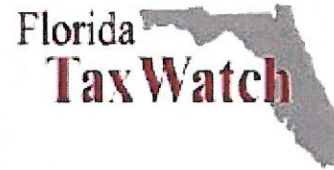


Research Report

September 1996



Florida Household Government Benefits and Tax Burden

Excerpts from the Executive Summary and Press Release

Who pays and who benefits from Florida's current state and local tax structure? A three-year Florida TaxWatch study of government benefits and tax burden reveals that certain Florida households receive more state and local government benefits while paying less state and local taxes. Which ones? Those that consist of an unemployed, single parent living in public housing with one or more school age child and no income or source of cash from savings, investments, child support/alimony or self employment.

By contrast, households receiving the least direct state and local government benefits and paying the most state and local taxes (sales and property) are single or married, employed (both if married) homeowners without children and with income of at least \$30,000 (single) or \$45,000 (married) excluding Social Security benefits. These two household types are identified as SINKs (single income, no kids) and DINKs (double income, no kids).

These are key findings from a study entitled: *Florida Household Government Benefits and Tax Burden*, which was conducted by the Ft. Lauderdale-based Growth Management Services Institute (GMSI), under the auspices of Florida TaxWatch. It was researched and written by Dr. Keith Baker, GMSI President and Dr. Craig E. Reese, Professor, Accounting and Taxation, St. Thomas University in Miami. Both authors are Florida TaxWatch Senior Research Fellows. Florida TaxWatch is a statewide, private, non-profit research institute and government watchdog supported by individuals, companies, professionals, labor groups and philanthropic foundations.

The purpose of the study was to provide citizen/voter/taxpayers (CVTs) and elected representatives with empirical information on who pays and who benefits from Florida's current state and local tax structure. The study's findings will enable citizens and elected officials to take a more balanced and comprehensive view of tax equity in Florida.

The study essentially is a "photograph" of one year's data (1989) of Florida household benefits and tax burden.

The study also analyzed households in Florida's seven most populous counties: Dade, Broward, Palm Beach, Pinellas, Hillsborough, Orange and Duval. Each of these counties was analyzed in respect to the relative percentage and number of net benefactor households in these counties.

The presumed "ideal" Florida household is a two-parent family with one or both parents working and one or more children under age 18, referred to in the study as the Traditional Family household. However, just 22% of Florida households fall under this broad category. Nearly nine out of ten such households have incomes of more than \$15,000 per year. Consequently, less than 10% are eligible for state social welfare program benefits.

The data shows that per student education benefits weigh more heavily in determining households that directly benefit-- more than even AFDC or Medicaid. Although there are more Medicaid recipients (one million in 1989-90) than AFDC benefits (more than 355,000 in 1989-90), the state spends less on these two programs combined than state and local government does on education funding. Nevertheless, households receiving both social services, or even Medicaid only, generally are net benefactors, because low household income level is necessary for both AFDC and Medicaid.

Traditional families and modern, one-parent families with one or more school-age child(ren) are net benefactors, even if they own a home. Both family households benefit from education expenditures. In general, households with lower incomes and several school-age children are the ones most likely to be net benefactors, if they do not own a home. However, households owning a home but including no child or a child(ren) under six would pay more in state sales tax (assuming that household income exceeds expenditures for food and shelter) and local property tax than they receive in education benefits if no household member is attending a publicly supported post secondary educational institution.

The Modern Family household benefits from AFDC where its household income is below the poverty level, there is/are no child(ren) over five years old and the family is either renting or living in public housing. AFDC-qualifying modern families also benefit from Medicaid because of low household income and/or other reasons. Even if families of Traditional or Modern Family households with one school-age child pay state sales and all of the property tax on a personal residence, the average education benefit per public school student of \$4,877 exceeds the taxes paid by such home-owning family households, whatever the household income level.

A wealthy family with an income of \$50,000 or more residing in owner-occupied housing might pay more in sales and property taxes than it receives in education benefits for one school-age child. If two children are school age, even these wealthy families can be net benefactors. Such wealthy households, referred to in this study as Wealthy Traditional Family households, are seldom eligible for social programs, although many have one or more children in public school. Statewide, they amount to 7% of households and may not be considered wealthy if it takes two parents to earn \$50,000.

The study finds that very few childless single or double income, single or married couple households or households with persons of retirement age are net benefactors. Few with one or more persons of retirement age would be net benefactors because neither the education benefit nor AFDC would be available and only those with low incomes would be eligible for Medicaid in lieu of Medicare. "Historically retirees have been most generous to the tax system, given the fact that they contribute," commented Florida TaxWatch Senior Vice President of Research and Operations Dr. Neil S. Crispo.

Despite reports that the two-parent family is disappearing, only 8% of Florida households are single-parent. But more than 40% of these have incomes of \$15,000 or less; almost 40% probably qualify for some form of state welfare benefits; and most have at least one child attending public schools. Low-income households generally pay less tax no matter what their demographic attribution.

A household category which media reports suggest is common consists of one or two adults over age 64 and one or more children under 18 (grandparents rearing grandchildren), the three-generation family household. When these households have incomes of \$15,000 or less they are eligible for some state social programs. Most of them have at least one child attending public school. While the Three-Generation Family household may be growing in numbers, it constituted only about one percent of Florida households in 1989. Consequently, the study did not include a detailed analysis of this household category.

"Before our tax system can be altered in a fundamental way, it will be necessary to know who benefits most and least by the government services taxes buy," said Crispo. "We must take into account the impact of demography upon our tax sources and public spending because the demographic nature of growth will in the future dictate the demands that are placed on the state and the informed consent of Florida's voters and taxpayers to change the form and amount of their taxpayer investment."

One of the authors, Dr. Keith Baker, concluded by saying, "Our finding that the state sales tax is not as regressive as other recent studies have shown may be disconcerting to some people. However, to calculate the Florida sales tax base at the household level as we have done is more surgically precise than having to depend on assumptions as some of the aggregate data studies have done."

In examining direct state/local benefits vs. state/local tax burden, the following questions must be answered:

- ▶ Is state and local government performing key and relevant public functions?
- ▶ Is government at state and local levels performing services in a cost effective manner?
- ▶ Are government services delivered in an accountable fashion that includes honest assessments that focus on continued improvement to meet the changes of time and circumstances?
- ▶ Does state and local government demonstrate to the producers of tax resources that their tax dollars are generating a civic dividend to a healthier, more socially auspicious community?

This report was researched and written by Dr. Keith Baker, President, Growth Management Services Institute, Inc.
and Dr. Craig E. Reese, Professor, Accounting and Taxation, St. Thomas University,
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David McIntosh, Chairman; Dominic M. Calabro, President and Publisher
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**FLORIDA HOUSEHOLD
GOVERNMENT BENEFITS AND TAX BURDEN**

EXECUTIVE SUMMARY

September 1996





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David McIntosh
Chairman

Dominic M. Calabro
President and Chief Executive Officer

Dear Fellow Floridian:

It is our pleasure to send you this executive summary of a landmark study of "Florida Household Government Benefits and Tax Burden."

This three-year effort provides a "snapshot" of direct household government benefits and direct tax burden. It revealed that certain Florida households receive more state and local government benefits while paying less state and local taxes. These households consist of unemployed, single parents living in public housing with one or more school age children and no income or source of cash from investments, savings, child support/alimony or self employment.

By contrast, households receiving the least direct state and local government benefits and paying the most state and local taxes (sales and property) are single or married, employed (both, if married) homeowners without children and with income of at least \$30,000 (single) or \$45,000- (married) excluding Social Security benefits.


The study also analyzed net benefactor households in Florida's seven most populous counties: Dade, Broward, Palm Beach, Pinellas, Hillsborough, Orange and Duval. Each of these counties was analyzed in respect to the relative percentage and number of net benefactor households in each county.


Before any fundamental changes in Florida's tax system may be engineered, a comprehensive understanding of this information will be necessary so that lawmakers and citizens may make more informed decisions. The information contained in this study will be a valuable tool in assessing the impact of demography upon our tax sources and public spending.

We are pleased to provide this many-faceted overview of the real impact of Floridians' taxes and encourage readers to consider some key questions: Is state and local government performing necessary and relevant public functions in a cost effective manner? Is government accountable and responsive?

We hope you will review the many important points in this report and reflect on the impact of such information on your life and Florida's prosperity.

Respectfully,


David McIntosh
Chairman
Florida TaxWatch


Dominic M. Calabro
President and Chief Executive Officer
Florida TaxWatch

Joseph P. Lacher
Chairman-Elect

Louis E. Fischer
Secretary

William A. O'Toole
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Chairman Emeritus

"Improving taxpayer value, citizen understanding and government accountability"

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SUMMARY OF RESULTS

Statewide Findings

- Florida households that receive the most state and local government social program benefits [i.e. education, aid to families with dependent children (AFDC) and Medicaid] and pay the least state and local taxes are those consisting of an unemployed single parent living in public housing with one or more school-age children and no non-governmental source of income.
- Single or married homeowners with annual incomes of at least \$30,000 and without children receive the least state and local government benefits and pay the most state and local taxes.
- Almost all "traditional households" (two-parent family with one or both parents working, and one or more children under age 18) and "modern households" (unmarried person or married person not living with spouse with one or more children under age 18) with one or more school-age children receive more in government benefits than they pay in taxes.
- Households with children under age six are net benefactors if they receive AFDC and/or Medicaid.
- Very few childless single or double income, single or married couple households or households with persons of retirement age are net benefactors because most do not receive education benefits or AFDC.
- Childless households with one member attending a community college or state university full-time are net benefactors, but households consisting of part-time students who own a home and work full-time may not be net benefactors if their household income is high enough that their taxes exceed the state's subsidy for the cost of taking postsecondary education courses.

Regional Variations

Analysis of the state's most populous counties yielded the following results:

- Dade County has both the largest percentage of households and the largest number of households receiving welfare (AFDC and Medicaid), the most families with school-age children receiving education benefits and the most "wealthy traditional family" households (two-parent family with one or both parents working, and one or more children under age 18 and family earning \$50,000 or more), primarily because it is the state's most populous county.
- Hillsborough County has the second-largest number of "low income modern family" households (one parent (separated, divorced, widowed or never married) and one or more children under age 18 which are AFDC eligible). It ranks fourth in all other household number categories except "traditional family," where it ranks second.
- Broward and Palm Beach counties are similar in respect to percentages of all types of low-income households except the modern family where (unexpectedly) Palm Beach has a higher percentage than Broward; however, the latter's modern family population is over 45 percent greater than the former so Broward has more AFDC-recipient households, families receiving education benefits for school-age children and Medicaid-recipient households than Palm Beach.
- Palm Beach and Broward counties have an almost identical *percentage* of wealthy traditional family households despite the fact that Broward's larger population translates to a significantly larger number of such households compared to Palm Beach.
- There are no obvious summary generalizations about Pinellas, Orange and Duval counties except that Orange and Duval have lower numbers of low-income households and fewer wealthy traditional families, which is consistent with their smaller populations and household samples.

INTRODUCTION

Benjamin Franklin declared in 1789 that the only constants in life are death and taxes. Citizen-voter-taxpayers (CVTs) often tout his words as a popular adage. Most, however, are unaware that Franklin was speaking about the potential durability of the U.S. Constitution. If alive today, he might be surprised that the Constitution indeed has lasted, albeit with some changes that would have been alien to CVTs of his day. Needless to say, today's Constitution has changed from what it was in Franklin's day, even regarding what it says about taxes.

Franklin apparently was oblivious, as are most CVTs today, to a third and equally pervasive constant of American political life: copious misperceptions--some are hallowed myths--surrounding tax systems, the implications of various taxes being levied and various fictional interpretations concerning the roles played by historical figures in the process. In the latter instance, Americans usually are quite surprised to learn that the revered Mr. Franklin, before arguing vehemently before Parliament for repeal of the Stamp Act, himself once applied for the job of stamp salesman.

Americans even commonly misinterpret the facts surrounding the Boston Tea Party. "No taxation without representation" became a rallying call of the colonists in the American Revolution. However, contrary to popular belief, the dumping of tea in Boston harbor was hardly an act of defiance against British colonialism as depicted by a recent American postage stamp. The belligerent dumpers' wrath was directed more toward the removal by the British government of duties on East Indies tea upon its arrival in Britain than against taxes levied by the mother country. Removing tax duties on East Indies tea would result in it being sold in America at a price cheaper than the smuggled Dutch tea that had saturated the market. The dissidents were fearful of a precedent being established for granting monopolies to other British products and, contrary to popular myth, not much concerned about British taxes on tea.

Equally dubious perceptions about current tax policies and practices abound to this day. Whereas many wealthy individuals perceive that the tax man, when he cometh, unduly taxes them, peripatetic spokesmen for less wealthy individuals often just as vehemently argue that it is the poor and middle class who are unfairly treated by the tax system. Unfounded, self-serving conventional wisdom can cause extreme mischief for tax systems and even threaten the legitimacy of government. However, just as destructive are taxes that erode freedom of self-determination and which result in chronic inflation, low productivity, slow economic growth and, unless checked, can goad otherwise responsible citizens into evading taxes.

Unfounded disagreement and contentiousness over taxes are commonplace among today's CVTs. They differ over what constitutes equitable tax policy and who benefits or suffers most from particular taxes. Unless CVTs can more fully appreciate in empirical terms how the present tax system uniquely affects them, neither they nor their elected representatives will be able to make informed decisions when it comes to tax reform.

Taxes clearly are on the minds of the American electorate and elected officials. At the national level, several prominent candidates for President in 1996 perceive CVTs to be so disgruntled with the status quo as to espouse adoption of a Flat Tax or Value Added Tax. It is doubtful, however, that many Americans understand the comparative advantages or disadvantages of either tax as pertains to the present tax system or the welfare of their individual households. Although Congress engages incessantly in debate over such matters as a balanced budget, the national debt and overhauling the allocation of tax dollars intergovernmentally, many CVTs have difficulty distilling meaningful information from the rhetoric. Unless factual information is made available to them regarding who pays and who benefits from the tax system, the misperceptions will continue about how taxes are levied and tax dollars spent.

ABOUT THE STUDY

This study is an exploratory analysis and first step toward identifying what Florida households receive in return for their state and local taxes. It was conducted by Growth Management Services Institute (GMSI), Inc., of Fort Lauderdale, Florida under the auspices of Florida TaxWatch to determine more empirically the state and local government benefits and tax costs of various Florida household types. It is an attempt to move Florida CVTs beyond the apples, oranges and political rhetoric that fire the torpid debate over tax equity. It is a unique study insofar as the investigators developed a microsimulation of state and local tax burdens and direct government benefits for Florida households. Most other studies only use aggregate data while focusing on either average tax burden or average government benefits without delineating the burden and benefits for representative households.

The primary source of the household-level data was the 1990 Census of Population and Housing Public Use Microdata Samples (PUMS) data. A synopsis of the mathematical model and primary data sources used is included in the Appendix. Spreadsheet and three-dimensional bar graph renderings of frequency distributions by household income and household type for each of 35 categories generated are displayed in Figures 10 and 11, respectively. Readers interested in obtaining a more detailed articulation of the mathematical model, methodology and the data problems encountered may order a copy of the full report from Florida TaxWatch by calling (904) 222-5052.

The study's investigators, Dr. Keith G. Baker, GMSI President and Dr. Craig E. Reese, Professor of Accounting at St. Thomas University in Miami, initially agreed to explore the relationship between tax burden and government benefits for the state as a whole. However, exploratory analysis of the data revealed the opportunity to extend the delineation of household relationships to substate census of geographic areas called Public-Use Microdata Areas (PUMAs). Based on the densities of their populations, PUMAs consist of both single and multiple counties (see Table 8 on page 15). Tax burden computations were made for 25 of the state's 35 PUMAs which contain 48 of the 67 counties.

The study's major limitation is that it was based on one year's data (1989), thereby making it a static model or "photograph" of household benefits and tax burden. By contrast, a dynamic, multi-year model or "motion picture" of household government benefits and tax burden would mitigate some apparent inequities between household types. However, despite some changes in individuals households, government benefit programs and state and/local taxation since 1989, the authors submit that the results of their study provide an accurate picture of Florida today.

The study's findings take on even more significance when viewed in terms of the dramatic devolutionary changes in intergovernmental relations currently taking place in Washington, D.C. They could serve as timely benchmarks against which to compare the equities and efficiencies of new federal policies on standards and funding levels for intergovernmental social service programs. Florida households and their elected representatives could use the study's finding to more empirically determine how the results of taxation and government spending affect their pocketbooks and those of fellow CVTs under the reforms.

BACKGROUND

Between 1950 and 1989, Florida absorbed a larger influx of population than any other state except California and Texas, and a greater percentage increase than any state except Arizona and Nevada. Florida's growth management laws and regulations are intended to ensure that new residents pay for the government services and benefits they receive. However, it is likely that an historically disproportionate large number of newcomers cost the state more than they contribute to the financial support of government social programs. Anecdotal evidence suggests that it may be years before growth management and comprehensive planning requirements effect sufficient impact to alleviate the negative social consequences of local and regional growth.

Since 1950, the number, types and funding of state government social programs have grown almost as dramatically as the state's population. As the federal government's social programs broadened, their administration increasingly was delegated to the states and, to some extent, local governments. Social programs are utilized for varying periods and at various times in the lives of families and individuals. Although such programs seldom provide incentives to relinquish the economic benefits thereof, most families and individuals do overcome the deficiency, inequality or other problems which each program is designed to alleviate. For example, a divorced, unemployed single mother who is not receiving child support from her noncustodial ex-spouse may eventually remarry, find employment, and/or collect child support. However, a limited number of families and individuals benefit from social programs continuously.

INCREASED FOCUS ON GOVERNMENT BENEFITS AND TAX BURDEN

Since the 1978 passage of the Proposition 13 property tax limitation referendum in California, citizen-voter-taxpayers (CVTs) have increasingly expressed their dissatisfaction with the scope, quality, effectiveness and efficiency of government services. While a CVT's payment of taxes is not intended by law or policy to be directly related to his/her consumption of government services and benefits, most CVTs believe they are receiving *much less* than their moneys-worth in government services for the taxes they pay. Many are cynical about the government's genuine interest in their welfare. America's current consensus on social programs is that CVTs are not willing to pay more in taxes to support programs that are deemed to be inefficient and/or ineffective.¹

Determining each CVT's net gain or loss vis-a-vis government benefits involves computing the tax each paid and subtracting the government services s/he received. If a CVT pays more in taxes than s/he receives in government services, s/he is a benefits "loser." However, if a CVT pays less in taxes than s/he receives in the value of government services, s/he is a benefits "winner."

This simple proposition is very difficult to sort out, methodologically and theoretically, because a myriad of taxes are paid directly by CVTs to the federal, state *and* local governments. CVTs also pay taxes indirectly insofar as businesses pass on the taxes they pay to consumers in the form of higher prices, lower shareholder dividends and in reduced employee compensation.

All CVTs benefit more-or-less from general government and public safety expenditures. However, because many government services are generic, attributing the value of such services to a CVT is problematic. For example, while public safety (including the judiciary and the criminal justice system) is a legitimate government service, the benefits thereof are not logically divisible and attributable to a CVT and his/her household.

HOUSEHOLDS RECEIVE VARYING AMOUNTS OF GOVERNMENT BENEFITS

The presumed ideal Florida household is a two-parent family with one or both parents working, and one or more children under age 18. However, only 22% of all Florida households fall under this broad category, which is identified in Table 1 as the Traditional Family. Moreover, nearly nine out of ten of these family households have a family income of more than \$15,000 per year. (See Figure 1 for frequency distributions by household income and household type for Traditional Family and other household categories discussed below and Figure 2 for a three-dimensional bar graph of same). Consequently, less than ten percent are eligible for state social programs (welfare benefits). Sixty-five percent of them would have at least one child attending the public schools. In addition, only about one-half of children under 18 live in such two-parent households.

Based on media reports of the two-parent family's demise, one would expect the second most common family household to be that with only one parent (separated, divorced, widowed or never married) and one or more children under age 18. However, according to the 1990 Census, only eight percent of Florida households fall under this category, which is identified as the Modern Family in Table 1. Although few in number, over 40% of these family households have incomes of \$15,000 or less; therefore, almost 40% probably qualify for some form of state welfare benefits, and most have at least one child attending the public schools.

Another family household which media reports suggest is common consists of one or two adults over age 64, and one or more children under 18, (i.e. grandparents rearing their grandchildren). When these family households have income of \$15,000 or less, many--especially one-adult households (i.e., AFDC and Medicaid)--are eligible for some state social programs. Most of these households have at least one child attending public school. While this family household may be growing, it was only about one percent of Florida households in 1989; therefore, a detailed analysis in this study is not merited, although it is included in Table 1 as the Three-generation Family. Admittedly, many parents become grandparents before age 65, so the over-64 characteristic is unnecessarily restrictive. Nonetheless, systematically delineating such households from the 1990 Census was beyond the scope of this study.

A fourth family household type is one with two parents, one or both working, one or more children under age 18 and a household income of \$50,000 or more. These households are seldom eligible for social programs, although many have at least one child attending public school. Statewide, this high-income family amounts to almost seven percent of households and is identified as Wealthy Traditional Family in Table 1. In fact, this household may not be very wealthy if it takes both parents working to earn \$50,000 or more per year.

Table 1

Summary of Florida Household Type Characteristics

Household	Parents	Children <18 Years	Employed	Percentage of Households		
				0-200K	w/o >\$50K	>\$50K
Traditional Family	Two	Yes	One, both or none	21.8	15.1	6.7
Modern Family	One	Yes	One or none	8.4	7.9	0.6
Three-generation Family	One, two or none	Yes	One or more, or none	Not Available	N.A.	N.A.
Wealthy Traditional Family	Two	Yes	One, both or none	6.7	---	6.7
SINK/DINK* Married	No	No	One or both	19	12.3	6.7
SINK/DINK* Not Married	No	No	One or both	13.6	12.2	1.4
Retired, Married or Single**	No	No	One, both or none	15.9	13.1	2.8
Wealthy Only	One, two or none	Yes or no	One, both or none	---	---	17

*SINK is an acronym for single-income/no kids(s); DINK means double-income/no kid(s).

**This household type encompasses the one or both >=65 householders from other households.

FIGURE 1
FREQUENCY DISTRIBUTIONS (FIVE PERCENT, UNWEIGHTED) PUBLIC USE MICRODATA SAMPLE
HOUSEHOLD CATEGORIES

Household Income\Type Categories	1*		2*		3*	
	Traditional Family	Household Category %	Modern Family	Household Category %	Wealthy Traditional Family	Household Category %
<i>State of Florida</i>	N=57295	N=57295	N=22191	N=22191	N=17691	N=17691
		N=263320**		N=263320**		N=263320**
0-15K	5479	9.56%	9531	42.95%	-	0.00%
>15-20K	4126	7.20%	2941	13.25%	-	0.00%
>20-25K	4886	8.53%	2360	10.63%	-	0.00%
>25-30K	5524	9.64%	1981	8.93%	-	0
>30-35K	5479	9.56%	1481	6.67%	-	0
>35-40K	5222	9.11%	1059	4.77%	-	0.00%
>40-50K	8893	15.52%	1312	5.91%	-	0.00%
>50-75K	11781	20.56%	1198	5.40%	11783	66.60%
>75-100K	3663	6.39%	234	1.05%	3663	20.71%
>100-200K	2242	3.91%	94	0.42%	2245	12.69%
Totals (%)		100.00%		100.00%		100.00%
		21.76%		8.43%		6.72%

DATABASE SOURCE: 1990 Census of Population and Housing

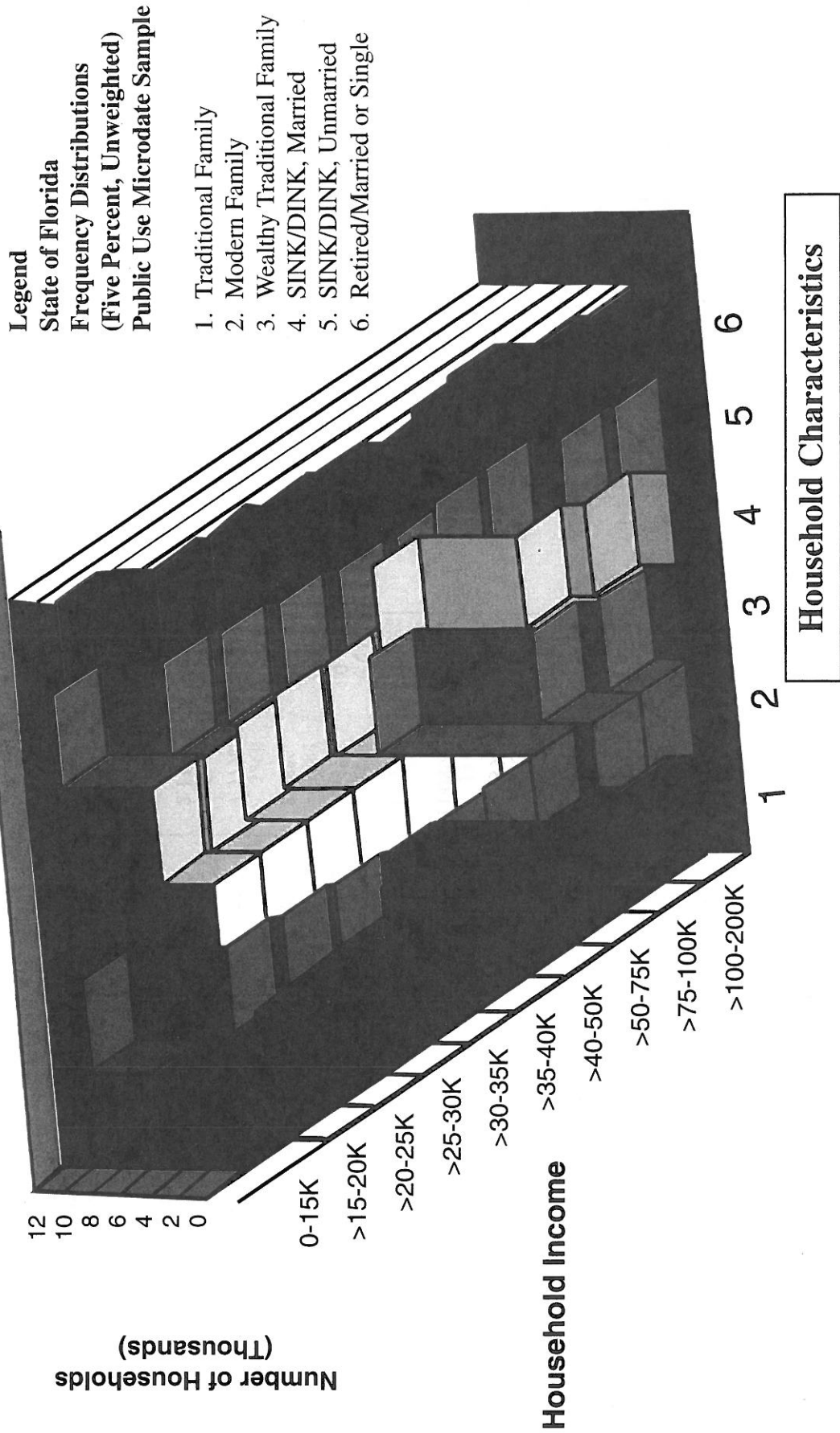
* Household category numbers correspond to household categories on the spreadsheet and also to applicable graph figures.

**The household universe excludes group quarters records (N=14,897) and Census unoccupied household categories (N=59,299).

4*		5*		6*		Totals
SINK/DINK Married	Household Category %	SINK/DINK Unmarried	Household Category %	Retired/Married or Single	Household Category %	
N=50043	N=50043	N=35675	N=35675	N=41866	N=41866	N=224761
	N=263320**		N=263320**		N=263320**	
3666	7.33%	9652	27.06%	9050	21.62%	37378
	1.39%		3.67%		3.44%	
3333	6.66%	5309	14.88%	5601	13.38%	21310
	1.27%		2.02%		2.13%	
4260	8.51%	4648	13.03%	5394	12.88%	21548
	1.62%		1.77%		2.05%	
4728	9.45%	3953	11.08%	4542	10.85%	20728
	1.80%		1.50%		1.72%	
4524	9.04%	3107	8.71%	3553	8.49%	18144
	1.72%		1.18%		1.35%	
4450	8.89%	2368	6.64%	2742	6.55%	15841
	1.69%		0.90%		1.04%	
7424	14.84%	2954	8.28%	3741	8.94%	24324
	2.82%		1.12%		1.42%	
10868	21.72%	2701	7.57%	4393	10.49%	42724
	4.13%		1.03%		1.67%	
4149	8.29%	752	2.11%	1672	3.99%	14133
	1.58%		0.29%		0.63%	
2641	5.28%	231	0.65%	1178	2.81%	8631
	1.00%		0.09%		0.45%	
	100.00%		100.00%		100.00%	
	19.00%		13.55%		15.90%	

Figure 2 FLORIDA FREQUENCY DISTRIBUTIONS

Five Percent (5%) Unweighted Sample



The most common childless (non-family) household is a married couple with one or both employed. In Table 1, SINK/DINK Married is used to identify this household type. The second-most common non-family household is one or two single persons with one or both employed, (i.e., SINK/DINK Not Married in Table 1). Without children, few are eligible for welfare benefits, and, of course, none have children in public schools. These two household groups represent 19% and 13% of Florida households, respectively.

The popular household types delineated above and summarized in Table 1 are not mutually exclusive (e.g., all household types excepting Retired, Married or Single include households with no one over 64 years old or one or two over 64). In fact, several are composites of household types delineated for the purpose of computing the household sales tax and attributing benefits such as education and Medicaid. Obviously, Wealthy Traditional Family is a subset of the Traditional Family. Less obvious is the overlap of Retired, Married or Single with both SINK/DINK types, as well as the Three-generation Family.

GOVERNMENT REVENUE AND EXPENDITURES

The sales and use tax and the property tax are by far the most productive sources of Florida state and local tax revenue, respectively. For this reason, they were used in this study as the measure of tax burden in determining the amount of each tax paid by each household in the sample.

In 1989-90, the sales tax and intergovernmental transfers (federal funds) amounted to about 60% of total state revenue. Local governments and school districts received 85% of their revenue from the property tax, user charges and intergovernmental transfers (state and federal funds).

The three major areas of state expenditures were education (33%), social services (about 30%) and general government and public safety (more than 15%). Social services expenditures may seem understated until one realizes that the state's share of AFDC and Medicaid has almost doubled over the past five years.²

The three major sources of revenue for local government were property taxes (about 30%), state (intergovernmental) transfer of funds (more than 15%) and user charges (more than 25%). The three major types of expenditures were education (more than 20%), cost of user services (more than 25%) and general government and public safety (about 20%).

A few major social service programs (Table 2) account for a large proportion of state (and/or local) government expenditures on social programs. These include: AFDC, Food Stamps (administered by the state) and Medicaid. Total state budget expenditures in 1989-90 amounted to almost \$19.5 billion (or \$23.2 billion when federal funds transfers are included). Education, Medicaid and AFDC accounted for about half of these expenditures.

Table 2

Major Government Benefit Programs, FY 1989-90

Government Benefits	Expenditures (\$ millions)			
	Federal	State	Local	Total
Education	595.7	5127.2	4010.3	9733.2
Higher Education (1)	3.5	3418.9	0	3422.4
Medicaid	1426.6	934.1	0	2360.7
Food Stamps	843.7	0	0	843.7
AFDC (2)	272.9	97.8	0	370.7

Source: 1994 Florida Abstract, Tables 7.15, 7.18, and 23.07.

(1) State university and community college expenditures.

(2) Aid to Families with Dependent Children

DELINEATING NET BENEFACTOR HOUSEHOLDS

Everyone benefits from government programs, at least sometime during his or her life. This study provides a snapshot of Florida's state and local government benefits for various household types in 1989-90. As previously noted, despite some changes in individual households, government benefit programs and state/local taxation since 1989, the authors believe their study results provide an accurate picture of Florida today.

If a household reports to the Census that it receives public assistance, eligibility for specific social programs must be determined. In the 1990 Census, public assistance included: (1) Social Security disability benefits (Supplemental Security Income or SSI) paid by the Social Security Administration (along with a state agency's administrative support) to low-income persons under 65 years old and blind or otherwise disabled, as well as SSI for low income persons 65 years of older; (2) Aid to Families with Dependent Children (AFDC); and (3) general assistance (as provided by some states other than Florida), but not payments for hospitalization or other medical care (vendor payments through Medicaid or Medicare). Eligibility for public assistance may not be limited to those reporting public assistance income insofar as it is also dependent on household income level (HIL) minus public assistance, as well as the number of dependent children in the household, the age of dependent children and other factors (*e.g.*, disability).

Family income is not always equal to household income. Moreover, many households consist of one person and are not considered a family. Most public assistance requires there be one parent and one dependent child to be eligible for family status. Other households consist of more than one family (*i.e.*, three generations living in one home.)

State support of education (K-12 and postsecondary) historically has been the largest dollar amount in the state budget. However, the Medicaid budget recently has ballooned (because of both federal eligibility expansion and inflation) so that it could outstrip state support for public school education as the largest cost of state government. Public education is local government's top expenditure, with public safety (*i.e.*, police, fire, courts, jails, etc.) continuing to grow.

This study did not measure the value of state and local government benefits. Economists do not agree on how to value those public goods which generally cannot be purchased in a market or market-like environment. In part, this economic controversy reflects the asymmetry between a CVT's willingness-to-pay and willingness-to-accept valuations of such goods. Inasmuch as the monetary cost of government benefits is relatively easy to measure from expenditure data reported by the state and local governments, cost is used as a surrogate for the value of government benefits. However, the incidence of many government benefits (*i.e.*, who receives the benefits) is not easily determined. Therefore, as noted above, not all major government expenditures included in this study were attributed to households, *e.g.*, public safety.

The direct benefits of government programs are few and far between for most CVTs. By far the three most expensive direct benefit programs of state and local government are: AFDC; Medicaid (medical care for the indigent); and public school (elementary and secondary) education. State and local government expenditures for most other programs, excepting those appropriated through dedicated trust funds, are more-or-less public goods from which all citizens benefit (*e.g.*, public safety). Table 3 provides a summary of net benefactor households based on most of the household typology delineated in Table 1.

Both the Traditional Family and the Modern Family delineated in Tables 1 and 3 benefit from education expenditures. Moreover, the Modern Family benefits from AFDC where its household income is below the poverty level. Such AFDC-qualifying Modern Families also benefit from Medicaid because of low household income and/or other reasons.

In general, households with lower incomes and several school-age children are the ones most likely to be net benefactors if they do not own a home. For example, AFDC-eligible households: (1) often live in public or federally-subsidized rental housing; (2) are eligible for Food Stamps; and (3) usually have little or no income. If an AFDC-eligible household includes one or more school-age children, there is little doubt that the household is a net benefactor inasmuch as it pays minimal sales and property taxes but benefits from free public schools, as well as AFDC and Medicaid.

Table 3
Summary of Net Benefactor Households

Household Type	Tax Burden		Government Benefits			Net Benefactors Yes, depending on HIL, child(ren) 6-17 and homeownership
	Sales Yes, depending on HIL/PPH (1)	Property Yes, if (2)	AFDC No	Medicaid Yes, if (4)	Education Yes, and PSE (7) increases benefits	
Traditional Family						
Modern Family	"	"	Yes, if (3)	Yes, if (5)	"	Yes, depending on HIL, PPH and homeownership
SINK/DINK Married	"	"	No	Yes, if (6)	No, but PSE (7) benefit	No, except for some low-HIL renters and (8)
SINK/DINK Unmarried	"	"	"	Yes, if (6)	"	"
Retired, Married or Single	"	"	"	Yes, if (6)	"	"

Notes

1. Sales tax paid depends on household income level (HIL) and person(s) per household (PPH) where households with a low HIL and a large PPH generally pay no sales tax.
2. Household lives in owner-occupied home, *i.e.*, property tax is paid as a result of home ownership.
3. HIL is (should be) below (the) poverty level and head of household is (should be) unemployed, where poverty levels for 1989-90 were: one person, under 65 @ \$5,937; one person, 65 or over @ \$5,472; two persons, under 65 @ \$7,676; two persons, 65 or over @ \$6,902; three persons @ \$9,095; four @ \$11,662; five @ \$13,792; six @ \$15,569; seven @ \$17,631; eight @ \$19,624; nine or more @ \$23,444. Poverty level income is taken from Tables 5.48 and 5.49, 1992 U.S. Statistical Abstract.
4. Medicaid eligible because: (a) household member receives SSI; (b) parent pregnant or children up to age 6 and HIL ≤ 133 percent Federal poverty level; (c) children born after September 30, 1983 and HIL ≤ 100 percent of Federal poverty level; (d) of continuation coverage for disabled adults under Social Security Act (SSA), Section 1619; and (e) of children in foster care and adoption assistance per SSA, Title IV-E.
5. Same as note 4, as well as (f) household receives AFDC.
6. Medicaid eligible because: (a) household member receives SSI; (b) household member is qualified Medicare beneficiary; and (c) of continuation coverage for disabled adults per SSA, Section 1619.
7. PSE (post-secondary education) benefit, *i.e.*, attending publicly-supported vocational and academic institutions, may also be applicable to a household.
8. Households with one (or more) full-time PSE student(s) residing in rental property with HIL ≤ \$50,000.

Alternatively, households owning a home but including no child or only a child(ren) under six years old pay more in state sales tax and local property taxes than they receive in education benefits if no household member is attending a publicly-supported postsecondary educational institution. This generalization also assumes that the household has sufficient income to pay sales tax, *i.e.*, income greater than expenditures for food and shelter.

Insofar as the state and local governments impose a variety of taxes in addition to the sales tax and property tax, few (if any) households avoid all state and local taxes. Furthermore, low-income households pay less state and local tax no

matter what their type (*i.e.*, Traditional Family, Modern Family, etc.) or the number of CVTs (citizen-voter-taxpayers) therein. That is, the lower a CVT's household income, the less she/he can spend to purchase goods and services (which are sales taxed) and the less she/he has to save and invest in a home (property tax), in a business (various fees and taxes), for retirement (intangible property tax (IPT)) and for postsecondary education (PSE). In fact, it would not be unusual for a low-income household with children to pay virtually no sales tax and no property tax, notwithstanding the CVT head of household's marital status. Such low-income households could live in public housing (no property tax or gross receipts tax on utilities, except telephone), purchase food with Food Stamps (no sales tax), qualify for AFDC as a single parent with one (or more) child(ren) under 18, and qualify for Medicaid (no sales tax on medical care services or prescription drugs). Analysis of the tax burden for Modern Family households and Traditional Family households provides further insight on the extent to which these two household types are net benefactors. Tables 4 and 5 provide data on tax burden of the Modern Family household with one child and two children, respectively. Tables 6 and 7 provide data on the tax burden of the Traditional Family household with one child and two children, respectively.

Table 4

Tax Burden of Modern Family With One Child
Total Average Tax

HIL	Average Sales Tax	Home Ownership %	Average Property Tax	W/Home Ownership	W/Out Home Ownership
0-15K	34.61	32.21	437.96	472.57	34.61
>15-20K	236.72	42.59	378.43	615.15	236.72
>20-25K	402.50	50.57	408.84	811.34	402.50
>25-30K	528.10	55.37	526.26	1,054.36	528.10
>30-35K	633.33	62.13	530.51	1,163.84	633.33
>35-40K	777.96	59.81	538.65	1,316.61	777.96
>40-50K	929.87	64.69	729.99	1,659.86	929.87
>50-75K	1,324.15	90.62	898.14	2,222.29	1,324.15
>75-100K	2,035.87	81.88	1,316.88	3,352.75	2,035.87
>100-200K	2,062.90	85.97	1,414.15	3,477.05	2,062.90

Table 5

Tax Burden of Modern Family With Two Children
Total Average Tax

HIL	Average Sales Tax	Home Ownership %	Average Property Tax	W/Home Ownership	W/Out Home Ownership
0-15K	33.98	24.98	480.81	514.79	33.98
>15-20K	233.61	43.44	365.13	598.74	233.61
>20-25K	384.19	49.36	458.35	842.54	384.19
>25-30K	552.11	53.53	525.23	1,077.34	552.11
>30-35K	652.64	61.99	585.05	1,237.69	652.64
>35-40K	849.45	62.75	542.06	1,391.51	849.45
>40-50K	1,007.82	71.28	720.96	1,728.78	1,007.82
>50-75K	1,443.95	78.04	909.56	2,353.51	1,443.95
>75-100K	2,132.73	82.43	1,423.33	3,556.06	2,132.73
>100-200K	3,395.56	92.00	1,929.01	4,324.57	3,395.56

Table 6**Tax Burden of Traditional Family With One Child**

HIL	Total Average Tax				
	Average Sales Tax	Home Ownership %	Average Property Tax	W/Home Ownership	W/Out Home Ownership
0-15K	0	45.70	533.23	533.23	0
>15-20K	10.95	50.55	480.25	491.20	10.95
>20-25K	66.76	54.61	482.92	549.68	66.76
>25-30K	161.77	62.44	517.69	679.46	161.77
>30-35K	262.97	69.26	530.03	793.00	262.97
>35-40K	354.68	76.12	582.97	937.65	354.68
>40-50K	519.74	80.06	682.30	1,202.04	519.74
>50-75K	865.96	87.30	975.29	1,841.25	865.96
>75-100K	1,399.90	91.35	1,466.65	2,866.61	1,399.90
>100-200K	1,781.96	93.25	2,095.27	3,887.23	1,781.96

Table 7**Tax Burden of Traditional Family With Two Children**

HIL	Total Average Tax				
	Average Sales Tax	Home Ownership %	Average Property Tax	W/Home Ownership	W/Out Home Ownership
0-15K	0	43.56	590.4	590.40	0
>15-20K	11.66	49.97	539.03	491.20	11.66
>20-25K	65.75	58.65	542.73	549.68	65.75
>25-30K	163.30	65.33	544.15	679.46	163.30
>30-35K	269.75	70.94	551.16	793.00	269.75
>35-40K	368.11	75.87	612.93	937.65	368.11
>40-50K	524.52	82.67	756.26	1,202.04	524.52
>50-75K	843.00	88.46	1,077.45	1,841.25	843.00
>75-100K	1,390.96	93.21	1,606.72	2,866.61	1,390.96
>100-200K	2,173.00	94.04	2,309.61	3,887.23	2,173.00

Even if the one-school-age-child families--Traditional and Modern--are deemed to pay state sales and *all* of the property tax on a personal residence, the average education benefit per public school student of \$4,877 exceeds the taxes paid by such home-owning family households no matter what the HIL. That is, the total tax paid by these homeowners' household income is less than the education benefit for even one school-age child. Homeowner households with two school age children benefit from \$9,754 of public school expenditures while paying no more than \$4,400 in taxes.

Conversely, neither Traditional nor Modern Family households are net benefactors if their household income exceeds \$15,000, they own a home and their child(ren) is (are) under six years old, except where the family qualifies for Medicaid for which the state's share of benefits averaged \$900 per recipient in FY 1989-90. As noted, many Modern Family households with incomes of less than \$15,000, no child(ren) over five years old and either renting or living in public housing are net benefactors because they qualify for AFDC.

REGIONAL ANALYSIS OF NET BENEFACTOR HOUSEHOLDS

Although the 1990 Census five-percent sample for Florida (PUMS data) is not conducive to detailed statistical analysis of every Florida county (Table 8 provides a listing of Florida PUMAs.), analyzing the PUMAs (PUMS data for each) for the state's most populous urban counties--Broward, Dade, Duval, Hillsborough, Orange, Palm Beach and Pinellas--does provide some insight as to regional differences in the distribution of net benefactor, low-income (\$15,000 or less) households.

Figure 3 provides a rank order of low-income and Wealthy Traditional Family households by the percentage of such households within each of the seven counties and Figure 4 a two-dimensional bar chart of same. Figure 5 shows the rank order of low-income and Wealthy Traditional Family households by number of households in each of the counties and Figure 6 a two-dimensional bar chart of same. Figure 7 summarizes the rank order of frequency distributions for the ten household income levels (HILs) of the six household categories within counties by number and percentage. Figures 8 and 9, provide two-dimensional graphics of the summarizations of household numbers and percentages, respectively.

The seven most populous urban counties listed in Figure 3 according to population rank amounted to 55 percent (over seven million) of the state's population in early 1990. The over 139,000 households (five percent sample) in the urban counties amounted to almost 53 (52.8) percent of PUMS households in the state during early 1990. Each of the urban counties includes one or more major cities. That is, Broward County includes Fort Lauderdale and Hollywood; Dade includes Miami and Hialeah; Duval, Jacksonville; Hillsborough, Tampa; Orange, Orlando; Palm Beach, West Palm Beach and Boca Raton; and Pinellas, St. Petersburg and Clearwater.

No doubt there are some rural PUMAs that have a lower average household income and a higher percentage by population of households of all types with income of \$15,000 or less. Nonetheless, Dade County has the largest number of low-income households in each of the five relevant household types where low-income refers to households with an income level of \$15,000 or less. This generalization is true, for the most part, because Dade has the largest number of households in the PUMS database. However, controlling for population, Dade also has the highest percentage of each household type in the \$15,000-or-less income level category, excepting the Modern Family for which Hillsborough has a higher percentage (44.79% versus 43.82%) in terms of its low-income households. Nonetheless, that higher percentage of low-income households in Hillsborough translates to a smaller number insofar as Dade has twice as many households in the PUMS database generally (32,986 as compared to 15,929) and within low-income household categories (Figure 5). Thus, all other things being equal, Dade would have the most AFDC households.

Hillsborough County ranks second in the percentage of low-income households for three household types, third for a fourth type (SINK/DINK/Unmarried) and, as noted, first for percentage of Modern Family low-income households, which are the households eligible for AFDC, if they satisfy specific income limits linked to the number of dependent (under 18 years old) children. Only Dade County has more low-income Modern Family households than Hillsborough despite the fact that three other counties (Broward, Palm Beach and Pinellas) are more populous. Duval County ranks third or fourth highest in low-income household percentages for all types except SINK/DINK/Married for which it ranks last (seventh). Orange County ranks fourth, fifth or sixth except for the Retired household category wherein its percentage of low-income households ranks third.

Pinellas County exhibits the most irregular pattern of low-income household type rankings inasmuch as they range from second (SINK/DINK Unmarried) to seventh (Retired). Broward County is fifth- or sixth-ranked in respect to percentage of low-income households, with the exception of the Modern Family for which it is ranked seventh. Although Broward has the lowest percentage of Modern Families eligible for AFDC, the seventh (or lowest) ranking does not necessarily mean the fewest AFDC recipients because Broward's household sample size is twice that of Orange and Duval counties; moreover, the sample number of low-income Modern Family households in Broward County (609) exceeds that of Pinellas (555), Duval (541), Orange (479) and Palm Beach (419) counties.

Based on these rankings by household percentage and number, Dade County leads the state in AFDC recipients and Medicaid recipients. Hillsborough generally ranks second percentage-wise, but there are more than twice as many

households in Dade when compared thereto; and Hillsborough's ranking first in the percentage of low-income Modern Family households may only translate into the second ranking in number of AFDC households. A similar diminution in Hillsborough's second or third percentage ranking would occur in respect to the number of low-income households for the other household types. Although Duval and Orange counties generally rank third, fourth or lower in terms of percentage of low-income households, each has over 150,000 fewer residents than Hillsborough, Pinellas and Palm Beach counties and over 570,000 fewer residents than Broward. Therefore, Orange and Duval rank fifth and sixth, respectively, in number of low-income households by the household type (Figure 5).

Figure 5 shows that the ranking of total low-income households is Dade, Broward, Palm Beach, Hillsborough, Pinellas, Orange and Duval, whereas the ranking of low-income Modern Family households is Dade, Hillsborough, Broward, Pinellas, Duval, Orange and Palm Beach. With Dade ranking so high in percentage and number of low-income households for each household type, other things being equal, one might expect it to rank low in the percentage of wealthy households where wealthy is defined as a household with more than \$50,000 of income.

In fact, Dade is fifth in the percentage of Wealthy Traditional Family households (those with income greater than \$50,000). The relatively populous counties of Broward and Palm Beach are second and third, respectively, in the number of Wealthy Traditional Family households residing in each county, but first and second by percentage. Because Broward's population is only about 65 percent of Dade's, the number of Wealthy Traditional Family households in Dade County is greater than that in Broward County. Moreover, Palm Beach County has even fewer Wealthy Traditional Family households because its population is only 69 about percent of Broward's (and about 45 percent of Dade's). The balance of the rankings by number of Wealthy Traditional Family households is Hillsborough, Pinellas, Orange and Duval, according to Figure 5; whereas the remaining rankings by percentage are Orange, Pinellas, Hillsborough, and Duval, according to Figure 3.

Table 8

Florida PUMAs

Escambia and Santa Rosa (Pensacola)	Monroe and Collier (Key West and Naples)
Baker, Nassau and Clay (Orange Park)	Charlotte (Punta Gorda)
Walton and Okaloosa (DeFuniak Springs and Fort Walton Beach)	Desoto, Glades, Hendry and Hardee (Arcadia and Clewiston)
Holmes, Washington and Bay (Panama City)	St. Lucie (Port St. Lucie and Fort Pierce)
Liberty, Jackson, Calhoun, Franklin, Gulf and Gadsden (Marianna)	Martin (Stuart)
Jefferson, Wakulla and Leon (Tallahassee)	Palm Beach (Boca Raton and West Palm Beach)
Alachua (Gainesville)	Lee (Fort Myers and Cape Coral)
Madison, Dixie, Hamilton, Lafayette, Columbia, Gilchrist, Suwannee, Taylor, Union and Bradford (Lake City and Starke)	Sarasota (Sarasota)
Volusia (Daytona Beach)	Broward (Hollywood and Fort Lauderdale)
Duval (Jacksonville)	Dade (Miami and Hialeah)
Flagler, Putnam and St. Johns (Palatka and St. Augustine)	Citrus, Levy and Sumter (Inverness, Cedar Key and Wildwood)
Brevard (Palm Bay, Melbourne and Titusville)	Marion (Ocala)
Lake (Leesburg)	Hernando (Brooksville)
Orange (Orlando)	Pasco (New Port Richey)
Osceola (Walt Disney World and Kissimmee)	Pinellas (St. Petersburg and Clearwater)
Seminole (Altamonte Springs and Sanford)	Hillsborough (Tampa)
	Polk (Lakeland)
	Manatee (Bradenton)
	Okeechobee and Indian River (Vero Beach)

Note: Prominent municipalities located in each county are indicated in parentheses. Counties without a municipality(ies) listed are either rural or the municipality(ies) is (are) very small and/or not landmark(s).

**FIGURE 3
RANK ORDER OF LOW INCOME AND TRADITIONAL WEALTHY FAMILY HOUSEHOLDS
BY PERCENTAGES OF HOUSEHOLDS WITHIN COUNTIES**

County	Population N	Households** N	1* Low Income Traditional Family		2* Low Income Modern Family		3* High Income Wealthy Traditional Family	
			Rank Order (1=High)	Household %	Rank Order (1=High)	Household %	Rank Order (1=High)	Household %
			Dade	1,937,926	32,986	1	13.31%	2
Broward	1,255,488	25,326	6	6.26%	7	27.22%	1	42.64%
Palm Beach	863,518	19,213	6	6.26%	6	34.34%	2	42.23%
Pinellas	851,659	20,422	5	6.87%	4	40.39%	4	34.28%
Hillsborough	834,054	15,929	2	12.51%	1	44.79%	6	31.02%
Orange	677,491	13,263	4	7.64%	5	37.78%	3	37.24%
Duval	672,971	11,914	3	8.57%	3	42.46%	7	30.23%
Totals (N)	7093107	139053						

DATABASE SOURCE: 1990 Census of Population and Housing

* Household category numbers correspond to household categories on the spreadsheet and also to applicable graph figures;

Low Income refers to HIL of \$15,000 or less.

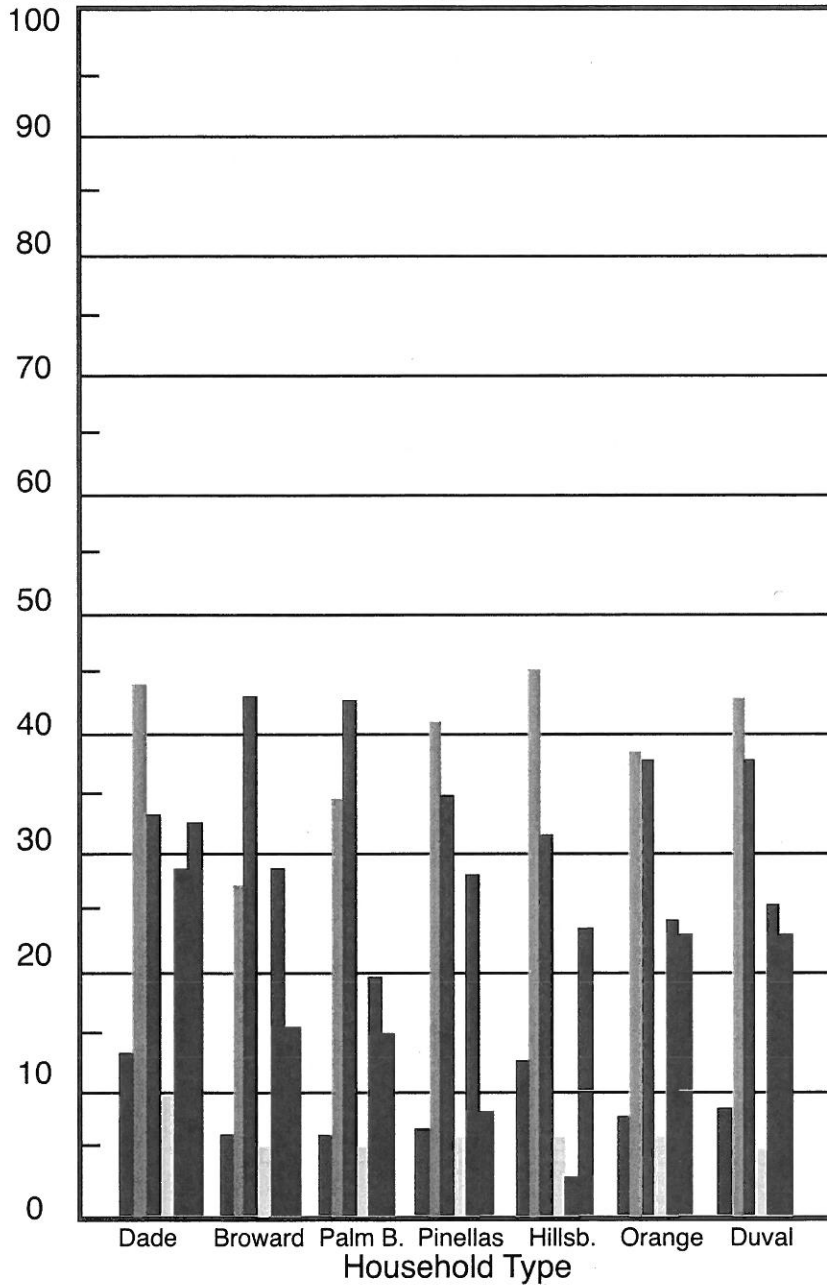
**The household universe excludes group quarters records (N=14,897) and Census unoccupied household categories (N=59,299).

County	4*		5*		6*	
	Low Income SINK/DINK Married		Low Income SINK/DINK Unmarried		Low Income Retired/Married or Single	
	Rank Order (1=High)	Household %	Rank Order (1=High)	Household %	Rank Order (1=High)	Household %
Dade	1	10.02%	1	28.16%	1	32.05%
Broward	5	5.45%	6	19.39%	5	15.22%
Palm Beach	6	5.36%	7	19.31%	6	14.57%
Pinellas	3	6.0%	2	27.78%	7	8.06%
Hillsborough	2	6.21%	3	26.10%	2	23.54%
Orange	4	5.86%	5	0.2396	3	22.88%
Duval	7	4.92%	4	25.26%	4	22.78%
Totals (N)						

FIGURE 4
RANK ORDER OF LOW INCOME AND TRADITIONAL WEALTHY FAMILY HOUSEHOLDS

BY PERCENTAGES OF HOUSEHOLDS WITHIN COUNTIES

Household Percentages



- Traditional
- Modern
- Wealthy Traditional
- SINK/DINK Married
- SINK/DINK Unmarried
- Retired/Married or Single

FIGURE 5
RANK ORDER OF LOW INCOME AND WEALTHY TRADITIONAL FAMILY HOUSEHOLDS
BY NUMBER OF HOUSEHOLDS WITHIN COUNTIES

County	Population N	Households** N	1*		2*		3*	
			Low Income Traditional Family		Low Income Modern Family		High Income Wealthy Traditional Family	
			Rank Order (1=High)	Households N	Rank Order (1=High)	Households N	Rank Order (1=High)	Households N
Dade	1,937,926	32,986	1	1048	1	1743	1	2593
Broward	1,255,488	25,326	3	314	3	609	2	2137
Palm Beach	863,518	19,213	7	216	7	419	3	1457
Pinellas	851,659	20,422	6	221	4	555	5	1102
Hillsborough	834,054	15,929	2	511	2	688	4	1267
Orange	677,491	13,263	5	243	6	479	6	1026
Duval	672,971	11,914	4	271	5	541	7	956
Totals (N)	7,093,107	139,053						

DATABASE SOURCE: 1990 Census of Population and Housing

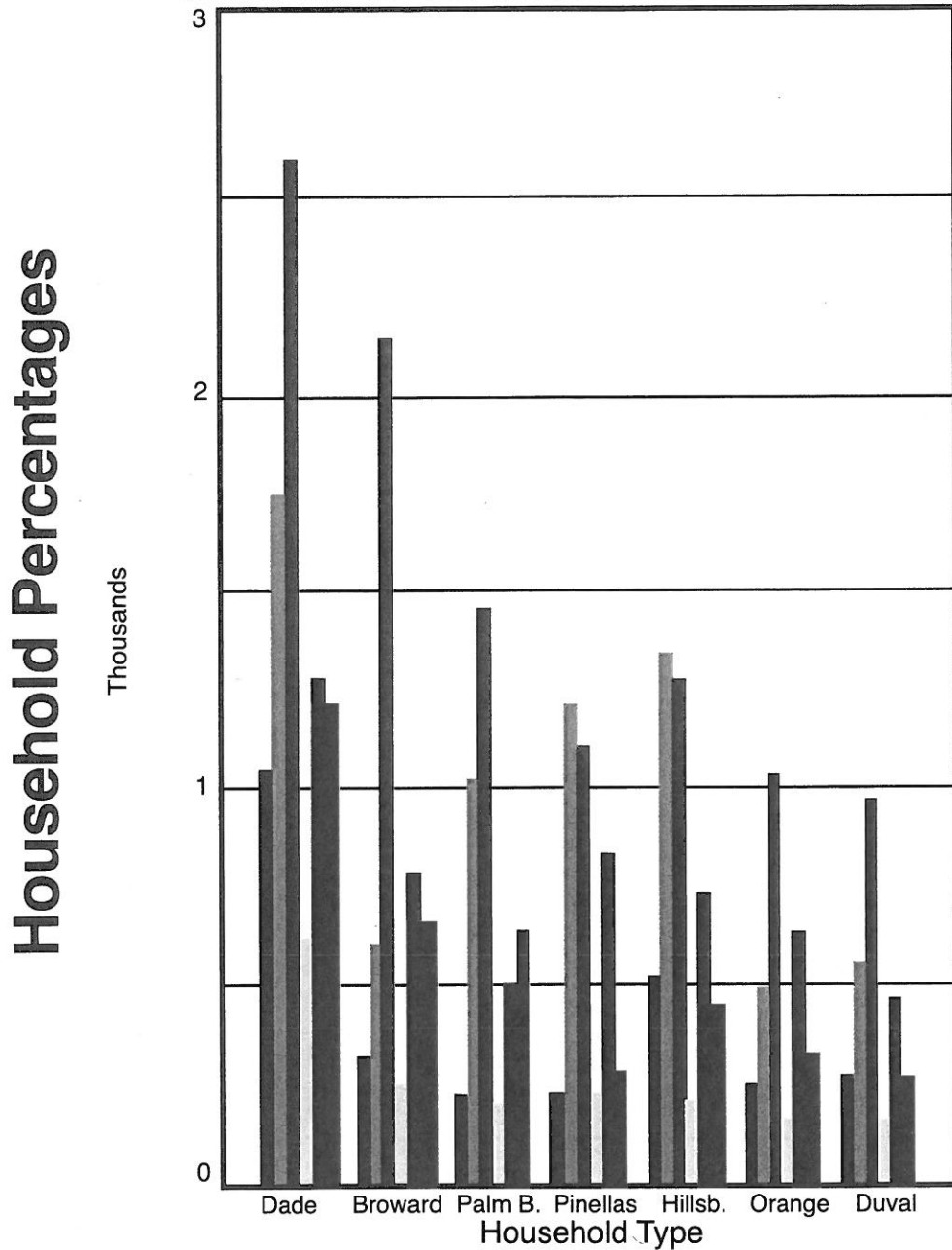
* Household category numbers correspond to household categories on the spreadsheet and also to applicable graph figures;

Low Income refers to HIL of \$15,000 or less.

**The household universe excludes group quarters records (N=14,897) and Census unoccupied household categories (N=59,299).

FIGURE 6
RANK ORDER OF LOW INCOME AND TRADITIONAL WEALTHY FAMILY HOUSEHOLDS

BY NUMBER OF HOUSEHOLDS WITHIN COUNTIES



Traditional SINK/DINK Married
 Modern
 Wealthy Traditional

SINK/DINK Unmarried
 Retired/Married or Single

**FIGURE 7
RANK ORDER OF HOUSEHOLD CATEGORIES BY NUMBER AND PERCENTAGE
OF HOUSEHOLDS WITHIN COUNTIES**

County	Population N	Households** N	1* Traditional Family			2* Modern Family			3* Wealthy Traditional Family		
			Rank Order (1=High)	Households N	Households %	Rank Order (1=High)	Households N	Households %	Rank Order (1=High)	Households N	Households %
Dade	1,937,926	32,986	4	7872	23.86%	1	3978	12.06%	4	2593	7.86%
Broward	1,255,488	25,326	5	5012	19.79%	5	2237	8.83%	1	2137	8.44%
Palm Beach	863,518	19,213	6	3451	0.179617967	7	1220	0.0634986728	6	1457	0.0758340707
Pinellas	851,659	20,422	7	3215	0.1574282636	6	1374	0.0672803839	7	1102	0.0539614142
Hillsborough	834054	15,929	2	4085	25.65%	3	1536	9.64%	3	1267	7.95%
Orange	677491	13,263	3	3182	0.2399155546	4	1268	0.0956043127	5	1026	0.0773580638
Duval	672971	11,914	1	3162	0.265402048	2	1274	0.10693302	2	956	0.0802417324
Totals (N)	7,093,107	139,053									

DATABASE SOURCE: 1990 Census of Population and Housing

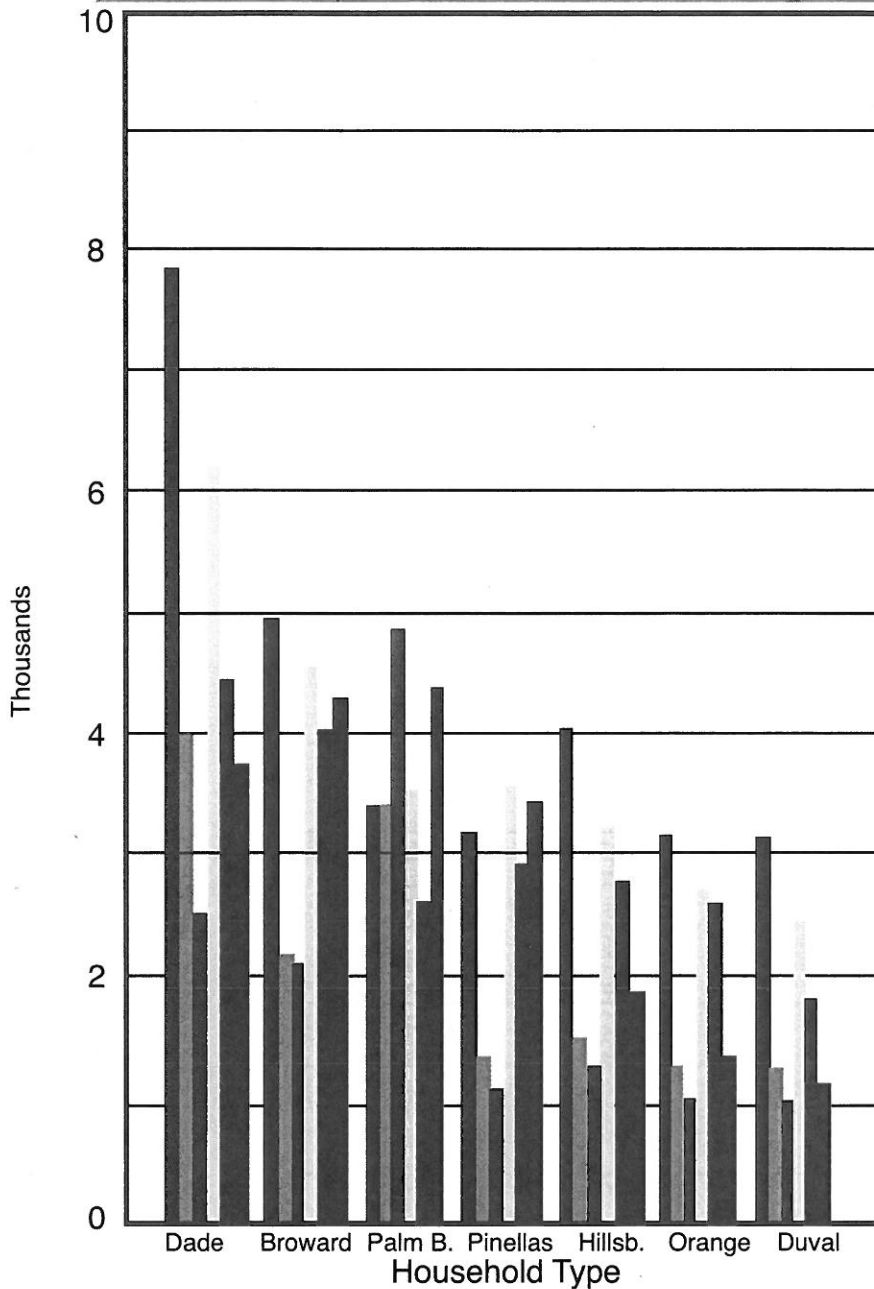
* Household category numbers and percentages correspond to household categories on the spreadsheet and also to applicable graph figures.

** The household universe excludes group quarters records (N=14,897) and Census unoccupied household categories (N=59,299).

FIGURE 8
RANK ORDER OF HOUSEHOLD CATEGORIES

BY NUMBER OF HOUSEHOLDS WITHIN COUNTIES

Household Percentages

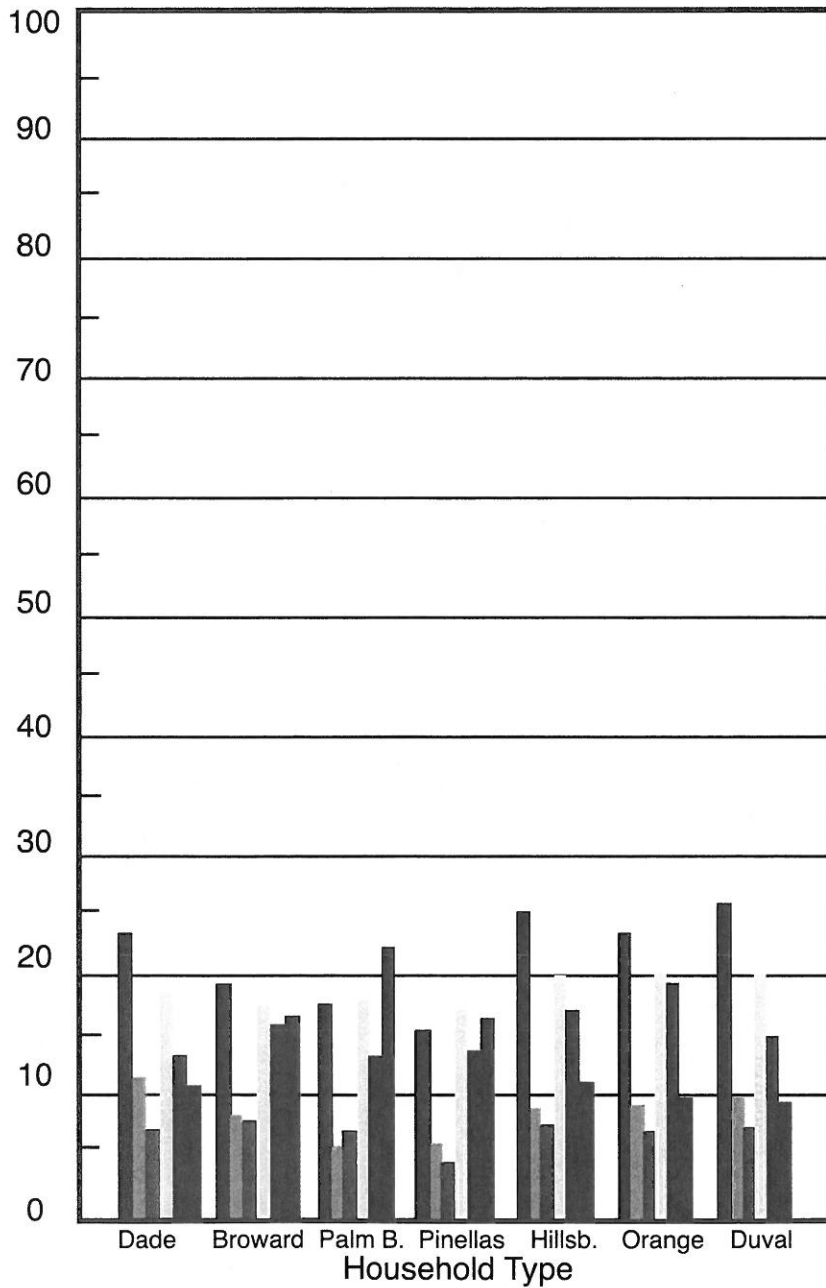


- Traditional
- Modern
- Wealthy Traditional
- SINK/DINK Married
- SINK/DINK Unmarried
- Retired/Married or Single

FIGURE 9
RANK ORDER OF HOUSEHOLD CATEGORIES

BY PERCENTAGES OF HOUSEHOLDS WITHIN COUNTIES

Household Percentages



- Traditional
- Modern
- Wealthy Traditional
- SINK/DINK Married
- SINK/DINK Unmarried
- Retired/Married or Single

FIGURE 10
FREQUENCY DISTRIBUTIONS (FIVE PERCENT, UNWEIGHTED) PUBLIC USE MICRODATA SAMPLE
HOUSEHOLD CATEGORIES

Household Income\Type Categories	1*		2*		3*			
	Single, Living Alone No Children <65 Years of Age Employed	Household Category % N=25047	Household Category % N=263320**	Single, Living Alone <65 Years of Age Unemployed	Household Category % N=7657	Single, Living Alone No Children >=65 Years of Age Employed	Household Category % N=301	Household Universe % N=263320**
<i>State of Florida</i>								
0-15K	8113	32.39%	3.08%	5280	68.96%	81	26.91%	0.03%
>15-20K	4202	16.78%	1.60%	739	9.65%	46	15.28%	0.02%
>20-25K	3463	13.83%	1.32%	455	5.94%	39	12.96%	0.01%
>25-30K	2776	11.08%	1.05%	352	4.60%	35	11.63%	0.01%
>30-35K	2000	7.98%	0.76%	207	2.70%	22	7.31%	0.01%
>35-40K	1415	5.65%	0.54%	142	1.85%	20	6.64%	0.01%
>40-50K	1553	6.20%	0.59%	172	2.25%	29	9.63%	0.01%
>50-75K	1191	4.76%	0.45%	271	3.54%	20	6.64%	0.01%
>75-100K	315	1.26%	0.12%	38	0.50%	8	2.66%	0.00%
>100-200K	19	0.08%	0.01%	1	0.01%	1	0.33%	0.00%
Totals (%)		100.00%	9.51%		100.00%		100.00%	0.11%

* Household category numbers correspond to household categories on the spreadsheet and also to applicable graph figures.

**The household universe excludes group quarters records (N=14,897) and Census unoccupied household categories (N=59,299).

DATABASE SOURCE: 1990 Census of Population and Housing

4*

5*

6*

Household Income\Type Categories	Single, Living Alone No Children >=65 Years of Age Unemployed		Household Category %		Household Universe %		Two or More Persons Unmarried No Children One Employed		Household Category %		Household Universe %		
	N=1452	N=1452	N=1452	N=263320**	N=1452	N=263320**	N=2657	N=2657	N=2657	N=263320**	N=714	N=714	N=263320**
State of Florida													
0-15K	666	45.87%	0.25%	0.29%	775	29.17%	0.29%	246	34.45%	0.09%			
>15-20K	183	12.60%	0.07%	0.15%	395	14.87%	0.15%	79	11.06%	0.03%			
>20-25K	149	10.26%	0.06%	0.13%	336	12.65%	0.13%	78	10.92%	0.03%			
>25-30K	116	7.99%	0.04%	0.10%	260	9.79%	0.10%	72	10.08%	0.03%			
>30-35K	79	5.44%	0.03%	0.08%	209	7.87%	0.08%	49	6.86%	0.02%			
>35-40K	75	5.17%	0.03%	0.05%	143	5.38%	0.05%	46	6.44%	0.02%			
>40-50K	61	4.20%	0.02%	0.08%	201	7.56%	0.08%	55	7.70%	0.02%			
>50-75K	110	7.58%	0.04%	0.08%	210	7.90%	0.08%	46	6.44%	0.02%			
>75-100K	13	0.90%	0.00%	0.03%	92	3.46%	0.03%	26	3.64%	0.01%			
>100-200K	0	0.00%	0.00%	0.01%	36	1.35%	0.01%	17	2.38%	0.01%			
Totals (%)		100.00%	0.55%	1.01%		100.00%	1.01%		100.00%	0.27%			

7*

8*

9*

Household Income\ Type Categories	7*		8*		9*	
	Married Couples No Children >=One Employed	Household Category % Household Universe %	Married Couples No Children Both >=65 Years of Age Both Unemployed	Household Category % Household Universe %	Married Couples No Children Both <65 Years of Age Both Unemployed	Household Category % Household Universe %
<i>State of Florida</i>	N=50043	N=50043 N=263320**	N=24736	N=24736 N=263320**	N=5408	N=5408 N=263320**
0-15K	3666	7.33% 1.39%	5811	23.49% 2.21%	1374	25.41% 0.52%
>15-20K	3333	6.66% 1.27%	3528	14.26% 1.34%	643	11.89% 0.24%
>20-25K	4260	8.51% 1.62%	3208	12.97% 1.22%	641	11.85% 0.24%
>25-30K	4728	9.45% 1.80%	2610	10.55% 0.99%	542	10.02% 0.21%
>30-35K	4524	9.04% 1.72%	2093	8.46% 0.79%	401	7.41% 0.15%
>35-40K	4450	8.89% 1.69%	1537	6.21% 0.58%	327	6.05% 0.12%
>40-50K	7424	14.84% 2.82%	2075	8.39% 0.79%	475	8.78% 0.18%
>50-75K	10868	21.72% 4.13%	2390	9.66% 0.91%	637	11.78% 0.24%
>75-100K	4149	8.29% 1.58%	891	3.60% 0.34%	194	3.59% 0.07%
>100-200K	2641	5.28% 1.00%	593	2.40% 0.23%	174	3.22% 0.07%
Totals (%)		100.00% 19.00%		100.00% 9.39%		100.00% 2.05%

10*

11*

12*

Household Income\Type Categories	10*			11*			12*		
	Married Couples No Children Both >=65 Years of Age >=One Employed	Household Category %	Household Universe %	Married Couples No Children Both <65 Years of Age >=One Employed	Household Category %	Household Universe %	Married Couples >=1 Child(ren) <6 Years of Age >=One Employed	Household Category %	Household Universe %
<i>State of Florida</i>	N=5384	N=5384	N=263320**	N=38302	N=38302	N=263320**	N=27732	N=27732	N=263320**
0-15K	523	9.71%	0.20%	2601	6.79%	0.99%	2812	10.14%	1.07%
>15-20K	604	11.22%	0.23%	2218	5.79%	0.84%	2307	8.32%	0.88%
>20-25K	697	12.95%	0.26%	2823	7.37%	1.07%	2696	9.72%	1.02%
>25-30K	667	12.39%	0.25%	3356	8.76%	1.27%	2981	10.75%	1.13%
>30-35K	511	9.49%	0.19%	3432	8.96%	1.30%	2857	10.30%	1.08%
>35-40K	412	7.65%	0.16%	3505	9.15%	1.33%	2617	9.44%	0.99%
>40-50K	628	11.66%	0.24%	5960	15.56%	2.26%	4139	14.92%	1.57%
>50-75K	748	13.89%	0.28%	8974	23.43%	3.41%	5053	18.22%	1.92%
>75-100K	333	6.18%	0.13%	3345	8.73%	1.27%	1397	5.04%	0.53%
>100-200K	261	4.85%	0.10%	2088	5.45%	0.79%	873	3.15%	0.33%
Totals (%)		100.00%	2.04%		100.00%	14.55%		100.00%	10.53%

Household Income\Type Categories	13*			14*			15*		
	Married Couples >=2 Children <6 Years of Age >=One Employed	Household Category %	Household Universe %	Married Couples >=1 Child(ren) >=One Employed	Household Category %	Household Universe %	Married Couples >=2 Children >=One Employed	Household Category %	Household Universe %
<i>State of Florida</i>	N=18020	N=18020	N=263320**	N=37668	N=37668	N=263320**	N=33794	N=33794	N=263320**
0-15K	1875	10.41%	0.71%	2933	7.79%	1.11%	2656	7.86%	1.01%
>15-20K	1543	8.56%	0.59%	2463	6.54%	0.94%	2272	6.72%	0.86%
>20-25K	1794	9.96%	0.68%	3083	8.18%	1.17%	2814	8.33%	1.07%
>25-30K	1955	10.85%	0.74%	3537	9.39%	1.34%	3182	9.42%	1.21%
>30-35K	1785	9.91%	0.68%	3525	9.36%	1.34%	3212	9.50%	1.22%
>35-40K	1687	9.36%	0.64%	3512	9.32%	1.33%	3088	9.14%	1.17%
>40-50K	2632	14.61%	1.00%	6078	16.14%	2.31%	5510	16.30%	2.09%
>50-75K	3263	18.11%	1.24%	8279	21.98%	3.14%	7274	21.52%	2.76%
>75-100K	894	4.96%	0.34%	2632	6.99%	1.00%	2254	6.67%	0.86%
>100-200K	592	3.29%	0.22%	1626	4.32%	0.62%	1532	4.53%	0.58%
Totals (%)		100.00%	6.84%		100.00%	14.31%		100.00%	12.83%

Household Income\ Type Categories	16*				17*				18*			
	Married Couples >=1 Child(ren) >=One Employed	Household Category %	Household Universe %		Married Couples >=1 Child(ren) Unemployed	Household Category %	Household Universe %		Married Couples >=2 Child(ren) >=One Employed	Household Category %	Household Universe %	
<i>State of Florida</i>	N=55558	N=55558	N=263320**		N=55558	N=55558	N=263320**		N=31489	N=31489	N=263320**	
0-15K	4636	8.34%	1.76%		843	47.49%	0.32%		2783	8.84%	1.06%	
>15-20K	3870	6.97%	1.47%		256	14.42%	0.10%		2335	7.42%	0.89%	
>20-25K	4721	8.50%	1.79%		165	9.30%	0.06%		2816	8.94%	1.07%	
>25-30K	5119	9.75%	2.06%		105	5.92%	0.04%		3173	10.08%	1.20%	
>30-35K	5384	9.69%	2.04%		95	5.35%	0.04%		3072	9.76%	1.17%	
>35-40K	5170	9.31%	1.96%		52	2.93%	0.02%		2902	9.22%	1.10%	
>40-50K	8806	15.85%	3.34%		87	4.90%	0.03%		4938	15.68%	1.88%	
>50-75K	11683	21.03%	4.44%		98	5.52%	0.04%		6345	20.15%	2.41%	
>75-100K	3639	6.55%	1.38%		24	1.35%	0.01%		1877	5.96%	0.71%	
>100-200K	2230	4.01%	0.85%		12	0.68%	0.00%		1248	3.96%	0.47%	
Totals (%)		100.00%	21.10%		1737	97.86%	0.66%			100.00%	11.96%	

Household Income\ Type Categories	19*			20*			21*		
	Married Couples >=1 Child(ren) 18 Years of Age >=One Employed	Household Category %	Household Universe %	One Parent 1 Child <6 Years of Age Employed	Household Category %	Household Universe %	One Parent 1 Child <6 Years of Age Unemployed	Household Category %	Household Universe %
State of Florida	N=1781	N=1781	N=263320**	N=5503	N=5503	N=263320**	N=1417	N=1417	N=263320**
0-15K	89	5.00%	0.03%	1978	35.94%	0.75%	1254	88.50%	0.48%
>15-20K	67	3.76%	0.03%	843	15.32%	0.32%	72	5.08%	0.03%
>20-25K	96	5.39%	0.04%	640	11.63%	0.24%	29	2.05%	0.01%
>25-30K	107	6.01%	0.04%	540	9.81%	0.21%	30	2.12%	0.01%
>30-35K	132	7.41%	0.05%	405	7.36%	0.15%	13	0.92%	0.00%
>35-40K	160	8.98%	0.06%	307	5.58%	0.12%	3	0.21%	0.00%
>40-50K	304	17.07%	0.12%	354	6.43%	0.13%	7	0.49%	0.00%
>50-75K	528	29.65%	0.20%	358	6.51%	0.14%	8	0.56%	0.00%
>75-100K	178	9.99%	0.07%	65	1.18%	0.02%	1	0.07%	0.00%
>100-200K	120	6.74%	0.05%	13	0.24%	0.00%	0	0.00%	0.00%
Totals (%)		100.00%	0.68%		100.00%	2.09%		100.00%	0.54%

22*

23*

24*

Household Income\Type Categories	22* One Parent <6 Years of Age Employed		23* One Parent <6 Years of Age Unemployed		24* One Parent <6 Years of Age Employed		Household Universe %	
	N=7214	N=7214	N=2328	N=2328	N=4525	N=4525	N=263320**	N=263320**
State of Florida								
0-15K	2773	38.44%	2106	90.46%	1880	41.55%	1880	0.71%
>15-20K	1067	14.79%	100	4.30%	664	14.67%	664	0.25%
>20-25K	847	11.74%	42	1.80%	501	11.07%	501	0.19%
>25-30K	676	9.37%	34	1.46%	391	8.64%	391	0.15%
>30-35K	498	6.90%	18	0.77%	287	6.34%	287	0.11%
>35-40K	374	5.18%	3	0.13%	245	5.41%	245	0.09%
>40-50K	442	6.13%	12	0.52%	245	5.41%	245	0.09%
>50-75K	440	6.10%	12	0.52%	260	5.75%	260	0.10%
>75-100K	78	1.08%	1	0.04%	41	0.91%	41	0.02%
>100-200K	19	0.26%	0	0.00%	11	0.24%	11	0.00%
Totals (%)		100.00%		100.00%		100.00%		1.72%

25*

26*

27*

Household Income\Type Categories	25*			26*			27*		
	One Parent >=2 Children <6 Years of Age Unemployed	I Household Category %	I Household Universe %	One Parent 1 Child 6-17 years of Age Employed	I Household Category %	I Household Universe %	One Parent 1 Child 6-17 Years of Age Unemployed	Household Category %	Household Universe %
State of Florida	N=1757	N=1757	N=263320**	N=7692	N=7692	N=263320**	N=1616	N=1616	N=263320**
0-15K	1606	91.41%	0.61%	2451	31.86%	0.93%	1339	82.86%	0.51%
>15-20K	72	4.10%	0.03%	1174	15.26%	0.45%	111	6.87%	0.04%
>20-25K	24	1.37%	0.01%	1027	13.35%	0.39%	39	2.41%	0.01%
>25-30K	24	1.37%	0.01%	864	11.23%	0.33%	43	2.66%	0.02%
>30-35K	12	0.68%	0.00%	608	7.90%	0.23%	30	1.86%	0.01%
>35-40K	1	0.06%	0.00%	441	5.73%	0.17%	14	0.87%	0.01%
>40-50K	9	0.51%	0.00%	535	6.96%	0.20%	13	0.80%	0.00%
>50-75K	8	0.46%	0.00%	473	6.15%	0.18%	20	1.24%	0.01%
>75-100K	1	0.06%	0.00%	80	1.04%	0.03%	5	0.31%	0.00%
>100-200K	0	0.00%	0.00%	39	0.51%	0.01%	2	0.12%	0.00%
Totals (%)		100.00%	0.67%		100.00%	2.92%		100.00%	0.61%

28*

29*

30*

Household Income\Type Categories	One Parent >=1 Child(ren) 6-17 Years of Age Employed N=12369	Household Category % N=12369	Household Universe % N=263320**	One Parent >=1 Child(ren) 6-17 Years of Age Unemployed N=2956	Household Category % N=2956	Household Universe % N=263320**	One Parent >=2 Children 6-17 Years of Age Employed N=2943	Household Category % N=2943	Household Universe % N=263320**
<i>State of Florida</i>									
0-15K	4175	33.75%	1.59%	2493	84.34%	0.95%	1265	42.98%	0.48%
>15-20K	1952	15.78%	0.74%	182	6.16%	0.07%	466	15.83%	0.18%
>20-25K	1608	13.00%	0.61%	70	2.37%	0.03%	318	10.81%	0.12%
>25-30K	1327	10.73%	0.50%	84	2.84%	0.03%	266	9.04%	0.10%
>30-35K	972	7.86%	0.37%	44	1.49%	0.02%	184	6.25%	0.07%
>35-40K	678	5.48%	0.26%	21	0.71%	0.01%	121	4.11%	0.05%
>40-50K	795	6.43%	0.30%	21	0.71%	0.01%	141	4.79%	0.05%
>50-75K	680	5.50%	0.26%	30	1.01%	0.01%	153	5.20%	0.06%
>75-100K	124	1.00%	0.05%	9	0.30%	0.00%	22	0.75%	0.01%
>100-200K	58	0.47%	0.02%	2	0.07%	0.00%	7	0.24%	0.00%
Totals (%)		100.00%	4.70%		100.00%	1.12%		100.00%	1.12%

31*

32*

33*

Household Income Type Categories	31*		32*		33*				
	One Parent 6-17 Years of Age Unemployed N=1982	Household Category % N=1982	Household Universe % N=263320**	One Parent <18 Years of Age Employed N=17983	Household Category % N=17983	Household Universe % N=263320**	One Parent <18 Years of Age Unemployed N=4208	Household Category % N=4208	Household Universe % N=263320**
0-15K	1729	87.24%	0.66%	5911	32.87%	2.24%	3620	86.03%	1.37%
>15-20K	103	5.20%	0.04%	2700	15.01%	1.03%	241	5.73%	0.09%
>20-25K	38	1.92%	0.01%	2264	12.59%	0.86%	96	2.28%	0.04%
>25-30K	52	2.62%	0.02%	1881	10.46%	0.71%	100	2.38%	0.04%
>30-35K	20	1.01%	0.01%	1428	7.94%	0.54%	53	1.26%	0.02%
>35-40K	7	0.35%	0.00%	1036	5.76%	0.39%	23	0.55%	0.01%
>40-50K	12	0.61%	0.00%	1284	7.14%	0.49%	28	0.67%	0.01%
>50-75K	15	0.76%	0.01%	1162	6.46%	0.44%	36	0.86%	0.01%
>75-100K	5	0.25%	0.00%	225	1.25%	0.09%	9	0.21%	0.00%
>100-200K	1	0.05%	0.00%	92	0.51%	0.03%	2	0.05%	0.00%
Totals (%)		100.00%	0.75%		100.00%	6.83%		100.00%	1.60%

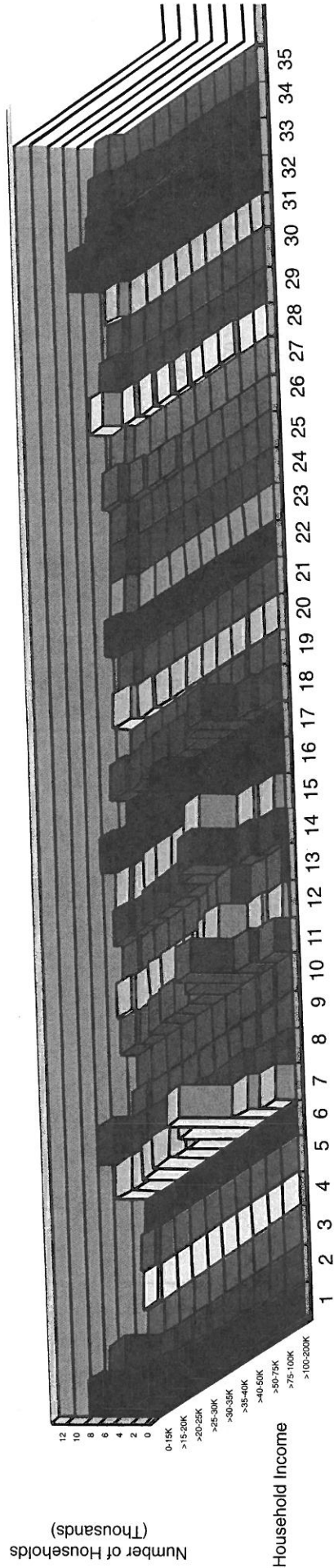
34*

35*

Household Income\Type Categories	One Parent <18 Years of Age Employed			One Parent <18 Years of Age Unemployed			Totals
	N=8319	Household Category %	Household Universe %	N=2545	Household Category %	Household Universe %	
<i>State of Florida</i>	N=8319	N=8319	N=263320**	N=2545	N=2545	N=263320**	N=454837
0-15K	3090	37.14%	1.17%	2251	88.45%	0.85%	87684
>15-20K	1278	15.36%	0.49%	125	4.91%	0.05%	42233
>20-25K	1007	12.10%	0.38%	46	1.81%	0.02%	42930
>25-30K	798	9.59%	0.30%	56	2.20%	0.02%	43139
>30-35K	606	7.28%	0.23%	22	0.86%	0.01%	38789
>35-40K	425	5.11%	0.16%	7	0.28%	0.00%	34966
>40-50K	520	6.25%	0.20%	16	0.63%	0.01%	55561
>50-75K	467	5.61%	0.18%	17	0.67%	0.01%	72127
>75-100K	91	1.09%	0.03%	5	0.20%	0.00%	23061
>100-200K	37	0.44%	0.01%	0	0.00%	0.00%	14347
Totals (%)		100.00%	3.16%		100.00%	0.97%	

FLORIDA FREQUENCY DISTRIBUTIONS

Five Percent (5%) Unweighted Sample



Household Characteristics Tables

CONCLUSIONS

It has been almost three years since this exploratory study of household government benefits and tax burden began. During that time, much heated discussion--some purely political, some genuine--has ensued at the national and state levels about the importance of family values in American society. Neither the sponsors of this study nor the investigators envisioned focusing on family values, which is in part a code word for the traditional two-parent, one (or more) child(ren) family. In fact, the implicit intent always was to provide a perspective for welfare reform.

Notwithstanding CVTs' view(s) on the current family values and/or the welfare reform debate(s), the quantitative results of this study should confirm the conclusions derived from any thoughtful qualitative analysis of state and local government benefits and tax burden. That is, the Florida households that receive the most state and local government benefits (AFDC, Medicaid and education) and pay the least state and local taxes are those consisting of an unemployed single parent living in public housing with one (or more) school-age child(ren) and no income or source of cash from investments, savings, child support/alimony, or self-employment. In Tables 1 and 3, low-income Modern Family households are net benefactors, where low-income means below the poverty level.

On the other hand, households receiving the least state and local government benefits and paying the most state and local taxes (sales and property) are single or married, employed (both if married) homeowners without children and with income of at least \$30,000 (single) or \$45,000 (married) excluding Social Security benefits. These two household types are fondly identified in Tables 1 and 9 as SINKs (single income, no kid(s)) and DINKs (double, income no kid(s)), *i.e.*, SINKs/DINKs.

Because the education benefit per student is large and such benefits are pervasive (over 2.5 million recipients in FY 1989-90), they are more determinant of net benefactor households than AFDC and/or Medicaid benefits. Although Medicaid benefits (one million recipients in FY 1989-90) are much more pervasive than AFDC benefits (more than 355,000 recipients in 1989-90), the magnitude of the state's share of Medicaid and AFDC funding is much less than the state and local governments' funding of education. Nonetheless, households receiving both social services, or even Medicaid only, are generally net benefactors, insofar as low household income level (HIL) is necessary for both AFDC and Medicaid.

Traditional Family and Modern Family households with only one school-age child generally are net benefactors even if they own a home. However, high income or wealthy (HIL more than \$50,000) Traditional/Modern Family households which reside in owner-occupied housing might pay more in sales and property taxes than they receive in education benefits for one school-age child. If two children are school-age, even these wealthy families are most likely net benefactors.

While specific regions in Florida may harbor relatively more or less of a particular household type, the five-percent, unweighted PUMA samples generally provide insufficient numbers for analysis when bifurcated by household-type and level of household income. Where a region's population is large (one-half million or more), bifurcated 1990 Census data are sufficient for further analysis because several counties are aggregated to form individual PUMAs. Only a few urban counties could be analyzed discretely in determining government benefits, tax burden and net benefactor status. Therefore, the seven most populous urban counties--Dade, Broward, Palm Beach, Pinellas, Hillsborough, Orange and Duval--were analyzed, but only in respect to the relative percentage and number of net benefactor households.

Variations in numbers of households between and among the seven counties ranged generally as expected; *viz*, in terms of relative population size difference. As noted, there are household percentage variations that deviate from the norm of what would be anticipated otherwise, based on relative population standings among the seven most populous counties. A more discrete socio-demographic, micro-ideographic case-study analysis may render further explanation regarding the deviate cases.

POSTSCRIPT

As noted at the outset, the purpose of the study was to provide CVTs and their elected representatives with more empirically based information than previously was available at the household level concerning who pays and who benefits from the current tax system. No claim is made that the study's results per se will lay to rest CVT myths concerning the inequities or inefficiencies of the present tax system. History shows that taxes and tax systems are measured more by what CVTs are willing to tolerate than by unambiguous interpretations of what is fair, equitable or efficient tax policy. CVT assumptions and subjective preferences concerning matters of tax progressivity or regressivity, therefore, likely will continue to influence the direction and substance of the debate over who benefits and who pays over time, notwithstanding the availability of objective measures. Moreover, there may be no such thing as an ultimate, objective standard upon which CVTs can solely rely to judge the fairness, equity or efficiency of a tax or tax system.

The study's results, nonetheless, do enable CVTs and their elected representatives, if they so choose, to take a first step toward debunking some of the more blatant misconceptions and political rhetoric that for years have fired the torpidity of the debate over household tax burden and government benefits. The findings minimally provide an empirical foundation upon which to erect a much more substantial scaffold for assessing the veracity of the debate over matters of tax equity. Moreover, as noted earlier, the study's findings could take on added significance if viewed in terms of the dramatic devolutionary changes in intergovernmental relations currently taking place in Washington, D.C. Timely benchmarks clearly are needed to make empirically based comparisons between the equities and efficiencies of new federal policies on standards and funding levels for intergovernmental social service programs and to measure how tax and spending reforms affect the pocketbooks of CVTs.

As previously noted, the most obvious limitation of this exploratory analysis is its reliance on one year's data for each household type. This makes the study's results a static model or "photograph" of household government benefits and tax burden. A dynamic multi-year model or "motion picture" of household government benefits and tax burden most likely would mitigate some apparent inequities between household types at given points in time.

The internal workings or results of a dynamic model can be more difficult for CVTs and their elected representatives to fully understand or appreciate than those of a static model. Nonetheless, a dynamic analysis should reveal that most small Traditional Family households (one or two child(ren)) and many small Modern Family households pay sufficient sales and property taxes during the CVT head-of-households' 40-45 year working lives to cover the education benefits they received during the years their child(ren) was (were) in public schools, state colleges and universities.

Ideally, government benefits and tax burden should be determined over a CVT's life span rather than for just one year. As one ages, she/he will at times derive net annual benefits, while she/he may incur net taxes annually during other periods. For example, a CVT who is now a successful professional may currently be paying more taxes than the benefits she/he receives. However, s/he paid very little tax during the 5-7 years she/he received a public university education because 75 to 80% of the cost was paid by state government. Moreover, his/her parents may not have paid sufficient taxes to cover the cost of his/her public school education (net benefits) but, now close to retirement, they pay more in taxes than they receive in government benefits (net taxes). Thus, what appears to be intergenerational inequity in a static (one-year) analysis may disappear in a dynamic, multiperiod analysis.

Aside from the varying inequities incident to whether taxes and government benefits are assessed statically or dynamically, even the most objective and determined effort to ascertain tax equity (or assert tax inequity) may fall short of attaining clarity of meaning or consensus among CVTs. The current study's treatment of tax burden and government benefits, however, is a far cry from Adam Smith's relatively simple notion of tax equity which called for equal treatment of taxpayers "similarly situated." Under Smith's formulation, if two taxpayers were to spend the same amount on goods during a year, each should incur the same sales tax on such goods. Smith's treatment, of course, does not account for differences in tax amounts paid by "similarly-situated" taxpayers as a result of sales tax exemptions. In Florida, for example, one taxpayer purchasing prepared food at a fast-food restaurant pays sales tax, while another purchasing groceries pays no sales tax.

Today, by virtue of the U.S. Supreme Court's ruling in *Knowlton v. Moore* (178 U.S. 41, 109 (1899)), the concept of tax equity extends to the issue of progressivity in taxation. At first blush, definitionally determining whether to classify a tax as progressive, regressive or proportionate appears to be relatively straightforward. If tax rates are graduated as with income taxes, they can be defined as progressive. If the rate is the same as with sales, customs and real property taxes, the rate structure is proportionate. On the other hand, when taxes are paid at a lower rate as a person's compensation and/or business income increases (as with the FICA tax), they are regressive by virtue of taking a larger percentage of employment/self-employment income from those with lower income (the working poor) than from those with higher income.

Adam Smith's version of tax equity conceptually amounts to a more-or-less proportionate allocation of taxes among taxpayers. A contrasting, more popular CVT version of progressive taxation would apply an equity-of-effect approach to taxation. With respect to sales taxation, this places emphasis on the larger amount of dollars being spent on taxes that result from more goods being bought. Viewed as an equity-of-effect exemption, the sales tax is less regressive because exempting necessities (food and medicine) from sales taxation could result in a lower effective sales tax rate for lower-income individuals when the higher percentage of their spending on tax-exempt goods is taken into account.

The popular CVT version of progressive taxation, thus, would consider for tax equity comparison purposes the annual amount of taxes paid relative to the ability of taxpayers to pay for government goods (and services) received. Because it can be demonstrated that higher-income individuals pay a lower percentage of their annual personal incomes in sales tax than those of lower incomes, the tax is labeled inequitable and regressive. Higher-income individuals are advantaged because, unlike lower-income individuals, they can afford to save more of their personal income and spend more of it on services which are not subject to the sales tax. The sales tax is considered regressive because the percentage of an individual's income paid in taxes (the *effective tax rate*) declines as annual personal income rises. Thus, a sales tax that springs forth definitionally as proportional or "flat-rated" from a *technical* perspective can become transfigured definitionally and perceived *effectively* as being regressive (regardless of whether tax exemptions apply).

Perceived tax fairness depends connotatively on a variety of mensurably disjointed and equally problematical conditions: whether relative tax burden is (1) measured in terms of tax rates or tax dollars paid or (2) equated vertically in terms of total taxes paid across government levels of tax systems (federal, state and local) and/or horizontally between and among taxpayers of varying income levels and taxpayer statuses. Under the first condition, should CVTs prefer to judge tax fairness in terms of taxes paid based on a percentage of relative income levels rather than based relatively on nominal levels of a tax paid in respect to the tax base, they likely will reach different conclusions regarding whether they have been treated with equanimity. The second condition is even more problematical, if not mensurably irresolvable, because of (1) apple-orange-like incalculabilities of extant inequitable consequences across tax systems; (2) the semi-sovereign status and often non-reciprocal nature of government jurisdictions; and (3) the relative inability of taxpayers, when appropriate, to obtain tax equity, if inequities are discovered, by "voting with their feet." To add to some taxpayers' indignation and confusion, higher-income individuals usually pay more taxes than lower-income individuals regardless of whether the income tax rates they face are progressive or proportional, simply because their income is greater.

The inclusion in this study of government benefits alongside tax burden for its intended comparative analysis purposes provides an imperative, albeit further complicating dimension, that should be considered in any truly encompassing effort to demistify the ongoing debate over real versus imagined tax inequities at the household level. It remains to be seen whether others--those of more intrepid stock than present company--can travail beyond, satisfactorily sorting out all of the nexuses of influences (socio-psychological, political, economic, etc.) and programmatic rationale for raising taxes. Regardless of their findings, some taxpayers probably will never be totally sated in their tax plight whereas some tax-makers forever will be able to make the Rogersesq boast, "I never met a tax that I didn't like (that is, as long as it is someone else's to pay)!"

ENDNOTES

1. Angie Cannon, Americans grow weary of caring--and paying, *Miami Herald*, September 21, 1994, pp. 1A & 6A, reporting the results of the Times-Minor Center for the People and the Press periodic national survey of CVTs' values and attitudes.
2. Charles Strouse, A big price for changing welfare aid, *Miami Herald*, February 12, 1995, pp. 1B & 5B.

APPENDIX

TECHNICAL EXPLANATION OF MATHEMATICAL MODEL AND DATA SOURCES

Although property tax burden by household is available from 1990 U.S. Census five-percent sample (PUMS -- Public Use Microdata Samples) database for households owning their home, the sales tax burden must be computed from 1990 PUMS household income data. Thus, an algorithm is used in this study to adjust household income for expenditures on services as well as on nontaxable purchases, for savings, and for income and property taxes paid; the six-percent sales tax rate effective in FY 1989-90 is applied to compute sales tax for each household by household income level (HIL) and household type.

The operationalization of the sales tax burden component of the model is based on the following formula:

$$\text{ST (sales tax)} = \text{B (sales tax base)} * \text{STR (sales tax rate)},$$

where $B = I - [\text{MPS} (I - \text{IT}) + F + S + T + U + \text{PTU} + [12(\text{RO or MPO})] + \text{IT}]$

I is household income, MPS (I - IT) is savings, F is food cost, S is service cost (expenditures on services), T is transportation cost, U is utility (telephone) cost, PTU is property tax and other utility cost, RO or MPO is housing cost, and IT is Federal income tax.

The MPS (marginal propensity to save) factor was disaggregated by numbers of persons per household (PPH). F (food cost), S (service cost) and T (transportation cost) was disaggregated further by specified household costs as summarized.

All of the formula components were disaggregated in terms of ten (10) household income levels (HILs): 0-\$15,000; \$5,000 increments above \$15,000 up to \$40,000, i.e., greater than (>) \$15,000 up to (-) \$20,000 as well as >\$20-\$25,000 (\$25K), >\$25-30K, >\$30-35K, and >\$35-40K; >\$40-50K; >\$50-75K; >\$75-100K; and \$100-200K. Households with income of \$200,000 or more were so small in number that computation of tax burden is neither necessary nor cost effective.

Transportation costs were calculated by first converting the Census variable, AUTOS, which is coded by the number (0-4) designating the number of automobiles within each household, to a table coded 1 or 0, depending on whether a household does or does not, respectively, have an automobile(s). The values in the resulting data table were then multiplied by the transportation cost (T) factor associated with individual PPH characteristics and these, in turn, combined with values associated with the F and S components of the sales tax burden formula. The resulting data tables were selectively included as tabular values in later, more comprehensive data queries.

To control for households with and without dependent children, separate, state-level data tables were created which include households with children less than (<) 18 years of age and households where only individuals greater than or equal to (>=) 18 years of age reside. These data categories, in turn, were further disaggregated into data categories including children < 6 years of age and children 6 to 17 years of age. For purposes of data manipulation, the <18 years of raw age persons records within households subsequently were converted to data fields which consisted of numbers of individuals displaying those characteristics within households. This enabled the investigators to address the issue of actual numbers of dependent children living within the individual households and to subsequently isolate those household categories in terms of degree of child dependency within households for further data querying purposes.

Even under optimal conditions, extensive data calculations are required to develop and test a mathematical model as encompassing as a household tax burden and benefits model. This would be the case even if the study applied solely to the state-at-large. The size of the Census database alone (in excess of a million records for each field) greatly increased the computational requirements of the study. Moreover, extending the scope of the study to the PUMA household level resulted in an exponential increase in commitment to the project and workload. It is estimated that in excess of 9,000 man hours were spent conceptualizing, fine-tuning and calculating the numerous iterations required to adjust the model and generate the thousands of data categories necessary to flesh out household tax burden and to ascertain the requirements for calculating household government benefits at the state-at-large and PUMA levels.

As a first step in determining which Florida household types are net benefactors from state and local government programs, thirty-five household tax burden categories were generated for each of ten household income categories. From these was developed a household typology (see Table 1) based on adult living arrangements, the presence of minor children, the presence of retirees, and income greater than \$50,000.

GLOSSARY

- CVT is a person who is a citizen, a voter and a taxpayer.
- AFDC is a federally mandated, federal/state funded program which provides cash benefits to low income single-parent households with children under 18.
- MEDICAID is a federally mandated, federal/state funded indigent health care program.
- NET BENEFACTOR HOUSEHOLD is one that receives state and local government direct benefits in excess of the state and local taxes it pays.
- TRADITIONAL HOUSEHOLD consists of a two-parent family with one or both parents working and one or more children under 18.
- LOW INCOME MODERN HOUSEHOLD consists of one parent and one or more children under age 18 which are AFDC eligible.
- THREE GENERATION HOUSEHOLD consists of one or two adults over age 64 and one or more children under age 18.
- WEALTHY TRADITIONAL HOUSEHOLD is a two-parent family with one or both parents earning \$50,000 or more and one or more children under age 18.
- SINK/DINK HOUSEHOLD consists of a single or married homeowner(s) without children and with income of at least \$30,000 (single) or \$45,000 (married).

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Florida TaxWatch is the only statewide organization entirely devoted to protecting and promoting the political and economic freedoms of Floridians as well as the economic prosperity of our state. Since its inception in 1979, Florida TaxWatch has become widely recognized as the watchdog of citizens' hard-earned tax dollars. The nationally distributed *City and State* magazine (purchased by *Governing* magazine) in 1989 published a poll of the nation's statewide taxpayer research centers. Based on this poll, the publication cited Florida TaxWatch as one of the six most influential and respected government watchdogs and taxpayer research institutes in the nation.

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