

SEARCHING FOR WORK THAT PAYS:

2005 NORTHWEST JOB GAP STUDY

MONTANA

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STATE FINDINGS (MONTANA)

MONTANA KEY FINDINGS

Key findings for Montana are:

- The living wage for a single adult is \$9.07 an hour. This is based on what is needed to meet basic needs and maintain some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$18.46 an hour.
- Forty percent of all job openings pay less than the \$9.07 an hour living wage for a single adult. Over three quarters (80 percent) pay less than the \$18.46 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$9.07 an hour living wage for a single adult, there are five job seekers on average. For each job opening that pays at least the \$18.46 an hour living wage for a single adult with two children, there are 14 job seekers on average.

WHAT IS A LIVING WAGE?

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

- For a single adult household, \$18,858 a year or \$9.07 an hour.
- For a single adult with one child, \$30,964 a year or \$14.89 an hour.
- For a single adult with two children, \$38,395 a year or \$18.46 an hour.
- For two adults, one of whom is working, with two children, \$39,743 a year or \$19.11 an hour.
- For two adults, both of whom are working, with two children, \$51,717 a year or \$24.86 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.

ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

Of all job openings, 40 percent pay less than the \$9.07 an hour living wage for a single adult, as shown in the chart below. Over three quarters of job open-

ings (80 percent) pay less than the \$18.46 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 \$9.07 an hour, the living wage for a single adult, there are five job seekers on average.
- For each job opening that pays at least \$18.46 an hour, the living wage for a single adult with two children, there are 14 job seekers on average.



BILLINGS, MONTANA

My name is Crystal Rondeaux; I am a single working mom in Billings, MT. My daughter, Cadence is almost a year and a half. As a single mom it has been a day to day struggle to pay bills and put food on the table.

By Montana standards, I have a job that pays well; I work full time and make \$9.90 an hour. Still, I have a hard time making ends meet, and some months I cannot even do that. My rent is cheap for a small two bedroom home I pay only \$400 per month. My utilities like gas, electricity, water, and phone cost around

\$260 a month. Childcare is a huge monthly expense at \$525. My transportation is around \$200 per month and groceries (including clothes and diapers) run around \$200 per month.

By the end of the month, I have no money to save and, in fact, I often just pay partial bills to keep my checking account in the black. I do not have health insurance for myself or Cadence. My employer does offer it, but the premium for the two of us would be \$320. I simply do not have it. Currently, if one of us gets sick, I have to take a day off work and drive to the reservation to see a doctor.

My car has broken down and needs over \$600 in repairs, so right now I get a ride from my sister to get Cadence to and from daycare and myself to and from work. I cannot foresee how I will get the money to fix my car.

My daughter and I live just one major expense from disaster. My job is a good paying job for this state. I have many friends who work for much less. I was lucky to find and get this job that barely meets my costs. I cannot get ahead, I can't save for emergencies, or birthdays, or even a little vacation. All I can do is just pray that we stay healthy and manage to keep our heads above water.

very little, if any, to spare.

My budget is very, very, tight. Our mortgage and lot rent is \$750. Our utilities are around \$300; transportation costs including car payments, insurance, and gas run about \$1000 per month; for groceries, I budget \$600, with another \$100 for things like clothes and school supplies. We are lucky not to have any childcare expenses. I go to work at night after John comes home.

Another major cost is my medical debt from my last pregnancy and child birth. I couldn't get insurance because I was considered "high risk". Our bill was more than \$6000 and my wages are currently being garnished at \$200 a month.

We are lucky now to have health insurance. John and I pay only small premiums from our checks to cover ourselves and the children. But our co-pays are killing us. On doctors visits and prescription co-pays, we pay anywhere from \$20-\$50 each time.

Recently, we had to have dental work done on both our children, very little of it was covered by insurance and our portion was almost \$1800. Our dentist wouldn't take payments and we had to drain our savings.

If anything major happens, it devastates our budget. My dad used to always say, "The rich get richer and the poor get poorer". I know now what he meant. What does it take to get ahead?



BILLINGS, MONTANA

My name is Trudy Bohman. I live in Billings, Montana with my husband and two kids ages 5 and 3. John works a full time factory job and I work part time at Wal-Mart. We bring home about \$3000 a month, but by the time all our bills are paid we have

Household 1 is a single adult

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

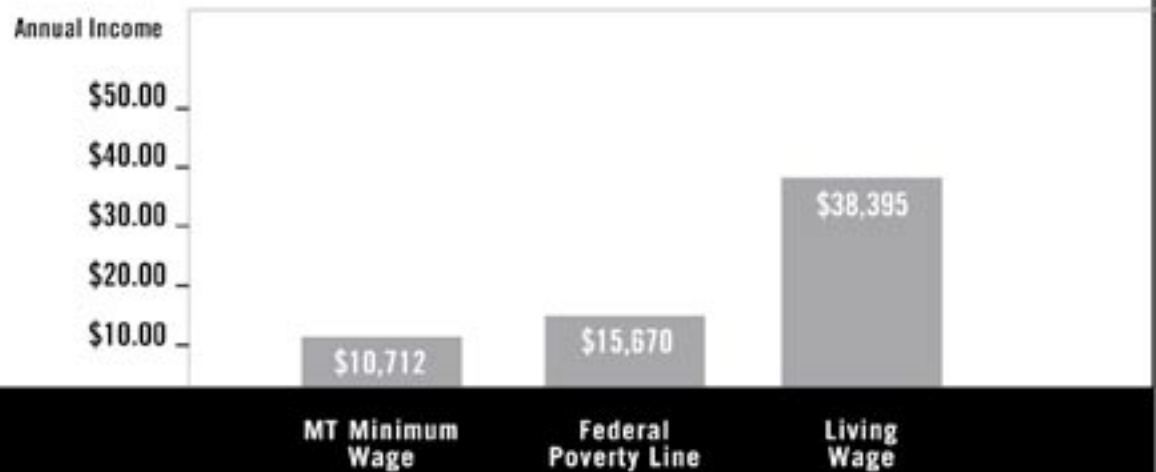
Household 3 is a single adult with a toddler (12-24 months) and a school-age child (age 6-8 yrs)

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

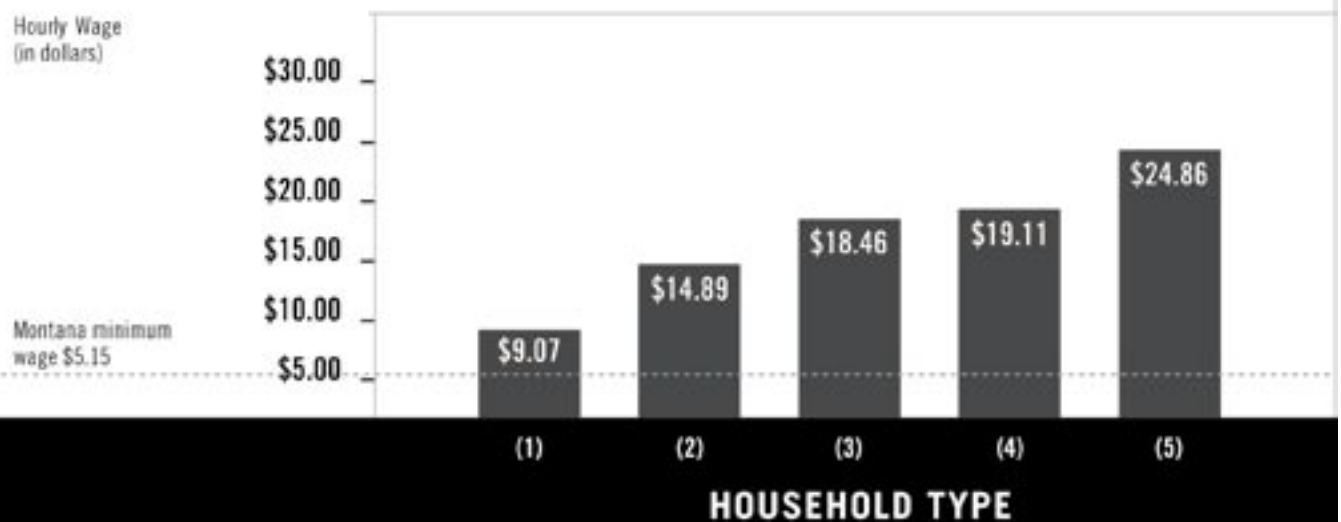
Household 5 is two adults (both of whom are working) with a toddler and a school-age child

*Total amount earned by two working adults

Montana Living Wage Compared To Other Income Benchmarks, Household 3



Montana Living Wage Vs. Minimum Wage



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

MONTANA FAMILY BUDGETS (in 2004 Dollars)

	HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4	HOUSEHOLD 5
Food	162	304	401	587	587
Housing & Utilities	419	550	550	550	550
Transportation	313	484	484	764	910
Health Care	84	156	242	286	286
Child Care	0	267	638	0	638
Household, Clothing, & Personal	245	374	419	547	583
Savings	136	208	233	304	324
State & Federal Taxes	212	238	233	275	432
Gross Monthly income needed	1,572	2,580	3,200	3,312	4,310
Gross Annual income needed	18,858	30,964	38,395	39,743	51,717
Living Wage (at 2080 hours/year)	9.07	14.89	18.46	19.11	24.86

MONTANA Job Gap Ratio

TOTAL JOB SEEKERS – 46,300	TOTAL JOB OPENINGS – 16,250			
	HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4
Living Wage Job Openings	9,787	4,997	3,235	2,870
Job Seekers per Living Wage Opening	5:1	9:1	14:1	16:1
Percentage of All Job Openings Paying Less than a Living Wage	40%	69%	80%	82%



BILLINGS, MONTANA

My name is Teddee Cuomo, I am a single mother with two boys living at home. My oldest is Jesse, 17 and youngest is Jamie, 4. The challenges of being a single mother are many. I also own and operate my own small wallpaper and paint business while going to college full time.

My monthly income is around \$2000 a month on average, some months business is better than others. That money is all used up after my monthly expenses. The cost of housing (\$560), utilities (\$230), rising transportation costs (\$232) and especially feeding two growing boys (\$300) has me living from paycheck to paycheck, scrounging for change.

There simply is no room to breathe. No room to save or to spend money on things for the boys. The fees for Jesse's athletics or school supplies become a very major burden, so I end up paying partial bills to allow for those added expenses.

I go without health insurance; and am still paying off medical debt of \$1500 sometimes at \$10 a month. I recently was in a car accident and had to hire a lawyer—just so that I wasn't charged with a ticket that would raise my auto insurance.

If I were to get sick or for some reason not be able to work, it would mean disaster for me and my boys. I work hard. I am going to college and I'm a loving responsible parent. In this country with all the wealth around us we should be able to count on having healthcare and have some financial security, but it just seems to get worse.

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. This fact sheet and the full report titled "Searching for Work That Pays: 2005 Northwest Job Gap Study" include 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 issue 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 Montana, 51 percent of the non-elderly population had employer-based health insurance, 11 percent purchased private health insurance, 16 percent were covered by Medicaid, 2 percent were covered by Medicare, and 20 percent were uninsured.

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.

The Northwest Job Gap study estimated the cost of purchasing very basic private health insurance on the private market, for those families who did not have access to employer-based health insurance. Private plans vary from state to state, but most do not cover the costs of vision, dental, mental health, or substance abuse treatment, which must be purchased for an additional fee. So the estimates of the cost of purchas-

ing health insurance on the individual market are for the most minimum of health care plans, and the level of coverage is not comparable to the typical level of coverage provided by employer-based plans.

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: 2005 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.

For more information, sources, and details on methods please see the full report, *Searching for Work That Pays: 2005 Northwest Job Gap Study*.

Distribution of individual health insurance premiums for single policies, 1996 and 2002

PERCENTILE	1996 (Median \$1,302)	2002 (Median \$1,913)
90th	\$2,886	\$4,728
75th	\$2,006	\$3,261
50th	\$1,302	\$1,913
25th	\$665	\$990
10th	\$312	\$541

MONTANA Housing & Utilities Cost for 2004

	HUD Fair Market Rents – 1bdrm	HUD Fair Market Rents – 2bdrm
Beaverhead	374	495
Big Horn	374	495
Blaine	374	495
Broadwater	374	495
Carbon	432	561
Carter	396	495
Cascade	420	553
Chouteau	374	495
Custer	374	495
Daniels	396	495
Dawson	374	495
Deer Lodge	374	495
Fallon	374	495
Fergus	374	495
Flathead	375	502
Gallatin	466	625
Garfield	374	495
Glacier	374	495
Golden Valley	395	495
Granite	374	495
Hill	374	495
Jefferson	374	495
Judith Basin	396	495
Lake	374	495
Lewis and Clark	422	560
Liberty	374	495
Lincoln	374	495
McCone	394	495
Madison	374	495
Meagher	396	495
Mineral	374	495
Missoula	426	566
Musselshell	374	495
Park	374	495
Petroleum	374	495
Phillips	374	495
Pondera	395	495
Powder River	379	495
Powell	374	495
Prairie	374	495
Ravalli	374	495
Richland	405	495
Roosevelt	374	495
Rosebud	374	495

TECHNICAL APPENDIX

HOUSING COSTS

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

	HUD Fair Market Rents – 1bdrm	HUD Fair Market Rents – 2bdrm
Sanders	374	495
Sheridan	374	495
Silver Bow	374	495
Stillwater	374	495
Sweet Grass	374	495
Teton	374	495
Toole	374	495
Treasure	374	495
Valley	374	495
Wheatland	374	495
Wibaux	396	495
Yellowstone	422	563

MONTANA Child Care

REGION	Household 2 - School age child (6-8yrs) in childcare 1/2 time	Households 3 and 5 School age child (6-8yrs) in childcare 1/2 time and 12-24 month old child full time.
Billings Region (includes Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties).	\$196.63	\$650.38
Bozeman Region (includes Gallatin, Meagher, and Park counties).	\$231.83	\$757.08
Butte Region (includes Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow counties).	\$189.75	\$596.75
Glasgow Region (includes Daniels, Phillips, Roosevelt, Sheridan, and Valley counties).	\$191.13	\$573.38
Glendive Region (includes Dawson, Garfield, McCone, Prairie, Richland, and Wibaux counties).	\$180.68	\$563.48
Great Falls Region (includes Cascade, Chouteau, Glacier, Pondera, Teton, and Toole counties).	\$193.88	\$617.38
Havre Region (includes Blaine, Hill, and Liberty counties).	\$196.08	\$596.48
Helena Region (includes Broadwater, Jefferson, and Lewis & Clark counties).	\$180.95	\$593.45
Kalispell Region (Lake, Lincoln, Flathead, and Sanders counties).	\$206.25	\$639.65

Lewistown Region (includes Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland counties).	\$187.00	\$607.20
Miles City Region (includes Carter, Custer, Fallon, Powder River, Rosebud, and Treasure counties).	\$178.20	\$582.45
Missoula Region (includes Mineral, Missoula, and Ravalli counties).	\$207.90	\$647.90

2005 NORTHWEST JOB GAP STUDY

About the organization releasing this report



Northwest Federation of Community Organizations (NWFCO) is a regional federation of four statewide, community-based social and economic justice organizations located in the states of Idaho, Montana, Oregon, and Washington: Idaho Community Action Network (ICAN), Montana People's Action (MPA), Oregon Action (OA), and Washington Citizen Action (WCA). Collectively, these organizations engage in community organizing and coalition building in 14 rural and major metropolitan areas, including the Northwest's largest cities (Seattle and Portland) and the largest cities in Montana and Oregon. 1265 South Main Street Suite #305, Seattle, WA98144, Voice: (206) 568-5400, Fax: (206) 568-5444, Web: <http://www.nwfc.org>