The 2025 Florida Price Level Index

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The Florida Price Level Index (FPLI) is the basis for adjusting for labor cost differences in the Florida Education Finance Program (FEFP). It is a fixed weight price level index for labor procured by Florida's school districts. It is implemented using a comparable wage index methodology. The calculation is based on data for hundreds of occupations across Florida's 67 counties collected through the U.S. Bureau of Labor Statistics' Occupational Employment and Wage Statistics survey (OEWS). Table 1 presents the 2025 FPLI, along with the 2024 and 2023 indices.[1]

Table 1: The 2025 Florida Price Level Index

County	2025	2024	2023	County	2025	2024	2023
Alachua	96.89	96.79	97.51	Lake	96.79	96.60	96.29
Baker	93.60	92.60	93.19	Lee	100.04	100.38	100.83
Bay	95.61	95.73	97.00	Leon	92.07	91.05	94.08
Bradford	94.31	93.15	92.79	Levy	92.30	92.01	91.90
Brevard	99.53	99.74	99.85	Liberty	93.19	92.24	91.61
Broward	102.80	102.87	103.07	Madison	92.07	90.55	90.40
Calhoun	91.13	89.59	89.67	Manatee	99.98	100.04	100.04
Charlotte	97.06	96.79	96.28	Marion	93.14	93.04	93.01
Citrus	91.22	91.52	91.29	Martin	99.16	99.04	100.06
Clay	97.09	96.83	96.59	Monroe	103.83	102.55	103.42
Collier	104.88	105.54	105.69	Nassau	99.01	98.82	98.63
Columbia	95.32	94.51	93.92	Okaloosa	100.14	100.15	100.26
Dade	105.34	104.80	103.42	Okeechobee	94.74	93.86	93.43
De Soto	94.60	94.04	93.14	Orange	100.56	101.04	101.10
Dixie	92.98	91.94	90.91	Osceola	97.30	97.59	97.75
Duval	100.71	101.00	101.12	Palm Beach	103.65	103.80	104.17
Escambia	96.21	96.25	96.94	Pasco	97.70	97.79	97.73
Flagler	94.60	93.81	93.37	Pinellas	99.77	100.13	100.22
Franklin	93.18	91.52	92.55	Polk	96.15	96.35	97.01
Gadsden	92.90	91.02	92.22	Putnam	95.20	94.50	92.82
Gilchrist	93.29	92.28	91.91	Saint Johns	99.39	99.16	99.07
Glades	95.00	94.92	92.34	Saint Lucie	97.82	97.86	98.03
Gulf	95.39	93.98	93.14	Santa Rosa	94.49	94.53	95.55
Hamilton	95.69	94.94	91.20	Sarasota	101.39	101.43	101.70
Hardee	95.05	93.91	92.46	Seminole	99.40	99.63	99.34
Hendry	96.14	95.15	93.83	Sumter	97.18	96.38	96.87
Hernando	96.33	96.14	95.78	Suwannee	92.96	91.84	91.55
Highlands	90.91	90.05	90.02	Taylor	94.99	93.44	91.99
Hillsborough	101.47	101.79	101.59	Union	93.81	92.50	90.84
Holmes	91.72	90.69	89.56	Volusia	93.30	93.02	93.77
Indian River	98.41	98.79	99.71	Wakulla	93.15	93.17	92.87
Jackson	93.46	92.40	92.42	Walton	98.79	98.35	98.47
Jefferson	92.28	91.84	90.52	Washington	92.67	91.65	91.50
Lafayette	92.29	91.47	90.48				

[1] This report is available at http://www.fldoe.org/fefp/.

The Distribution of the FPLI

The FPLI is constructed so that the population-weighted state average is 100, though this does not impact the relative comparison between any two counties. The median Floridian, ranked by 2025 county FPLI, lives in Orange County, with an index value of 100.56. That is, less than half of Floridians live in counties with index values greater than 100.56, less than half live in counties with index values less than 100.56, and the rest live in Orange County.

Figure 1 displays the distribution of the FPLI across Florida. As population density increases, workers face higher housing costs, longer commute times, or both. This reduces the supply of labor, thereby increasing wages. Thus, though many things affect FPLI values, counties that are more populous tend to have higher values. Rounding to the nearest percent, five counties with values of 102 or more contain 30% of Florida's population, fifteen counties with values from 98 to 101.99 contain 39%, twenty-five counties with values from 94 to 97.99 contain 22%, and twenty-two counties with values below 94 contain 9%.

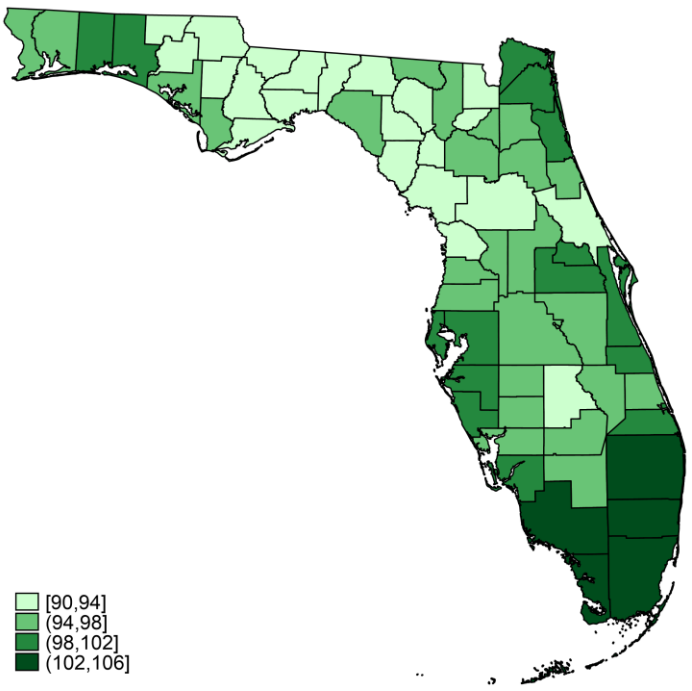
What the FPLI Measures

To see more precisely what the FPLI represents, imagine there are only two districts, A and B, with equal size classes. Each employs one aide for every two teachers and no other workers. In A teachers cost $50,000 and aides cost $30,000. In B teachers cost $70,000 and aides cost $50,000. The average cost of a teacher is $60,000 and the average cost of an aide is $40,000. Thus, a classroom requires one teacher and half of one aide and the associated state average labor cost for a classroom is $80,000.

Rounding to tens of thousands of dollars, the teacher share of the state labor bill is thus 6/(6+4/2)=3/4 and the aide share is 1/4. The wage relative to the state average in A is 5/6 for teachers and 3/4 for aides. The relative cost of labor in A is (3/4)(5/6)+(1/4)(3/4)=0.8125 and in B it is (3/4)(7/6)+(1/4)(5/4)=1.1875. If the world were this simple, the FPLI would be 81.25 in A and 118.75 in B.

This example illustrates the construct the FPLI represents—a fixed weight price level index for labor procured by Florida's school districts. However, in practice we cannot use school wage data in the calculation. Why? Districts may reach different decisions regarding qualifications or pay structure. Such differences impact labor expenditures but do not reflect cost conditions. As a result, a district that decided to pay higher wages than required to hire a standard teacher would receive higher FEFP funding, creating an incentive to inflate costs. Instead, a comparable wage index that does not depend on district decisions is used.

Figure 1



The Comparable Wage Approach[2]

The idea behind a comparable wage index is to select occupations that are comparable to school jobs and use wages in those occupations as the basis for measuring relative personnel costs. In what way must they be comparable? The example above makes this clear—in the geographic pattern of relative wages.

What determines whether relative wage patterns are similar? One crucial factor is the state average income for an occupation. Though a worker's actual income depends on where they take a job, their potential income, represented by the state average for their occupation, influences the way the supply of labor in that occupation to a location varies with housing costs and perceived amenities.

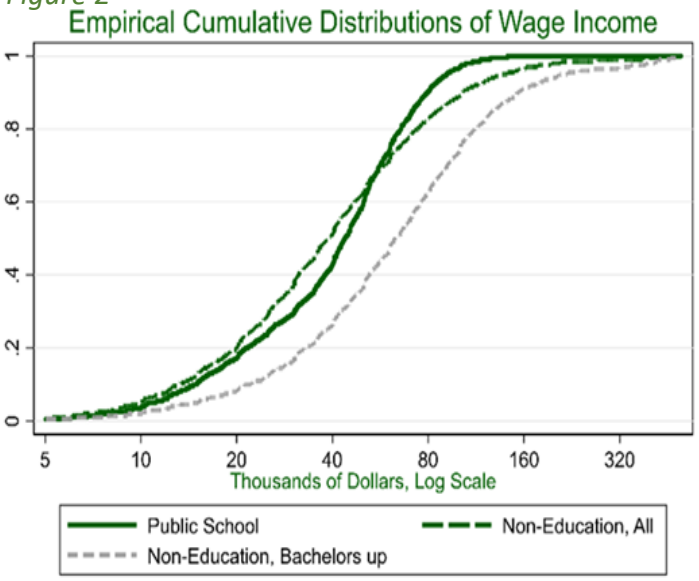
The FPLI relies on data from the OEWS survey, which is based on a massive employer sample. The calculation uses all occupations. This is because the distribution of wages for all occupations is similar to the distribution for school workers, as shown in Figure 2. Insofar as the relative wage pattern of school workers depends on income, it should resemble the pattern for all workers.

One might argue that the subset of workers with bachelor's degrees is more suitable, since teachers must hold one. Using data from the American Community Survey (ACS) instead of the OEWS would allow selecting that subset. This, however, misses two crucial points. First, 17% of the public-school labor bill is paid to workers without bach-

[2] For additional methodological details, see Jim Dewey (2022) *Florida Price Level Index Methodology—Revised January 2022*, available at https://www.researchgate.net/publication/358007872.

elor's degrees. Second, public-school workers with a degree earn less than the average worker with a degree. As Figure 2 shows, the wage distribution for workers with bachelor's degrees is shifted well to the right of the distribution for public school workers.

Figure 2



Using the ACS data would also allow controlling for many individual worker characteristics, potentially improving precision. However, the ACS data is based on far fewer workers than the OEWS data. Further analysis suggests the gain in precision from using the larger OEWS sample outweighs the gain from controlling for other worker characteristics using ACS data. Moreover, in many counties there is too little ACS data to calculate an index.[3]

The FPLI accounts for another factor that shapes occupational relative wage patterns—employment density at each occupation's typical employment location. Workers in jobs typically in relatively high-density locations within an area, such as Budget Analysts, face more variation in housing costs between areas than workers in jobs typically in relatively low-density locations, such as Machinists. This moderates the impact of interarea differences in housing prices on the supply of workers.

Based on national ACS data, within local labor markets the density at the location of the typical school job is 12% below average. Selecting only occupations with relative employment densities comparable to school jobs would result in insufficient data. Therefore, the FPLI calculation controls statistically for the interaction of occupational relative employment density and county population.

Prior to 2003. From 1973 through 2002, the FPLI was an index of the relative cost of the market basket of goods and services purchased by typical Floridians, similar to the Consumer Price Index, albeit in a spatial context. This approach was adopted since data for a comparable wage index was unavailable. The rationale was that all else equal, wages adjust for differences in prices, particularly housing prices.

That construct was subject to numerous measurement challenges. Moreover, even if measured perfectly, the construct systematically misrepresents labor costs. Other things being equal, more productive places are more attractive to business and so have higher wages and housing prices, while places that are more pleasant in which to live are more attractive to workers and so have lower wages but higher housing prices. Estimates of relative wage and price patterns imply the market basket approach yields an index which less accurately reflects labor costs than would making no adjustment at all.[4]

The FPLI Calculation

Initial Estimate The first step in the FPLI calculation is to make an initial estimate of relative wage differences between counties, holding occupation constant. This means a county's index is not impacted by its share of workers in high wage occupations, but rather by having higher or lower wages within occupations.

With perfect data the calculation would proceed as above. We would start by calculating the ratio of the average wage for each occupation in each county to the occupation's state average wage. We would then average these ratios for each county using weights representing each occupation's share in the state labor bill to produce the index.

However, not every occupation is observed in every county, so this method is infeasible. Therefore, the relative wage ratio is estimated using a linear regression model relating the natural log of the average wage in a specific county and occupation to county and occupation indicator variables. The natural log is used since wages are strictly positive and best thought of in relative terms.

To account for the impact of relative occupational density, we obtain data on worker location within labor markets from the ACS.[5] We use this data to estimate the relative average employment density for each occupation. That is, imagine asking each worker in a city how many workers there are per square mile near their workplace, averaging those answers for each occupation in the city, taking the ratio of that average to the city average, and then averaging these ratios across cities for each occupation. This represents the construct behind the measure used. The interaction of relative occupational density with population is in-

[3] For more information, see Jim Dewey, (2019) *Comparing the Florida Price Level Index and the Comparable Wage Index for Teachers*, available at https://www.researchgate.net/publication/337716504.

[4] Jim Dewey, (2005) *Improvements to the 2003 Florida Price Level Index*, available at https://www.researchgate.net/publication/338390730.

[5] Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Grace Cooper, Julia A. Rivera Drew, Stephanie Richards, Renae Rodgers, Jonathan Schroeder, and Kari C.W. Williams. *IPUMS USA: Version 16.0 American Community Survey 2023 5-Year Sample. Minneapolis*, MN: IPUMS, 2025. https://doi.org/10.18128/D010.V16.0 Accessed 12-22-2025.

cluded in the regression to control for the effects of differences in relative occupational density on effective housing cost differentials and thereby on relative wage patterns.

Columns 3 and 4 of Table 2 provide the initial log index estimate and its standard error. An increase of 0.01 in a county's log index represents approximately a 1% increase in the relative wage.[6]

Smoothing. Prior to adoption of the current methodology, otherwise similar counties sometimes had very different FPLI values though the estimates' margins of error were large, meaning there was little evidence that the difference was real. Similarly, the law of one price implies wages in nearby counties cannot sustainably differ more than the cost of commuting between them. If the wage difference is larger, workers have an incentive to commute from the low wage county to the high wage county, increasing the supply of workers in the latter and reducing it in the former, reducing the wage difference. However, in some cases the difference between FPLI values in neighboring counties was large enough to cast doubt on their plausibility. To improve accuracy, the index is smoothed to address both statistical similarity and geographic proximity between counties.

The smoothing process minimizes the population weighted sum of squared differences between the final smoothed index and both the initial index and the index value expected in statistically similar counties. The differences are expressed relative to the indices' standard errors, accounting for the precision of the estimates. Minimization is subject to the constraint that the difference between every pair of counties is no greater than the cost of commuting between them. The resulting index is a geographically constrained minimum mean square error estimate.

Predicted Index. Estimating the relationship between the initial index estimate and other county characteristics using least squares regression and predictor variables from different datasets is a preliminary step in smoothing. This relationship is used to determine index values expected in statistically similar counties, referred to as the predicted index. For the 2025 FPLI the county characteristics used were total population, the average annual wage, the share of dividends, interest, and rents in personal income, and the population share of those under eighteen. These characteristics account statistically for 70% of the variation in the initial index. Columns 5 and 6 of Table 2 provide the predicted log index and its standard error.

Commuting Cost. Estimating the cost of commuting between county pairs is accomplished by identifying the two elementary, middle, and high schools in each county nearest two schools of the same level in each other county, provided the straight-line distance does not exceed fifty miles, and measuring the commute time and driving distance between them.[7] These are averaged to estimate incremental commute time and distance. The value of time commuting is assumed to be half the wage rate, based on guidance from the US Department of Transportation. Monetary commuting costs are estimated using fuel and maintenance cost per mile from the American Automobile Association.

When the Geographic Constraint does not Bind. Most counties are not directly impacted by the geographic constraint. In such cases the smoothed index is a weighted average of the initial and predicted indices. The weights depend on the standard errors. Consider the entries for Alachua County in columns 3-6 of Table 2. The log index is:

$$\frac{0.005^{22}}{0.0052^2+0.0029^2}(-0.0363)+\frac{0.0029^2}{0.0052^2+0.0029^2}(-0.0121)=-0.0305.$$

The smoothed index is nearer the initial index when it is more accurate. Differences between similar counties persist only if justified by the precision of the estimates.

When the Geographic Constraint Binds. When the geographic constraint binds, the smoothed index is increased in the lower wage county and decreased in the higher wage county, moving more in counties with less precisely estimated indices. Consider the entries for Collier County and Lee County in columns 3-7 of Table 2. If the geographic constraint were not binding, the log index would be 0.0591 in Collier and -0.0019 in Lee. However, Lee borders Collier and that relative wage difference is inconsistent with estimated commute costs. As a result, the estimate for Lee is raised to 0.0015 and the estimate for Collier is lowered to 0.0487.

Final Step. The final step in producing the FPLI is to express it as a relative wage index, not the log of a relative wage index. To do so, the geographically smoothed log index values are exponentiated. The exponentiated values are then divided by the population weighted average and multiplied by 100. The resulting index has a population weighted average of 100. This facilitates display and interpretation of results but does not affect the ratio of FPLI values between any two counties (other than a potential change of 1/10,000 due to rounding).

[6] Note $e^{0.01}\approx1.01$, where $e\approx2.718$ is the base of the natural logarithm.

[7] The Florida Department of Education's Master School ID file at https://eds.fldoe.org/EDS/MasterSchoolID/ and the HERE geocoding application at https://www.here.com/ are used to do this.

Table 2: Additional Detail

County	(1) Avg. Annually Occupations	(2) Represented Workers	(3) Log Initial Estimate Value	(4) Log Initial Estimate Std Err	(5) Log Predicted Index Value	(6) Log Predicted Index Std Err	(7) Log Smoothed Index Without Geo	(8) Log Smoothed Index With Geo	(9) FPLI
Alachua	366	111151	-0.0363	0.0029	-0.0121	0.0052	-0.0305	-0.0304	96.89
Baker	56	3339	-0.0563	0.0088	-0.0708	0.0071	-0.0651	-0.0650	93.60
Bay	323	69116	-0.0505	0.0033	-0.0340	0.0039	-0.0436	-0.0438	95.61
Bradford	59	3256	-0.0407	0.0087	-0.0621	0.0046	-0.0574	-0.0575	94.31
Brevard	407	210377	-0.0040	0.0026	-0.0017	0.0059	-0.0036	-0.0036	99.53
Broward	479	769161	0.0285	0.0021	0.0209	0.0065	0.0278	0.0287	102.80
Calhoun	28	1179	-0.0826	0.0127	-0.0940	0.0062	-0.0918	-0.0918	91.13
Charlotte	243	45860	-0.0258	0.0038	-0.0442	0.0087	-0.0288	-0.0287	97.06
Citrus	205	28587	-0.1001	0.0042	-0.0631	0.0073	-0.0909	-0.0908	91.22
Clay	220	43973	-0.0251	0.0039	-0.0339	0.0050	-0.0284	-0.0285	97.09
Collier	342	143919	0.0607	0.0029	0.0424	0.0092	0.0591	0.0487	104.88
Columbia	162	17756	-0.0429	0.0049	-0.0499	0.0043	-0.0468	-0.0469	95.32
Dade	498	1093364	0.0551	0.0020	0.0339	0.0074	0.0537	0.0531	105.34
Desoto	70	4476	-0.0126	0.0078	-0.0686	0.0045	-0.0546	-0.0544	94.60
Dixie	26	842	-0.0774	0.0137	-0.0709	0.0050	-0.0717	-0.0716	92.98
Duval	479	504511	0.0078	0.0022	0.0115	0.0072	0.0081	0.0082	100.71
Escambia	370	124069	-0.0460	0.0029	-0.0217	0.0039	-0.0373	-0.0375	96.21
Flagler	172	20648	-0.0612	0.0047	-0.0456	0.0053	-0.0543	-0.0544	94.60
Franklin	29	1403	-0.0612	0.0124	-0.0725	0.0073	-0.0696	-0.0696	93.18
Gadsden	101	8511	-0.1056	0.0063	-0.0549	0.0046	-0.0725	-0.0725	92.90
Gilchrist	29	979	-0.0740	0.0128	-0.0675	0.0051	-0.0684	-0.0684	93.29
Glades	22	585	-0.0483	0.0152	-0.0513	0.0115	-0.0502	-0.0502	95.00
Gulf	41	1831	-0.0403	0.0105	-0.0489	0.0072	-0.0461	-0.0461	95.39
Hamilton	20	738	-0.0471	0.0155	-0.0414	0.0099	-0.0430	-0.0430	95.69
Hardee	65	3029	-0.0248	0.0084	-0.0644	0.0065	-0.0496	-0.0497	95.05
Hendry	96	6109	-0.0366	0.0067	-0.0401	0.0069	-0.0383	-0.0383	96.14
Hernando	195	38760	-0.0244	0.0041	-0.0604	0.0059	-0.0362	-0.0362	96.33
Highlands	181	21336	-0.1135	0.0046	-0.0656	0.0056	-0.0942	-0.0942	90.91
Hillsborough	492	689095	0.0169	0.0021	0.0183	0.0077	0.0170	0.0157	101.47
Holmes	29	1094	-0.1015	0.0127	-0.0818	0.0059	-0.0853	-0.0853	91.72
Indian River	265	48176	-0.0194	0.0036	0.0047	0.0077	-0.0151	-0.0150	98.41
Jackson	107	9559	-0.0585	0.0062	-0.0709	0.0045	-0.0666	-0.0665	93.46
Jefferson	29	1005	-0.1220	0.0128	-0.0712	0.0056	-0.0794	-0.0792	92.28
Lafayette	11	285	-0.0899	0.0217	-0.0781	0.0067	-0.0791	-0.0792	92.29
Lake	294	95122	-0.0281	0.0032	-0.0432	0.0059	-0.0315	-0.0315	96.79
Lee	407	262105	-0.0024	0.0025	0.0000	0.0051	-0.0019	0.0015	100.04
Leon	360	132263	-0.1062	0.0029	-0.0196	0.0046	-0.0816	-0.0815	92.07
Levy	74	4836	-0.0798	0.0076	-0.0784	0.0064	-0.0790	-0.0790	92.30
Liberty	11	371	-0.0666	0.0212	-0.0698	0.0079	-0.0694	-0.0694	93.19
Madison	46	2144	-0.0780	0.0099	-0.0827	0.0056	-0.0816	-0.0815	92.07
Manatee	356	121940	0.0059	0.0029	-0.0083	0.0039	0.0008	0.0009	99.98
Marion	329	100180	-0.0762	0.0030	-0.0455	0.0060	-0.0701	-0.0700	93.14
Martin	292	65504	-0.0106	0.0034	0.0100	0.0080	-0.0074	-0.0074	99.16
Monroe	245	38922	0.0422	0.0040	0.0166	0.0100	0.0387	0.0387	103.83
Nassau	149	19281	-0.0044	0.0050	-0.0138	0.0053	-0.0088	-0.0088	99.01
Okaloosa	328	75550	0.0035	0.0032	-0.0007	0.0054	0.0024	0.0025	100.14
Okeechobee	103	7653	-0.0385	0.0064	-0.0595	0.0043	-0.0529	-0.0529	94.74
Orange	484	830629	0.0077	0.0021	-0.0011	0.0067	0.0069	0.0067	100.56
Osceola	259	90956	-0.0228	0.0034	-0.0475	0.0070	-0.0275	-0.0262	97.30
Palm Beach	467	590094	0.0354	0.0022	0.0589	0.0083	0.0369	0.0369	103.65
Pasco	300	118951	-0.0253	0.0031	-0.0389	0.0061	-0.0281	-0.0222	97.70
Pinellas	457	415312	-0.0012	0.0023	-0.0012	0.0065	-0.0012	-0.0012	99.77
Polk	413	228204	-0.0389	0.0026	-0.0334	0.0067	-0.0382	-0.0382	96.15
Putnam	124	10790	-0.0440	0.0057	-0.0500	0.0040	-0.0481	-0.0481	95.20
Saint Johns	285	79154	-0.0088	0.0033	0.0054	0.0056	-0.0051	-0.0051	99.39
Saint Lucie	313	73679	-0.0143	0.0032	-0.0374	0.0050	-0.0210	-0.0209	97.82
Santa Rosa	219	33871	-0.0639	0.0040	-0.0416	0.0052	-0.0556	-0.0555	94.49
Sarasota	387	167517	0.0157	0.0027	0.0105	0.0065	0.0149	0.0149	101.39
Seminole	371	188629	-0.0047	0.0027	-0.0056	0.0053	-0.0049	-0.0049	99.40
Sumter	201	31696	-0.0265	0.0042	-0.0412	0.0158	-0.0275	-0.0275	97.18
Suwannee	89	6160	-0.0837	0.0069	-0.0668	0.0045	-0.0718	-0.0719	92.96
Taylor	62	2958	-0.0351	0.0086	-0.0560	0.0052	-0.0504	-0.0503	94.99
Union	24	988	-0.0914	0.0144	-0.0531	0.0083	-0.0627	-0.0628	93.81
Volusia	412	164218	-0.0729	0.0027	-0.0403	0.0066	-0.0682	-0.0683	93.30
Wakulla	45	2200	-0.1013	0.0099	-0.0641	0.0042	-0.0698	-0.0699	93.15
Walton	189	27347	-0.0149	0.0045	0.0000	0.0077	-0.0111	-0.0111	98.79
Washington	55	2827	-0.0792	0.0090	-0.0738	0.0048	-0.0750	-0.0750	92.67