

# FLORIDA COVID-19 IMPACTS

RIPPLES BEYOND
THE ECONOMY

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#### INTRODUCTION

The onset of the COVID-19 pandemic was rapid and unpredicted. Around the world, and in Florida, lives were upended almost instantly. Drastic measures were taken to reduce the spread of the new disease, spare lives, and keep healthcare systems from being overwhelmed. Stay-at-home orders were instituted, events were cancelled, employment was unpredictable, relief measures passed, stimulus checks issued, and evictions halted. New vaccines were quickly created and shots were given. Many worried what all these changes and disruptions would mean going forward, and if the mitigation efforts taken were creating negative, unintended consequences. What ripples would be created by the pandemic and our response?

The Florida Chamber of Commerce Foundation was concerned about these impacts. The Foundation conducts future-focused research and advocates for investments that boost the state's global competitiveness, create high-wage jobs, increase prosperity, and build vibrant and resilient communities. Based on what it heard from Chamber members, the Foundation was concerned about the pandemic's impact on the mental health of citizens, childcare, worker productivity, and childhood poverty. It was clear that Florida's economy would feel the impacts of the pandemic for years to come. The Foundation engaged Economic Leadership LLC to conduct a review of emerging data, and of the national and state trends, on these issues and determine the possible economic impacts on Florida.

Florida's first case of COVID-19 was reported on March 5th, 2020, and the state has been feeling the effects of the pandemic since then. This report reviews the available data for the state to try to measure the impact of these ripple effects. Most of the report reviews data from 2020 and compares it with data from 2019 and previous years. The report was researched throughout 2021 as vaccines were rolling out and cases were plummeting. The report was reviewed and edited in the beginning of 2022. As of June 30th, 2022, Florida had almost 6.5 million confirmed total cases since the beginning of March 2020. The number of new cases reported each week was relatively low, averaging about 74,000 a week. The total COVID-related deaths is also significantly lower, averaging 71 a week. In total, there have been 75,800 deaths since March 2020. Many of the ancillary impacts of the pandemic discussed in this report spiked during the initial stay-at-home order phase, but it is clear COVID-19 and its ripple effects will continue to impact the economy for some time. Further research will be needed to fully understand the long-term impacts of the pandemic.

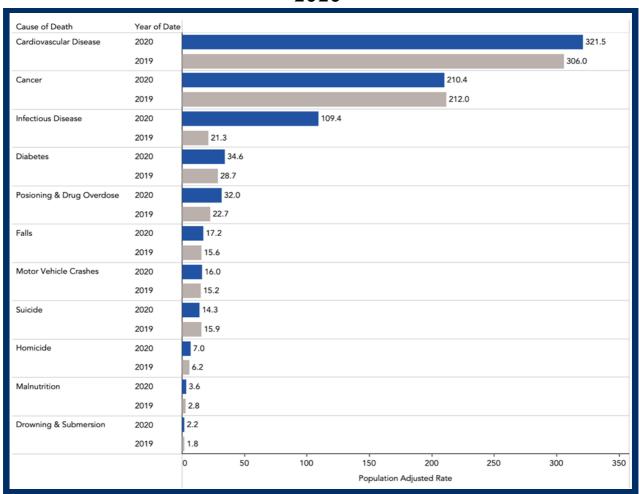
While many of the findings discussed in this report show increased hardship for Floridians, this report also highlights opportunities for strategic investments. Many of the issues – such as opioid addiction, or work disruptions due to inadequate childcare – were already impacting Florida's economy before COVID-19 arrived in March 2020. The pandemic and its rippling shocks present a moment to focus on these issues and develop a thoughtful path forward for the state.

## SECTION 1: BEHAVIORAL HEALTH IMPACTS

The major concern at the onset of COVID-19 was preventing people from contracting the disease and overwhelming hospitals. As states went into lockdown, additional fears ignited about how the instant increase in separation and isolation would impact people mentally. While the focus was protecting people from a potential deadly infectious disease, the impacts on mental health, drug abuse, and crime were, at the time, unknown. The behavioral health effects of the pandemic have manifested in interesting ways.

The population-adjusted death rate (deaths per 100,000 population) in Florida increased in 2020 for a variety of causes, including (most obviously) infectious diseases, but also diabetes, cardiovascular disease, falls, motor vehicle crashes, homicide, malnutrition, and drowning. These increases could demonstrate the strain the pandemic put on multiple facets of life for Florida residents.

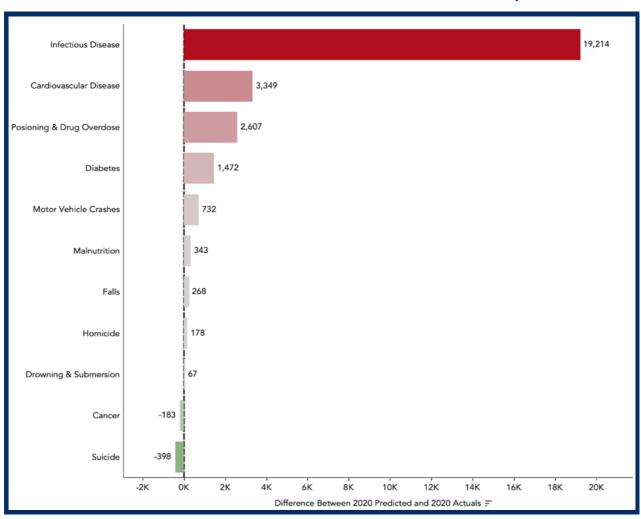
POPULATION-ADJUSTED DEATH RATE FOR SELECTED CAUSES, 2019-2020



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

The pandemic interrupted several downward trends in mortality, with more deaths than would have been expected based on data from 2001 to 2019. When the data from 2020 is contrasted with projections based on previous years, the result is a measure of excess deaths. When these excess deaths are displayed by causes, we see just how mortality data for 2020 was outside the norm. Certainly causes like infectious diseases and cardiovascular deaths can be directly impacted by COVID-19, there was also a concerning rise in drug overdoses.

FLORIDA EXCESS DEATHS BY SELECTED CAUSES, 2020



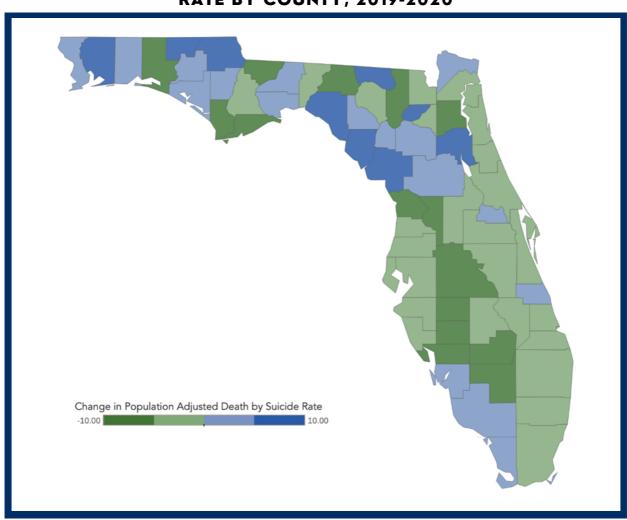
SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

#### MENTAL HEALTH

One of the fears from early in the pandemic – a potential spike in suicides – did not come to fruition. Suicides declined in Florida and the nation overall in 2020. Nationally, suicides fell by four percent, the largest decline in decades.[1] In Florida, the drop was nine percent, about 300 fewer suicides than in 2019.[2] Speculation on the cause of the drop has ranged from increased calls to suicide hotlines (allowing more people to seek help), a rise in the destabilization of reaching out for services as mental health awareness increased, to a shift in focus from previous challenges to day-to-day life in COVID.

This phenomenon was not consistent across Florida. Twenty-five of Florida's counties saw their death by suicide rate increase from 2019 to 2020. Most of these counties were located in the panhandle or on the Gulf side of the state - suggesting that impacts on mental health may have a regional component as well.

FLORIDA CHANGE IN POPULATION-ADJUSTED DEATH BY SUICIDE RATE BY COUNTY, 2019-2020



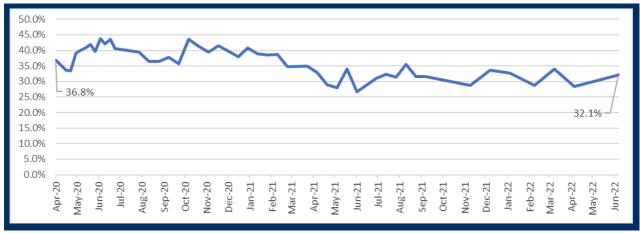
SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

[1] WRAL (2021)

[2] FL DEPT OF HEALTH (2021)

While the data on suicides does not reveal a crisis, the remaining data on mental health indicates that Floridians struggled during the pandemic and still face challenges today. In Florida, about 29 percent of the population indicated in the Census Household Pulse Survey that they had experienced anxiety or depressive disorder as of March 2022. This has decreased since hitting a peak of nearly 45% in June of 2020. The consistent decline from this peak to the most recent figures began in December 2020, also the month in which the first COVID-19 vaccine was administered in the state. A slight rise occurred in June 2021, but since has been consistently around 30%.

### FLORIDA PERCENTAGE OF SURVEY POPULATION EXPERIENCING ANXIETY OR DEPRESSION



**SOURCE: U.S. CENSUS BUREAU (2022)** 

The increase in the prevalence of anxiety and depression is also causing a strain on mental health resources. National data from the CDC indicates there has been an increase – especially in younger adults and teenagers. For teenagers in 2020, mental health-related emergency department visits were up 31 percent when compared to 2019.[3]

The Florida Behavioral Health Association provides some statewide survey data that shows the increased need for mental health support. According to their research, 67 percent of providers in the State of Florida saw an increase in crisis calls during lockdowns.[4]

[[3] CDC (2021a)

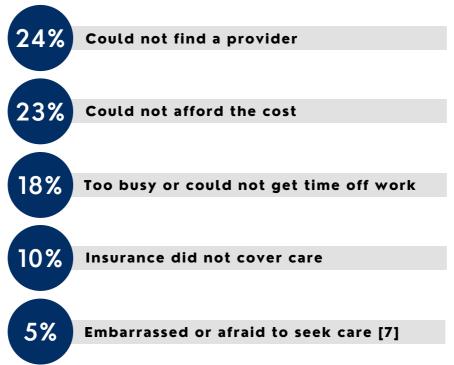
<sup>[4]</sup> Florida Behavioral Health Association (2021)

National demographic data on mental health reveals that not all are suffering equally through the pandemic. According to polling from the Kauffman Family Foundation, about 32 percent of the population said their mental health has been negatively impacted by the pandemic. For women (mothers, in particular), people of color, adults younger than 50 years old, and middle-class earners, these rates were higher.[5] Another group that had higher rates of poor mental health, about 55 percent, were parents and/or unpaid caregivers.[6]

### NATIONAL SURVEY IMPACTS OF MENTAL HEALTH BY DEMOGRAPHIC GROUP

**SOURCE: KAUFFMAN FAMILY FOUNDATION (2021A)** 

While many treatment options exist to help individuals struggling with their mental health, accessing care remains difficult for some citizens. The Kauffman survey revealed that about a third of those surveyed who were struggling with their mental health did not receive care. The biggest barriers to receiving care, according to respondents, were:



Although suicide rates are down in most areas, mental health has been significantly impacted by COVID-19. As we continue forward in a post-COVID-19 world, it is important that we unite to ensure individuals across the state have access to mental health services. Doing so could support the population's overall "happiness" and lead to greater economic gains.

[5] Kauffman Family Foundation (2021a)

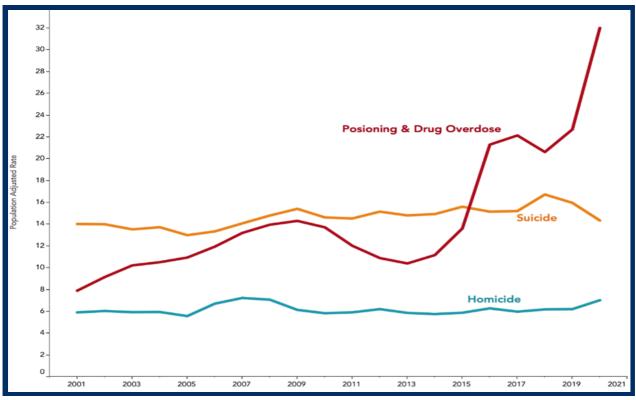
[6] CDC (2021b)

[7] Kauffman Family Foundation (2021a)

#### DRUG OVERDOSE

Across the country, people have been worried about increasing rates of what is typically called "deaths of despair." These combined statistics include drug overdoses, suicides, and homicides. The data released so far has indicated that drug overdoses experienced the most dramatic change in 2020. In Florida, almost 7,000 individuals died of a poisoning or drug overdose in 2020. This is over 2,070 more deaths in the state than in 2019, a 43 percent increase. Nationally, the rate of overdose deaths increased by about 30 percent, the largest increase since 1999.[8]

#### FLORIDA POPULATION-ADJUSTED DEATHS OF DESPAIR RATE, 2001-2020



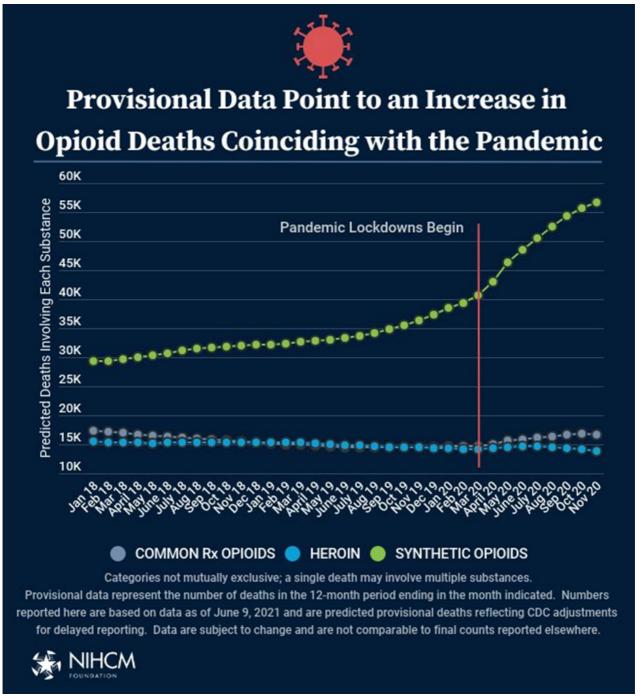
SOURCE: FL DEPT OF HEALTH (2021) AND EMSI 2021.3

The opioid crisis has been mutating from an issue with common medical prescriptions that could be regulated to synthetic opioids. Despite state efforts to reduce the number of opioids prescribed, opioid-related deaths are still rising. Synthetic opioids (particularly those found on the "black market" like fentanyl) appear to be the top culprit in the pandemic overdose death spike. Theories for why drug overdose deaths increased so drastically during lockdowns include isolated usage (taking drugs alone lowers the chance of life-saving interventions) and increased poor mental health days.

[8] WRAL (2021)

[9] Vox Media (2021)

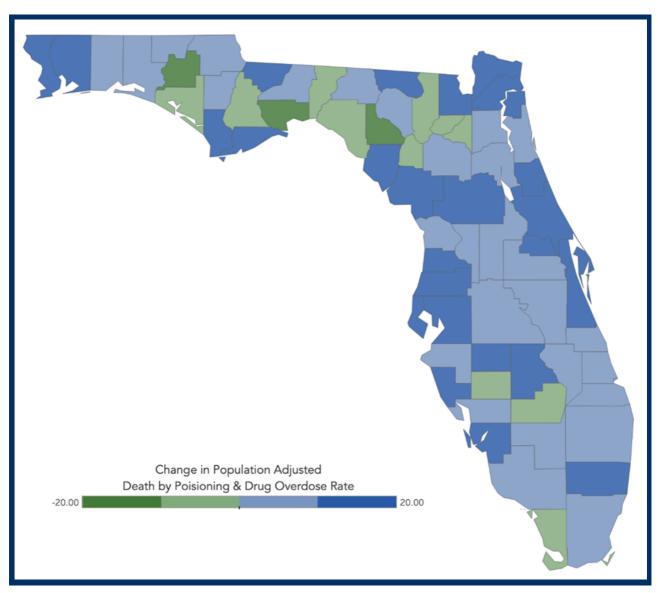
#### NATIONAL OPIOID DEATHS BY TYPE OF OPIOID, JAN 2018 - NOV 2020



**SOURCE: NIHCM FOUNDATION (2021)** 

Across Florida, 53 of the 67 counties saw an increase in its poisoning and drug overdose death rate from 2019 to 2020. Some counties did see fewer overdoses than 2019; these were largely in the panhandle region. Duval County saw the greatest rise in poisonings and drug overdoses, as deaths increased by 230 from 2019 to 2020.

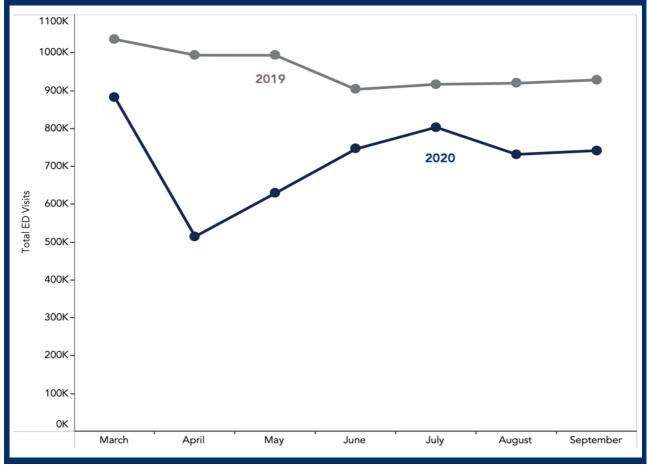
### FLORIDA CHANGE IN POPULATION-ADJUSTED POISONING & DRUG OVERDOSE DEATH RATE BY COUNTY, 2019-2020



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

Luckily, not all overdoses end in death. Life-saving medicines and medical interventions exist that can reverse an overdose. Many of these non-fatal overdoses end up being treated by health care professionals in the emergency department (ED) of hospitals. In 2020, many individuals avoided going to the ED during the initial months of the pandemic if they could elect to delay or seek care elsewhere. Florida's total ED visits were down each month, from March through September in 2020 compared to 2019. This lends credence to the isolated drug use theory.

#### FLORIDA TOTAL ED VISITS



SOURCE: CDC (2021A)

The COVID-19 pandemic has also made treating the long-term problem, the disease of addiction, more difficult. Even prior to the pandemic, only about 10 percent of those who reported having a substance abuse disorder received any treatment.[10] When social distancing began, many treatment centers had to limit their capacity, and some centers were not able to keep operating. Harm reduction groups that administer tools such as counseling, support services, clean needles, fentanyl test strips, and naloxone had to modify their programs. Buprenorphine (a drug used to treat opioid use disorder) prescriptions were down from March 2020 to August 2020, indicating that fewer people were receiving treatment despite federal funding under the CARES Act.[11] It is important that Florida prioritize access to evidence-based treatments to support those recovering from addiction, as well as preventative investments to "stop the spread" of the ongoing opioid crisis.

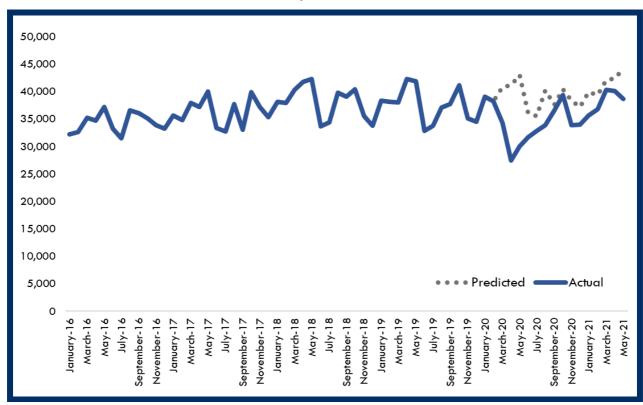
[10] KFF (2021b) [11] Ibid.

#### INTIMATE PARTNER VIOLENCE/DOMESTIC ABUSE

Another negative consequence of stay-at-home orders was having more victims of domestic violence confined to their homes with their abusers. The direct economic impacts of losing jobs and income also made it more difficult for people to leave abusive relationships and achieve financial independence. Studies found that victims were also less likely to encounter mandatory reporters of abuse as in-person meetings with doctors, counselors, teachers, etc. declined.[12]

In the initial months, abuse hotlines expecting increases actually saw their total number of calls decline during lockdowns. In Florida, based on data provided by the Department of Children & Families, calls to the abuse hotline declined during the pandemic. In April 2020, calls were almost 14,000 fewer than would be expected based on previous trends. According to data from the Florida Department of Health, fewer marriages were dissolved in 2020 compared to previous years. About 12,000 fewer marriage dissolutions were issued than would have been expected if 2020 had followed the trend of previous years.

### FLORIDA DEPARTMENT OF CHILDREN & FAMILIES ABUSE HOTLINE CALLS BY MONTH, JAN 2016 – APRIL 2021



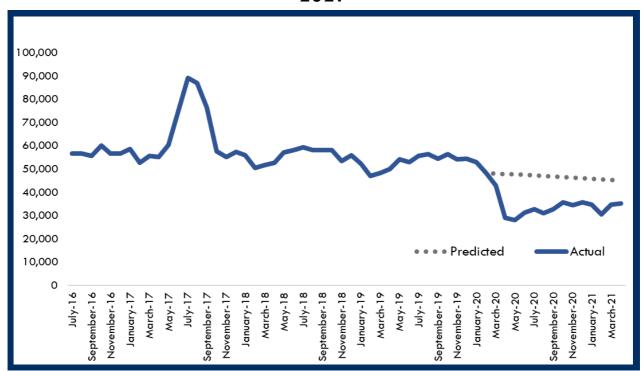
SOURCE: EL CALCULATIONS BASED ON FL DEPT OF CHILDREN & FAMILIES (2021)

[12] Evans, Lindauer, & Farrell (2020)

Estimates of intimate partner violence and domestic abuse can be gathered through crime statistics. These provide only a partial picture, as many incidents go unreported. In Florida, the Department of Law Enforcement has not released this data for 2020. National data can shed some insight into the pandemic's impact. A study conducted by the Council on Criminal Justice reviewed 12 studies in the United States and concluded that domestic violence incidents increased nationally by about seven to eight percent. [13] A University of Central Florida professor, Dr. Catherine Kaukinen, who contributed to the report said, "If we look at different data sources over the last 20 years or so, we had seen declines actually in domestic violence so what I'll say is the pandemic has set us back in terms of our ability to address domestic violence." [14]

The stressors of the pandemic on childcare, employment, wealth, mental health, trauma, etc. can continue to impact many communities, disproportionately those from lower socio-economic households, even as we move on from the pandemic. Early and sufficient interventions can help prevent the worst outcomes of domestic violence. About eight percent of homeless people in Florida in 2020 were survivors of domestic violence. [15] Consistent access to, and support for, domestic violence victims, as well as quality data collection on the prevalence of the issue, will be vital as we work to ensure every Floridian has the opportunity to live a safe and healthy life.

FLORIDA DOMESTIC VIOLENCE SHELTER NIGHTS, JULY 2016 – APRIL 2021



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF CHILDREN & FAMILIES (2021)

- [13] Council on Criminal Justice (2021)
- [14] Clickorlando.com (2021)
- [15] Florida's Council on Homelessness (2021)

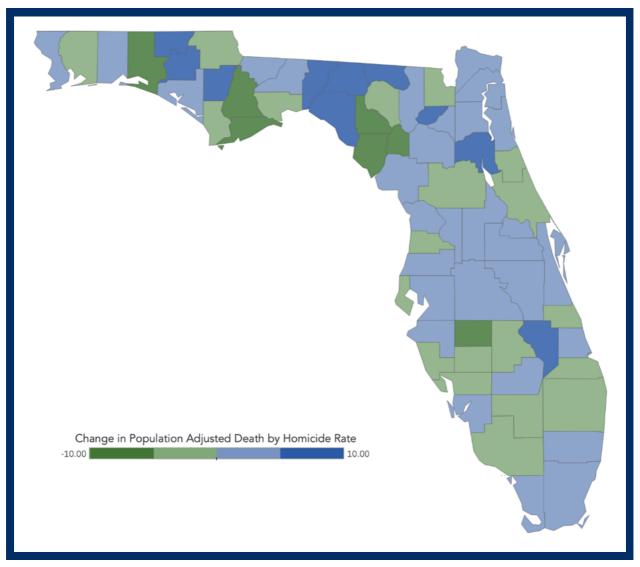
#### GENERAL VIOLENCE/HOMICIDES

Another insight that came from looking at the changes in death rates was that homicide rates in Florida increased slightly during 2020. There were 193 more homicides than in 2019, a 15 percent increase. This increase does not appear to be as drastic as the national average, which preliminary estimates put at somewhere between a 20 and 30 increase. [16] Twenty-eight of Florida's 67 counties experienced an increase in homicides from 2019 to 2020. Broward County saw the largest increase, with 29 more homicides. Miami-Dade, Orange, and Duval counties followed with the greatest increases in homicides.

The spike in murder rates has perplexed crime experts. There are several theories about why murder rates have increased so widely. Most experts do agree that the stress and economic impact of the pandemic has played a major role. According to the director of the National Commission on COVID-19 and Criminal Justice, Thomas Abt, "The coronavirus pandemic has concentrated in precisely the same communities where high rates of crime and violence concentrate. When people in these communities are placed under additional strain, they're more likely to make bad decisions, just like we all are. This pushes the risk of violence even higher."[17]

[[16] The Intercept (2021) [17] Ibid.

FLORIDA DOMESTIC VIOLENCE SHELTER NIGHTS, JULY 2016 – APRIL 2021



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

Many thought the lockdowns would reduce violence and preventable accidents, but in some areas, the opposite has occurred. Even fatal motor vehicle accidents in Florida were up in 2020 by six percent from 2019. Many expected there to be a decline since fewer motorists would be traveling. Instead, likely in response to coping with the stress of the pandemic, more drivers had alcohol-related fatal crashes.[18]

[18] Salt Lake Tribune (2021)

### THE ECONOMIC IMPACTS OF BEHAVIORAL HEALTH SHIFTS DUE TO THE PANDEMIC

Pandemic impacts on behavioral health will continue to unfold in the coming years. The behavioral health impacts will likely affect Florida's economy in the following ways:

1.

#### PREMATURE DEATHS AND INCOME LOSSES

The data on excess deaths in Florida reveal that more people are dying from several different causes than would have been expected without the onset of COVID-19, particularly drug overdoses. Premature deaths from COVID-19 and the ancillary behavioral health impacts are removing potential productive workers from the workforce. This results in lost years of earnings and labor productivity. A premature death can negatively impact a family's wealth for generations. Academics and government agencies often must develop a statistical cost of a premature death for regulatory policy efforts. The standard economic cost of a premature death is often measured with a value in the range of \$7 to \$10 million.[19]

Based on our estimates, there were 2,600 more deaths from poisoning and drug overdoses in Florida than would have been expected, based on trends from 2001 to 2019. Using the lower end of the cost of a premature death estimate, this would mean an economic cost of these deaths of over \$18 billion, just from the spike in drug overdoses in Florida. There were also about 730 more motor vehicle fatalities in Florida during 2020 than predicted, due to a spike in alcohol-related accidents. Using the same conservative methodology, the loss of life from these excess deaths could cause \$5 billion in economic losses. It is impossible to attribute every excess death in 2020 to the pandemic, but these sample calculations do provide a scale of the impact from the increased loss of life in Florida in 2020.

[19] Cutler & Summers (2020)

### 2.

### WORKER PRODUCTIVITY AND LABOR FORCE PARTICIPATION

Amongst the surviving, the mental health and behavioral health impacts of the pandemic affect workers. The industry standard for the economic cost of mental health symptoms is an average of \$20,000 per person, per year.[20] Those suffering from behavioral health challenges are less productive workers, or be unable to participate in the labor force altogether.

The labor force participation rate has been shrinking for decades. One of the reasons researchers believe that the participation rate for younger adults (males in particular) has plunged in recent years has been the opioid epidemic. Research has shown that solving the opioid crisis in the most affected U.S. counties would increase the labor force participation rate for males aged 25 to 34 by four percentage points.[21] If the pandemic is worsening the opioid crisis, then the labor force participation rate will also suffer. In a time where workforce availability is determining economic success, having a lower workforce participation rate will hurt Florida's economy.



### INCREASED STRAIN ON EXISTING SUPPORT SERVICES

The behavioral health impacts of the pandemic are causing a spike in demand for mental health services, drug treatment, and emergency department visits. This requires businesses and governments to invest more in these services. Hospitals are having to spend more to staff their emergency departments with nurses and doctors. The spike in homicides and motor vehicle accidents is straining police departments who must try to increase staffing and increase worker hours. This can lead to staff being more likely to face burnout, leading to more turnover, and reduced quality of service.

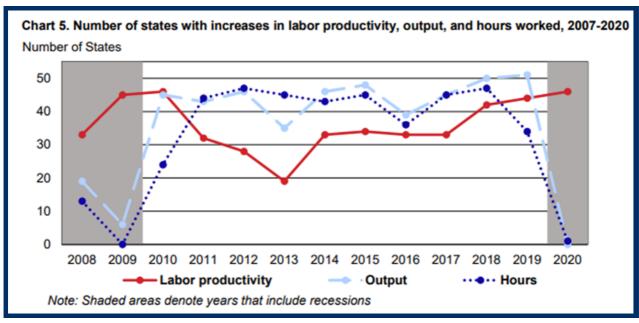
[20] Ibid. [21] EMSI (2021)

## SECTION 2: WORKER PRODUCTIVITY

Factoring in the strain on mental health, increased health risk and stress for in-person work, and the sudden switch to virtual work, there were concerns about a drop in worker productivity through the pandemic. Productivity can be viewed in two different ways. One is from the broader economic perspective of measuring total output per hours worked across the economy. The other is looking at how the individual worker may have changed when workers began working from home. We look at both of these perspectives of productivity in this report.

One of the larger false narratives that took hold during the pandemic was around workforce productivity. Specifically, the idea that workforce productivity rose during lockdowns across Florida and the entire nation. While this statement is technically true, there is significant context needed to understand the whole story.

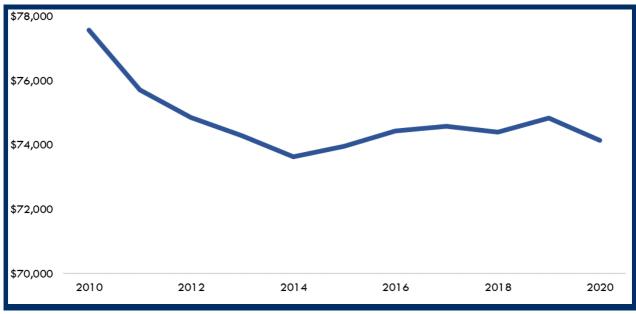
First, we must understand the definition of workforce productivity. Simply put, workforce productivity is the value of all goods and services produced divided by the number of hours worked by all in the economy. During the pandemic, many workers in industries of lower per-person production lost their jobs (retail, hospitality, restaurant services, etc.) while higher wage, higher producing individuals were able to transition to remote work. While this led to the average "productivity" going up, the number of hours worked, and overall output, crashed for every state in the U.S. Below is a visual representation of this scenario.



**SOURCE: U.S. BLS (2021)** 

This trend is also evident when we look at gross domestic product per worker in Florida. Real GDP declined per worker in 2020, indicating a reduction in the sheer volume of economic activity. Other macroeconomic measures of productivity that include other inputs (such as capital and energy) were also down nationally. While a segment of the workforce remained productive, the economy was producing less as a whole due to major losses in certain industries.

#### FLORIDA REAL GDP PER WORKER, 2010-2020



SOURCE: BUREAU OF ECONOMIC ANALYSIS (2021) AND EMSI 2021.4

The good news, however, is that Florida has experienced tremendous growth since the start of 2021. In fact, Florida recently posted a record-breaking GDP figure, which catapulted Florida to the 15th largest economy in the world. Additionally, Florida sales tax collections and income migration continue to demonstrate the resiliency of the state economy.







#### **FUTURE TRENDS IN PRODUCTIVITY**

One potentially under-the-radar outcome of the pandemic revolved around innovation. In fact, studies show that work in the area of innovation took the biggest hit during the pandemic. Two trends resulted in a lower focus on innovation. The first was the reduced level of collaboration occurring during the pandemic as workers were physically separated from one another. The other (as suggested by Bloom et al.) was that management had to focus their efforts on establishing virus protections for staff and customers, making alterations in the company's way of doing business, and other purely maintenance activities. Their research found that the CEOs they interviewed were spending about a third of their time directly addressing the pandemic. [22] This means less time is spent on developing new products, improving systems, and other productivity-boosting efforts.

Looking forward, business leaders will want to jump-start corporate productivity. Recessions tend to drive automation, and many jobs with routine and manual activities do not return to their pre-recession levels.[23] Investing in automation might be the simplest response for companies trying to recover from the pandemic. If automation increases, many Florida workers will be vulnerable as experts fear automation will ensure those jobs lost during the pandemic never come back.

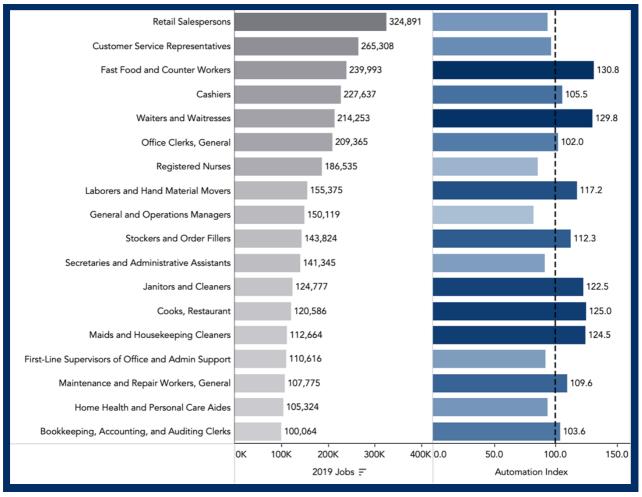
To demonstrate the risk of automation to Florida's workers, the top employing jobs from 2019, pre-COVID, were compared based on automation risk. The automation index is a measure of the likelihood an occupation will be automated based on the type of work required. A value of over 100 means a higher-than-average risk of automation, while a value lower than 100 indicates lower-than-average risk. For 11 out of the top 18 occupations in Florida, the occupations have an automation index over 100. This means about 1.8 million of the most common jobs in the pre-pandemic economy could be at risk. Particularly if the virus continues to spread, human contact jobs will be at high risk. Restaurants have continued to use QR codes to guide diners to their menu, order, and pay all from their phone, reducing the need for wait staff and outsourced printing.

Automation can also create demand for more technical jobs. Initially, this can create workforce misalignment as many of the displaced workers would be lower-skilled. Employers will need more employees to be trained to utilize, program, service, and troubleshoot automated technologies. Employers and governments may need to increase their investments in upskilling and reskilling by providing free "micro-degrees" or certifications to help displaced workers.

[22] Bloom et al. (2020)

[23] Bruegel (2021)





SOURCE: EMSI 2021.3

The Florida Chamber Foundation has been proactive on this front and recently commissioned a **Florida Workforce Needs Study**. This report identified the skills present in the state's workforce and demonstrated an oversupply in skills that earned lower wages (also most likely to be automated). The report provides pathways for these workers to transition these skills to higher-wage jobs in the high-growth fields of healthcare, business & finance, IT & math, and architecture & engineering.

Additionally, to support our education community and ensure our future workforce has the skills needed to compete in our future economy, the Florida Chamber Foundation launched the **Future of Work Initiative**. This effort, led by the business community, will ensure there is a greater understanding of the skills needed to power the economy and work to develop programs that support that skills development throughout the education life cycle.

### SECTION 3: EARLY LEARNING

In the review of worker productivity studies, the biggest impediment to productivity increases among those working from home was whether the working parent had children at home. The pandemic was a major disruption to schooling, childcare, and parenting. The Florida Chamber Foundation has been focused on early learning as one of the most important predictors of future economic success. According to the American Academy of Pediatrics, the years from 0 to 5 are crucial for brain development. Children who do not receive adequate instruction in a safe environment are at risk to be less prepared for school demands and have "unmet socioemotional needs." [24]

Early childcare was already a stressful situation pre-pandemic. The costs were high for parents, wages were low for childcare professionals, and profit margins were slim for providers. Parents were often making choices of working less to lower childcare expenses. Then the pandemic hit and made a difficult situation worse. In this section, the impact to enrollment, providers, childcare employers, student performance, and the greater implications for the Florida economy are reviewed.

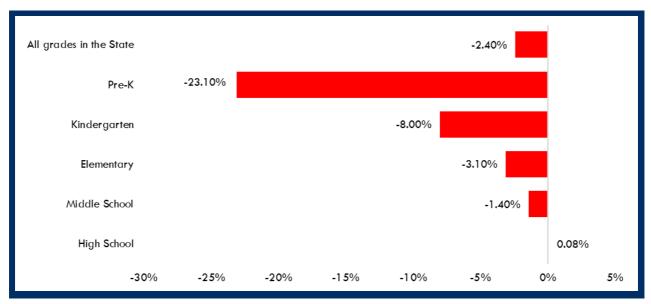
#### EARLY LEARNING ENROLLMENT

When comparing public school system enrollment data from all departments of education across the country, Education Week found that nationally there was about a three percent drop in enrollment (Pre-K through 12th grade) in the 2020-21 school year. According to their research, every state saw its enrollment drop. In Florida, the average drop across all grades was 2.4 percent.

When looking at the change by grade, there were larger drops in enrollment for Pre-K and kindergarten students. As these grades are not mandatory in Florida, it is more likely that parents pulled their children from school during the pandemic. For the higher grades that are mandatory, it's more likely that homeschooling and private schools are responsible for most of the decline in public school enrollment.

[24] Bipartisan Policy Center (2021a)

### FLORIDA CHANGES TO PUBLIC SCHOOL ENROLLMENT BY GRADE, 2020-21 SCHOOL YEAR



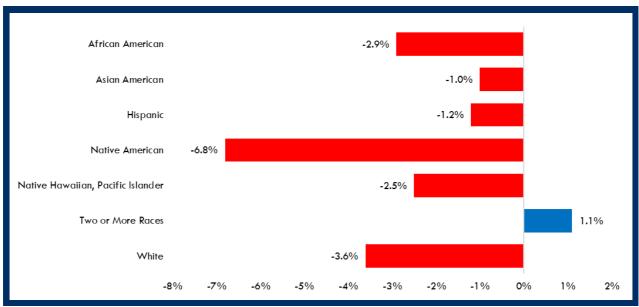
NOTE: MIDDLE SCHOOL ASSUMES GRADES 6-8. THIS DATA DOES NOT INCLUDE STUDENTS IN GRADES ABOVE

12 OR UNGRADED STUDENTS SOURCE: EDUCATION WEEK (2021)

In Florida, Native American, White, and African American students represented the highest declines in enrollment. Additional breakdown of the data reveals that Englishlanguage learners' enrollment in Florida public schools dropped by 6.4 percent. Free and reduced meal recipients dropped by 1.3 percent. Hedy Chang, the founder of Attendance Works, worries that low-income students will suffer the most due to the lack of resources those parents have to help them with learning. [25]

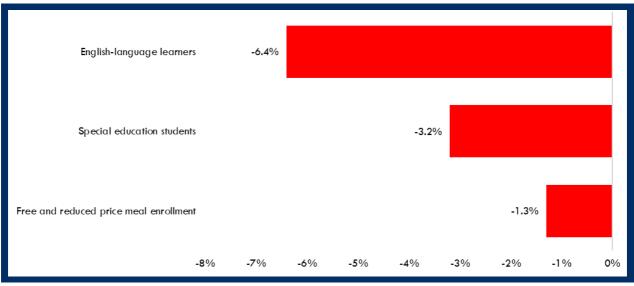
[25] Education Week (2021)

### FLORIDA CHANGES TO PUBLIC SCHOOL ENROLLMENT BY RACE/ETHNICITY, 2020-21 SCHOOL YEAR



**SOURCE: EDUCATION WEEK (2021)** 

### FLORIDA CHANGES TO PUBLIC SCHOOL ENROLLMENT, 2020-21 SCHOOL YEAR



**SOURCE: EDUCATION WEEK (2021)** 

Florida categorized childcare as an essential business during the height of lockdowns and many federal and state programs were utilized to help keep providers operating. According to surveys conducted by the National Association for the Education of Young Children (NAEYC), childcare homes and centers in Florida were operating at about 68 percent of their capacity in July 2021. Attendance was averaging about 41 percent. [26] This indicates that even though many facilities are open, some parents are reluctant to send their children back to in-person care, or unable to afford it. This means many families are not utilizing services that can help parents work and help students to be ready for kindergarten.

#### PROVIDER CLOSURE

Data on the number of childcare centers that decided to permanently close was difficult to assess for Florida. However, national survey data found that one in every ten parents surveyed said that their provider had closed permanently. [27] About 55 percent of minority-owned childcare businesses reported that they were considering closing within the next year. [28] If these providers close, this could exacerbate inequalities among communities of color and create childcare deserts.

An uptick in provider closures means that more children in Florida are receiving informal versions of care, may be less ready for kindergarten, and have reduced performance in school beyond. In fact, this turned out to be the case in Florida where the state experienced a drop in kindergarten readiness scores from 57 percent in 2020, to 50 percent in 2021. [29]

Additionally, ad hoc childcare also increases the potential for child abuse and can "defeat the very purpose [of the parent] working more to shape a healthy early childhood environment in the first place." [30]

### NATIONAL AVERAGE MONTHS OF LEARNING LOST UNDER SCENARIO OF RETURNING TO IN-CLASS SCHOOLING, FALL 2020



**SOURCE: EDUCATION WEEK (2021)** 

[26] NAEYC (2021a)

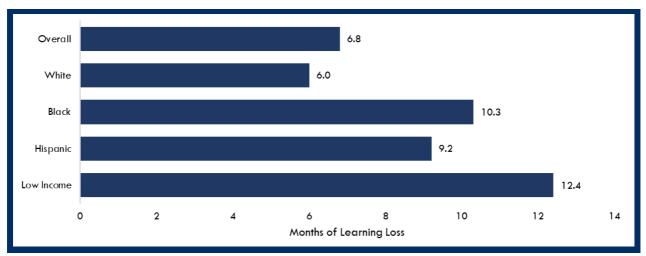
[27] Bipartisan Policy Center (2021b)

[28] NAEYC (2021)

[29] The Florida Scorecard (2022)

[30] Bipartisan Policy Center (2021a)

### NATIONAL AVERAGE LEARNING LOSS UNDER SCENARIO OF RETURNING TO IN-CLASS SCHOOLING JAN 2021



**SOURCE: MCKINSEY (2020)** 

The implications for the economy are devasting. Students are less likely to learn and earn more and the future workforce may be less skilled. McKinsey predicts that each student will lose \$1,785 annually in future earnings on average. Nationally this could result in a GDP loss of \$173 - \$271 billion annually in 2040, when all of the current K-12 population has entered the workforce. This would be a decline of 0.8 to 1.3 percent in annual GDP.

As a sample calculation, there were about 200,000 kindergarten students in the fall of 2018 in Florida. Assume that roughly the same amount were enrolled in the 2019-2020 school year. If we apply the average wage loss of \$1,785 from McKinsey, the result is an annual \$357 million loss of wages just for the students that were in kindergarten during the onset of the pandemic.

Looking specifically at students in Florida, the most recent analysis comes from the 2021 and 2022 standard assessments. The spring 2020 tests were cancelled due to the pandemic. These results would have given the most insight into the initial learning loss occurring due to virtual schooling. However, the 2021 and 2022 results can provide insight to any lingering impacts in students. The data does reveal fewer students meeting the proficiency standard of a level 3 or higher on standard assessments. For 3rd graders in Florida, fewer students met proficiency in both math and language arts tests. Math proficiency declined by 11 percentage points from 2019 to 2021, but improved by 7 percentage points in 2022, for an overall decline of only 4 percentage points from pre-pandemic scores.

### NATIONAL AVERAGE LEARNING LOSS UNDER SCENARIO OF RETURNING TO IN-CLASS SCHOOLING JAN 2021



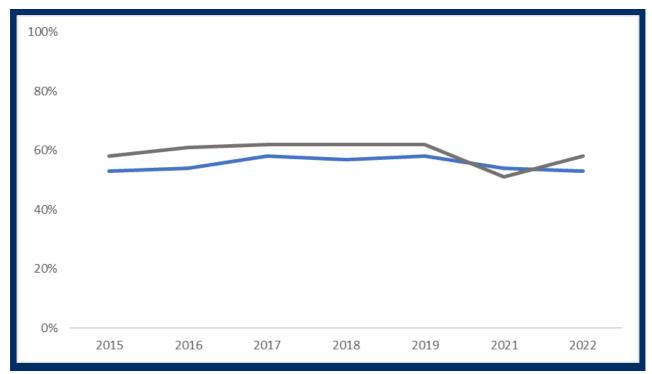
**SOURCE: MCKINSEY (2020)** 

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### FLORIDA PERCENTAGE OF 3RD GRADE STUDENTS SCORING A LEVEL 3 OR HIGHER IN STANDARD ASSESSMENTS



**SOURCE: FL DEPT OF EDUCATION (2022)** 

These trends are present in the majority of the public school districts in Florida. 55 out of the 67 county-based school districts saw a decline in language arts proficiency in 3rd grade students from 2019 to 2021. This trend continued into 2022 as 9 more districts declined, to a total of 64 out of the 67 having lower levels of proficiency than pre-pandemic. There were 60 districts out of 67 that declined in math proficiency from 2019-2021. However, math proficiency experienced a slight recovery. By 2022, 53 districts had scores lower than pre-pandemic levels, 7 less than the previous year. While it is difficult to attribute all of the decline to the effects of the pandemic, the first data of education performance after the onset of the pandemic does indicate some disruption. If this trend continues, Florida's students will suffer lifelong economic impacts as a result of the pandemic's interruption to their education.

#### LOST HOUSEHOLD INCOME

The issue of early learning and childcare does not only affect the workforce of the future. As the U.S. Chamber of Commerce posits, childcare is a "two-generation workforce issue." [31] If parents do not have access to quality childcare or costs are prohibitive, then they may not be able to work. This results in lost wages and smaller labor pools. The pandemic has threatened to reduce America's already declining labor force participation by creating major disruptions to childcare.

[31] US Chamber of Commerce Foundation (2021)

#### CHILDCARE: THE TWO-GENERATION WORKFORCE ISSUE

#### **WORKFORCE OF TODAY**

**WORKFORCE OF TOMORROW** 

In the face of an increasingly competitive global economy, building a highly skilled workforce is more important than ever. American business depends on a strong workforce, now and in the future, to compete and succeed globally. The ability to recruit and retain top talent is of paramount importance.

Our education system is falling short in preparing students to succeed. Business leaders understand the importance of a well-educated workforce to support a strong economy. What is less discussed is the underestimated phase of education and human development: early childhood education, years 0-8.

SOURCE: U.S. CHAMBER OF COMMERCE FOUNDATION (2021)

Even prior to COVID-19, childcare issues were impacting many parents' ability to work. From 2016 to 2018, nationally, about nine percent of parents with children aged five or younger changed their hours or quit their job due to issues with childcare. The number estimated for Florida was even higher at 12 percent. From lost productivity, absenteeism, and lower earnings due to childcare issues, it was estimated that at the national level the total cost was \$57 billion to parents, businesses, and taxpayers.[32] Conversely, the First Five Years Fund found that every dollar invested in early childhood education results in a \$7.30 economic return to society.[33]

The pandemic created havoc on childcare arrangements. If someone at a childcare facility was exposed to the virus, this could require in-home quarantines. This created temporary and potentially long-term disruptions to care. We know that some providers closed permanently during the pandemic. Parents' work schedules also became more unpredictable and erratic, making planning for childcare more difficult. About 24 percent of parents surveyed during May 2021 stated they did not have two weeks advanced knowledge of their work schedules. Families earning less than \$50,000 a year were more likely to have limited prior knowledge of their schedules.[34]

Another national survey in June 2021 found that 57 percent of parents said their ability to work during the pandemic had been impacted by childcare responsibilities. About 22 percent of these parents stated that childcare always impacted their ability to work. [35] Recent data from the U.S. Census Pulse surveys during late April and early May of 2022 show the longevity of the problem. Almost 410,000 Florida households experienced some disruption to their employment as a result of safety-related childcare disruptions.

- [32] Council for a Strong America (2019)
- [33] The Kauffman Foundation (2021)
- [34] Bipartisan Policy Institute (2021b)
- [35] Bipartisan Policy Institute (2021a)

### HOW CHILD CARE PROBLEMS ADVERSELY AFFECT THE ECONOMY

### FOR INDIVIDUAL PARENTS

- Lost earnings now from lower productivity and less work experience
- Extra costs for job search for alternative work and childcare arrangements
- Lost earnings in the future from lower productivity, less work experience and lower skills upgrading

#### **FOR BUSINESSES**

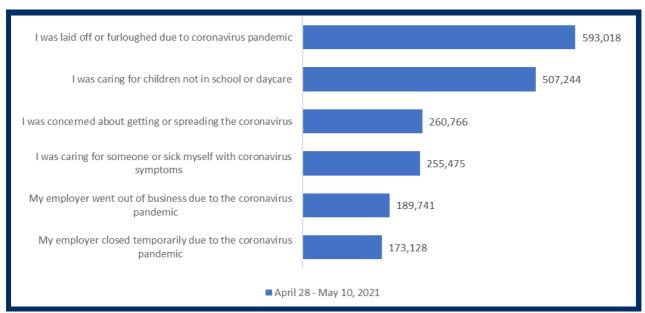
- Lost revenue now from lower output
- Extra costs to rehire quits and cover absenteeism
- Extra costs to manage disrupted workers

#### **FOR TAXPAYERS**

- Lost tax revenue now from lower GDP
- Lost sales and consumption tax revenue
- Lost tax revenue in

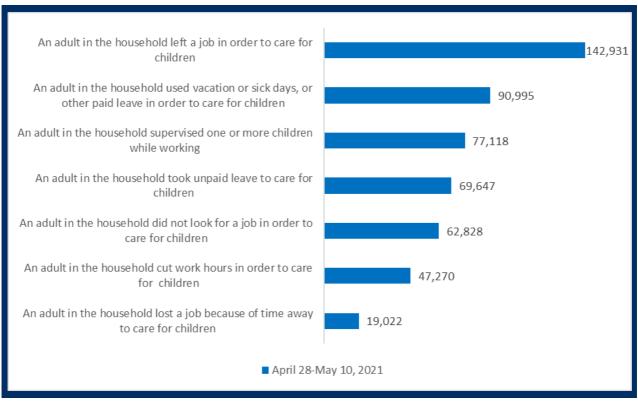


### FLORIDA ADULTS BY MAIN REASON FOR NOT WORKING, APRIL 28TH - MAY 20TH, 2021



**SOURCE: U.S. CENSUS BUREAU (2022)** 

### FLORIDA ADULTS RESPONSE TO CHILDCARE DISRUPTION DUE TO THE CORONAVIRUS PANDEMIC, APRIL 28TH-MAY 10TH, 2021



**SOURCE: U.S. CENSUS BUREAU (2022)** 

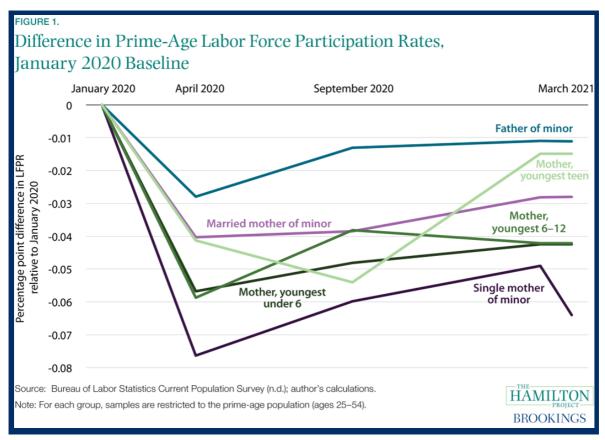
In mid-2021, the leading childcare arrangement in response to the COVID-19 pandemic was leaving a job. The most recent data (April 27th-May 9th, 2022) shows that a significant number of adults are still responding to childcare disruption, however, the leading response more recently is to cut back hours, rather than leaving a job as it was earlier in the pandemic.

Even if childcare has remained open during the pandemic, it may not help all workers. The childcare paradigm is still built around a traditional workday for parents. Lower-income individuals are more likely to work non-traditional hours and therefore some childcare options do not fit their work situation. This can also lead to disproportionate outcomes for minority communities. During lockdown in May 2021, 35 and 38 percent of Hispanic and Black parents (respectively) were more likely to need childcare outside of traditional work hours.[36]

Additionally, the strains from childcare availability have hit mothers the hardest. The labor force participation rate of women with young children has declined the most since the onset of the pandemic. Mothers with children were more than three times as likely as a father to be unable to work because of a school or childcare closure related to COVID. Returning to work has been the most difficult for single mothers, who have fewer resources to handle childcare and childcare disruptions.

[36] Bipartisan Policy Institute (2021b)

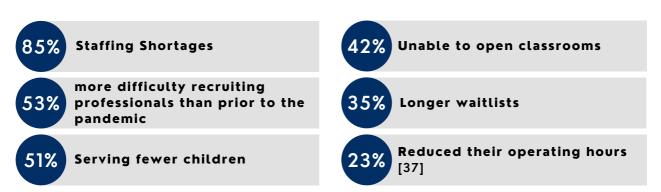
### DIFFERENCE IN PRIME-AGE LABOR FORCE PARTICIPATION RATES, JANUARY 2020 BASELINE



**SOURCE: BROOKINGS INSTITUTION (2021)** 

#### **EMPLOYEE TURNOVER**

Childcare providers have been very disrupted during COVID-19. When parents lost jobs, many began pulling their children from childcare to save money. Childcare professionals who were worried about contracting the virus quit, and perhaps sought work in another industry. As vaccination rates rose, many parents decided to have their child attend again. However, getting the staffing for the increase in demand has been difficult. Based on NAEYC survey of Florida providers in June 2021, providers are experiencing:

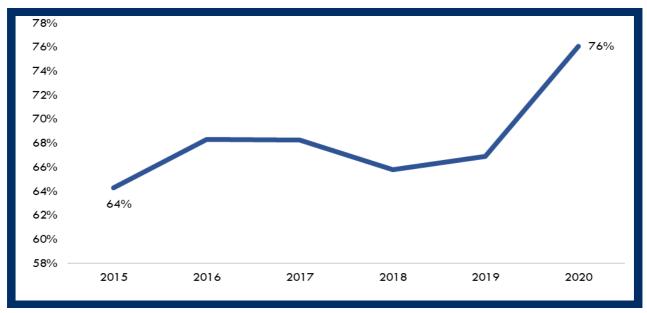


[37] NAEYC (2021)

These disruptions mean employers must spend more time on hiring and then training their staff. Based on the survey data, workforce issues are impacting Florida's providers in the quantity and quality of care they can provide parents and children.

In 2019, there were almost 105,800 preschool and childcare professionals in Florida. Almost 7,000 of those jobs were lost in 2020. The median annual earnings for a childcare professional were \$24,200 a year. The turnover rates reveal the turmoil in the profession. These are measured by the number of separations in the occupation divided by the total number of jobs for a given year. Childcare and preschool worker turnover, already on the rise prior to the pandemic, jumped to 76 percent in 2020.

FLORIDA CHILDCARE AND PRESCHOOL WORKER TURNOVER RATE BY YEAR, 2015-2020



SOURCE: EMSI 2021.3

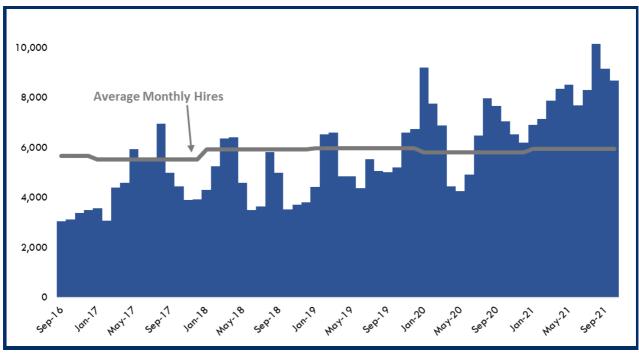
One trend that greatly accelerated during the pandemic was the rate of retirement among baby boomers. [38] This increased the demand for workers, but there are not as many younger candidates waiting in the wings. The retirement risk of childcare professionals in Florida is high with about one-fourth or 26 percent (26,000 workers) being age 55 or older. Increased retirement will further strain providers in the coming years.

The data on online job postings reveals the increased demand and the efforts that providers are having to put into staffing. Unique job postings are increasing rapidly in Florida since an initial decline at the onset of COVID. August 2021 saw the greatest number of childcare job postings, with over 10,000 unique postings. Today, the struggle to hire workers continues, raising the costs of care and creating a lack of available slots for childcare centers.

[38] NAEYC (2021)

According to national surveys, only about 20 percent of unemployment recipients who worked full-time said that their pandemic benefits did a better job at covering their expenses than their work income.[39] Due to the lower wages of childcare and preschool professionals, they may have been more likely to benefit from pandemic assistance than higher-wage workers. Florida stopped pandemic-related benefits in the summer of 2021, and this may help childcare providers with their staffing. However, Morning Consult predicts that many previous workers will remain on the sidelines and the economy will have fewer workers than were available before the pandemic. Workforce issues will continue to be a challenge for childcare providers well beyond this year.

### FLORIDA UNIQUE CHILDCARE JOBS POSTINGS AND AVERAGE MONTHLY HIRES, SEPT 2016 TO OCTOBER 2021



SOURCE: EMSI 2021.4

#### IMPACTS OF \$15 MINIMUM WAGE ON CHILD CARE

In November 2020, Florida voters approved Amendment 2 which changed the state constitution to raise the minimum wage to \$15 per hour by 2026. In 2022, the minimum wage will be \$11 an hour and this will increase by one dollar annually until reaching \$15 per hour. In 2027 and beyond, the \$15 minimum wage will be adjusted based on the inflation rate. This amendment was approved at the same time that the Florida Chamber Foundation decided to conduct research on the childcare impacts of COVID-19.

[39] The Morning Consult (2021)

The impact of the higher minimum wage will vary based on geography, industry sector, and household composition of workers. Some project that job reductions and other workplace adjustments (such as reduced employee benefits) will be significant, and/or that businesses could be greatly stressed by higher payroll costs. The impacts to Florida's economy can only be predicted at this point. Here, we discuss the potential impacts of the change to Florida's economy and to childcare specifically.

#### IMPACTS TO CHILDCARE INDUSTRY

As discussed, childcare employers are struggling to find the childcare professionals they need. The statewide minimum wage increase further complicates their business model. There will be a higher wage floor in that industry as well as in other industries. The childcare sector will be competing with other industries for workers. To stay competitive, childcare providers may need to increase non-wage incentives and develop rewards that employees can earn for remaining with their childcare employer.

The increased cost of labor could also strain childcare providers. Due to regulations on teacher-to-child ratios, employers will likely not be able to reduce staffing to keep costs down. Larger companies may be able to absorb some of the cost of higher wages, but smaller businesses will likely need to pass their costs on to parents. Some smaller firms may not be able to operate with the higher wage rates. Rural areas with lower costs of living are anticipated to be hit the hardest, with facilities being unable to operate while paying a \$15 minimum wage. This would reduce the number of providers in Florida, and limit childcare access in areas that relied on smaller providers. Most research indicates that the price of childcare rises under increased minimum wage scenarios.

#### IMPACTS TO FAMILIES

An unintended consequence of improving the wages of childcare workers is that families with children will likely face higher costs for childcare. A study by the Heritage Foundation projects that childcare costs in Florida could increase by 20 percent. This means that a Florida family requiring childcare for one infant and one four-year-old would be paying over \$19,000 a year on childcare. This would be an increase of \$3,300 from current conditions.[40]

[40] The Heritage Foundation (2021)

Higher childcare rates would affect the workforce, as some parents will choose to work less or not at all given the increased cost of childcare. The child might be affected if parents choose informal childcare options instead. Florida could suffer from fewer parents deciding to have children if the cost of childcare is prohibitive. The birth rate in the U.S. continues to remain below the replacement rate of 2.1 which will significantly impact the economy by producing fewer workers for the future.[41]

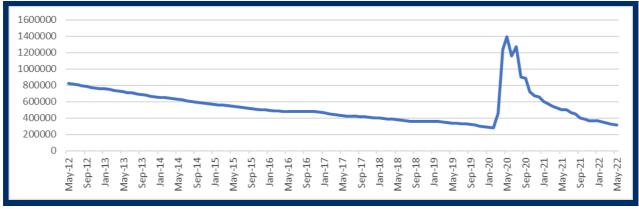
As economist Thomas Sowell explains, in the minimum wage debate "there are no solutions, only trade-offs." [42] While childcare professionals will receive higher wages, which could lead to lower turnover, there will be "trade-offs." The trade-offs to these benefits include higher childcare costs for families, interim benefit cliffs for childcare professionals, and increased strains on rural and small business childcare providers. As we move forward toward a \$15 minimum wage, it is important to understand the impacts it could have so we can protect against unintended consequences.

[41] EMSI (2021)[42] The CATO Institute (2021)

### **SECTION 4: CHILDHOOD POVERTY**

The COVID-19 pandemic has produced the greatest upheaval in the U.S. economy since the Great Depression. Unemployment in Florida peaked in May 2020 with nearly 1.4 million workers unemployed. As of May 2022, Florida has recovered all jobs lost during the pandemic, and added more than 220,000 additional jobs to the workforce. [43] While Florida works hard to get workers back into open jobs, this loss of employment still exerted a large impact on households and their ability to make ends meet over the past two years. When children grow up in poverty they are at a much higher risk for health issues, violence, and substance abuse. Children growing up in poverty affect the future of Florida's workforce and economy.

#### FLORIDA UNEMPLOYMENT BY MONTH, JAN 2010 - MAY 2022



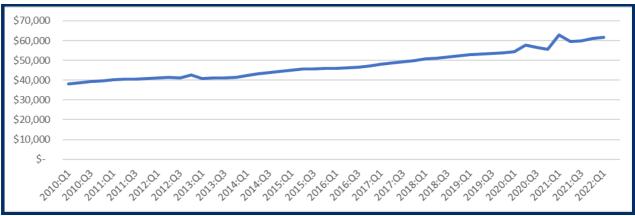
SOURCE: U.S. BLS

#### HOUSEHOLD INCOME CHANGES

Data on poverty during the pandemic is surprising. Poverty was reduced significantly. This is because the federal government stepped in and provided several forms of safety net benefits to offset the loss of income from the economic shutdown. Between the stimulus checks, PPP loans, student loan payment pauses, and unemployment benefits, government spending has actually increased incomes in Florida. After the CARES Act was passed in early 2021, real personal income per capita increased by over \$6,000 in the state. Early data from the US Census Bureau indicate that poverty rates decreased in 2020.

[43] BLS (2022)

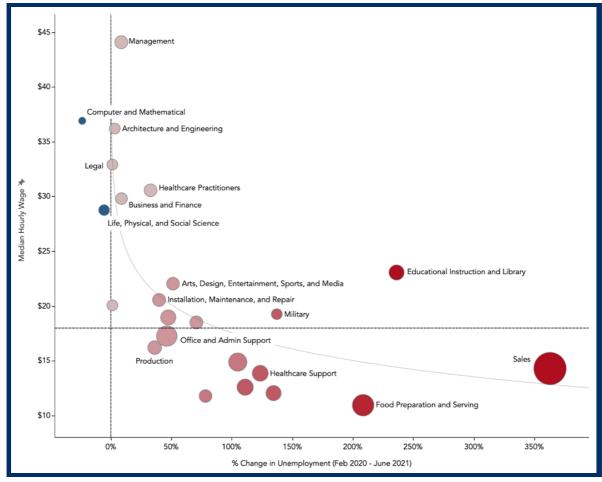
#### FLORIDA REAL PERSONAL INCOME PER CAPITA, Q1 2010 - Q1 2022



SOURCE: EL CALCULATIONS BASED ON BEA (2022) AND BLS (2022)

The economic impacts of the pandemic have not been equally distributed. Lower-wage occupations were less likely to operate under social distancing and other restrictions. Meanwhile, higher earners were able to switch their work to virtual and at-home. Some high-wage occupations witnessed decreases in their levels of unemployment (gained jobs) from February 2020 to June 2021, but not to the same extent as lower-wage positions.

#### FLORIDA CHANGE IN UNEMPLOYMENT BY OCCUPATION AND WAGE

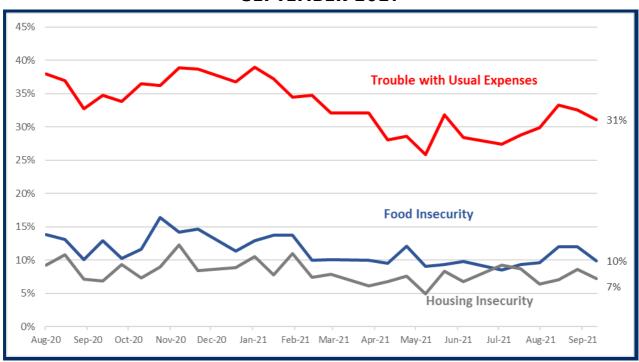


**SOURCE: EL CALCULATIONS BASED ON EMSI 2021.3** 

Thus, the financial situation of households across the country has varied greatly. According to polling from the Pew Research Center, 62 percent of households that saw job or wage loss during the pandemic stated that it will be harder to meet their financial goals going forward. Interestingly, almost 40 percent of households with higher incomes stated that their family will have an easier time meeting their financial goals. [44] Based on their existing wealth prior to the pandemic, households have lived distinctly separate experiences. For example, homeowners have enjoyed strong home equity gains. But despite overall personal income increasing in Florida, many lower-income families are still struggling to meet their basic needs.

This is best demonstrated by the Pulse surveys that are being conducted weekly by the U.S. Census Bureau. These surveys illustrate the economic suffering occurring due to the COVID-19 pandemic. Economic hardship peaked in Florida in early 2021. However, in the data released for the last week of September 2021, about 31 percent of Floridians were still having difficulty covering their usual expenses. Food insecurity and housing insecurity were still affecting about ten and seven percent, respectively, of Florida's adults.

# FLORIDA HOUSEHOLD ECONOMIC INSTABILITY, AUGUST 2020 – SEPTEMBER 2021



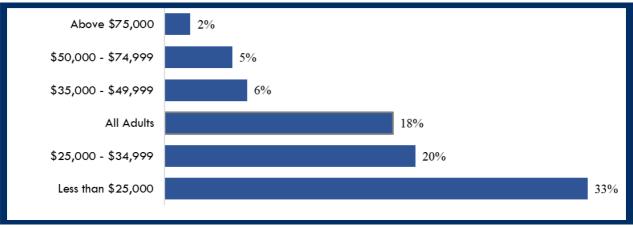
**SOURCE: U.S. CENSUS BUREAU (2021)** 

#### HOUSING INSECURITY

In response to severe disruptions to employment and earnings. Congress barred evictions, helping to keep Florida families' economic situation and ability to meet basic needs from worsening. With the expiration of the federal moratorium in October 2021. renters have faced increasing levels of housing instability. A local hotline in Tampa Bay helping those with eviction and rental assistance had seen a 30 percent increase in calls since the moratorium ended. [45]

Floridians who are behind on their rent will be the most vulnerable to eviction. Having an eviction on your record makes finding adequate housing in the future difficult, as some landlords will no longer rent once there is an eviction in your history. While more than nine percent of all Floridians were behind on either their mortgage payment or rent in August 2021 this figure changes drastically when we look specifically at those who are renting. In August 2021, about 18 percent of all adults who rented housing in Florida were behind on their rent. Housing instability in Florida also varies depending on income status. Low-wage earners and marginalized groups are those experiencing the most housing insecurity in Florida.

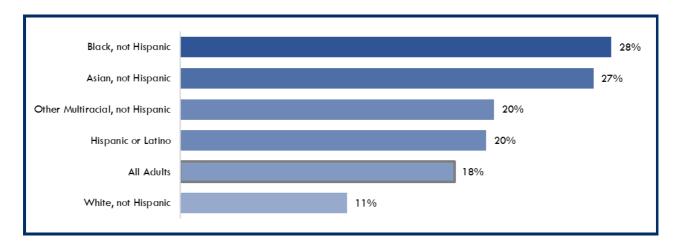
#### FLORIDA RENTERS BEHIND ON RENT BY INCOME, AUGUST 2021

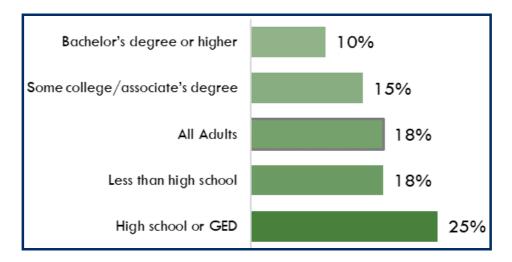


**SOURCE: U.S. CENSUS BUREAU (2021)** 

[45] Tampa Bay Times (2021)

# FLORIDA RENTERS BEHIND ON RENT BY RACE/ETHNICITY AND EDUCATIONAL ATTAINMENT AUGUST 2021

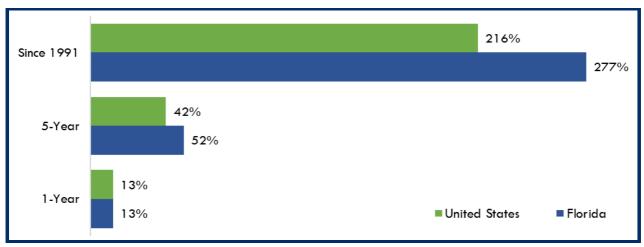




#### SOURCE: U.S. CENSUS BUREAU (2021)

Meanwhile, housing prices have increased dramatically in recent years and have spiked further since the onset of the pandemic. New housing construction has not kept pace with demand, and exclusionary zoning has prohibited denser, more affordable housing from being built. High housing prices drive up costs for renters while also making it less accessible for first-time homebuyers. The lack of housing affordability is a significant challenge that can lead to economic hardship and even homelessness.

#### CHANGE IN HOME PRICES FOR VARIOUS TIMEFRAMES



**SOURCE: FEDERAL HOUSING FINANCE AGENCY (2021)** 

According to the Florida Council on Homelessness, the state has a deficit of over 368,500 affordable units for those who earn 30 percent or less of the area median income. About 875,260 households in the state spend more than half of their income on housing. [46] This means many Florida families are vulnerable to becoming homeless if there is any shock to their financial situation. In 2020, about one-fourth of the households experiencing homelessness had children. This instability can affect the family's ability to be self-sufficient for generations.

The pandemic made counting people who were homeless difficult for the year 2020. The point-in-time snapshots that help understand the magnitude of homelessness from the 2021 annual report are not comparable to previous years, due to the difficulty of getting accurate estimates during the pandemic. In the last ten years or so, data on the total number of homeless people has been trending down in Florida. In 2012, the homeless population count was at 55,170; by 2020 the level was down to 27,500. This is an impressive trend given that homelessness is on the rise nationally. The state credits its work on evidence-based strategies, such as housing-first programs and rapid rehousing, for the reduction.

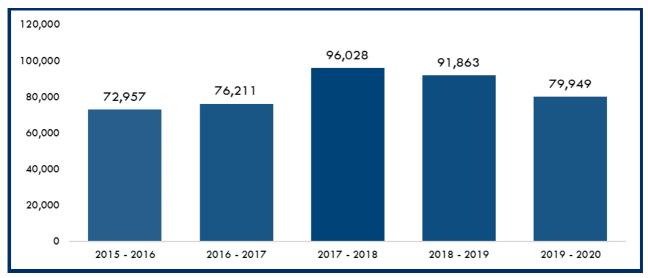
However, counter to this trend, the number of homeless youths has been increasing in recent years. During the 2019-2020 school year, Florida's Department of Education estimated there were almost 80,000[47] students experiencing some form of homelessness. Data shows that a lack of consistent shelter results in lower rates of graduation and lower scores on standardized tests.[48]

[48] Ibid.

<sup>[46]</sup> Florida's Council on Homelessness (2021)

<sup>[47]</sup> See Florida Department of Education for definition of "Homeless Students."

FLORIDA NUMBER OF HOMELESS STUDENTS, 2015 - 2020



SOURCE: FLORIDA'S COUNCIL ON HOMELESSNESS (2021)

The full impact of the pandemic on homelessness may never quite be understood, as service providers often faced challenges providing accurate counts. If reliable future data reveals an increase in homeless populations, COVID-19 will be the greatest factor in reversing the state's downward trend. Federal and state assistance has helped to ensure that more individuals do not become homeless during the pandemic. However, as economic suffering drags on, and housing costs increase for lower-income households, their risk will continue to rise. Affordable housing and workforce housing solutions driven by the business community are key to maintaining the success of reduced homelessness that was seen prior to the pandemic.

#### FOOD INSECURITY

### FLORIDA NUMBER OF HOUSEHOLDS RECEIVING SNAP BENEFITS, MARCH 2016 - MARCH 2022



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF CHILDREN & FAMILIES (2022)

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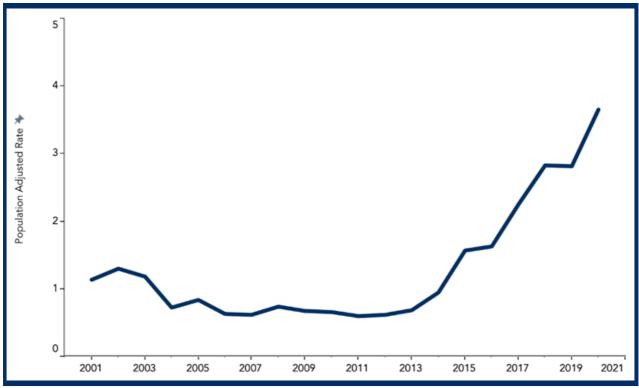
il and the second secon	Excess SNAP	
Month	Households	Additional Cost
20-Mar	10,806	\$3,510,513
20-Apr	349,141	\$113,421,101
20-May	606,623	\$197,066,440
20-Jun	687,141	\$223,223,153
20-Jul	709,039	\$230,336,852
20-Aug	738,615	\$239,945,097
20-Sep	791,090	\$256,992,055
20-Oct	634,591	\$206,151,978
20-Nov	551,385	\$179,121,668
20-Dec	530,287	\$172,268,006
21-Jan	523,782	\$170,154,663
21-Feb	537,202	\$174,514,388
21-Mar	505,217	\$164,123,822
21-Apr	515,141	\$167,348,822
21-May	518,307	\$168,377,255
21-Jun	504,604	\$163,925,493
21-Jul	485,850	\$157,833,352
21-Aug	437,197	\$142,027,859
21-Sep	398,116	\$129,332,040
21-Oct	340,156	\$110,503,030
21-Nov	282,601	\$91,805,863
21-Dec	252,496	\$82,025,819
22-Jan	208,268	\$67,658,095
22-Feb	253,100	\$82,222,023
22-Mar	262,016	\$85,118,492
Total Cost of Additional SNAP		8
Recipients		\$3,779,007,879

SOURCE: ESTIMATES BASED ON FL DEPT OF CHILDREN & FAMILIES (2022) AND USDA (2022)

As discussed earlier, one premature loss of life can have an economic cost of \$7 to \$10 million. By providing SNAP benefits, the government is striving to avoid this much larger economic consequence.

Even with this increase in SNAP, malnutrition deaths did rise in Florida in 2020. 793 people died from malnutrition in the state. This was an increase of 31 percent from the previous year. Based on historical trends, there were about 340 excess deaths attributed to malnutrition in 2020. Malnutrition deaths have been on the rise in Florida since 2013, but in 2020 they spiked even further.

#### FLORIDA MALNUTRITION POPULATION ADJUSTED DEATH RATE, 2001-2020



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF HEALTH (2021) AND EMSI 2021.3

Malnutrition and child poverty is an economic concern. Hungry students are less likely to perform well in school. If performance is low in early education, this could affect the child's economic potential for the rest of their life. There is some early data to suggest that the expansion of the child tax credit is having a positive effect on child hunger. The number of adults nationally who reported children in their household not getting enough to eat has declined from 13.7 percent to 9.5 percent in the weeks following the initial rollout of the expanded tax credits. [49] This early evidence is encouraging and highlights the importance of state and local governments working to ensure that struggling families who qualify are able to receive these federal benefits.

[49] Center on Budget and Policy Priorities (2021)

### FLORIDA NUMBER OF MEDICAID RECIPIENTS, MARCH 2016 - MARCH 2022



SOURCE: ESTIMATES BASED ON FL DEPT OF CHILDREN & FAMILIES (2022)

Based on data provided by Medicaid, the average per capita expenditure per month is \$466.75 in Florida. The bump in Medicaid costs for these additional recipients is nearly \$9.1 billion in Florida.

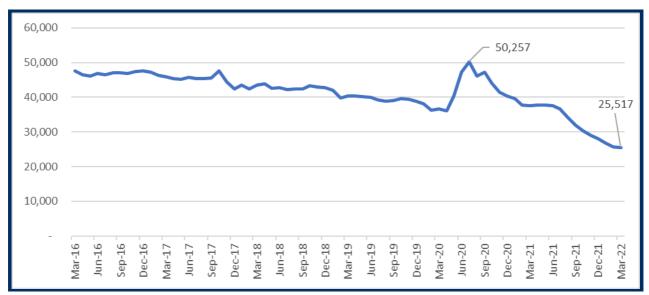
Date	Excess Medicaid Recipients	Additional Cost
20-Mar	9,812	\$4,579,790
20-Apr	91,198	\$42,566,858
20-May	240,243	\$112,133,297
20-Jun	338,081	\$157,799,336
20-Jul	392,680	\$183,283,572
20-Aug	457,669	\$213,616,873
20-Sep	505,146	\$235,776,915
20-Oct	554,576	\$258,848,520
20-Nov	612,230	\$285,758,210
20-Dec	656,658	\$306,495,132
21-Jan	712,981	\$332,784,044
21-Feb	748,034	\$349,144,718
21-Mar	809,076	\$377,636,224
21-Apr	857,206	\$400,101,053
21-May	906,912	\$423,301,015
21-Jun	953,944	\$445,253,353
21-Jul	996,959	\$465,330,756
21-Aug	1,054,893	\$492,371,137
21-Sep	1,095,472	\$511,311,537
21-Oct	1,137,351	\$530,858,713
21-Nov	1,180,028	\$550,777,888
21-Dec	1,209,699	\$564,626,980
22-Jan	1,253,742	\$585,184,202
22-Feb	1,296,209	\$605,005,360
22-Mar	1,350,321	\$630,262,289
Total Cost of Additional Medicaid Recipients		\$9,064,807,773

SOURCE: ESTIMATES BASED ON FL DEPT OF CHILDREN & FAMILIES (2022) AND MEDICAID.GOV

Another government service that has seen an increase during the pandemic is the Temporary Assistance for Needy Families (TANF) program. TANF offers cash assistance to families that have children living in poverty. The money can be spent on basic needs like childcare. Not all families with children living in poverty qualify or apply for the program. For every 100 families with children below the poverty level in Florida in 2018, only about 13 households received TANF benefits.[50] Given the high bar to receive TANF benefits, it is notable that significantly more households qualified for this assistance during the pandemic. In March 2021, about 39,000 families were receiving TANF benefits. This is about 4,700 more households than would have been expected in the absence of the pandemic.

[50] Center on Budget and Policy Priorities (2021)

# FLORIDA NUMBER OF HOUSEHOLDS RECEIVING TANF BENEFITS, MARCH 2016 - MARCH 2022



SOURCE: EL CALCULATIONS BASED ON FL DEPT OF CHILDREN & FAMILIES (2022)

Average TANF benefits per household in Florida are about \$235 per month.[51] This means the spike in TANF households costs an additional \$14.5 million since the beginning of the pandemic. One interesting piece to note, TANF recipients fell fairly drastically toward the end of 2021 and into 2022, and today sit lower than prepandemic. This has caused cost savings over the projected figure over the past seven months.

[51] Florida Policy Institute (2019)

Date	Excess TANF Households	Additional Cost
20-Mar	-392	(\$92,144)
20-Apr	-817	(\$192,016)
20-May	4,188	\$984,212
20-Jun	10,761	\$2,528,926
20-Jul	14,154	\$3,326,210
20-Aug	10,024	\$2,355,591
20-Sep	11,086	\$2,605,325
20-Oct	7,090	\$1,666,058
20-Nov	5,746	\$1,350,356
20-Dec	5,526	\$1,298,583
21-Jan	4,601	\$1,081,292
21-Feb	3,719	\$873,940
21-Mar	3,204	\$752,974
21-Apr	3,399	\$798,803
21-May	4,131	\$970,876
21-Jun	3,645	\$856,490
21-Jul	3,048	\$716,359
21-Aug	656	\$154,170
21-Sep	-1,657	(\$389,457)
21-Oct	-4,127	(\$969,878)
21-Nov	-4,190	(\$984,545)
21-Dec	-4,124	(\$969,108)
22-Jan	-5,764	(\$1,354,424)
22-Feb	-5,937	(\$1,395,162)
22-Mar	-6,400	(\$1,503,907)
Total Cost of Additional TANF		
Recipients		\$14,469,525

SOURCE: ESTIMATES BASED ON FL DEPT OF HEALTH (2022) AND FLORIDA POLICY INSTITUTE (2019)

The pandemic has made the economic situation for already-struggling families even more difficult. Children living in poverty before the pandemic face a steeper climb on their path to prosperity given the challenges that will remain. Struggling with housing instability or malnutrition will make it hard for the families of Florida's children to change their economic situation.

#### CONCLUSIONS

The implications of the pandemic on behavioral health, worker productivity, early childhood learning, and childhood poverty are serious and will ripple through the Florida economy for years to come. Many negative trends – like the opioid crisis and malnutrition deaths - have risen to even more alarming rates. Even positive-trending situations in Florida, like domestic violence and homelessness improvements, have experienced setbacks. For the Florida Chamber Foundation and its work to guide Florida toward a prosperous future, the findings of this report reveal the status of Florida and give insights on the actions necessary to continue Florida's economic growth. In particular, the near-term and long-term future of Florida's workforce shows particular vulnerabilities. Due to the disruptions of COVID-19, workers in Florida are less likely to even participate in the labor force. This has created labor shortages now and will continue to do so in the future if action is not taken. Small children growing up in poverty, experiencing homelessness or disruptions to their education today will be less prepared when entering the workforce and stand to suffer future earnings losses. This is a threat to Florida's future economic competitiveness. For the foundation and its allies to improve this situation, meaningful prioritization of strategies and investments will be required to overcome the negative impacts of the pandemic.

Research support for this Florida Chamber Foundation publication was provided by Economic Leadership LLC.

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