

Florida - A State of Continual Embarrassment

Behind Florida's palm trees, tropical birds and beautiful beaches is a state with a multitude of very serious problems that are being ignored by its political leaders. These problems undermine the well-being of Florida's residents and place their future at risk. Those who are considering visiting or moving to Florida should be aware of the facts in this research paper. In June, 2014 delegates at the Florida Alliance for Retired Americans annual convention voted unanimously to recommend persons not to relocate to Florida unless they become active in changing Florida for the better. In June, 2015 this resolution was readopted and expanded to include visitors. The expanded resolution was readopted again in February 2016.

Our research finds that the four most serious problems undermining the well-being of Floridians are: (1) a very wide income and wealth disparity that constrains economic opportunity, limits job creation, and increases poverty; (2) a regressive tax system that does not provide sufficient funding for core government functions; (3) unacceptable high levels of public corruption, violent crime, identity theft and fraud; and (4) a weak public education system. The seriousness of these problems cannot be overemphasized, and we believe that together these problems likely make Florida the most undesirable state among all 50 states.

This paper reports research findings that Florida is ranked: first in fraud; first in identity theft; first in home foreclosures; first in the number of physicians who are prolific prescribers of controlled substances (narcotics) to Medicare patients; first in numbers of dangerous cities among the top 100 cities with the greatest numbers of local violent crimes reported to the FBI; second in the number of school shootings since the tragedy at Sandy Hook; third in public corruption convictions; third in widest income disparity between the top 1 percent and the bottom 99%; among the three worst states for future retirement security; ninth in violent crime rate; 44th in per capita spending on public welfare programs; 44th in a positive (quality) environment to foster the professional well-being of teachers; 46th in STEM jobs (science, technology, engineering and math); 49th in per capita spending on higher education; 49th in access to emergency care; 50th in per capita spending on all public education; and 50th in the safety of pedestrians.

Florida's very wide income disparity increases poverty, limits job creation, diminishes the well-being of the middle class, and reduces the potential for future prosperity, particularly for young persons. Florida's tax system heavily favors the rich by placing a greater tax burden on the poor and middle class.

The Florida Alliance of Retired Americans believes these and Florida's other problems can be overcome by modernizing Florida's tax structure by reinstating the intangibles tax, closing tax loopholes, expanding the sales tax to include services, and by repealing the most regressive sales tax exemptions. These changes to Florida's tax laws would provide increased funding for law enforcement, public education, and for other core government responsibilities, such as the judicial system, health care,

social services and consumer protection. Unfortunately, business as usual by Florida's political leaders will likely deepen Florida's severe problems.

Florida's State and Local Taxes Are Extremely Regressive

Florida has the second most regressive state and local tax structure of all states. This means that the poor and the middle class are taxed at higher rates than the wealthy in all but one state (Washington). Here are Florida's most recent statistics - the poorest 20% of Florida's non elderly persons paid 12.9 percent of their incomes in state and local taxes compared with 8.3% for the middle 60% and only 1.9% for the top 1 percent. Forty-nine states have fairer state and local taxes than Florida's. <http://www.itep.org/pdf/whopaysreport.pdf> The research study was published in January, 2015. See page 4.

Income Disparity is Unacceptably Wide, Limiting Opportunity and Increasing Poverty

Florida's poverty rate of 17.0% is the 17th highest among all states. US Census data for 2013. "State Rankings 2015" edited by Kathleen O'Leary Morgan and Scott Morgan. CQ Press an Imprint of SAGE Publications. ISBN 978-1-4833-8504-4. See page 519. Note: subsequent references to this book have been shortened to read "State Rankings 2015."

Florida ranks 7th highest among states in the percent of public elementary and secondary school students eligible for free or reduced price meals. In Florida, over half (57.6%) of public school students were eligible. "State Rankings 2015." CQ Press using US Dept. of Education data for school year 2011-12. See page 555.

In 2012 Florida had the fourth highest income disparity between the top 1% and the bottom 99% among all states. The average income of the top 1% was \$1,488,367 compared to \$34,387 for the bottom 99% (page 9). Income inequality is increasing in Florida, according to the Economic Policy Institute. Between 2009 and 2012 all income growth in Florida was accrued by the top 1% with income increasing by 39.5%, while the bottom 99% experienced an income decline of -7.1% (page 6). <http://s3.epi.org/files/2014/IncreasinglyUnequalStatesofAmerica1917to2012.pdf>

Miami is the third worst city, among the fifty largest cities, for income inequality in 2012 according to the Brookings Institution. According to Brookings, "Miami's ratio is high primarily because its poor households have very low incomes, third-lowest among the 50 largest cities (\$10,000 at the 20th percentile). Miami has a lot of very poor residents and neighborhoods, but manages to retain several very wealthy enclaves. " The two cities that where income inequality was the worst were Atlanta followed by San Francisco. <http://www.brookings.edu/research/papers/2014/02/cities-unequal-berube>

Violent Crime, Public Corruption, and Fraud is at Unacceptably High Levels – Law Enforcement and Crime Prevention Needs to be Strengthened

Florida is third in the nation in public corruption convictions. Public corruption is pervasive at all levels of government in Florida according to a December 2010 report, "A Study of Public Corruption in Florida" by the 19th Statewide Grand Jury. According to the grand jury report, between 2000 and 2010 there were a total of 8,241 arrest charges and 1,126 convictions for public corruption. Cadets at West Point and other military academies swear an oath not to lie, cheat or steal or tolerate others that do. Public officials should be held to this same standard. Our democracy cannot function properly unless there is public trust in elected officials. [http://myfloridalegal.com/webfiles.nsf/WF/JFAO-8CLT9A/\\$file/19thSWGJInterimReport.pdf](http://myfloridalegal.com/webfiles.nsf/WF/JFAO-8CLT9A/$file/19thSWGJInterimReport.pdf) See pages 1 to 12 and pages 119-120. Also see article in the New York Times http://www.nytimes.com/2008/12/14/weekinreview/14marsh.html?_r=2&. See <http://www.integrityflorida.org/wp-content/uploads/2016/01/Floridas-Path-to-Ethics-Reform-final.pdf> and <http://www.justice.gov/sites/default/files/criminal/legacy/2014/09/09/2013-Annual-Report.pdf>

Florida ranks first in number of dangerous cities (with 10 cities among the top 100 cities nationally with the greatest numbers of local violent crimes reported to the FBI). The 10 Florida cities are Homestead, Fort Pierce, Daytona Beach, Lake Worth, Miami, Fort Myers, Miami Beach, Lauderdale Lakes, St. Petersburg, and Orlando. Data are for 2013.

<http://www.neighborhoodscout.com/neighborhoods/crime-rates/top100dangerous/>

Florida ranks ninth in violent crime rate (includes murder, forcible rape, robbery and aggravated assault) with 460.0 violent crimes per 100,000 population, compared to a national average of 367.9. FBI data for 2013. See page 33, "State Rankings 2015."

Florida ranks 12th in violent crime combined with theft (includes murder, rape, robbery, aggravated assault, burglary, larceny-theft, and motor vehicle theft) with 3,565.3 crimes per 100,000 population, compared to a national average of 3,098.6. FBI data for 2013. See page 30, "State Rankings 2015."

South Florida is "ground zero" for health care fraud according to the FBI. The FBI states that, "Rooting out health care fraud is central to the well-being of both our citizens and the overall economy. Health care fraud costs the country an estimated \$80 billion a year. And it's a rising threat..."

<http://www.fbi.gov/about-us/investigate/white-collar/health-care-fraud/> and <http://www.fbi.gov/news/news-blog/putting-the-brakes-on-health-care-fraud>

Florida ranks first in mortgage fraud according to an article in the Tampa Bay Times. According to a report issued by LexisNexis Risk Solutions, Florida had more than **five times** the expected rate of fraud in new mortgage loans in 2013. Nevada was second highest with slightly more than twice the the expected rate of fraud. The next three states were New Jersey, Arizona and Illinois.

<http://www.tampabay.com/news/business/banking/florida-still-no-1-for-mortgage-fraud/2210285>

Florida ranks first in identity theft complaints and also first in fraud complaints not related to identify theft according to Federal Trade Commission data for 2014. Government documents/benefits fraud (mostly false IRS tax returns) was the most common identify theft complaint, followed by credit card fraud, phone or utilities fraud and bank fraud.

The Miami-Fort Lauderdale-West Palm Beach MSA led the nation in identity theft complaints with a rate of 316.2 complaints per 100,000 population. The Tallahassee MSA had the fourth highest rate of 189.1. The Naples-Immokalee-Marco Island MSA was fifth with a rate of 172.5. Florida had nine large urban areas with the highest identity theft rates among the top twenty nationally.

The Homosassa Springs Metropolitan Statistical Area was second in the nation with 858.8 fraud complaints per 100,000 population. The Jacksonville SMA was eleventh with a rate of 559.2 and Miami-Fort Lauderdale-West Palm was fourteenth with a rate of 552.1. Consumer fraud is so acute in Florida that seven of the top twenty large urban areas nationally with the highest rates of fraud complaints were in Florida.

See pages 1 to 17. <https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-january-december-2014/sentinel-cy2014-1.pdf>

South Florida is the Organized Fraud Capital of America according to an Associated Press article published in the New York Post on July 29, 2015. The geographic area consists of Palm Beach, Broward and Miami-Dade counties. The principal types of fraud reported were Medicare, mortgage and identity theft income tax fraud. The article stated, “The lure of stealing huge amounts of government money also drives fraud in the Medicare program, which provides services to America’s elderly. Since 2007, nine regional “strike forces” of the Justice, Treasury and Health and Human Services departments have charged about 2,300 people who had falsely billed Medicare for \$7 billion. The South Florida unit’s share of that? More than 1,500 defendants through last September.” <http://nypost.com/2015/07/29/south-florida-is-the-organized-fraud-capital-of-america/>

Florida ranks first in number of Medicare Prolific Prescribers of Controlled Substances (which include powerful narcotic painkillers and stimulants with high potential for abuse). According to study by ProPublica and also reported by Health News Florida. In 2012, Florida had 52 physicians who wrote at least 3,000 Medicare prescriptions for controlled substances such as oxycodone, fentanyl, morphine and Ritalin. The state with the next highest number of prolific physician prescribers was Tennessee with 25. <http://www.propublica.org/article/as-controlled-substance-use-rises-in-medicare-top-prescribers-face-scrutiny>

http://health.wusf.usf.edu/post/prolific-prescribers-controlled-substances-face-medicare-scrutiny?utm_source=Health+News+Florida+eAlert+subscriber+list&utm_campaign=4f7245ca99-Tuesday+Dec+16+2014+12+16+2014&utm_medium=email&utm_term=0_8d22eaa6f6-4f7245ca99-245010777

Florida Has the Second Highest Number of Home Foreclosures

Speculation, a weak economy, and bad business practices by mortgage lenders has caused Florida to have one of the highest rates in the nation in home foreclosures. According to RealtyTrac, for the year of 2015 Florida was second in the nation in foreclosures, behind New Jersey. Florida had led the nation in home foreclosures for several years.

<http://www.benzinga.com/pressreleases/16/01/p6161671/florida-ranks-second-highest-state-for-foreclosure>

Florida's Public Schools are Underfunded and Report Poor Performance

Florida ranks 43rd in freshmen graduating public high schools with a 75% graduation rate. The national average is 81%. US Dept. of Education data for 2012. See page 133, "State Rankings 2015."

Florida ranks 44th in maintaining a quality environment for teachers according to a study which includes per student ratios and salaries, among many other factors. <http://wallethub.com/edu/best-and-worst-states-for-teachers/7159/>

Florida ranks 46th in STEM jobs (science, technology, engineering and math) according to a US Census report in July 2014. Data are for 2012. <http://www.wtsp.com/story/news/local/florida/2014/07/10/fl-has-among-lowest-rates-of-stem-workers/12495657/>

<http://www.census.gov/newsroom/press-releases/2014/cb14-130.html>

<http://www.census.gov/people/io/files/Table%206.%20Geography.xlsx>

Florida ranks 46th in books in public libraries, with 1,702 books per 1,000 population in public libraries compared with a national rate of 2,539. CQ Press using 2011 data from the Institute of Museum and Library Services, Public Library Survey. See page 160, "State Rankings 2015."

Florida ranks 49th in per capita state and local government expenditures for higher education, spending \$495 per capita compared with the national average of \$828. CQ Press using US Census data for 2012. See page 144, "State Rankings 2015."

Florida ranks 50th in per capita state and local government expenditures for education (higher, secondary, elementary and "other" education combined), spending \$1,934 per capita compared with the national average of \$2,769. CQ Press using US Census data for 2012. See page 137, "State Rankings 2015."

Florida Has Large Unmet Social Welfare Needs

Florida ranks 44th in per capital state and local government expenditures for public welfare programs, with per capita funding of \$1,186 compared with a national average of \$1,547. CQ Press using US Census data for 2012. See page 525, "State Rankings in 2015."

Florida is Among the Three Worst States for Retirees

According to a March 2014 study by the National Institute on Retirement Security, Florida is ranked among the three worst states overall in key areas measuring the readiness for retirement. The study, *“Financial Security Scorecard: A State-by-State Analysis of Economic Pressures Facing Future Retirees,”* gauges the relative performance of states in three areas: anticipated retirement income; significant retirement costs like housing and healthcare; and the labor market conditions for older workers. According to the study, although Florida has higher potential retirement income than a number of other states, it ranks among the four states with the highest retiree costs and has worse labor market conditions for older workers in 2012 than most other states. (see pages 10 to 16).
http://www.nirsonline.org/storage/nirs/documents/2014%20Scorecard/final_2014_scorecard.pdf

The Impact of Retirees on Florida’s Economy Creates Concerns

Persons interested in understanding Florida’s problems in greater depth should consult *“Tougher Choices: Shaping Florida’s Future”* (February, 2014) prepared by the LeRoy Collins Institute, at Florida State University, written by Jim Dewey and David Denslow with the Bureau of Economic and Business Research at the University of Florida. The report states, “... the news is grim.” The report says that, “The state seems to be falling behind in a number of economic and policy measures relative to other states, and those trends will continue without long-term thinking and thoughtful conversations about our state’s future.” (unnumbered page at beginning of report)

According to the report, retirees affect the labor market because they create additional demand for relatively low skill service jobs, such as those in food service and accommodations. In addition, the income they spend does not come from employment in the area, thus “...they crowd out other firms who might employ high-skill workers by driving up housing costs and potentially by changing the nature of education, infrastructure and other local characteristics.” (page 11). The report goes on to say that, “... Baby Boom retirees may be less supportive of paying higher taxes or fees to fund public services, and the usual generational gap, which makes reaching a common view of problems and priorities more difficult, is widened in Florida...” (page 2)

<http://collinsinstitute.fsu.edu/sites/collinsinstitute.fsu.edu/files/Tougher%20Choices%20FINAL%2020-14.pdf>

Florida’s Roads are the Worst in the Country for Pedestrian Safety

According to a May, 2014 study by Smart Growth America and the National Complete Streets Coalition, Florida is by far the most dangerous state for pedestrians. Four Florida metropolitan areas were found to be the most dangerous in the country. Orlando-Kissimmee was ranked the most dangerous, followed by Tampa-St. Petersburg, Jacksonville, with Miami-Fort Lauderdale ranked as the fourth most dangerous. The study used a “Pedestrian Danger Index” to compare the relative safety of one place to another. Florida’s pedestrian danger index of 168.6 is the highest in

the nation and more than three times the national average. Alabama was a distant second with a danger index of 125.2. The national average was 52.2. The study concluded that children, the elderly and persons of color are at the greatest risk of death as pedestrians.

<http://www.smartgrowthamerica.org/research/dangerous-by-design/dbd2014/national-overview/> and <http://www.smartgrowthamerica.org/documents/dangerous-by-design-2014/dangerous-by-design-2014.pdf>

Access to Emergency Medical Care Needs Substantial Improvement

According to the American College of Emergency Physicians' state report card, released in January, 2014, **Florida received a grade of C minus, ranking 27th among the states. Florida received an F in the Access to Emergency Care category, placing it 49th among the states.** "The trifecta of per capita physician shortages, insufficient hospital capacity and inadequate health insurance coverage are straining our emergency care system to the breaking point," said Dr. Michael Lozano, president of the Florida College of Emergency Physicians. "Florida has few psychiatric care beds, which contributes to long wait times for emergency patients. People are waiting on average more than 5 hours in Florida's emergency departments. These factors contribute to a situation where many - even those with health insurance - are experiencing issues in accessing appropriate emergency care services."

<http://www.prnewswire.com/news-releases/florida-ranks-near-bottom-of-the-nation-for-access-to-emergency-care-240512661.html> and <http://www.emreportcard.org/Content.aspx?id=392>

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