



Washington

Searching for Work that Pays:

2004 Northwest

Job Gap Study



Oregon • Montana
Idaho • Washington

Northwest Federation of Community Organizations (NWFCO) and

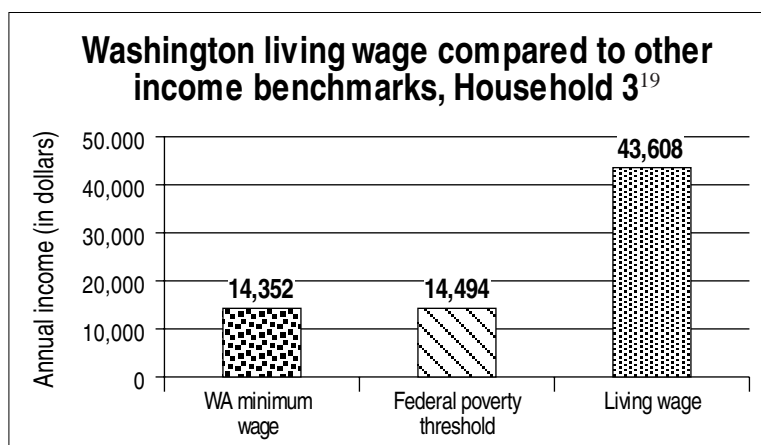
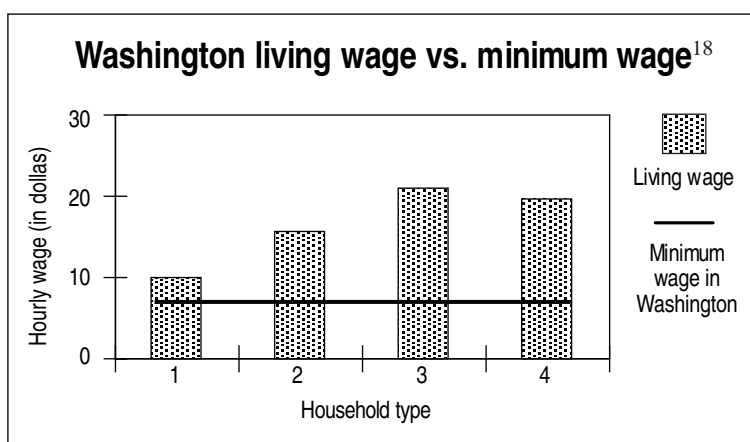
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WASHINGTON KEY FINDINGS

Key findings for Washington are:

- The living wage for a single adult is \$10.07 an hour. This is based on what is needed to meet basic needs and provides some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$20.97 an hour.
- Twenty-six percent of all job openings pay less than the \$10.07 an hour living wage for a single adult. Seventy seven percent pay less than the \$20.97 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$10.07 an hour living wage for a single adult, there are four job seekers on average. For each job opening that pays at least the \$20.97 an hour living wage for a single adult with two children, there are 13 job seekers on average.



WHAT IS A LIVING WAGE?

Living wages for Washington, which reflect family budgets as shown on the following page, are:

- For a single adult household, \$20,942 a year or \$10.07 an hour.

- For a single adult with one child, \$32,550 a year or \$15.65 an hour.
- For a single adult with two children, \$43,608 a year or \$20.97 an hour.
- For two adults, one of whom is working, with two children, \$41,023 a year or \$19.72 an hour.
- For two adults, both of whom are working, with two children, \$56,590 a year or \$27.21 an hour (which means that the combined wages of both working adults needs to total this amount).

These are statewide averages. In some areas, costs are higher (particularly for housing and child care) and, as a result, living wages are higher. In other areas, including most of the state's rural areas, costs and, therefore, living wages are lower. Living wages for higher cost and lower cost areas are:

	Higher cost areas	Lower cost areas
Single adult	\$10.88/hour	\$8.68/hour
Single adult with one child	\$16.82/hour	\$13.76/hour
Single adult with two children	\$22.70/hour	\$18.14/hour
Two adults (one working) with two children	\$20.75/hour	\$18.06/hour
Two adults (both working) with two children	\$28.94/hour	\$24.38/hour

Washington family budgets (in 2002 dollars)

	Household 1	Household 2	Household 3	Household 4	Household 5
Food	150	280	369	541	541
Housing & utilities	578	728	728	728	728
Transportation	305	426	426	744	886
Health care	62	139	191	228	228
Child care	0	265	925	0	925
Household, clothing, & personal	274	393	429	560	596
Savings	152	219	238	311	331
State & federal taxes	224	262	328	306	481
Gross monthly income needed	1,745	2,713	3,634	3,419	4,716*
Gross annual income needed	20,942	32,550	43,608	41,023	56,590*
Living wage (at 2080 hours/year)	10.07	15.65	20.97	19.72	27.21*

Household 1 is a single adult

Household 2 is a single adult with a school-age child (age 6-8 yrs)

Household 3 is a single adult with a toddler (12-24 months) and a school-age child (age 6-8 yrs)

Household 4 is two adults (one of whom is working) with a toddler and a school-age child

Household 5 is two adults (both of whom are working) with a toddler and a school-age child

**Total amount earned by two working adults*

ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

Of all job openings, 26 percent pay less than the \$10.07 an hour living wage for a single adult. Seventy-seven percent pay less than the \$20.97 an hour living wage for a single adult with two children.

It is important to note the distinction between jobs and job openings. Not all jobs come open during a year. Job openings are of particular interest because they provide employment opportunities to people looking for work.

In addition, there are more people looking for work than there are job openings that pay a living wage. As shown in the table on the following page, job gap ratios, which compare job seekers to job openings, are:

- For each job opening, regardless of pay, there are three job seekers on average.
- For each job opening that pays at least the \$10.07 an hour living wage for a single adult, there are four job seekers on average.
- For each job opening that pays at least the \$20.97 an hour living wage for a single adult with two children, there are 13 job seekers on average.

Washington job gap ratio

	Household 1	Household 3	All job openings
Total job seekers	339,500	339,500	339,500
Job openings	83,459	25,705	113,352
Job seekers per opening	4 to 1	13 to 1	3 to 1
Percent of all job openings paying less than a living wage	26%	77%	

Trade-offs and tough times:

What happens to families that don't make a living wage?

The living wage estimates the level of income sufficient to meet a family's basic needs and maintain a reasonable standard of living. When families are unable to earn living wages, many are forced to make difficult choices between adequate health care, balanced nutrition, and paying the bills. If full-time workers are making trade-offs between basic needs, their wages do not allow for economic self-sufficiency. Since the living wage is a state-wide average, the budget for each individual family will vary according to their particular circumstances. Below are a few examples of the complex issues and difficult trade-offs that households confront when they do not earn a living wage.

Health care is an example of a serious budget issues for families. Previous Northwest Job Gap Studies and many other living wage studies assume that families have access to employer-based healthcare, but the number of employers who neglect to offer health insurance is increasing, particularly for low-wage workers.

- In Washington, 66 percent of the non-elderly population (3.5 million people) was covered by employer-based health insurance, 6 percent (324,590 people) purchased private health insurance, and 13 percent (671,900 people) were covered by Medicaid or other public coverage. Another 809,860 non-elderly Washington residents (15 percent) lacked health insurance.



Anthony Doan
Auburn, King County, Washington

My name is Anthony Doan. I've worked as a mechanic for the Boeing Company for the past 17 years. My job supports all three of my children, who are 11, eight, and five, as well as my wife, who stays home to take care of the kids. In the time that I've been at Boeing, they've had many layoffs, but somehow I've managed to escape them each time. They have cut a lot of positions in the last 17 years, and I've been very lucky to be able to keep my job. I was earning \$31 an hour for the work that I did, which even allowed me to save money in case we ever had an emergency.

But out of nowhere, the Boeing Company cut the pay for mechanics by almost one-third. I'm now making \$22 per hour. It has made things much more tight financially than they were before and greatly reduced our savings. To me it's confusing, because I've been working with them for 17 years. It doesn't seem fair that they could cut my pay so significantly and not even give me a reason. It seems like they just want to save money. It's not as if they couldn't afford to keep paying me the \$31. The thing that has been the hardest to afford lately has been supplies for the kids. Raising three kids is very expensive, and it was much easier to meet their needs when I was making more money. Losing so much of my salary makes me feel like I don't have much security in my job. Any day they could decide to lay me off or to cut my pay. And now that we can't save much anymore, I'm not sure where that would leave my family.

What happens to people without access to employer-sponsored health care? Public programs provide assistance to some low-income adults who meet income and family structure requirements. Others must purchase private non-group health insurance, or take the risk of going without any health insurance coverage. A living wage would allow people without access to employer-sponsored or public health care to purchase private health insurance. This report includes estimates of the cost of purchasing very basic private health insurance, in the table titled “Family budgets that include the cost of purchasing private health insurance.” For more information on private health insurance coverage and costs, see the full report, *Searching for Work That Pays: 2004 Northwest Job Gap Study*.

Washington family budgets that include the cost of purchasing private health insurance (in 2002 dollars)

	Household 1	Household 2	Household 3	Household 4	Household 5
Monthly cost of private non-group health insurance	153.35	263.45	363.64	516.99	516.99
Annual income needed	22,457.38	34,623.01	46,490.60	45,846.39	61,412.78
Living wage including private non-group insurance	10.80	16.65	22.35	22.04	29.53



Sadije Haliti

Tacoma, Pierce County, Washington

My name is Sadije. I’m originally from Albania, but my family and I moved to the United States a few years ago because of the war and political turmoil back home. I live with my husband and our five children in Tacoma, where my husband works as a landscaper. I used to work as a substitute teacher in the Bothell school district, but then two years ago I stopped working because I was pregnant. I haven’t gone back to work because someone has to care for the children. Childcare for all five of them would be very expensive. At least my husband’s job pays above the minimum wage. He earns \$10 an hour for most jobs.

The difficult thing is that sometimes during the winter the work is very scarce. Plus, he works out of Puyallup, and so it’s very expensive to transport him back and forth between Tacoma and Puyallup. My stepson gets \$500 a month for disability because of a mental health condition, and that money goes towards his care. That means that we don’t have to pay for all of his needs. Our house is our biggest expense and everything after that is hard to pay for. I go to food banks for food and I buy clothes from Goodwill. My husband and kids have health insurance, but I go without because it would be too expensive.

It’s very difficult to be from another country and trying to figure out how the American system works. My husband and I had a comfortable lifestyle back in Albania. I worked as a teacher, and he worked and went to college. However, he wasn’t able to finish because of the political situation. If it hadn’t been for the war and the violence, we could have kept that more comfortable lifestyle. When we came here we had to start from zero and try to build ourselves up. We’ve done the best that we could, even though it’s very hard. Finding good paying jobs in the United States has not been easy, but we are thankful that we have our lives.

Although certain expenses are common to nearly every budget, each family experiences a set of circumstances (examples include: seasonal work, the need to work multiple jobs, health problems, credit card debt, unexpected lay-offs and wage cuts) that can dramatically alter the family's income and expenses.

The report, *Searching for Work That Pays: 2004 Northwest Job Gap Study*, finds the Northwest is not creating living wage jobs for all those who need them, and when families are unable to earn living wages, many are forced to make difficult choices between adequate health care, balanced nutrition, and paying the bills.



Sharman Haller
Clarkston, Asotin County, Washington

My name is Sharman Haller. I live with my nine-year-old daughter in Clarkston, Washington. We live on just about \$1,000 for each month. I used to work two lower-paying jobs, but now I have one job that pays \$7.25 per hour. I've been working at the Tri-State Hospital as a maintenance-grounds keeper for just about three years now. It is still a big stretch, especially because my income is just a little bit over the amount that would qualify me for food stamps and fuel assistance. Even so, my housing is subsidized but I still have to pay \$385 for the month. I couldn't get by without subsidized housing. I also have expenses like childcare, food, car insurance,

and utilities. My utilities are usually around \$200, including my phone bill, sewer and garbage, and water.

My budget leaves no room for me to save money. If something unforeseen happened, like a serious injury or an increase in a utility rate, I wouldn't have the money to pay for it. I worry about utility shutoffs. One time I paid all except for \$1.18 of my water bill, and the water company shut off my water. In order for it to be turned back on, I had to give the company a \$50 deposit — a whole 50 dollars just because I couldn't pay the one dollar and 18 cents. Since then I've been very meticulous when it comes to paying the full amount for all of my bills, even if it means that the money has to come out of some other area of my life. I do a lot of things to make sure that I'll have enough money to pay my bills. Sometimes I go to food banks, I try to use wood heat as much as possible rather than using the furnace, and I use coupons whenever I can for groceries and other household supplies.

Even though I have trouble paying my bills, I'm grateful for the job that I have. Many people are much worse off than I am. When I worked two jobs, I never saw my daughter. Now I barely get by with my current job. It's a tough trade-off to have to make, but that's just how things are right now.

TECHNICAL APPENDIX

Housing Costs

* Housing costs are monthly costs and do not include the cost of basic phone service.

Washington fair market rents

COUNTY	FMR HH1 (1 BD)	FMR HH2-5 (2BD)						
Adams County	392.00	509.00	Grant County	392.00	509.00	Pierce County	504.00	672.00
Asotin County	392.00	509.00	Grays Harbor County	392.00	515.00	San Juan County	551.00	735.00
Benton County	585.00	701.00	Island County	667.00	845.00	Skagit County	544.00	643.00
Chelan County	392.00	509.00	Jefferson County	488.00	520.00	Skamania County	392.00	509.00
Clallam County	471.00	509.00	King County	667.00	845.00	Snohomish County	667.00	845.00
Clark County	606.00	747.00	Kitsap County	549.00	711.00	Spokane County	446.00	539.00
Columbia County	392.00	509.00	Kittitas County	392.00	509.00	Stevens County	392.00	509.00
Cowlitz County	410.00	529.00	Klickitat County	392.00	509.00	Thurston County	600.00	750.00
Douglas County	404.00	509.00	Lewis County	392.00	509.00	Wahkiakum County	392.00	509.00
Ferry County	392.00	509.00	Lincoln County	392.00	509.00	Walla Walla County	392.00	509.00
Franklin County	585.00	701.00	Mason County	460.00	566.00	Whatcom County	532.00	708.00
Garfield County	392.00	509.00	Okanogan County	392.00	509.00	Whitman County	401.00	534.00
			Pacific County	392.00	509.00	Yakima County	454.00	564.00
			Pend Oreille County	392.00	509.00			

Washington child care

Region	HH2 (values were halved from "full time" rates to reflect a school- aged child)	HH3, HH5
Region 1 (includes Adams, Asotin, Chelan, Douglas, Ferry, Garfield, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties).	\$221.50	\$716.50
Region 2 (includes Benton, Columbia, Franklin, Kittitas, Walla Walla, and Yakima counties).	\$227.50	\$730.50
Region 3 (includes Island, San Juan, Skagit, Snohomish, and Whatcom counties).	\$272.50	\$954.50
Region 4 (includes King County)	\$306.25	\$1140.75
Region 5 (includes Kitsap and Pierce counties).	\$237.50	\$826.50
Region 6 (includes Clark, Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania, Thurston, and Wahkiakum counties).	\$262.00	\$877.00

For more information, sources, and details on methods please see the full report, Searching for Work That Pays: 2004 Northwest Job Gap Study.