CEOs discuss South Florida's cost-of-living issues

CEOs were asked: [In a new interview]*, Mike Finney, head of the Miami-Dade Beacon Council, said South Florida compares favorably to New York and L.A. when it comes to affordability — and that the problem instead lies with not paying high enough wages. How do you view the issue of affordability and wages? Has your organization been affected by cost-of-living issues?*

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Despite the image of significant wealth along our coastlines, South Florida leads the nation in housing and transportation cost burden. Compounding the situation, especially for minority communities, are low wage positions leading to much lower median incomes. Even though Broward benefits from being slightly more affordable than Miami-Dade, higher wages and affordable housing are essential to our sustained economic growth.

Michael Balaban, *president, CEO, Jewish Federation of Broward County*

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It is an extremely important issue to Lime. That said, need has fostered change and created opportunity. The nature of work has changed dramatically in the last five years alone. The gig economy has created new avenues for people to make or supplement their living. Lime is a perfect example of this change, in that we made a conscious choice to support gig economy workers through our Juicer program, where community members are paid to pick up scooters and charge them on our behalf. We are proud to contribute to better living by creating non-traditional jobs and supplemental income opportunities in Miami.

Uhriel Bedoya, *Florida general manager, Lime*

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The fact is that the cost of living in Miami is substantially lower than in New York and L.A. The real challenge in Miami is finding affordable housing for those working in the urban core. In many cases, the wage-to-housing ratio requires people to live far away and commute long distances. Miami really needs more affordable housing near the workplaces.

Claudia Busch, *founding principal, Berenblum Busch Architects*

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I see housing and medical care as the most significant drivers to South Florida's affordability. In order to ease the path for our workforce, and avoid the challenges of recruitment, we benchmark wages against national, urban areas with similar cost-of-living issues, and adjust our compensation accordingly. We also provide a rich group benefits package, which, of course, is expected out of any insurance organization. At this point, we remain competitive on salaries and benefits, but have taken a hard look at other expenses so as to provide cost savings to help fund compensation. Outsourcing certain transactional work has become quite standard in our industry, and we are 'all in' to creative expense controls.

Anita Byer, *CEO, Setnor Byer Insurance & Risk*

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Like any major city that has seen rapid growth similar to Miami, affordability is always a concern, but it is hard to find a way to force the wages up in the short-term. The only exception I can think of is by raising the minimum wages, which has other consequences. Lionheart Capital has a curated, well paid team, so we are not too affected by cost-of-living issues.

Ricardo Dunin, *founding partner, Lionheart Capital*

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I agree with Michael's assessment on wages. South Florida wages are on average lower than most Metro areas — Miami/Fort Lauderdale/Palm Beach: $56,328; New York/New Jersey: $78,478; LA: $72,563; Chicago: $70,760; Washington, D.C.: $102,180 — but affordability must be looked at more holistically. In addition to wages, housing (cost and availability), transportation, as well as access and cost of supportive services must be considered. Most major metro areas have better, lower cost and more efficient mass transit. And because of their vertical density design, supportive services such as day care, elderly care and healthcare are available closer to home or work. When taking all of these elements into consideration, many of our most talented are looking elsewhere for employment options. In our case, wages is less of an issue, and transportation cost and availability, as well as the severe shortage of affordable workforce housing, have impacted our ability to retain and attract talent.

Carlos R. Fernandez-Guzman, *president, CEO, Pacific National Bank (PNB)*

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I agree that Miami doesn't have enough high paying jobs. I believe it's due to a lack of diversified industry — we have a lot of people in the financial services, real estate and healthcare industries for example, but we don't see as many Fortune 500-type core industries that are high-paying, like technology, business services, etc. At 13th Floor Investments, cost-of-living issues across our region have encouraged us to make one of our key priorities focusing on developing attainable workforce housing options within our projects.

Arnaud Karsenti, *managing principal, 13th Floor Investments*

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In South Florida, these are both major challenges, especially housing affordability, if we are going to successfully attract and retain the best talent for our emerging industries. No company nor organization has been immune from cost-of-living and doing business issues. And our employees have all faced the challenge of finding affordable housing that does not expose them to several hours a day in commute times. At Benworth Capital Partners, we have helped our employees in finding housing and improving their financial stability. We have a program to finance our employee's homes 100 percent with a low interest rate. During the hiring process we try to favor employees who are in close proximity to our office. In sum, we must provide employees, our talent, with wages that allow them to live and work in our community in proximity to their jobs.

Bernie Navarro, *founder and president, Benworth Capital Partners*

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Mr. Finney states that the wages are skewed to the lower end due to the reliance on the hospitality industry for jobs. I would not interpret that as "not paying high enough wages." I agree with Mr. Finney that there should be a concerted effort to attract industries here that inherently have higher paying jobs.

Sanket Parekh, *founder and managing partner, Secocha Ventures*

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While South Florida May compare favorably with N.Y. and L.A. in affordability, let's not forget that Miami / Fort Lauderdale has fewer national / regional corporate headquarters than other large cities

(Florida is ranked 10th in the country, even with the size of our state) that typically provide for large amounts of well-paying manager, director and executive jobs — with stronger benefits and short and long term incentive compensation. Employers and equity investors in small businesses and start-ups should provide more competitive total compensation so that we can keep our young and growing talent living in South Florida.

Julio Ramirez, *president, CEO, JEM Global Consulting*

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Affordability, or lack of it, creates stress in the system that eventually shows up in the workplace. Productivity, quality of work, and workplace relationships all suffer when people are paid less than what it takes to stay above water. United Way did some great work on this topic with the A.L.I.C.E. report. Its findings should be understood and acted on by community leaders.

Kelley Shanley, *president, CEO, Broward Center for the Performing Arts*

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Our organization serves many families that fall into the "working poor" category who are impacted by the high cost of living in South Florida. Although they work and pay taxes like everyone else, after housing, child care, food, medical and transportation costs, they don't have much left and often have to make very difficult choices like foregoing medical care if suddenly their car breaks down. Preschool teachers — who are often paid minimum wage, or just above that — fall into this category.

Evelio C. Torres, *president, CEO, Early Learning Coalition of Miami-Dade and Monroe*