

REPORT

TOWARD A MORE INCLUSIVE REGION

Inequality and Poverty in Greater Miami



Richard Florida and Steven Pedigo



TOWARD A MORE INCLUSIVE REGION

Inequality and Poverty in Greater Miami

MIAMI URBAN FUTURE INITIATIVE

The [Miami Urban Future Initiative](#) is a joint effort between the Creative Class Group and Florida International University's College of Communication, Architecture + The Arts (CARTA) to develop new research and insights for building a stronger, more innovative, and more inclusive economy in Greater Miami. The initiative engages top thinkers and researchers from across the region and the world to combine their knowledge with that of the region's business leaders, economic development practitioners, and other key stakeholders. Its efforts are made possible thanks to generous funding from the John S. and James L. Knight Foundation.

FIU COLLEGE OF COMMUNICATION, ARCHITECTURE + THE ARTS

The [FIU College of Communication, Architecture + The Arts \(CARTA\)](#) provides students with the distinct experience of working closely with an award-winning faculty in nationally ranked accredited programs in the heart of Miami, Miami Beach, New York City, and Washington, DC—some of the country's most vibrant, diverse, and creative cities. Focused on its engaged mission of driving the information, innovation, and cultural economy of South Florida and beyond, CARTA is committed to a trans-disciplinary curriculum that prepares graduates for meaningful careers and leadership in their chosen professions.

CREATIVE CLASS GROUP

Founded by world-renowned urbanist Richard Florida, [the Creative Class Group](#) (CCG) is an advisory services firm composed of leading next-generation researchers, academics, and business strategists. Utilizing its unique approach and metrics, CCG works with companies and governments worldwide.

[@MIAUrbanFuture](#)

www.miamiurbanfuture.org

creative class group



[@Richard_Florida](#)

RICHARD FLORIDA

Richard Florida is one of the world's leading urbanists.

He is founder of the Miami Future Initiative and a distinguished Fellow at Florida International University. He is a University Professor at University of Toronto's School of Cities and Rotman School of Management and a Distinguished Fellow at NYU.

He is author the award-winning book, *The Rise of the Creative Class* and most recently, *The New Urban Crisis*. He serves as senior editor for *The Atlantic*, where he founded *CityLab*, the leading news site on urban development

He is an entrepreneur, as founder of the Creative Class Group which works closely with leading companies and governments around the world.



[@iamstevenpedigo](#)

STEVEN PEDIGO

Steven Pedigo is the Director of Research for the Creative Class Group, a data-driven advisory services firm working with leading cities and brands around the world. He is also the Director of the NYU Schack Institute of Real Estate Urban Lab and a Clinical Assistant Professor for Economic Development at the NYU School of Professional Studies.

Steven holds a bachelor's degree from the University of Texas at Austin and graduate degrees from the H. John Heinz III School for Public Policy and Management at Carnegie Mellon University and the University of Illinois at Urbana-Champaign.



INTRODUCTION

Greater Miami has many things going for it: beautiful weather, a thriving economy, and a unique, international culture. Also known as the Miami metro, the tri-county region that spans Miami-Dade, Broward, and Palm Beach counties is the nation's eighth-largest metro. With an economic output of \$300 billion, it's about the size of Singapore and Hong Kong. The region is attracting people from the U.S. and abroad and boasts a foreign-born population three times larger than the U.S. average.¹ Its renewed downtown skyline is filled with gleaming new high-rise condos and office towers. And its rapidly growing startup ecosystem is one of the 10 largest in the U.S. and among the top 30 or so in the world.²

But the fruits of the region's prosperity have not been evenly shared. The metro is home to more than 30 full-time resident billionaires, 10th-highest concentration in the world.³ Yet it is one of the most unequal places too, with a level of income inequality similar to that of Panama or Colombia.⁴ Too many Miamians remain trapped in poverty: the region has the ninth-highest rate of poverty among large metros across the nation, and that poverty is most pronounced among its black and Hispanic populations. Greater Miami also has dramatic geographic divides, with the wealthy concentrated on the coasts and the less-advantaged population pushed inland. Just over 40 percent of households in the region are in the middle class, the 11th-lowest rate among large U.S. metros of a million or more people.

Simply continuing the region's current growth trajectory by boosting construction, increasing jobs and employment, or continuing to bolster its startup ecosystem will not be enough. The region must make inclusive prosperity—the kind of growth that benefits many more Miamians—the centerpiece of its economic development agenda moving forward.

This study, a product of the [Miami Urban Future Initiative](#), takes a deep dive into issues of equity and inclusive growth in Greater Miami. Using data from the [U.S. Census American Community Survey](#) and other sources, we examine these issues from multiple dimensions, including race, geography, age, and educational attainment. In most cases, we compare Greater Miami to the nation's 53 large metros, those with populations of more than one million people.





KEY FINDINGS

- **Greater Miami is the second-most unequal large metro in the nation.** Only New York City is worse.
- **Poverty is widespread, and it is most severe among the most vulnerable.** More than 14 percent (14.3 percent) of Miami residents live in poverty, the ninth-highest rate among large metros. The region has the highest elder poverty rate among large metros and a youth poverty rate that is significantly higher than the overall poverty rate.
- **Poverty has stark racial dimensions.** Compared to whites, African Americans are two-and-a-half times more likely to live in poverty, and Hispanics nearly twice as likely.
- **Miami's middle class is small.** Fifty years ago, 65 percent of Miamians were members of the middle class. Today, that number has shrunk to just over 40 percent.
- **The region's economy is dominated by its low-paid service class.** Nearly half of Greater Miami's workforce is comprised of low-paid service-class workers in precarious jobs like tourism, hospitality, retail, and food service. Among large metros, the region has the second-largest share of service-class workers. Members of Greater Miami's service class take home just \$26,532 per year, almost half of what the average member of the high-skill creative class earns (\$53,275).

INEQUALITY IN GREATER MIAMI

Miami has the second-highest rate of income inequality in the nation, trailing only New York (Table 1). Miami's level of income inequality based on the Gini coefficient, the standard measure of income inequality, is 0.508. That is [similar](#) to levels in Panama and Colombia and significantly higher than the U.S. average of 0.482.⁵ In fact, Miami and New York are the only two U.S. metros with a Gini coefficient greater than 0.500.

Table 1: Large Metros with Highest Income Inequality

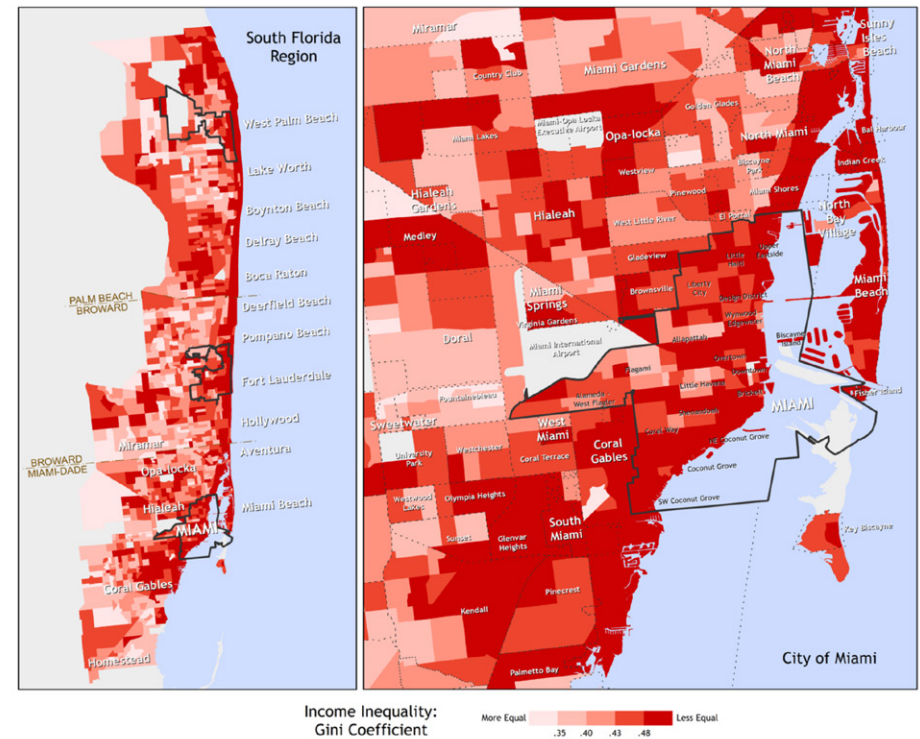
Ranking	Metro	Gini Coefficient
1	New York	0.514
2	Miami	0.508
3	New Orleans	0.500
4	Philadelphia	0.497
5	Memphis	0.495
6	Los Angeles	0.493
7	Houston	0.488
8	Cleveland	0.487
9	Birmingham	0.482
10	Chicago	0.482
11	San Francisco	0.482
12	Boston	0.481
13	Tampa	0.480
14	Detroit	0.478
15	Charlotte	0.478

Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. value is 0.482; lowest three large metros: Salt Lake City (0.426), Grand Rapids (0.431), and Nashville (0.434)

Figure 1 shows the level of inequality by neighborhood (or census tract) across the metro. Darker, brighter red indicates higher levels of inequality along the affluent areas lining the coastline, from Miami Beach through Fort Lauderdale and up to Palm Beach. Income inequality is also high in neighborhoods abutting the Bayfront, from Coral Gables and Coconut Grove through downtown Miami. And it is high in a number of inland neighborhoods, like Davie and Hamptons at Boca Raton, as well.

Figure 1: Income Inequality by Neighborhood



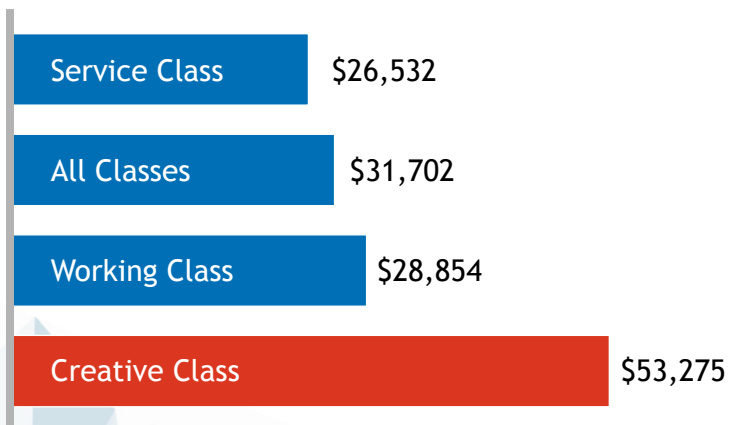
Source: [U.S. Census American Community Survey 2017](#)

A REGION DIVIDED BY CLASS

Greater Miami suffers from considerable class divides among the high-wage knowledge workers that make up its creative class, the shrinking and poorly paid blue-collar working class, and the even less-advantaged service class, who toil in low-wage, routine, and contingent jobs in tourism, hospitality, food service, retail, and domestic work.

The service class makes up nearly half of the region's workforce (47.8 percent), which is significantly above the national average and, among large metros, second only to Las Vegas. The members of Greater Miami's service class take home a median wage of just \$26,532 per year (Table 2). That's lower than the national median service-class wage of \$27,130, which includes much smaller metros that tend to pay less across the board. It's also more than \$5,000 lower than the region's overall median wage (\$31,702) and just half of the median wage of its creative class (\$53,275). Among large U.S. metros, Greater Miami has the ninth-lowest median service-class wage in the country (Table 3).

Table 2: Median Annual Wages by Class



Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. average is \$27,130; the highest three large metros: San Francisco (\$35,274), San Jose (\$33,644), and Seattle (\$33,314)



Table 3: Large Metros with the Lowest Median Service-Class Wages

Rank	Metro	Median Earnings
1	Orlando	\$24,057
2	Tucson	\$24,373
3	New Orleans	\$25,470
4	Virginia Beach	\$25,566
5	Oklahoma City	\$25,617
6	San Antonio	\$25,637
7	Grand Rapids	\$25,900
8	Jacksonville	\$26,260
9	Miami	\$26,532
10	Houston	\$26,562
11	Detroit	\$26,563
12	Pittsburgh	\$26,654
13	Birmingham	\$26,727
14	Memphis	\$26,792
15	Cleveland	\$26,840

Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. average is \$27,130; the highest three large metros: San Francisco (\$35,274), San Jose (\$33,644), and Seattle (\$33,314)

A REGION DIVIDED BY CLASS (CONTINUED)

Wages in Greater Miami, which is dominated by the low-paid service class, are low across the board (Table 4). The median wage for the entire region is just over \$30,000 (\$31,702), which is less than the median wage for the nation as a whole (\$36,693) and the third-lowest of large U.S. metros. And it is far less than knowledge-based metros like San Jose, San Francisco, and Washington, D.C., which have median wages greater than \$50,000.

Table 4: Large Metros with the Lowest Median Wages

Rank	Metro	Median Earnings
1	Tucson	\$31,380
2	Orlando	\$31,388
3	Miami	\$31,702
4	San Antonio	\$32,196
5	Riverside	\$32,943
6	Memphis	\$33,716
7	Las Vegas	\$34,240
8	Oklahoma City	\$34,503
9	Tampa	\$34,510
10	Grand Rapids	\$35,197
11	Jacksonville	\$35,329
12	New Orleans	\$35,492
13	Rochester	\$35,922
14	Salt Lake City	\$35,975
15	Los Angeles	\$36,059

Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. average is \$36,693; the highest 3 large metros: San Jose (\$55,094), San Francisco (\$52,902), and Washington, D.C. (\$52,021)



A REGION DIVIDED BY CLASS (CONTINUED)

Blue-collar jobs have long provided less-skilled and less-educated Americans with a pathway to the American Dream and a better life. Unfortunately, the working class—who once held good-paying jobs in fields like manufacturing, construction, and transportation—has [shrunk](#) from roughly half of the U.S. workforce at mid-century to around 20 percent today.⁶ Greater Miami's working class makes up less than one-fifth (18.3 percent) of the region's workforce, the 25th-lowest share among large metros and below the U.S. average of 20.4 percent. And Greater Miami's working class earns less than \$30,000 in median wages (\$28,854), the lowest level of any large metro and well below the national average of \$34,750.

Table 5: Large Metros with the Lowest Working-Class Wages

Rank	Metro	Median Wages
1	Miami	\$28,854
2	Orlando	\$28,916
3	Tucson	\$29,984
4	Los Angeles	\$30,024
5	Tampa	\$30,307
6	San Antonio	\$31,982
7	Rochester	\$32,022
8	Charlotte	\$32,093
9	Nashville	\$32,129
10	Memphis	\$32,147
11	Raleigh	\$32,575
12	Atlanta	\$32,685
13	Jacksonville	\$32,919
14	Phoenix	\$33,234
15	Columbus	\$33,451

Source: [U.S. Census American Community Survey 2017](#)

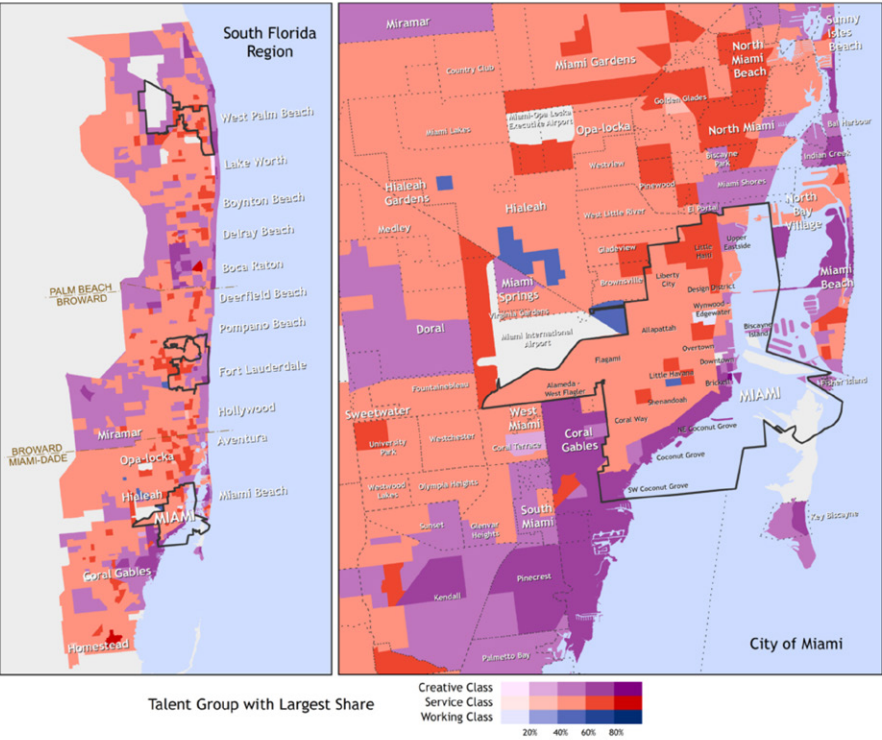
Note: The U.S. average is \$34,750; the highest 3 large metros: Seattle (\$42,085), Hartford (\$40,931), and Minneapolis (\$40,724)



A REGION DIVIDED BY CLASS (CONTINUED)

Figure 2 depicts the region’s class divides based on data for census tracts across the tri-county metro region. Blues indicate working-class areas, reds indicate service-class areas, and purples indicate creative-class areas. The darker the shade, the higher the proportion of the dominant occupational class. The advantaged creative class lines the coasts and is also arrayed across more affluent inland suburbs like Weston and Mission Bay. The far more-disadvantaged service class is pushed inland to inner city Miami neighborhoods and towns like Miami Gardens and Plantation. There are very few working-class neighborhoods left in the region, which is troubling, as working-class jobs had once presented a ladder of upward mobility to less-skilled workers.

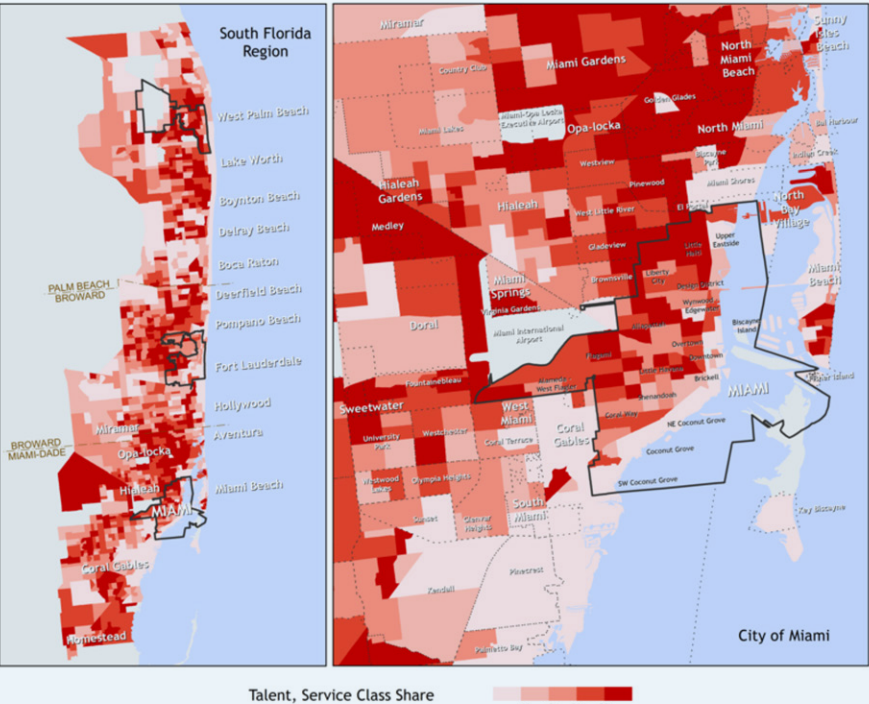
Figure 2: Miami’s Class-Divided Geography



Source: [U.S. Census American Community Survey 2017](#)

Figure 3 takes a deeper dive into the geography of the region’s less-advantaged service class. The darker the red, the higher the concentration of service-class workers. The service class tends to be clustered in inland neighborhoods and towns, close to or within the region’s major cities. Inner city Miami neighborhoods like Little Haiti show up in dark red, indicating a service-class population of 55 percent or greater. So do close-in suburbs like North Miami and Miami Gardens. Long stretches of the coast, home to the far more-affluent and advantaged, have much lower shares of service-class workers. The inland suburbs are a patchwork, with many places that are majority service class, like Medley and Laurderhill, and others with fairly low percentages of service-class workers, like Pinecrest.

Figure 3: The Geography of Miami’s Service Class

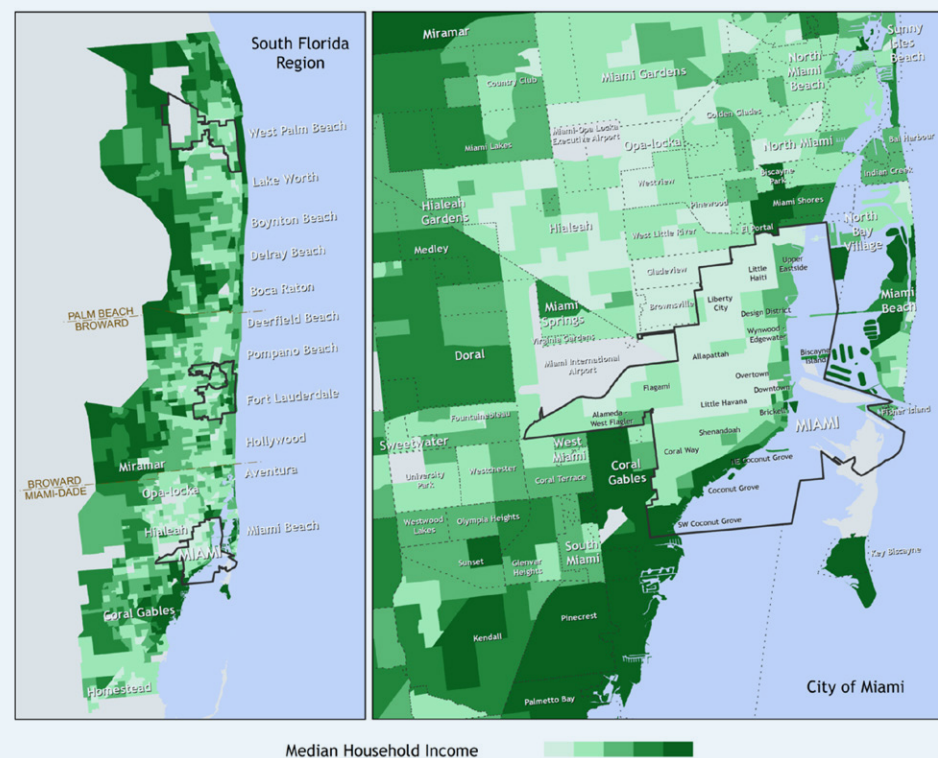


Source: [U.S. Census American Community Survey 2017](#)

A REGION DIVIDED BY CLASS (CONTINUED)

Figure 4 charts income levels across the Greater Miami metro. Light-green areas have median household incomes of less than \$30,000 a year. High-income areas stand out along the coast in south Miami suburbs like Pinecrest and Coral Gables and along the urban growth boundary in towns like Weston and Parkland. Low-income areas span inner city Miami across neighborhoods like Little Havana, Little Haiti, and Liberty City and then radiate north into suburbs like North Miami and North Miami Beach and south through Hialeah and Homestead. Low-income areas continue through the middle of the metro, in places like inland Deerfield Beach and Palm Springs, sandwiched between the affluent coast and distant suburbs.

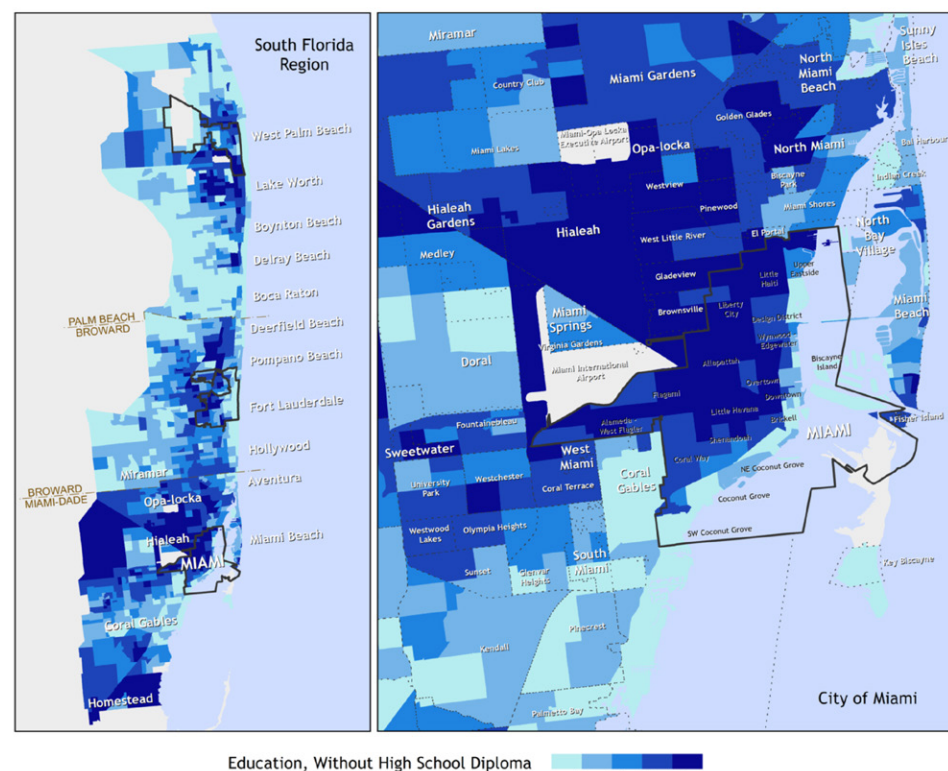
Figure 4: Miami's Income Divides by Census Tract



Source: [U.S. Census American Community Survey 2017](#)

A similar pattern comes through when we map the share of adults (age 25 or over) who did not complete high school (Figure 5). On this map, darker blue indicates a greater share of adults who did not graduate from high school. A large area stretching from inner city Miami north through Hialeah shows up in dark blue, indicating places where more than a quarter of adults did not complete high school. More-affluent areas along the coast and in the inland parts of Boca Raton and Pompano Beach show up in light blue, showing the proportion of adults without a high school diploma to be 5 percent or lower. While the map tracks fairly closely with Greater Miami's service class, this map makes clear that many service-class workers have in fact graduated high school and beyond.

Figure 5: Miami's Educational Divides by Census Tract



Source: [U.S. Census American Community Survey 2017](#)

CONCENTRATED POVERTY

Concentrated poverty is the most striking and devastating dimension of urban disadvantage. Not only do those in poverty struggle to meet their daily needs, but poverty also has a corrosive effect on communities. And neighborhoods with a high concentration of poverty tend to remain chronically poor, creating a self-reinforcing [cycle of poor life outcomes](#).⁷

Miami suffers from deeply concentrated poverty. Nearly 15 percent of Greater Miami residents live in poverty, based on the federal poverty threshold, which is tied to inflation and takes into consideration the number of people per household.

Greater Miami is one of the 10 poorest large metros in the nation. In fact, just three large metros—New Orleans, Memphis, and Tucson—have poverty rates that are appreciably higher than Greater Miami (Table 6). The region’s poverty rate is within a percentage point of Cleveland, Birmingham, Detroit, San Antonio, and Riverside, California. Greater Miami’s poverty rate is about double that of more-expensive, higher-wage metros like San Jose (the Silicon Valley metro) and Washington D.C.

Table 6: Large Metros with the Greatest Poverty

Rank	Metro	Poverty Rate
1	New Orleans	18.6%
2	Memphis	17.1%
3	Tucson	16.7%
4	Cleveland	14.8%
5	Birmingham	14.6%
6	Detroit	14.6%
7	San Antonio	14.5%
8	Riverside	14.4%
9	Miami	14.3%
10	Buffalo	14.2%
11	Los Angeles	14.1%
12	Orlando	14.1%
13	Houston	13.9%
14	Oklahoma City	13.9%
15	Rochester	13.9%

Source: [U.S. Census American Community Survey 2017](#)

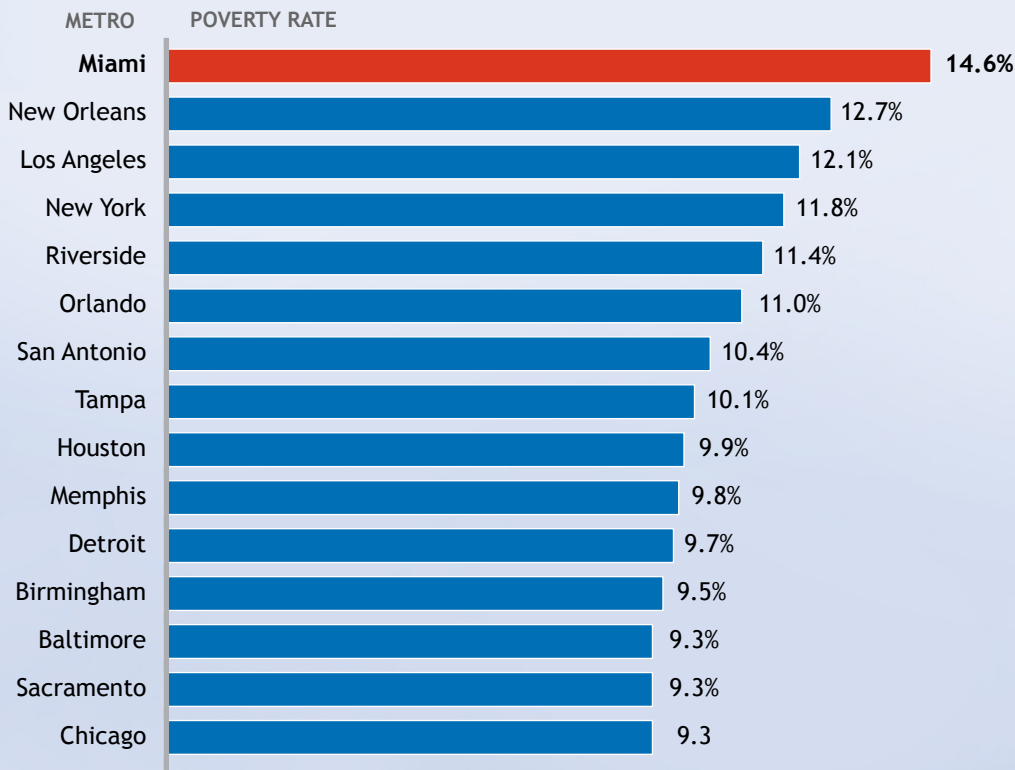
Note: The U.S. rate is 13.4%; lowest three large metros: San Jose (7.3%), Washington, D.C. (7.9%), and Minneapolis (8.1%)



CONCENTRATED POVERTY (CONTINUED)

Greater Miami’s has the greatest level of poverty among seniors (adults over the age of 65) of any large metro in the country (Table 7). Nearly 15 percent (14.6 percent) of the region’s seniors live in poverty. This is five percentage points worse than the national average of 9.3 percent. This is deeply disturbing for a region that has long been a retirement destination and where many retirees are wealthy.

Table 7: Large Metros with the Highest Levels of Senior Poverty



Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. rate is 18.4%; lowest 3 metros: San Jose (7.9%), San Francisco (10.3%), and Washington, D.C. (10.2%)

An even higher share of the region’s youth lives in poverty. Nearly one-fifth (19.3 percent) of Greater Miami’s children under the age of 18 live in poverty, about a percentage point higher than the national average (Table 8).

Table 8: Large Metros with the Highest Levels of Youth Poverty

Rank	Metro	Poverty Rate
1	New Orleans	27.4%
2	Memphis	27.1%
3	Tucson	22.4%
4	Cleveland	21.7%
5	Detroit	21.6%
6	Rochester	21.3%
7	San Antonio	21.2%
8	Buffalo	20.9%
9	Orlando	20.6%
10	Las Vegas	20.3%
11	Houston	20.2%
12	Los Angeles	19.6%
13	Tampa	19.4%
14	Birmingham	19.4%
15	Miami	19.3%

Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. rate is 18.4%; lowest 3 metros: San Jose (7.9%), San Francisco (10.3%), and Washington, D.C. (10.2%)



CONCENTRATED POVERTY (CONTINUED)

Among large metros, Miami also has the highest rate of college graduates living in poverty (Table 9). Nearly 7 percent (6.9 percent) of the metro's college grads live in poverty, more than two percentage points higher than the national average of 4.3 percent. This is a frightening reality for a nation that views higher education as a ticket to upward mobility and a middle-class life. Still, poverty is concentrated among the least-educated. A much higher share (24.9 percent) of the region's adults aged 25 or older who did not graduate from high school live in poverty.

Table 9: Large Metros with the Largest Share of College Grads Living in Poverty

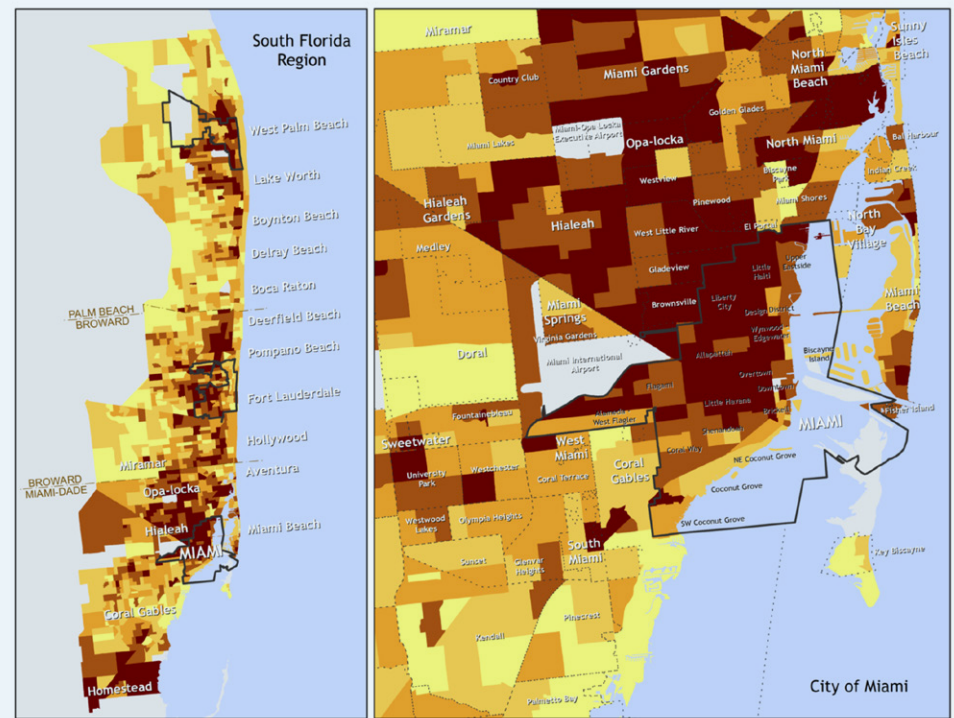
Rank	Metro	Poverty Rate
1	Miami	6.9%
2	Orlando	6.7%
3	Las Vegas	6.0%
4	Riverside	6.0%
5	Tucson	6.0%
6	Los Angeles	5.9%
7	New Orleans	5.4%
8	Tampa	5.2%
9	Sacramento	5.0%
10	Jacksonville	4.9%
11	San Diego	4.8%
12	Phoenix	4.8%
13	Chicago	4.6%
14	New York	4.6%
15	Portland	4.5%

Source: [U.S. Census American Community Survey 2017](#)

Note: The U.S. rate is 4.3%; lowest three large metros: Minneapolis (2.7%), Raleigh (2.8%), and Washington, D.C. (3.0%)

Across the metro region, poverty is geographically concentrated in and around the major cities and in areas just inland from the coast (Figure 6). The census tracts with the highest proportion of impoverished residents show up in brown, and those with the lowest proportion appear in yellow. Pompano Beach, Homestead, Westgate, and other inland neighborhoods to the south of West Palm Beach, along with much of Miami and Fort Lauderdale proper, show up in brown. With the exception of a narrow band along the coast, low-poverty areas are concentrated in the deep inland suburbs, in places like Parkland and Canyon Springs, west of Delray Beach.

Figure 6: Poverty Across Miami Census Tracts



Source: [U.S. Census American Community Survey 2017](#)

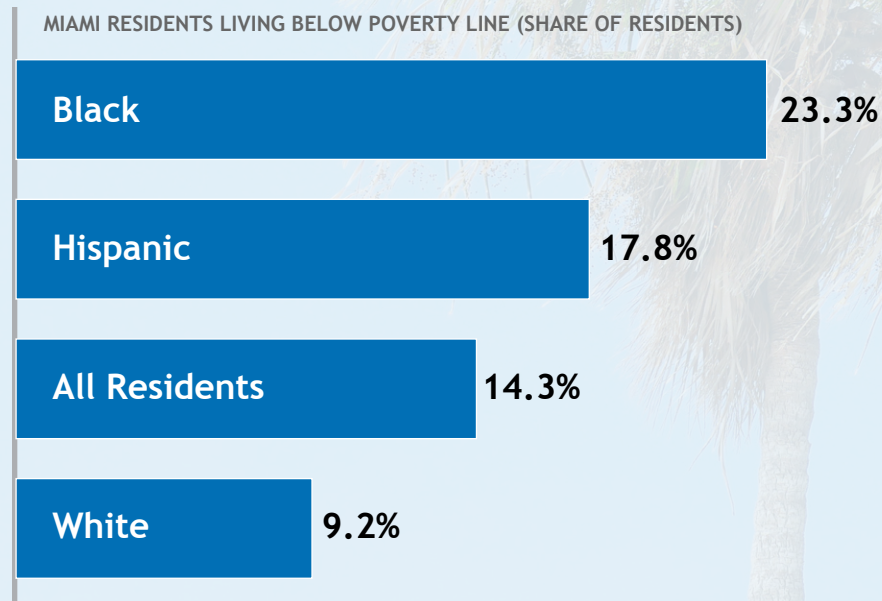
RACIALLY CONCENTRATED POVERTY

Poverty in America is extremely concentrated along racial lines.⁸ Concentrated poverty in Miami closely tracks its longstanding racial divides: 23.8 percent of African Americans, 17.8 percent of Hispanics, and 9.2 percent of whites live in poverty.

Greater Miami's poverty rate for black residents is about two-and-a-half-times higher than the white poverty rate. Nearly a quarter (23.8 percent) of the region's black households live in poverty versus 9.2 percent of white households.

And nearly one-fifth (17.8 percent) of the region's Hispanic households live in poverty, almost twice the rate of whites.

Figure 7: Poverty by Race

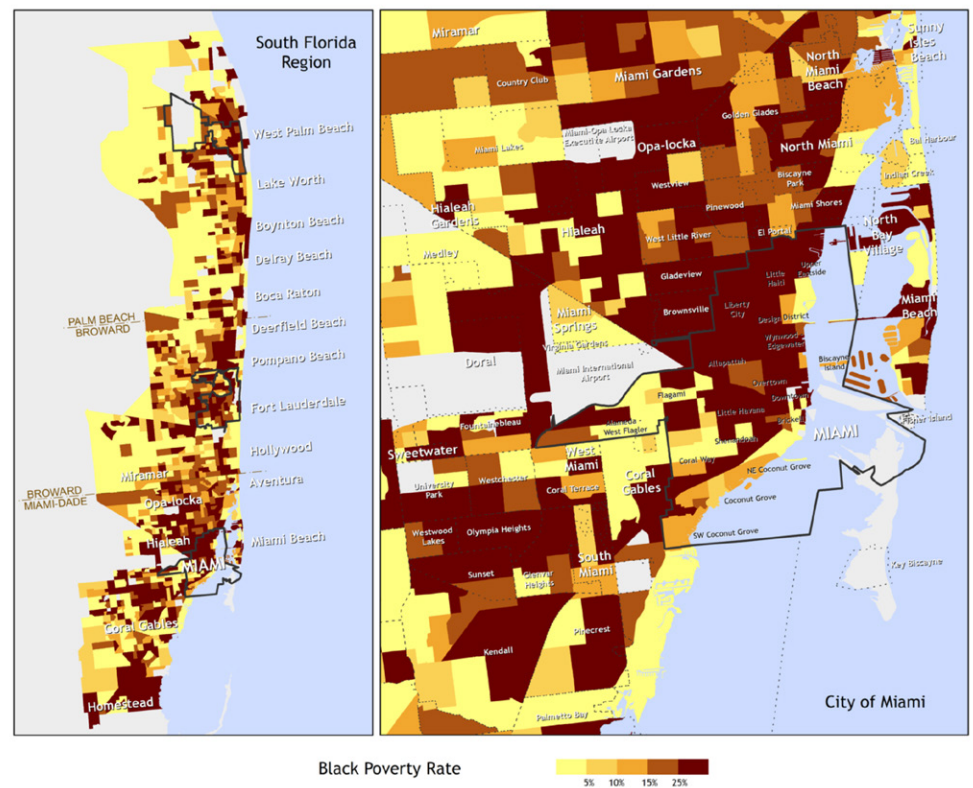


Source: [U.S. Census American Community Survey 2017](#)

The following maps show the geographic variations in poverty rates for African-American, Hispanic, and white Miamians. The yellow shading represents areas with lowest percentage of people living in poverty, while the brown shading represents areas with the highest percentage.

Figure 8 looks at the geographic distribution of black poverty across the metro region. Black poverty is generally concentrated within and close to the region's major cities, often in areas just inland from the coast. Nearly all of Miami proper is shaded dark brown, indicating poverty rates of 25 percent or higher. Throughout the region, numerous wealthy communities—Miami Beach, Boca Raton, Boynton Beach, and Kendall—have large proportions African Americans living in poverty, many of whom likely work in service jobs in the homes, restaurants, hotels, and clubs of the wealthy.

Figure 8: Black Poverty Across Miami Census Tracts

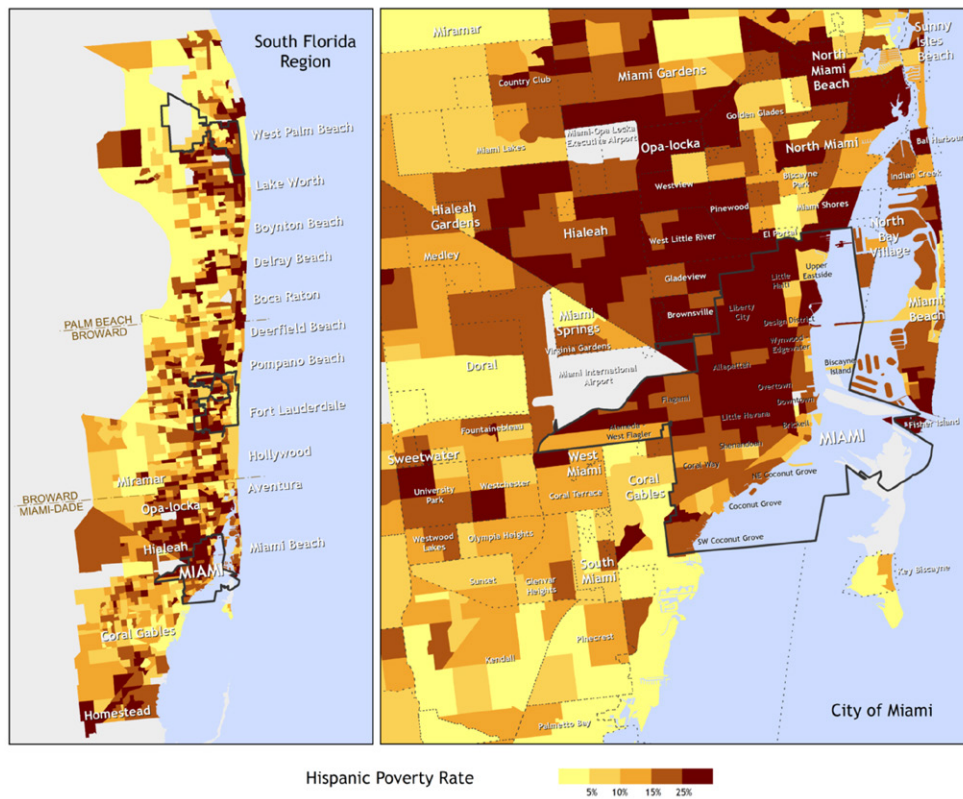


Source: [U.S. Census American Community Survey 2017](#)

RACIALLY CONCENTRATED POVERTY (CONTINUED)

Compared to its concentration of black poverty, Greater Miami's pockets of Hispanic poverty are more dispersed throughout the region, with a patchwork of impoverished neighborhoods stretching into the inland suburbs (Figure 9). Still, the major cities stand out as hubs of poverty, with inner city Miami and West Palm Beach showing particularly high concentrations. Suburbs like Homestead and Hialeah also display high rates of Hispanic poverty. Coral Gables and Kendall stand out as fairly affluent areas with large Hispanic populations and low levels of Hispanic poverty.

Figure 9: Hispanic Poverty Across Miami Census Tracts



Source: [U.S. Census American Community Survey 2017](#)

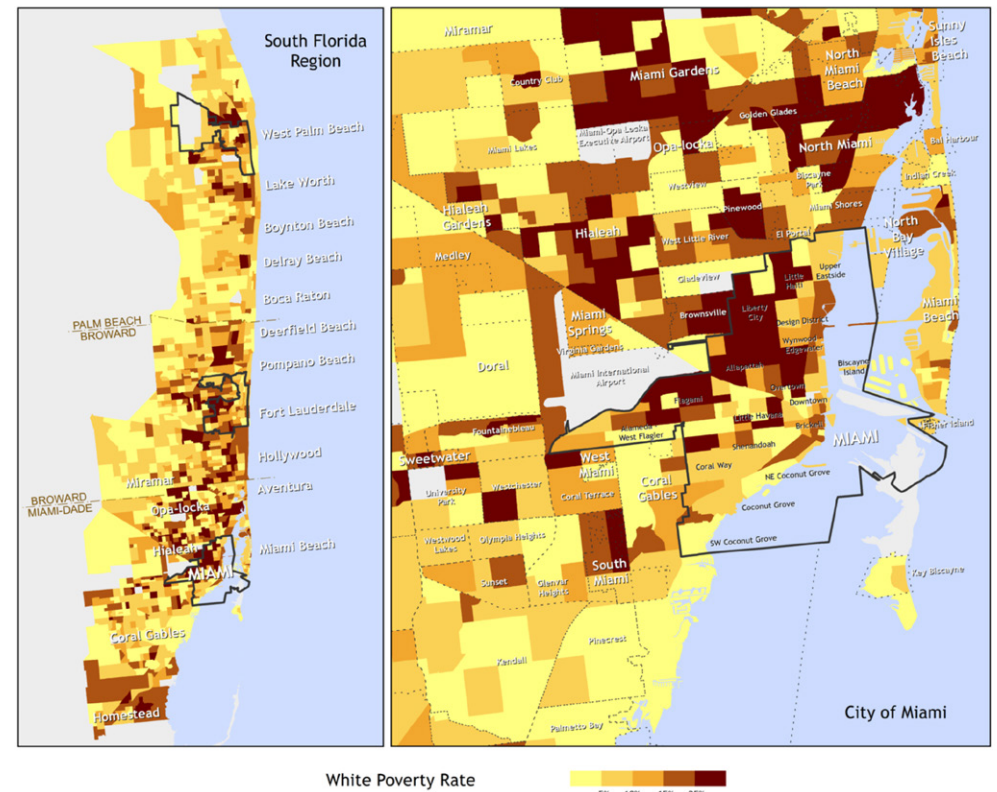




RACIALLY CONCENTRATED POVERTY (CONTINUED)

The map of poverty among white Miamians contains a lot more yellow than the maps for African Americans and Hispanics, indicating lower levels of white poverty across the metro (Figure 10). White poverty is concentrated in the southern half of the metro area, in Broward and Miami-Dade counties. Much of Palm Beach County has a white poverty rate of 5 percent or less. Some of the most-impoveryished white communities exist in inner city Miami neighborhoods, like Liberty City and Allapattah, as well as in towns like Opa-locka and parts of inland Fort Lauderdale.

Figure 10: White Poverty Across Miami Census Tracts



Source: [U.S. Census American Community Survey 2017](#)

MIAMI'S PRECARIOUS MIDDLE CLASS

One of the most striking features of Miami's inequality is the precarious status of its middle class. Across the nation, the proportion of Americans who live in middle-class neighborhoods has declined from 65 percent in 1970 to 40 percent in 2014. And the middle-class share of the population has [shrunk](#) in 203 out of the 229 metros for which the Pew Research Center was able to gather data between 2000 and 2014. Greater Miami is no exception to this trend: its proportion of middle-class residents declined from 51 percent in 2000 to 48.5 percent in 2014, according to an analysis by the Pew Research Center.⁹

Our analysis finds the region's middle class to be even smaller. (We measure middle-class households as those earning between two-thirds and double the national median household income between 2015 and 2017.)

Today, just over 40 percent (43.2 percent) of Miami households are members of the middle class, the 11th-lowest rate among the nation's large metros (Table 10). Looking closely at the data, just four very expensive superstar metros—San Jose, San Francisco, Boston, and New York—have middle classes that are appreciably smaller than metro Miami. In fact, the region's middle-class share is similar to expensive metros like Los Angeles and Washington, D.C. and hard-hit Rustbelt metros like Cleveland and Baltimore.

Table 10: Large Metros with the Smallest Middle-Class Shares

Rank	Metro	Middle-Class Households (%)
1	San Jose	33.2%
2	San Francisco	35.4%
3	Boston	38.8%
4	New York	38.9%
5	Washington, D.C.	40.4%
6	New Orleans	40.7%
7	Philadelphia	41.0%
8	Los Angeles	42.5%
9	Baltimore	43.0%
10	Providence	43.1%
11	Miami	43.2%
12	Cleveland	43.4%
13	Memphis	43.7%
14	San Diego	43.8%
15	Birmingham	43.8%

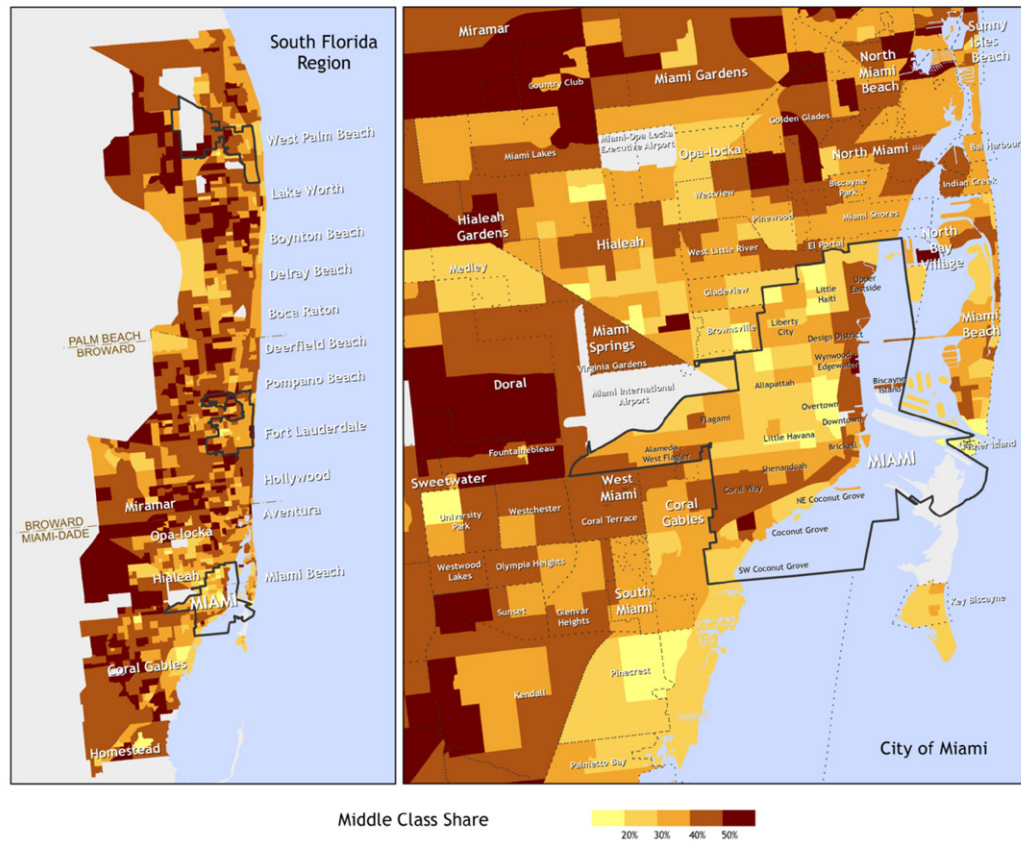
Source: [U.S. Census American Community Survey 2017](#)

Note: Middle-class households are defined as those with a median household income between two-thirds and double the national median household income. The U.S. share is 44.4%; highest three large metros: Salt Lake City (50.2%), Grand Rapids (49.7%), and Nashville (49.2%)

MIAMI'S PRECARIOUS MIDDLE CLASS (CONTINUED)

Figure 11 tracks the middle class across metro Miami's census tracts. The census tracts with 50 percent or more middle class show up in dark brown, and the census tracts with 30 percent or less appear in yellow. Some of the most concentrated middle-class areas include suburbs like Doral, Miramar, and Royal Palm Beach. Wealthy areas like Coconut Grove and Pinecrest have small proportions of middle-class residents, as do poor neighborhoods like Little Haiti and Medley.

Figure 11: Miami's Middle Class by Census Tract



Source: [U.S. Census American Community Survey 2017](#)



DISCUSSION AND POLICY RECOMMENDATIONS

Greater Miami is an extremely divided and unequal region, among the most, if not the most, divided and unequal metro area in the country. Its middle-class neighborhoods have been hollowed out, and today it is a region of great wealth concentrated on its coasts and tremendous poverty spread inland.

A key issue facing Greater Miami is its large share and concentration of low-paid service class jobs. But a growing body of research suggests that these jobs can be upgraded and turned into better, higher-paying jobs. Paying service-class workers more and giving them more job security and better opportunities for advancement [will result](#) in lower turnover, higher levels of employee engagement, and improved customer service, all of which leads to increased productivity and profit for firms.¹⁰ This “good jobs strategy” offers a way to simultaneously raise worker wages while improving the competitiveness of the region’s tourism and hospitality industries. Greater Miami could benefit from efforts to identify firms employing such a good jobs strategy and by developing networks and other mechanisms to spread the adoption of these strategies to more firms and employers.

There is a growing movement across the nation to raise the minimum wage. A number of cities have all already [raised](#) their minimum wages to \$15 per hour.¹¹ Unfortunately, Florida’s recently raised [minimum wage](#) of \$8.46 per hour for non-tipped employees lags far behind this movement.¹² Research shows that the appropriate level at which to set the minimum wage, without harming job generation or the economy, is roughly 50 to 60 percent of the prevailing median wage. For metro Miami, a minimum wage of roughly \$10 an hour (\$9.78 per hour) [makes economic sense](#).¹³

The region must also double down on its efforts to address concentrated poverty, especially racially concentrated poverty. This means making long-run and sustained investments in people and places, as outlined by experts like [William Julius Wilson](#), [Robert Sampson](#), and [Patrick Sharkey](#).¹⁴

The Greater Miami region must make addressing inequality, poverty, and economic divides a regional priority. This is the ethical and moral thing to do. And it is an economic imperative, as poverty and inequality amount to wasted talent and potential, which only serves to hold back the entire region’s economy.



REFERENCES

1. Richard Florida and Steven Pedigo, "[Benchmarking Miami's Globalization](#)," *Miami Urban Future Initiative*, 2018.
2. Richard Florida and Ian Hathaway, "[Rise of the Global Startup City](#)," *Center For American Entrepreneurship*, October 2018.
3. Richard Florida, "[The Geography of the World's Billionaires](#)," *CityLab*, July 26, 2016.
4. "World Development Indicators," [The World Bank](#), accessed March 4, 2019.
5. Ibid.
6. Richard Florida, "[The New Geography of the Working Class](#)," *CityLab*, July 12, 2012.
7. Richard Florida and Stephanie Garlock, "[Why It's So Incredibly Difficult to Fight Urban Inequality](#)," *CityLab*, November 8, 2013.
8. Richard Florida, "[The Persistent Inequality of Neighborhoods](#)," *CityLab*, December 9, 2016.
9. Rakesh Kochhar, "[America's Shrinking Middle Class: A Close Look at Changes Within Metropolitan Areas](#)," *Pew Research Center*, May 11, 2016.
10. Zeynep Ton, *The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits* (New Harvest Press: Brooklyn, 2014).
11. Victor Luckerson, "[Here's Every City in America Getting a \\$15 Minimum Wage](#)," *Time*, July 23, 2015.
12. "[Minimum Wage Set to Increase in Florida in 2019](#)," *CBS4 Miami*, December 19, 2019.
13. Richard Florida, "[The Great Minimum Wage Debate](#)," *CityLab*, July 20, 2017.
14. Patrick Sharkey, *Stuck in Place: Urban Neighborhoods and the End of Progress toward Racial Equality* (University of Chicago Press: Chicago & London, 2013); Robert J. Sampson, *Great American City: Chicago and the Enduring Neighborhood Effect* (University of Chicago Press: Chicago & London, 2012); William Julius Wilson, *The Truly Disadvantaged* (University of Chicago Press: Chicago & London, 2012).



