

Disney Orlando Lowest in Median Pay Among 50 Metro Areas

Toluse Olorunnipa

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It costs a family of five about \$1,500 for a four-day pass to the theme parks at Disney World near Orlando, Florida. It takes Weston Vlier, who drives a bus there, four weeks to earn that much.

“If nobody is able to help us out with food, we just don’t eat,” said the 42-year-old father of three who makes less than \$25,000 per year. “I can’t even pay my rent this week.”

Vlier belongs to a growing class of working poor in Orlando, which has the lowest median pay among the 50 most-populous American metropolitan areas, according to U.S. Labor Department data. Three of the city’s largest employers, including Walt Disney Co., increased starting pay this year. Even after Disney raised its minimum wage to \$10 per hour, Vlier still lives below the federal poverty line.

A local economy dominated by low-wage jobs has caused fiscal troubles for Mayor Buddy Dyer, a 56-year-old third-term Democrat, underscoring the widening gap between cities as well as among wage earners. Orlando lifted property taxes by 17.7 percent last month to close a \$17 million budget hole next year. It joins low-wage cities like Atlantic City, New Jersey and Memphis, Tennessee, struggling to cover rising costs. In contrast, Houston, Nashville, Tennessee, and San Jose, California, have seen property-tax collections soar to records <http://www.bloomberg.com/news/articles/2014-04-21/property-tax-collections-rising-at-fastest-pace-since-u-s-crash> .

‘Potential Problem’

“The reason it becomes a potential problem for places like Orlando from a budgetary standpoint is that they don’t have the money to build the infrastructure that could attract well-educated workers,” said Donald Grimes, an economist at the Institute for Research on Labor, Employment and the Economy at the University of Michigan in Ann Arbor. “They don’t have enough money to play with to expand.”

Orlando is now the most-visited U.S. tourist destination -- with attractions and hotels that draw visitors from Miami to Malaysia. Businessman Walt Disney’s decision five decades ago to build the country’s largest theme park near Orlando sparked much of the growth.

The metropolitan area, whose population has almost doubled since 1990 to 2.3 million, set a record with 59 million visitors last year, outpacing New York’s 54.3 million and Paris’s 29.3 million, according to the cities’ tourism agencies.

Today, Disney World is the largest employer in the region, with about 70,000 employees. An army of hotel maids, bus drivers and ride operators work around the clock to maintain its allure.

Economy’s Backbone

Such workers form the backbone of Orlando’s economy. Leisure and hospitality jobs make up about 20 percent of the labor force. Food preparers, waiters, cleaners and cashiers are among the most common professions.

Almost 40 percent of jobs in Orlando pay less than \$25,000 per year, the largest share in the 50 most-populous U.S. cities, according to a 2013 analysis by the Orlando Sentinel newspaper. Median pay of \$29,400 was the lowest among them, U.S. Labor Department data show.

It was among about 150 cities where fast-food workers held protests Sept. 4 to call for starting pay to be raised to \$15. The federal minimum wage, currently \$7.25, would increase to \$10.10 under a proposal backed by President Barack Obama.

Orlando's unemployment rate was 6.3 percent in August, down from a high of 11.9 percent in February 2010, according to federal data. Its poverty rate of 18.4 percent compares with 14.5 percent for the U.S.

Digging Out

"Leisure and hospitality are big in Central Florida," said Sean Snaith, who teaches economics at the University of Central Florida in Orlando. "Tourism was the first sector to start helping us dig out of the hole that the recession put us in."

Like Vlier, many are unable to keep pace with the rising cost of living. About 53 percent of renters spend more than 35 percent of their income on housing, second only to Miami, according to U.S. census data. Housing costs of 30 percent of income or less are "the traditional affordability standard" and those paying more are "cost burdened," according to a June report by Harvard University's Joint Center for Housing Studies.

Dyer is pushing to attract "high-wage, high-value" employers by diversifying the local economy with technology jobs, said spokeswoman Cassandra Lafser.

While Obama has been unable to overcome Republican opposition to an increased minimum wage, advocates of higher pay are gaining ground. Ten states have raised their minimum wages this year and voters in five others will decide on similar proposals in November elections.

Pay Raises

Cities including Seattle, San Diego and Washington each enacted laws raising pay this year.

Mayors in New York, Los Angeles and Chicago have endorsed local minimum wages of at least \$13 an hour. New York Mayor Bill de Blasio signed <http://www.bloomberg.com/news/articles/2014-09-30/de-blasio-to-sign-order-raising-living-wage-to-13-13-nyt-says> an executive order last month raising starting pay to \$13.13 for thousands of workers.

In Orlando, local politicians don't have such power. That authority is preempted by the state. Proposals to raise Florida's minimum wage -- currently \$7.93 -- failed this year in the Republican-controlled state legislature.

Disney World became one of the largest private entities to implement a \$10 hourly minimum wage when it approved a new contract with employee unions in August. The move follows increases by two other Orlando theme parks -- Comcast Corp.'s Universal Studios and SeaWorld Entertainment Inc.'s water park - - which boosted starting pay to \$9 per hour this year.

Union Complaint

Mike Stapleton, president of the Orlando union that represents bus drivers like Vlier, said the increases aren't enough to pull many workers out of poverty.

"Very large numbers of Disney employees live in motels," Stapleton said. "Some of them live in cars. And Disney knows this."

Disney spokeswoman Jacquee Wahler said the compensation plan was approved by employee unions and included "significant wage increases."

The agreement "builds on our long-standing commitment to providing a competitive employment package," Wahler said in an e-mail. Disney reported record profit of \$2.2 billion in the quarter that ended in June, up 22 percent from the same period last year.

In Orlando, the lingering impact of the recession combined with low wages can be seen at the Second Harvest Food Bank of Central Florida, said Greg Higgerson, vice president of development. Even as unemployment has fallen, the food bank is providing a record amount of sustenance to the working poor.

"There are hundreds of thousands of people here who are just the embodiment of the whole 'paycheck-away-from-disaster' kind of thing," he said. "Not because they made poor choices, but because they're scratching the earth just to get by."

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