

SEARCHING FOR WORK THAT PAYS:

2005 NORTHWEST JOB GAP STUDY

OREGON

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STATE FINDINGS (OREGON)

OREGON KEY FINDINGS

Key findings for Oregon are:

- The living wage for a single adult is \$10.77 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 \$22.37 an hour.
- 38 percent all job openings pay less than the \$10.77 an hour living wage for a single adult. Over three quarters of all job openings (85 percent) pay less than the \$22.37 an hour living wage for a single adult with two children.
- For each job opening that pays at least \$10.77 an hour, the living wage for a single adult, there are six job seekers on average. For each job opening that pays at least \$22.37 an hour, the living wage for a single adult with two children, there are 26 job seekers on average.

WHAT IS A LIVING WAGE?

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

- For a single adult household, \$22,404 a year or \$10.77 an hour.
- For a single adult with one child, \$36,102 a year or \$17.36 an hour.
- For a single adult with two children, \$46,531 a year or \$22.37 an hour.
- For two adults, one of whom is working, with two children, \$44,041 a year or \$21.17 an hour.
- For two adults, both of whom are working, with two children, \$59,732 a year or \$28.72 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.



PORTLAND, OREGON

My name is Shannon Olive. I have a little boy named Jeffery; he's amazing and shines like a jewel. Right now, I am desperately looking for work. I had been working for Portland School Alliance as a youth organizer. I worked with school students developing ways to make their education experience more positive and focused on engaging parents to play a more active role in their kid's education.

When I was notified that my temporary job was ending earlier than expected, I found myself having to face a bleak job marked. At the Portland School Alliance, I earned \$13 per hour, which was a wage that enabled my son and me to have a decent life. I realize now how good I had it. The jobs I see now pay a lot less most are around minimum wage—\$7.25. With that low wage, I would not be able to get out of the cycle of poverty.

Currently, I rely on government assistance to get by. I have Section 8 housing and I pay \$360 per month in rent. Thankfully, my son and I are covered under the Oregon Health Plan. For food, we receive food stamps and we also get help with utilities; I pay \$40 for electric. I also get cash assistance. I get so frustrated because I don't want to rely on the government. I am an active person with lots of energy and many talents. I want to work, but I need a job that will be sustaining.

Here's the catch 22, the jobs on the market pay just enough to disqualify me for government assistance, but not enough sustain myself or my family. Taking a low paying job, would push me further into poverty—into a situation that would be even harder

to overcome. Even if I still got section 8 housing, I would need to make at least \$2000 a month, because I would lose my health insurance and food stamps. A job at \$7.50 an hour would never be enough for me to afford health care for myself or my son and would actually take food off my table.

Not working and not finding a decent paying job is really beginning to take a toll on me. There is so much I want to do, to contribute, but I feel thwarted at every turn. The depression and stress start to take a hold of me and it's hard to believe things will get better. I try to keep a positive façade up to protect my little boy from the harsh reality of our situation, but even he starts to notice that Mommy isn't herself.

In October, I will start a two year online program at the School of Criminal Justice where I will receive a Bachelors Degree. I have a few interviews lined up. One job pays \$9.50, a little low, but a figure I can work with. I keep my fingers crossed that a new day will come and I will be able to provide for my family. Until then, I have to keep looking and pray a good job will come along.

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

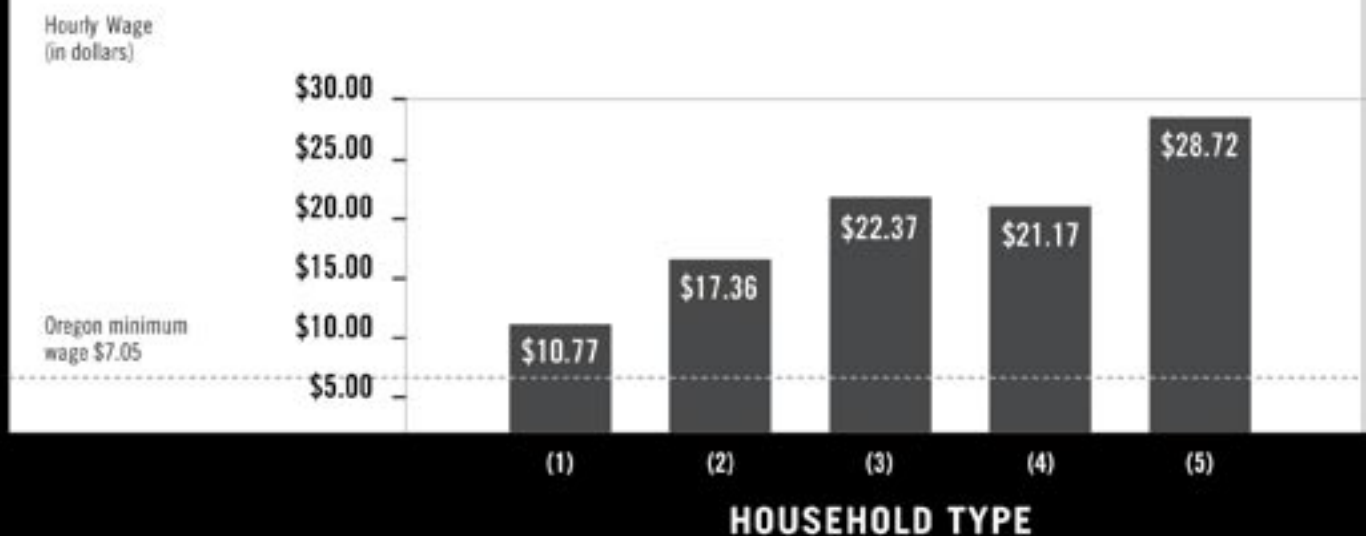
OREGON Family Budgets (in 2004 Dollars)

	HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4	HOUSEHOLD 5
Food	162	304	401	587	587
Housing & Utilities	567	714	714	714	714
Transportation	313	484	484	764	910
Health Care	76	156	232	276	276
Child Care	0	326	889	0	889
Household, Clothing, & Personal	280	414	458	585	622
Savings	155	230	254	325	345
State & Federal Taxes	313	380	447	420	636
Gross Monthly income needed	1,867	3,008	3,878	3,670	4,978
Gross Annual income needed	22,404	36,102	46,531	44,041	59,732
Living Wage (at 2080 hours/year)	10.77	17.36	22.37	21.17	28.72

OREGON Job Gap Ratio

TOTAL JOB SEEKERS – 236,000	TOTAL JOB OPENINGS – 60,073			
	HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4
Living Wage Job Openings	37,228	17,308	9,154	11,258
Job Seekers per Living Wage Opening	6:1	14:1	26:1	21:1
Percentage of All Job Openings Paying Less than a Living Wage	38%	71%	85%	81%

Oregon Living Wage Vs. Minimum Wage



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MEDFORD, OREGON

My name is Dolores Morales-Vega and I live in Medford, Oregon with my 4 children. I work for the Oregon Department of Human Services and earn a monthly salary of \$2098. My monthly expenses add up to \$2633. After paying all my bills and monthly expenses and I am left in the red—with a balance of negative \$535 to be exact.

To supplement my income, I work as a seasonal contractor for the American Red Cross and train Spanish speaking firefighters in First Aid and CPR. I charge \$50 per person. From October to March, I can supplement my income by as much as \$1300 depending on the number of participants. However, the downside of working weekends is the added cost of childcare, but, as a single mom, I have to do what I can to provide for my kids. The extra money really helps.

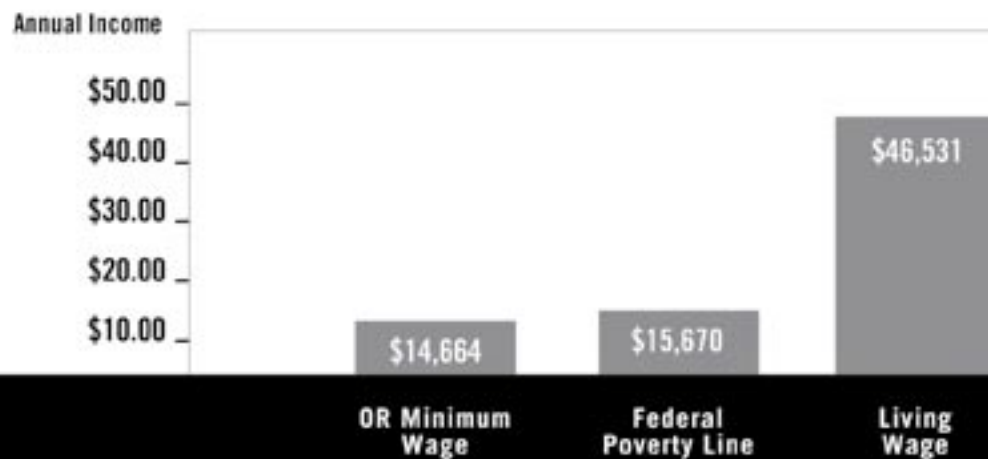
Here is a breakdown of my expenses. I can assure you I don't spend willy-nilly—there isn't enough money for that. Some of my expenses are: rent @ \$695; for utilities \$250 per month; monthly transportation cost: car payment \$268, insurance \$115 and gas \$280. For childcare, I pay a minimum of \$150 monthly. My biggest expenses are food and health-care. My food budget is anywhere from \$600-\$800

per month. For healthcare, I pay a least \$900 yearly: \$500 for doctor's visits, \$200-\$300 for prescriptions and \$100 for vision, which equals about \$75 monthly (depending).

These expenses don't even account for when the kids go back to school or if there's an emergency—not to mention, the idea of going to the movies or out to eat or having vacation! Vacation, can you imagine? Not in my world. No. I work, do homework with the kids, get food on the table and church on Sundays and that's it.

The sad thing is compared to others I am doing okay. I have a roof over my head and 4 beautiful children. I've learned in my life to count my blessings. But, I wonder, is it fair for a person to work two jobs and still be too poor to make ends meet?

Oregon living wage compared to other income benchmarks, Household 3



ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

Of all job openings, 38 percent pay less than the \$10.77 an hour living wage for a single adult, as shown in the chart below. Over three quarters of job openings (85 percent) pay less than the \$22.37 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 four job seekers on average.
- For each job opening that pays at least \$10.77 an hour, the living wage for a single adult, there are six job seekers on average.
- For each job opening that pays at least \$22.37 an hour, the living wage for a single adult with two children, there are 26 job seekers on average.

MEDFORD, OREGON

My name is Mary. I live in Medford, Oregon with my boyfriend and two kids. I work at a packaging plant as a line supervisor. With my \$10.60 per hour salary, I live on a tight budget. My boyfriend cannot work because he is disabled, but together we manage to scrape by. He gets \$650 monthly in disability and that helps. Together we pay \$625 in monthly rent. The utilities including the phone are around \$210 per month. Car insurance is yet another financial burden at \$75 a month. All these expenses really add up and making ends meet can be quite a challenge especially when you have kids. The cost of back to school supplies, clothing and school activities can really be a huge financial burden. No matter what though, in our household, the kids come first. My boys are 12 and 13, and at that age having food on the table is my first priority.

For the most part, I've been able to stay on top of my finances. That was until I got sick. During a family outing my boyfriend and I were exposed to poison oak—no big deal, right? Well, what was different about us is that we breathed in the poison oak as it was burning—the exposure was in our lungs. I could feel the sting in my chest, but decided against going to the doctor. I simply could not afford to pay. The \$1000 deductible was looming and incentive enough to avoid going to see the doctor. For 5 long days, I fought against going in and got sicker and sicker. The infection got so bad that I finally broke down and went in for treatment. I now have a \$600 hospital bill. I also had to shell out \$130 toward the deductible and an additional \$60 for medicines. Not being able to save money hurts, but not as bad as unexpected medical bills—that's when you really feel the crunch.

ASHLAND, OR

My name is David Myers. For the past 5 years, I've worked at Southern Oregon University (SOU) as a Telecommunication Technician. I am a single dad with a 10 year old daughter in the 4th grade in Ashland, Oregon. I make \$16.21 per hour. With food, \$300 per month, utilities at \$250 per month and monthly rent at \$600, I don't have much wiggle room in my budget.

My daughter and I live in a one bedroom apartment. Because I cannot afford the rent for a two bedroom apartment, I have to sleep in the living room so my daughter can have the privacy she needs and deserves. I've had to forego on repairing my car and I certainly can't swing car insurance and that's a problem; there are other towns in this area with more affordable housing, but I just don't have the resources for a long work commute.

With the start of the school year, things are tighter than usual in our household. I just had to spend \$150 for my daughter's school clothing and that expense used up a big part of my available income. Overall the start of the school year is stressful; all the extra expenses are difficult on an already tight budget. Luckily for us, my job does provide healthcare benefits for my daughter and me. I often think, maybe I should look for a higher paying job, but just can't walk away from the health benefits that my job provides for me and my little girl.

We live a simple life and can barely afford any recreation expenses. About one weekend a month, we can take in a movie or go the park and buy ice cream. I don't mind making sacrifices so that my daughter can get the things she needs. What frightens me though is that I don't have any savings to fall back on. If there was some big unexpected expense, we would be in trouble.

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 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 Oregon, 60 percent of the non-elderly population had employer-based health insurance, seven percent purchased private health insurance, 14 percent were covered by Medicaid, 1 percent were covered by Medicare, and 18 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 purchasing 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

TECHNICAL APPENDIX

HOUSING COSTS

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

OREGON Housing & Utilities Cost for 2004

	HUD Fair Market Rents – 1bdrm	HUD Fair Market Rents – 2bdrm
Baker	400	520
Benton	560	710
Clackamas	644	795
Clatsop	461	605
Columbia	644	795
Coos	412	548
Crook	400	520
Curry	459	610
Deschutes	481	642
Douglas	400	520
Gilliam	427	520
Grant	400	520
Harney	400	520
Hood River	447	607
Jackson	492	659
Jefferson	400	520
Josephine	410	528
Klamath	400	520
Lake	400	520
Lane	518	675
Lincoln	416	555
Linn	483	625
Malheur	400	520
Marion	525	671
Morrow	400	520
Multnomah	644	795
Polk	525	671
Sherman	400	520
Tillamook	400	520
Umatilla	400	520
Union	400	520
Wallowa	400	520
Wasco	510	571
Washington	644	795
Wheeler	400	520
Yamhill	644	795

OREGON 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.
Region A (includes child care providers in the Portland Metropolitan area, Mount Hood, Corvallis, Independence, Monmouth, Eugene, Springfield, Ashland, and Gold Hill).	\$368.00	\$1,051.33
Region B (includes child care providers in Salem, Bend, Albany, Philomath, Lincoln County, and areas outside the Portland Metropolitan area).	\$320.33	\$815.33
Region C (includes all communities not in Region A or B, including most of Oregon's rural areas).	\$258.33	\$680.00

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>