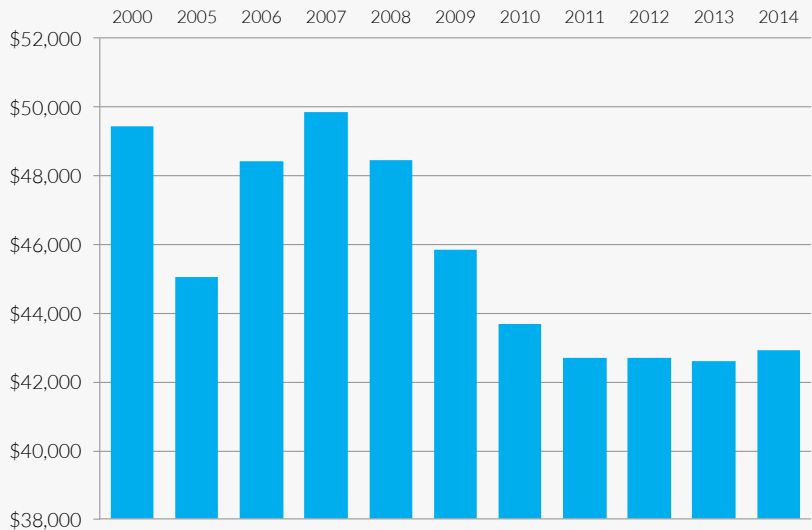


# A Tale of Two Economic Cycles

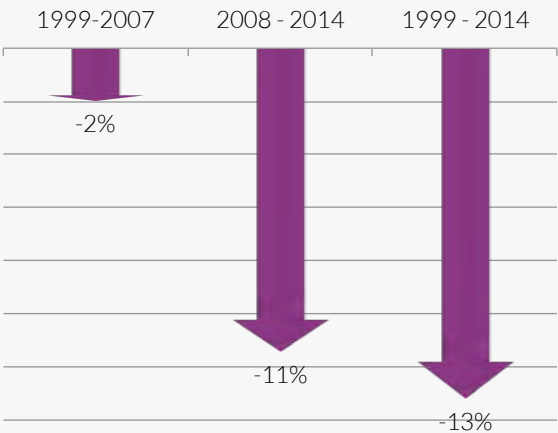


## Miami-Dade County

Median Income



Change in Median Income



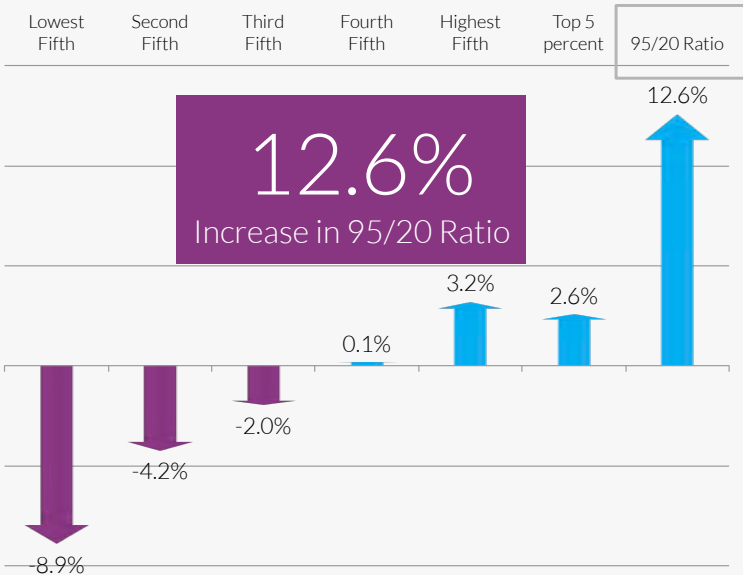


## Change in Mean Household Income by Quintile United States

2000 - 2007



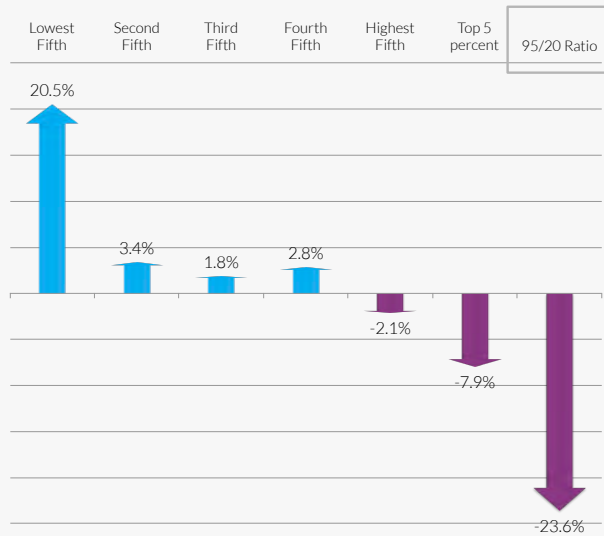
2008 - 2014



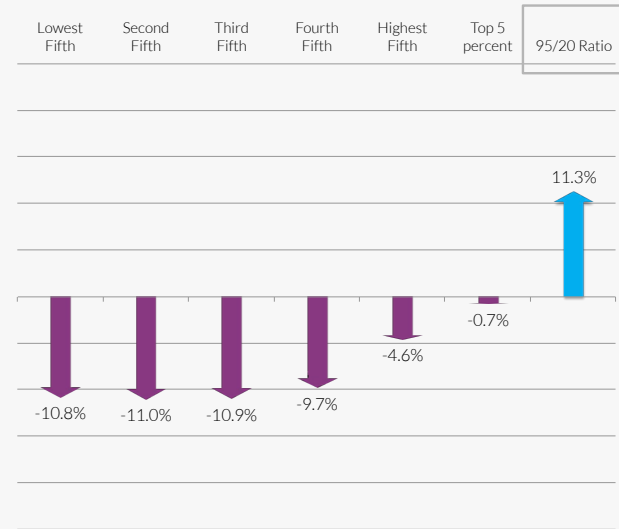


## Change in Mean Household Income by Income Quintile Miami-Dade County

2000 - 2007



2008 - 2014





95/20 Ratio  
Miami-Dade County



# A Tale of Two Economic Cycles



## Gini Index for US Counties 2006 - 2014

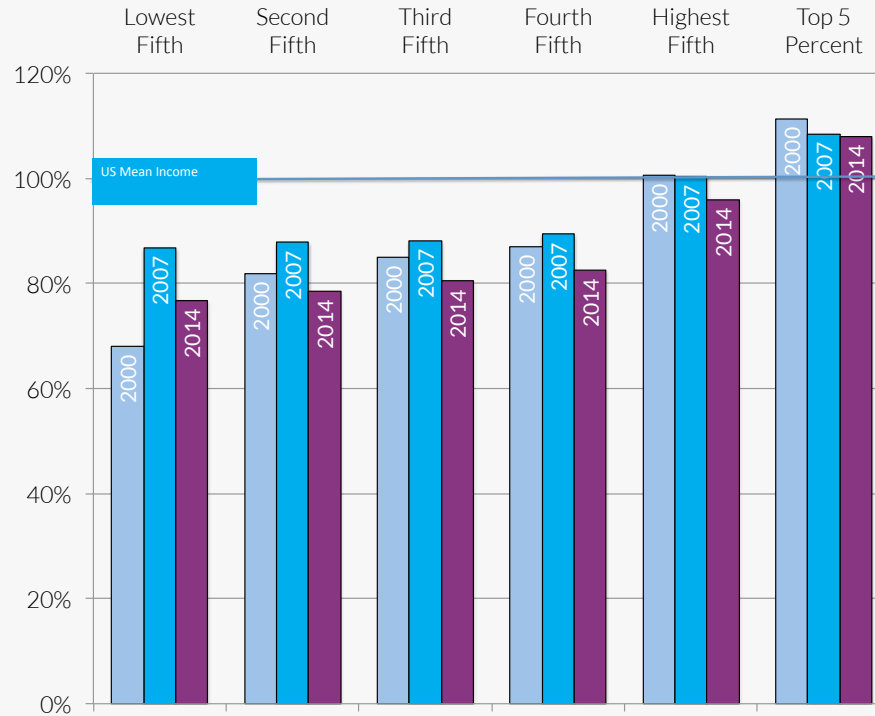
County & 2014 Rank	2014	2006	% Change 2006-2014
1 New York County, New York	0.5939	0.599	-1%
2 Orleans Parish, Louisiana	0.5883	0.551	7%
3 Fairfield County, Connecticut	0.5491	0.542	1%
4 Lee County, Alabama	0.5434	0.494	10%
5 Tom Green County, Texas	0.5429	0.455	19%
6 Suffolk County, Massachusetts	0.5424	0.505	7%
7 Essex County, New Jersey	0.5422	0.521	4%
8 Bibb County, Georgia	0.5410	0.465	16%
9 Clarke County, Georgia	0.5389	0.516	4%
10 White County, Arkansas	0.5382	0.460	17%
11 Westchester County, New York	0.5365	0.527	2%
12 McKinley County, New Mexico	0.5364	0.480	12%
13 Caddo Parish, Louisiana	0.5357	0.501	7%
14 Johnson County, Iowa	0.5347	0.482	11%
15 Fulton County, Georgia	0.5338	0.524	2%
16 Orange County, North Carolina	0.5289	0.530	-0%
17 Richmond city, Virginia	0.5263	0.513	3%
18 Miami-Dade County, Florida	0.5239	0.502	4%
19 District of Columbia, District of Columbia	0.5224	0.537	-3%
20 Collier County, Florida	0.5223	0.500	4%

18th  
Most Income Unequal  
County in U.S.



## Mean Income as Percent of US Income, by Income Quintile, 2000 - 2014

### Miami-Dade County



Pre-2000

Mean incomes lower than national averages

2000 to 2007

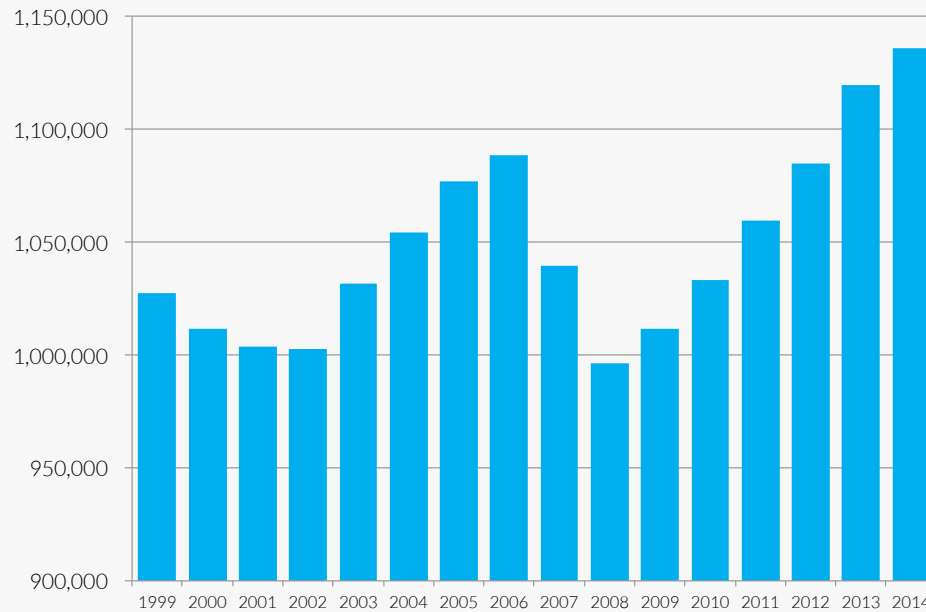
Incomes gained ground against national averages

2008

Gains wiped out



Total Non-Farm Employment  
Miami-Dade County





## Fastest Growing Occupations Miami-Dade County

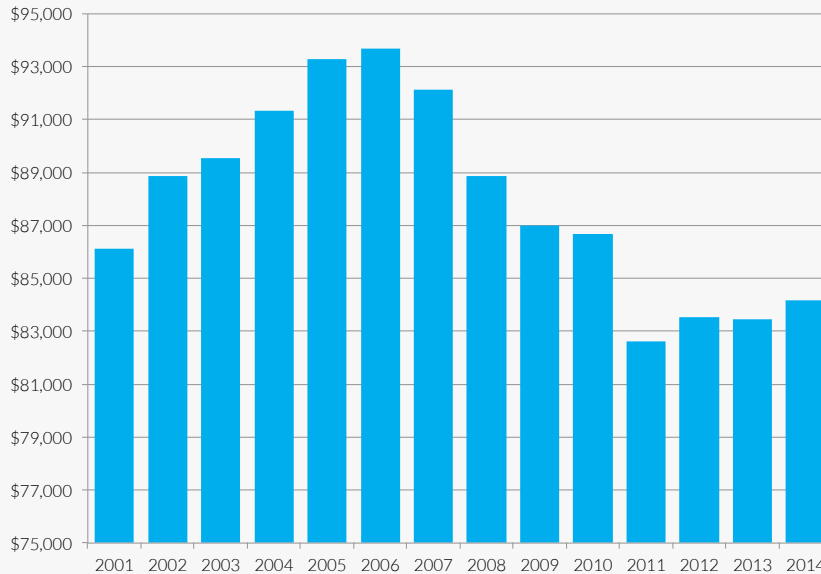
Occupation	2014 Employment	Median Hourly Wage	Median Annual Wage
Office & Administrative Support	202,100	\$14.48	\$33,330
Sales & Related	145,320	\$11.72	\$37,890
Food Preparation & Serving	100,010	\$9.22	\$22,840
Transportation & Material Moving	78,940	\$12.53	\$36,130
Health Care Practitioners	65,240	\$27.86	\$72,450
Education, Training, Library	59,000	\$22.76	\$51,150

61%  
Jobs created since 2010 pay  
below the County average  
wage



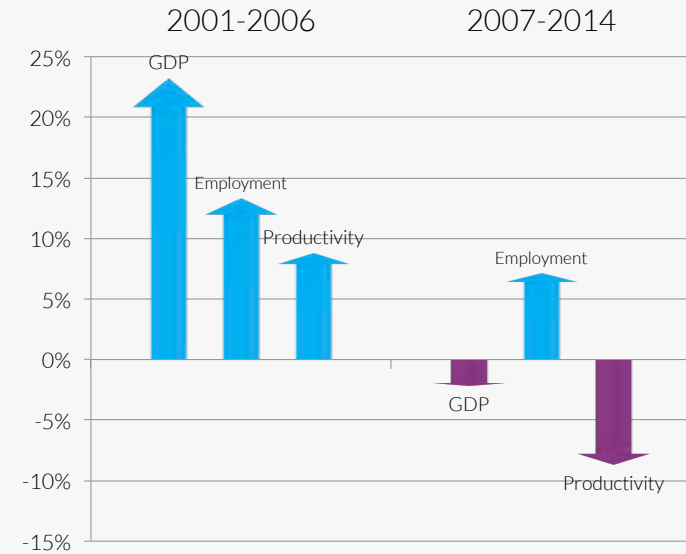
## GDP Per Employee

Miami-Fort Lauderdale-West Palm Beach, FL MSA

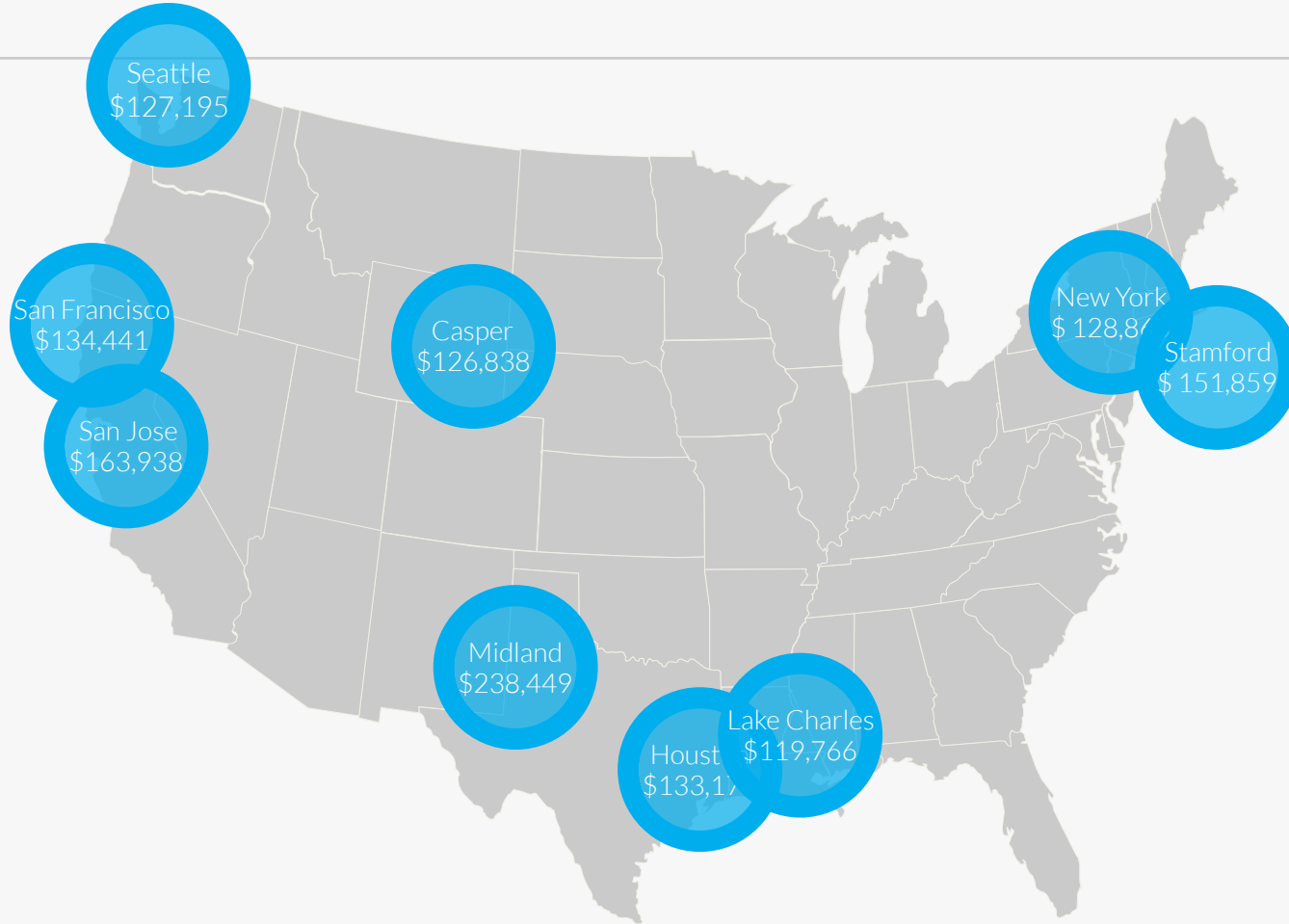


## Change in GDP Per Employee

Miami-Fort Lauderdale-West Palm Beach, FL MSA



# Stagnating Productivity

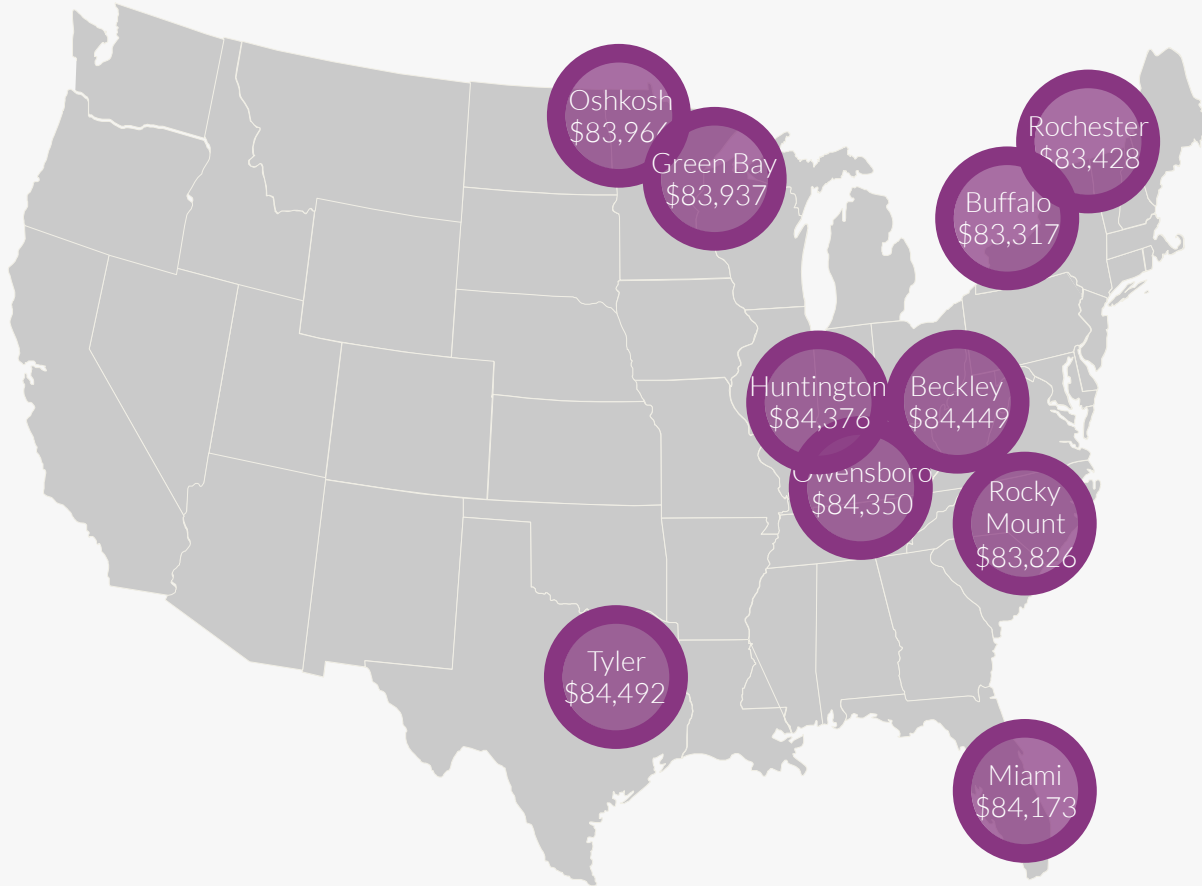


**\$96,855**

U.S. GDP per Worker

**\$144,234**

Average Productivity of  
Top 10 Metros



**\$84,173**

Miami Metro GDP per Worker

**111th**

Out of 382 Metros

**Lowest**

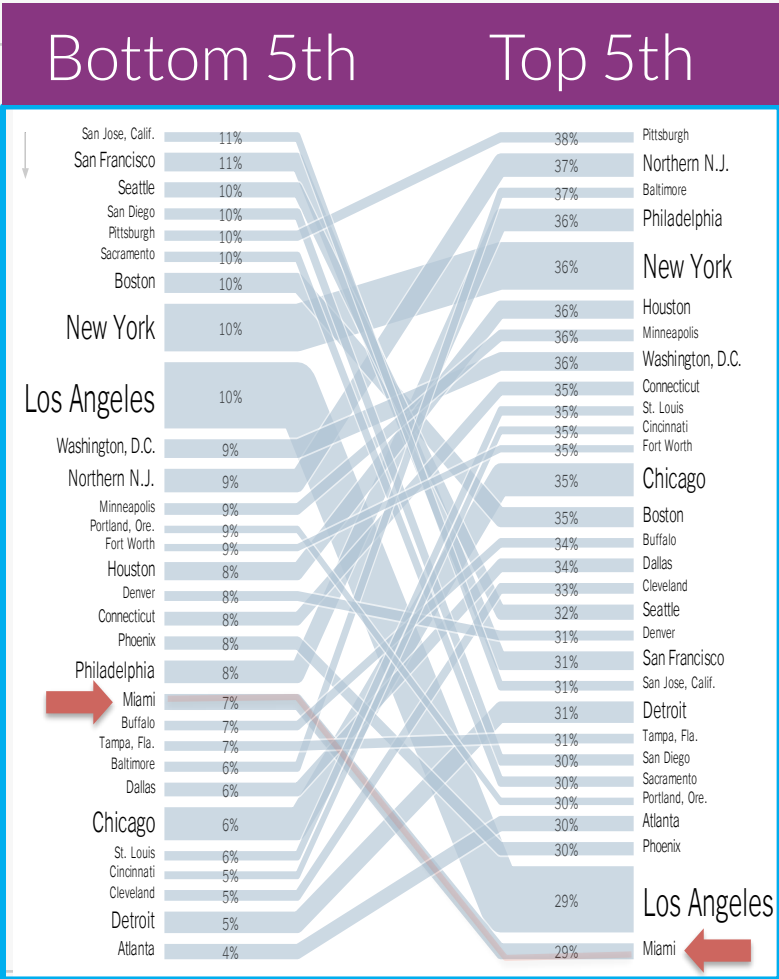
Productivity of all  
Metros with More  
than 2M Workers

# Low Vertical Income Mobility



San Francisco:  
11%

Miami: 7%



Pittsburgh: 38%

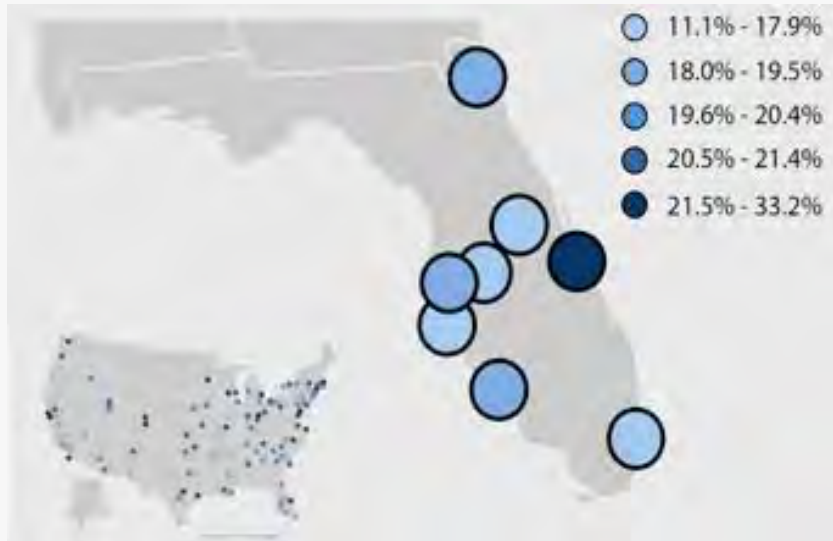
Miami: 29%

# Low Leading Sector Job Creation Rates



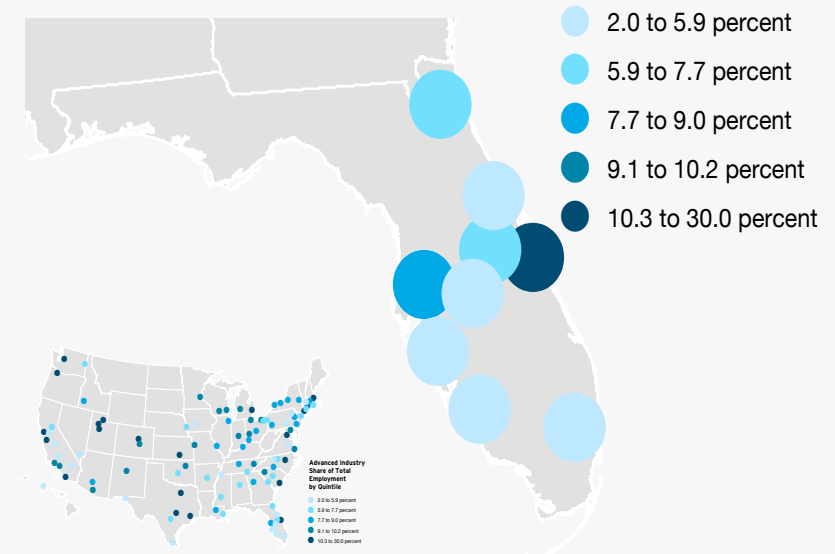
## Share of Workers in STEM Occupations

Top 100 Largest Metro Areas



## Advanced Industry Employment

Top 100 Largest Metro Areas





## 3<sup>rd</sup> Most Unaffordable Housing Market in the Nation

**The Nation's Least Affordable Housing Markets, 2014**  
Percentage of Households Paying 30 Percent or More of Annual Income for Housing

County	Total Housing Units	Cost Burdened Owner Households	Cost Burdened Renter Households	Total Cost Burdened Households	% Cost Burdened Households
Bronx County, New York	518,149	41.7%	57.7%	262,312	54.6%
Passaic County, New Jersey	176,210	45.9%	58.2%	83,542	51.5%
<b>Miami-Dade County, Florida</b>	<b>994,596</b>	<b>42.9%</b>	<b>61.6%</b>	<b>427,758</b>	<b>51.3%</b>
Franklin city, Virginia	3,878	35.8%	62.4%	1,820	50.8%
Dukes County, Massachusetts	17,347	53.6%	39.5%	2,951	50.5%
Kings County, New York	1,012,536	44.8%	52.6%	465,164	50.3%
Los Angeles County, California	3,462,075	41.7%	57.0%	1,616,829	49.9%
Essex County, New Jersey	313,452	45.1%	53.6%	138,101	49.7%
Monroe County, Florida	52,861	41.2%	60.8%	13,901	48.9%
Queens County, New York	841,367	42.2%	53.6%	379,081	48.6%
Atlantic County, New Jersey	127,104	43.6%	57.0%	48,496	47.9%
Santa Cruz County, California	104,871	39.0%	59.4%	44,774	47.5%
Lake County, California	35,576	38.5%	62.0%	12,650	47.3%
Norfolk city, Virginia	95,699	36.4%	54.9%	40,469	46.8%
Broward County, Florida	812,817	40.8%	57.5%	311,972	46.7%

6 : 2.1

Median Home Price to  
Income Ratio

12%

Loss of owner households  
with mortgage

37.2%

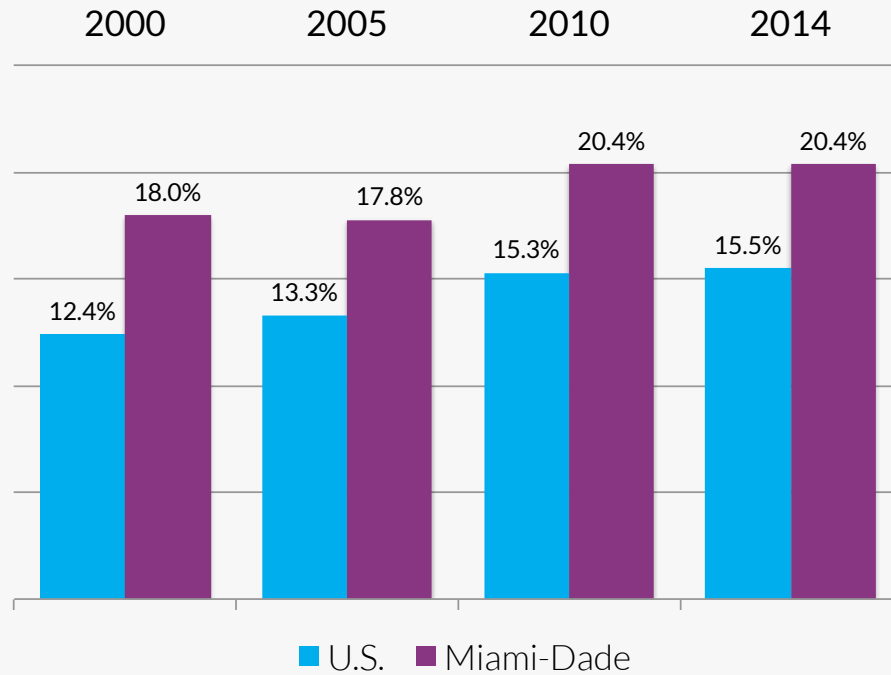
Severely Cost-Burdened  
Renter households

62%

Housing & Transportation  
Cost as % HH Income



## Comparative Poverty Rates





## The Prosperity Initiative Neighborhood Distress Index

Composite Economic Distress Index	
Gladeview	7
Brownsville/Liberty City	12
Little Haiti	26
Florida City	32
Overtown/Downtown	35
North Miami	37
Allapattah	40
Golden Glades	41
Homestead	42
West Grove	42
Little Havana	45
Cutler Ridge/Perrine	48
NMB/Norland	48
South Miami	70

Composite Education Distress Index	
Gladeview	7
Brownsville/Liberty City	10
Allapattah	12
Florida City	13
Homestead	18
North Miami	21
Little Haiti	24
Cutler Ridge/Perrine	24
Golden Glades	27
Overtown/Downtown	34
Little Havana	36
West Grove	41
South Miami	45
North Miami Beach	48

Composite Housing Distress Index	
North Miami	1
West Grove	2
Little Havana	3
Florida City	4
Brownsville/Liberty City	5
Homestead	6
Allapattah	7
Little Haiti	8
Golden Glades	9
Gladeview	10
South Miami	11
Cutler Ridge/ Perrine	12
NMB/Norland	13
Overtown / Downtown	14

# Concentrated Poverty & Distress



Composite Prosperity Initiative Neighborhood Distress Index							
	Economic Index	Education Distress	Owner Housing Distress Index	Renter Housing Distress Index	Total Distress Index	Total Population	Population Below Poverty
Gladeview	7	7	15	10	39	11,510	5,180
Brownsville/Liberty City	12	10	15	5	42	36,974	15,899
Allapattah	40	12	7	7	66	36,260	13,054
Florida City	32	13	17	4	66	38,794	15,130
Little Haiti	26	24	15	8	73	48,548	17,963
Homestead	42	18	8	6	74	30,827	10,173
NMB/Norland	48	21	8	13	90	14,653	3,077
West Grove	42	41	9	2	94	12,128	3,275
Little Havana	45	36	11	3	95	34,334	14,764
North Miami	37	48	11	1	97	36,398	11,283
Golden Glades	41	27	20	9	97	39,638	12,684
Overtown/Downtown	35	34	24	14	107	14,071	5,910
Cutler Ridge/Perrine	48	24	23	12	107	36,494	8,394
South Miami	70	45	20	11	146	<u>21,279</u>	<u>1,915</u>
Totals						411,908	34%

# Concentrated Poverty & Distress



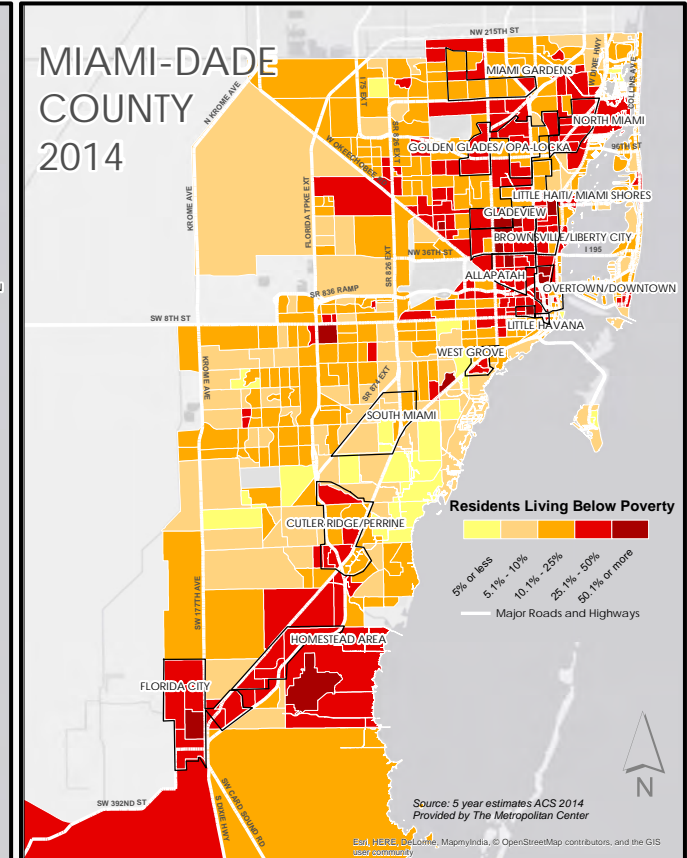
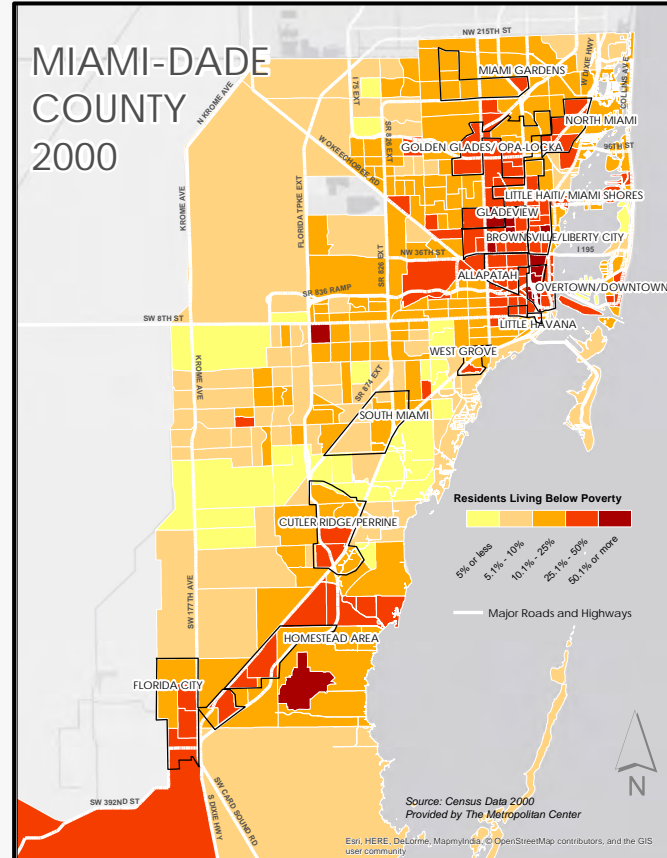
Most  
Distressed  
Neighborhoods



# Persistent Poverty & Distress Communities Left Behind



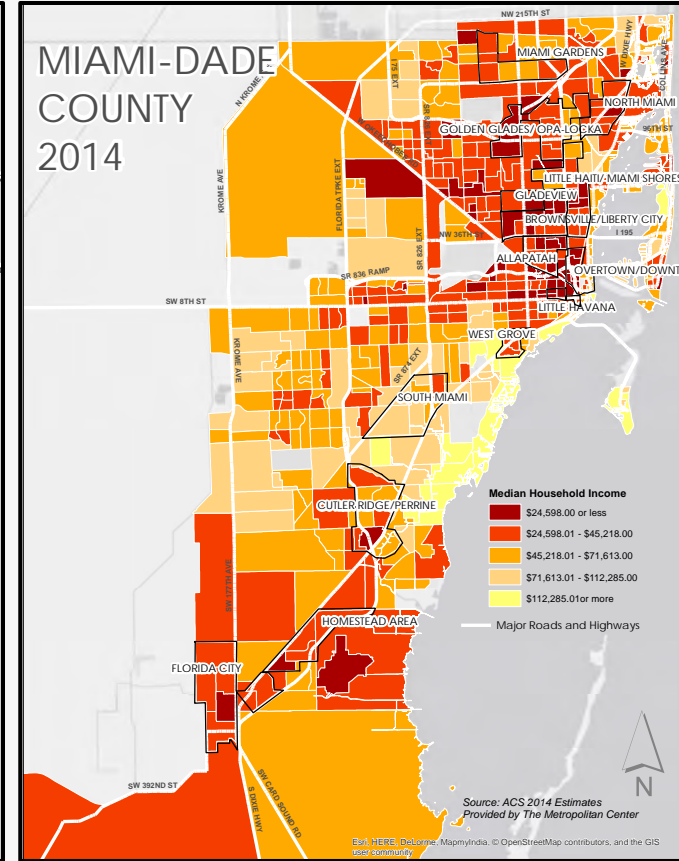
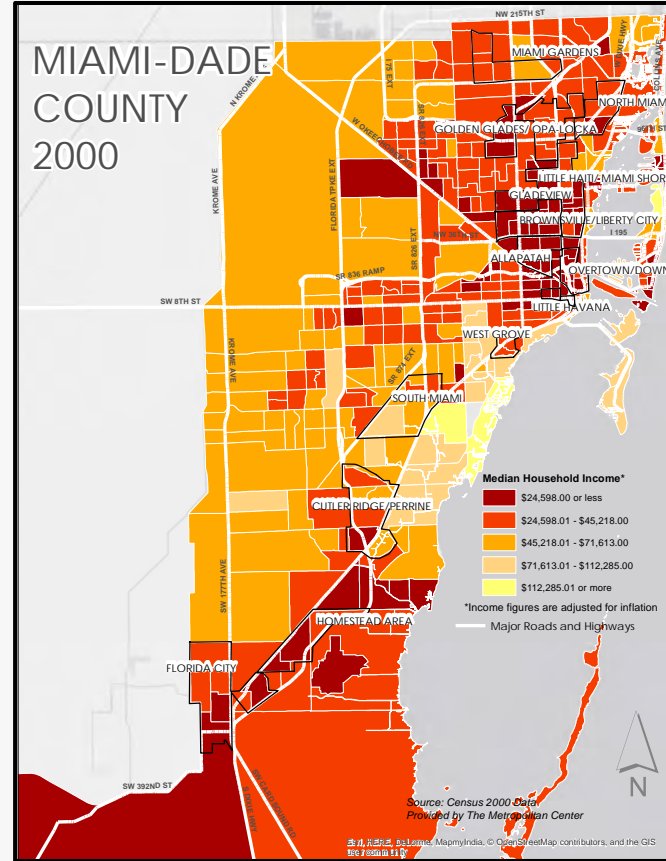
## Poverty Rate



# Persistent Poverty & Distress Communities Left Behind



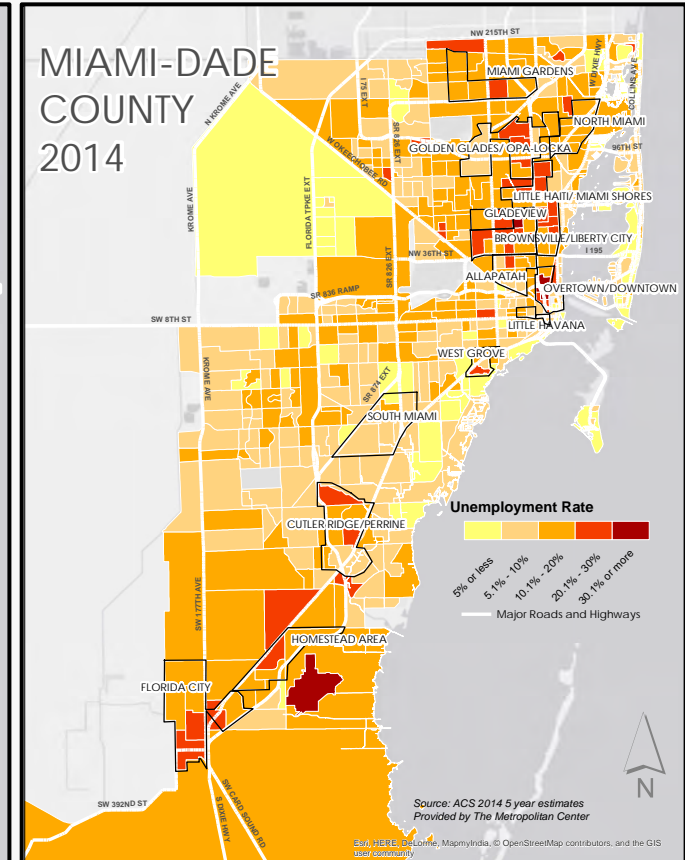
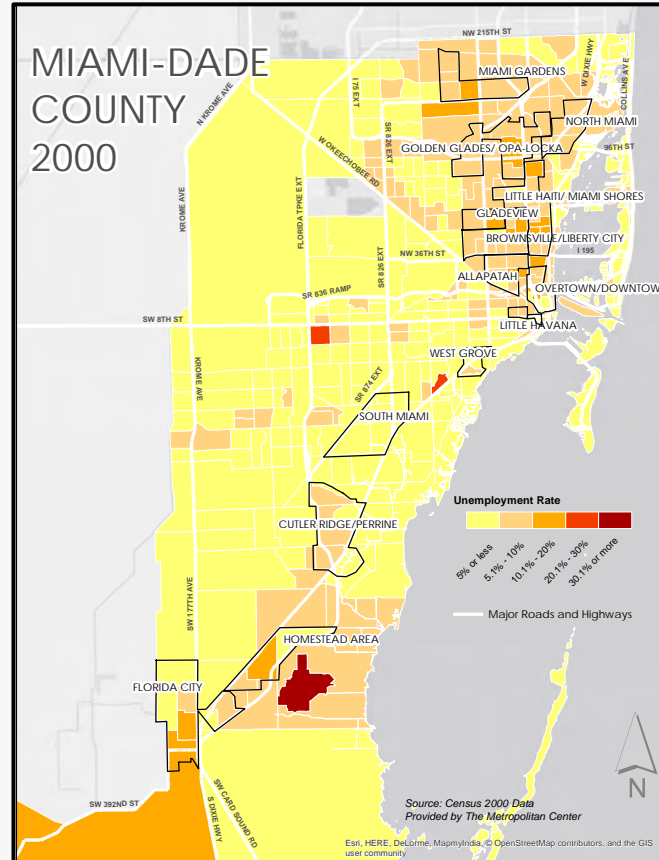
## Household Income



# Persistent Poverty & Distress Communities Left Behind



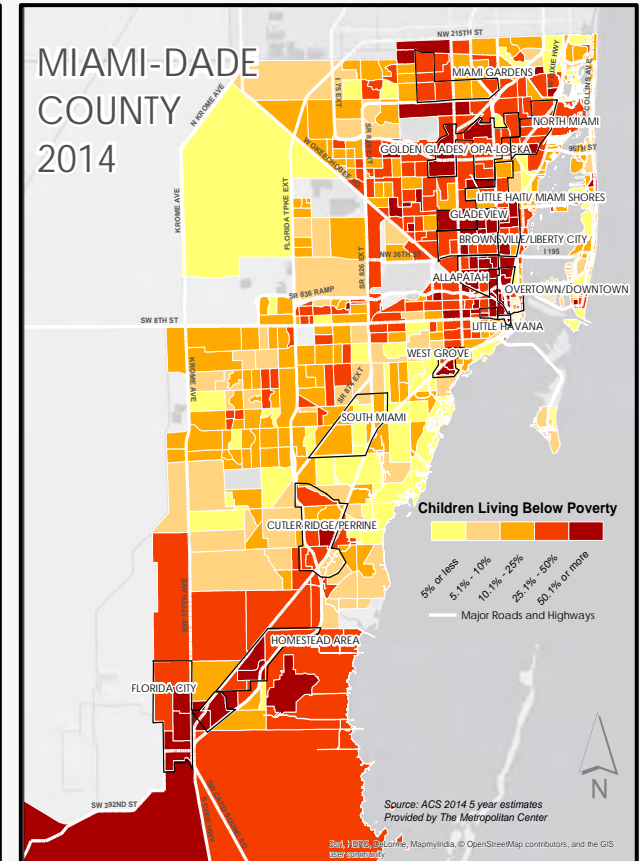
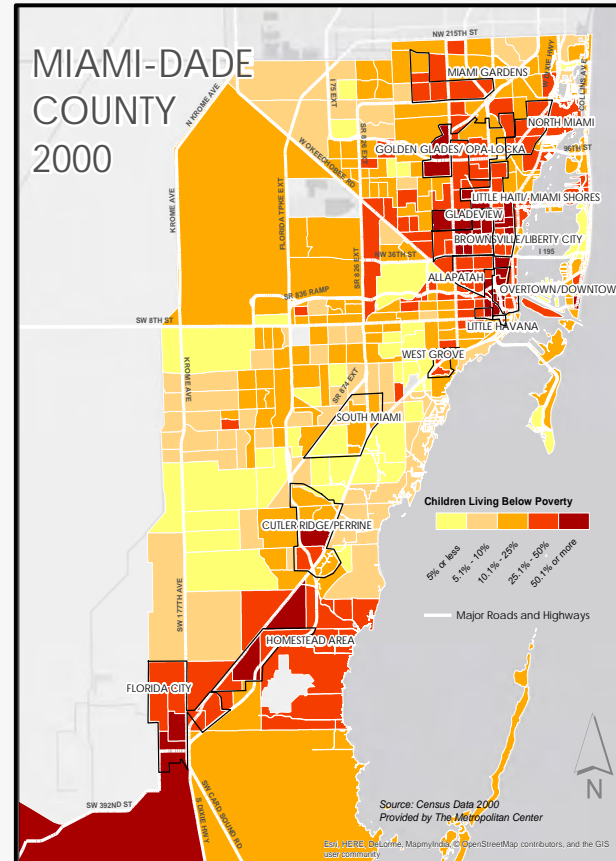
## Unemployment Rate



# Persistent Poverty & Distress Communities Left Behind



## Children in Poverty





## The High Cost of Inaction

# Scale & Scope: How Many Residents Are Impacted?



## Miami-Dade County

534,720

Persons Live Below Poverty

411,908

Population of 14  
Most Distressed Communities

267,544

Households Earn  
Less Than \$25,000

605,911

Households Earning less than  
\$75,000  
72% of all Households

# The High Cost of Inaction



1

County's growing prosperity gap  
risks becoming a permanent and  
structural

2

Increasing costs to the County:  
policing  
social services  
health care services  
affordable housing costs  
lost property taxes  
lost spending power

3

Pushing the costs of services to  
low-income families to the  
County could become  
unsustainable

4

A sustained, growing drag on the  
broader regional economy –  
limiting stunting economic  
diversification

5

Hurting young talent, even in  
high-skill occupations



## The Economic Impact of Expanding Prosperity

# The Economic Impact of Expanding Prosperity

## Economy-Wide Benefits



Raising incomes for 5% to 10% of the lowest income households to the Area Median Income:

\$400M to  
\$800M of  
new annual  
economic  
output

3,000 to  
6,000 new  
jobs

\$563M to  
\$947M new  
commodity  
demand per  
year

\$22M to  
\$44.6M in  
new annual  
tax revenue

771 to 1,500  
jobs in in high-  
wage, high skill  
sectors

- Securities and investments
- Real estate
- Offices of physicians
- Dentists & other health practitioners
- Private hospitals
- Nursing and residential care facilities
- Medical and diagnostic labs
- Outpatient & ambulatory care services
- Home health care services



# The Building Blocks of Prosperity



Expanding the pipeline of higher wage job opportunities and growing economic diversification



Focused investment in historically distressed neighborhoods



Preparation: increase the skills, education, and capacity of residents to take those jobs



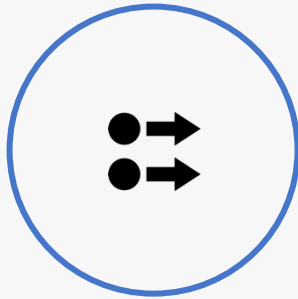
Targeted wealth building through business ownership for the region's underserved population



Building wealth through asset ownership



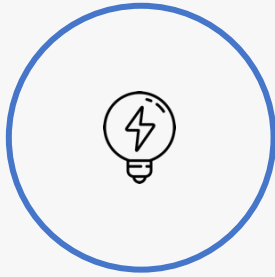
Address housing market imbalances that erode income and wealth



## Action Agenda



## Programs Evaluated



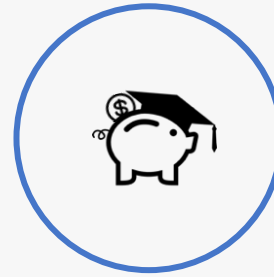
Social Enterprise  
Incubators and  
Accelerators



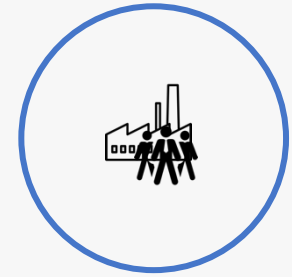
Community Land  
Trusts



Community Benefit  
Agreements



Children's Savings  
Accounts



Employee Owned  
Business  
Cooperatives



## 2 Year Pilot Program

Provide Seed Capital for Five Prosperity Initiative Programs

Cost: \$9.5 - \$10.5 Million

2,300 Households Positively Impacted



3 Social Impact Accelerators - 10,000 sf each  
32 businesses per year  
\$20,000 seed capital invested per entering client company

## Program Recommendations

- County's accelerator ecosystem has matured – accelerators a proven investment
- Engage UM and FIU
- Don't re-create the wheel: partner with existing, high-performing accelerators
- Invest in sector and/or issue focused accelerators
- Locate accelerators in Miami-Dade's most distressed neighborhoods – accelerators create new companies and are significant job generators
- Focus on accelerators cultivating local talent – local entrepreneurs are motivated to build and keep their business in the County



Seed Community Land Trust to develop and/or acquire 100 units of affordable housing

## Program Recommendations

- Approve a specific role for Community Land Trusts to function inside of the County's comprehensive affordable housing plan: acquisition; development & property management
- Expand the capacity of existing CLT or CDC
- Revise County tax assessment policy for CLT-developed affordable housing to ensure fair treatment of resale-restricted homes;
- Target CLT activity where it is needed most — the fourteen highly distressed neighborhoods
- Assign the partner CLTs lead responsibility to coordinate County-wide Land Bank development.



## Enact Statutory Requirement for mandatory Community Benefits Agreement

### Program Recommendations

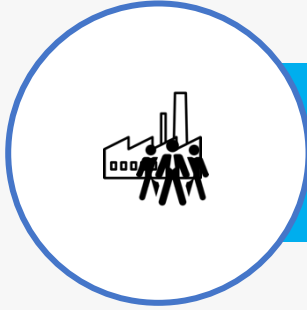
- A clear, non-negotiable (rather than discretionary) threshold for development projects required to enter into a CBA
- Ideally any project obtaining public benefits should be subject to a CBA
- Clearly specified benefit targets detailed as part of the enabling ordinance
- Clear and comprehensive public engagement procedures, involving all affected parties
- Public benefits tied to clear public and community needs
- Include benefits that can be easily measured, monitored and enforced
- Clear and non-negotiable conditions for a waiver or opt-out: Require cash payment into a public fund commensurate with the size of the Project.



Seed funding to develop a Children's Savings Account Program  
Create Sec. 529 savings accounts for 1,000 children per year  
Seed each account with \$500

## Program Recommendations

- Augment Florida's 529 programs - established and popular savings account platform with established administrative infrastructure
- Extend income qualifications up to and/or above the area median household income
- Structure Immediate Tax Benefit Incentives for Match Donors
- Address Special Needs of Miami-Dade: language, seed money, and no existing relationships with financial institutions
- Require Financial Literacy as Condition of Grant Funding
- Tie savings match funding to clearly stated educational milestones (GPA, PSAT, SAT test taking)
- Provide Automatic CSA Enrollment: Provide a 529 account and seed funding for every child of born into every income qualifying family in the County



Seed funding to develop five Employee Owned Business Cooperatives employing 10 workers each

## Program Recommendations

- Organize and cultivate technical expertise: accelerator catering to worker cooperative start-ups?
- Target distressed neighborhoods
- Develop funding addressing financial challenges faced by EOBs: long-term debt financing, operating capital, low or no interest debt financing, loan guarantees, interest rate write-downs, and equipment financing
- Partner with existing financial institutions
- Acquire existing businesses to convert to Employee Owned Business Cooperatives

# Miami-Dade County Prosperity Initiatives Feasibility Study



[www.metropolitan.fiu.edu](http://www.metropolitan.fiu.edu)



#prosperity305



@FIUMetroCenter

# Miami-Dade County Prosperity Initiatives Feasibility Study



[www.metropolitan.fiu.edu](http://www.metropolitan.fiu.edu)



#prosperity305



@FIUMetroCenter