

Policy Paper Brief:

STORMS APPROACHING THE SUNSHINE STATE:

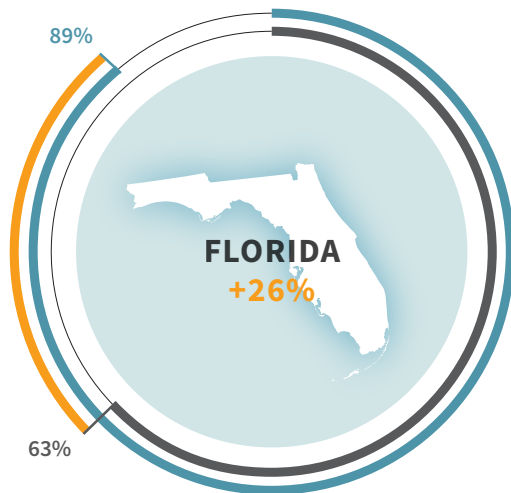
BABY BOOMER RETIREMENT, STUDENT ENROLLMENT GROWTH AND THE FUTURE OF FLORIDA EDUCATION

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The first baby boomer qualified for federal retirement benefits in 2008. Nationwide, an average of 10,000 baby boomers per day will reach retirement age between now and 2030, when the last one will reach age 65. While many are unsettled about how this will play out at the federal level, they have yet to give a thought to how this will impact state governments, much less their local schools.

The baby boom generation is retiring and, at the same time, sending their grandchildren to school. So we will see more grandparents and more grandchildren, with fewer people in between. State governments, including Florida, are not prepared to deal with either phenomenon, much less both.

FLORIDA AGE DEPENDENCY RATIO* (2010 VS 2030)



STORM CLOUDS AHEAD

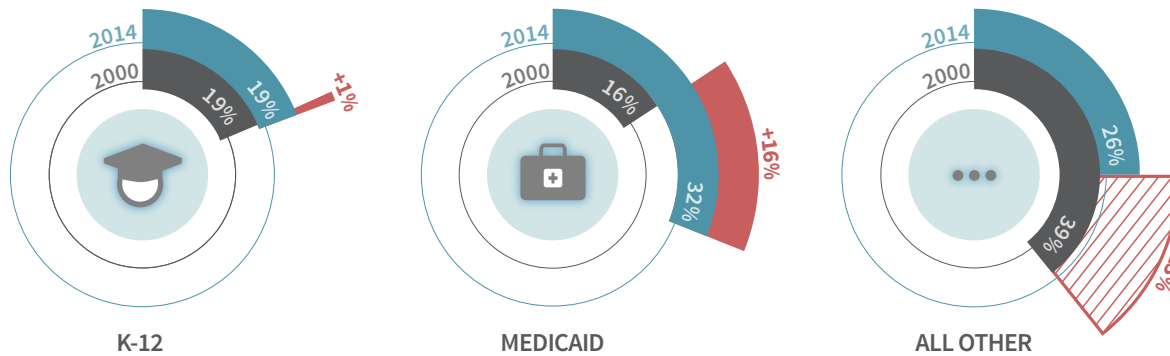
Demographers and economists agree that age demography has a significant impact on the rate of economic growth. In fact, the relationship between three main age groups— young, elderly and working-age—is used to predict economic growth, or lack thereof. Broadly speaking, when you have low age dependency ratio there are a large number of working-age people supporting a relatively small number of young and elderly people, resulting in an economy that tends to progress quickly. **Problems arise when you have a high age dependency ratio—many elderly and young people and relatively few working-age people—resulting in slower economic growth and higher demands for health and education spending.**

In 2010, Florida had the largest percentage of elderly residents in the country—a ranking it will maintain in the coming years. The Florida of 2030, however, makes the Florida of 2010 look youthful by comparison. As you can see in the adjacent figure, Florida's age dependency ratio is predicted to increase 26 percent, to an age dependency ratio of 89 percent, by 2030. This increase is based on the Census Bureau's projection that Florida will see an increase of nearly one million 5-17 year olds and the elderly population that is predicted to more than double. Between the young and the old, that's an increase of more than 5.6 million youth and elderly residents.

Author calculation using [U.S. Census Bureau, Population Division, Interim State Population Projections, 2005](#)

* The age dependency ratio is derived by dividing the combined under 18 and 65-and-over populations by the 18-to-64 population and multiplying by 100.

CATEGORIES OF MAJOR CHANGE IN FLORIDA STATE BUDGET FROM 2000 TO 2014



Source: National Association of State Budget Officers, [State Expenditure Report: Examining Fiscal 2013-2015 State Spending, 2015 and State Expenditure Report, Summer 2001](#)

THE FLORIDA BUDGET & UNCLE SAM'S BALANCE SHEET

While an aging population will have a variety of impacts on state budgets, the most worrisome comes from the Medicaid program—financed jointly by Florida and the federal government. Florida has already witnessed Medicaid increasing at the fastest rate of any state funding priority, crowding out other categories—including education and what the National Association of State Budget Officers calls “All Other” spending. “All Other” includes everything from the state police to parks and recreation. From 2000 to 2014, Medicaid has jumped from 16 percent of the state budget to 32 percent, while most other spending dipped.

The fact is, education funding has all but stagnated and programs many Floridians care very deeply about have suffered significantly. All while funding for Medicaid continues to rise.

STORM SAFETY CHECKLIST

In order to secure a brighter future, Florida must take action now. *The keys to mapping an alternate route lie in expanding economic growth and improving the bang for the buck in the delivery of vital public services—most critically in health care and education.* In education, this means increasing the productivity of K-12 spending. To support both the young and elderly, the working-age Floridians of the future who are sitting in today’s classrooms must be educated, skilled, efficient and innovative.

CHOICE OPTIONS FOR A CHANGING DEMOGRAPHY

Public education is a permanent feature of life in Florida—guaranteed by the constitution and supported by the public. Enrollment growth, however, means the state can expect plenty of students to go around, and a dire need for innovative approaches. Florida’s policy leaders should consider:

EDUCATIONAL CHOICE

Refine and improve existing choice programs, and put personalized education within the reach of more Florida parents through Education Savings Accounts.

DIGITAL LEARNING

Expand high-quality digital learning to help districts stretch already limited budgets, reach the rising demand for different types of courses and provide expanded offerings from diverse, accountable providers.

Florida faces a challenge that will steadily grow more acute, but the state controls its future. Past generations faced far greater challenges and left behind a better state than the one they found. Florida owes it to its youngest generation, and those yet to come, to do the same.