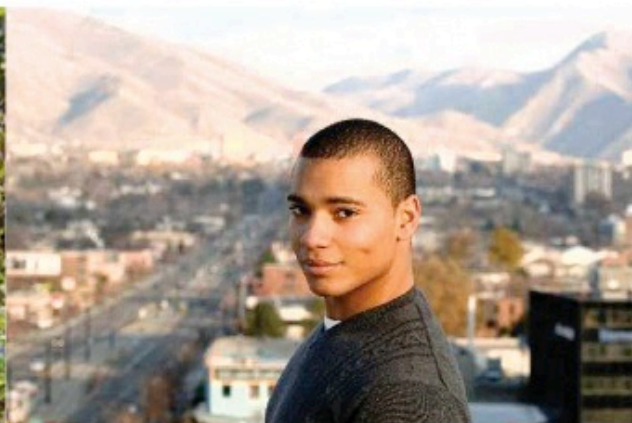


# Broken Bootstrap

FALLING BEHIND ON FULL-TIME WORK



COLORADO • IDAHO • MAINE • MONTANA  
NEW YORK CITY • OREGON • WASHINGTON STATE

14TH ANNUAL

2012 **Job  
Gap**  
REPORT

Washington

CAN



**ALLIANCE**  
FOR A JUST SOCIETY

# Who We Are



The Alliance (formerly the Northwest Federation of Community Organizations) is a national coalition of state-based grassroots community organizations, including Washington CAN!, working to create a progressive infrastructure capable of meeting 21st century challenges to the American dream of liberty and justice for all.

| [allianceforajustsociety.org](http://allianceforajustsociety.org)



Washington Community Action Network is the state's largest grassroots community organization. Together we work to achieve racial, social, and economic justice in our state and nation.

| [washingtoncan.org](http://washingtoncan.org)

# What Is the Job Gap Report?



- Purpose
  - Illustrate and quantify the true cost of living in society.
- Living Wages
  - A no-frills study of how much individuals need to earn to make ends meet.
- Job Gap Ratios
  - The proportion of job-seekers to available jobs that pay living wages.

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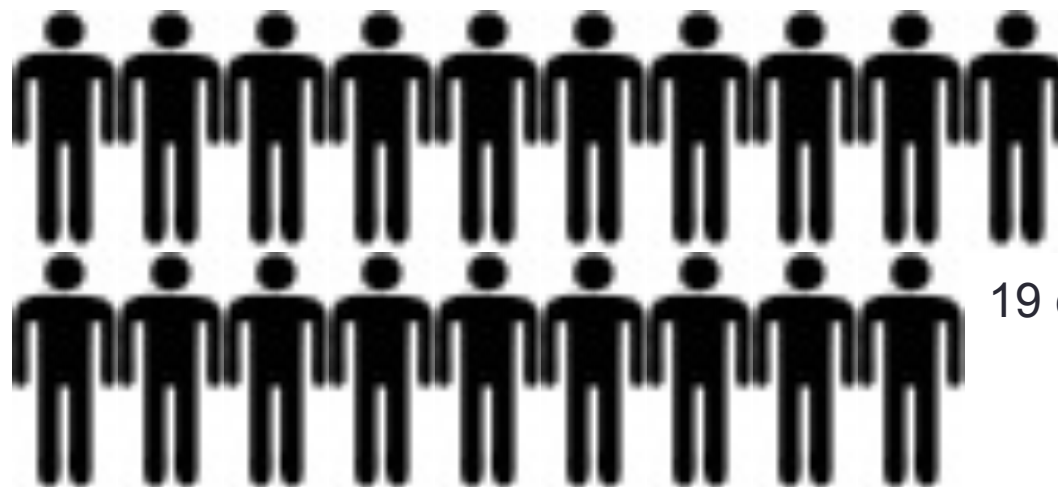
# STATEWIDE FINDINGS

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<b>Washington Family Budgets 2012</b>	<b>Household 1:</b> Single adult	<b>Household 2:</b> Single adult with a school- age child (age 6-8 yrs)	<b>Household 3:</b> Single adult with a toddler (12-24 months) and a school- age child (6-8 yrs)	<b>Household 4:</b> Two adults (one of whom is working) with a toddler and a school- age child	<b>Household 5:</b> Two adults (both of whom are working) with a toddler and a school- age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$809	\$989	\$989	\$989	\$989
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$129	\$272	\$367	\$424	\$424
Household, clothing & personal (18%)	\$433	\$545	\$599	\$832	\$866
Savings (10%)	\$240	\$303	\$333	\$462	\$481
Child care	\$0	\$282	\$1,132	\$0	\$1,132
Total annual state & federal taxes	\$4,689	\$4,934	\$6,176	\$5,746	\$8,147
Gross monthly income needed	\$2,795	\$3,722	\$4,976	\$5,099	\$6,623
Gross annual income needed	\$33,544	\$44,664	\$59,715	\$61,188	\$79,478
Living wage (at 2080 hr/ yr)	<b>\$16.13</b>	<b>\$21.47</b>	<b>\$28.71</b>	<b>\$29.42</b>	<b>\$38.21</b>

<b>2012 Washington Job Gap</b>	<b>Total Job Seekers:</b> 592,755		<b>Total Job Openings:</b> 118,145	
	<b>Household 1:</b> Single adult	<b>Household 2:</b> Single adult with one child	<b>Household 3:</b> Single adult with two children	<b>Household 4:</b> Two adults (one working) with two children
Living wage job openings	68,072	46,568	30,175	28,796
Job seekers per living wage opening	9:1	13:1	20:1	21:1
Percent of all job openings paying less than a living wage	42%	61%	74%	76%

### Scenario: Single parent with 2 kids



19 competitors

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# KING COUNTY FINDINGS

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<b>King County, Wash., Family Budgets 2012</b>	<b>Household 1:</b> Single adult	<b>Household 2:</b> Single adult with a school- age child (age 6-8yrs)	<b>Household 3:</b> Single adult with a toddler (12-24months) and a school- age child (6-8yrs)	<b>Household 4:</b> Two adults (one of whom is working) with a toddler and a school- age child	<b>Household 5:</b> Two adults (both of whom are working) with a toddler and a school- age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$990	\$1,189	\$1,189	\$1,189	\$1,189
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$129	\$272	\$367	\$424	\$424
Household, clothing & personal (18%)	\$478	\$595	\$649	\$882	\$916
Savings (10%)	\$266	\$331	\$361	\$490	\$509
Child care	\$0	\$330	\$1,471	\$0	\$1,471
Total annual state & federal taxes	\$5,369	\$5,878	\$8,606	\$6,502	\$9,823
Gross monthly income needed	\$3,103	\$4,127	\$5,796	\$5,440	\$7,381
Gross annual income needed	\$37,242	\$49,522	\$69,557	\$65,280	\$88,566
Living wage (at 2080 hr/ yr)	<b>\$17.90</b>	<b>\$23.81</b>	<b>\$33.44</b>	<b>\$31.38</b>	<b>\$42.58</b>



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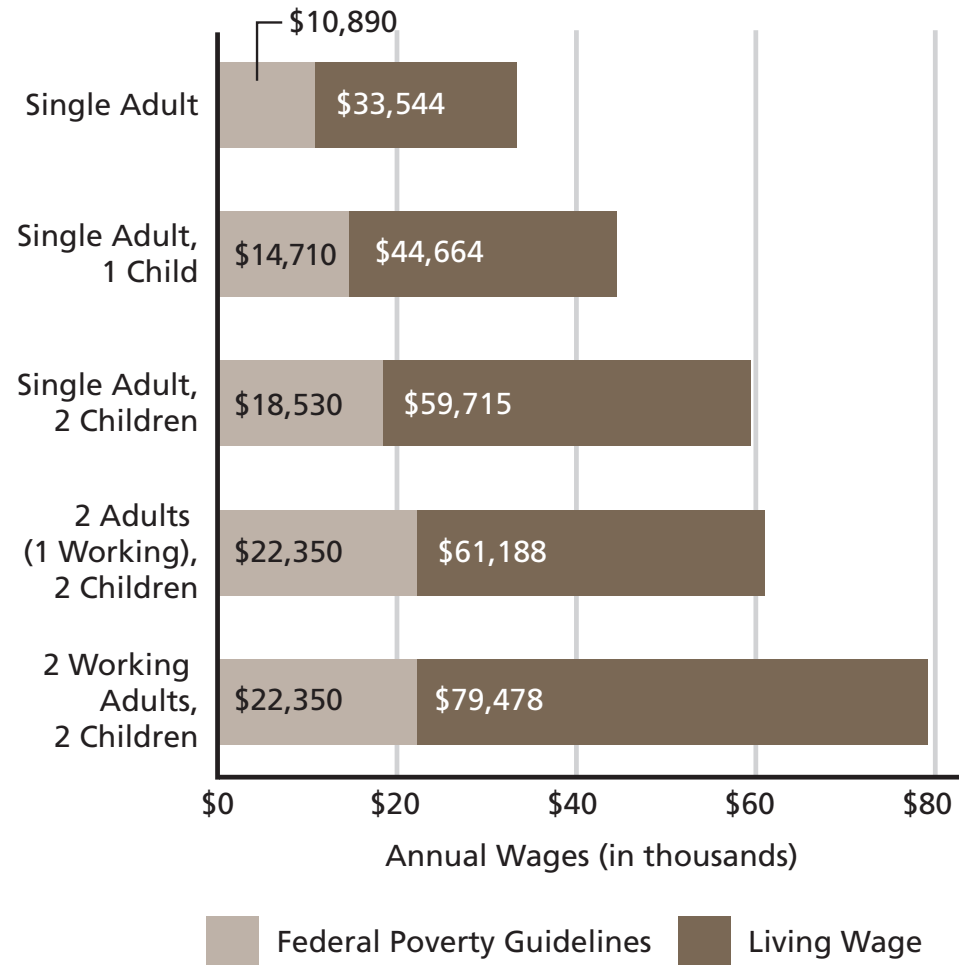
# ANALYSIS

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# Poverty: Unreliable Measure of Self Sufficiency

- Living wages 2-3 times greater than federal poverty guidelines
- You don't have to be in poverty to be falling short on your bills

## Living Wage vs. Poverty Guidelines in Washington State

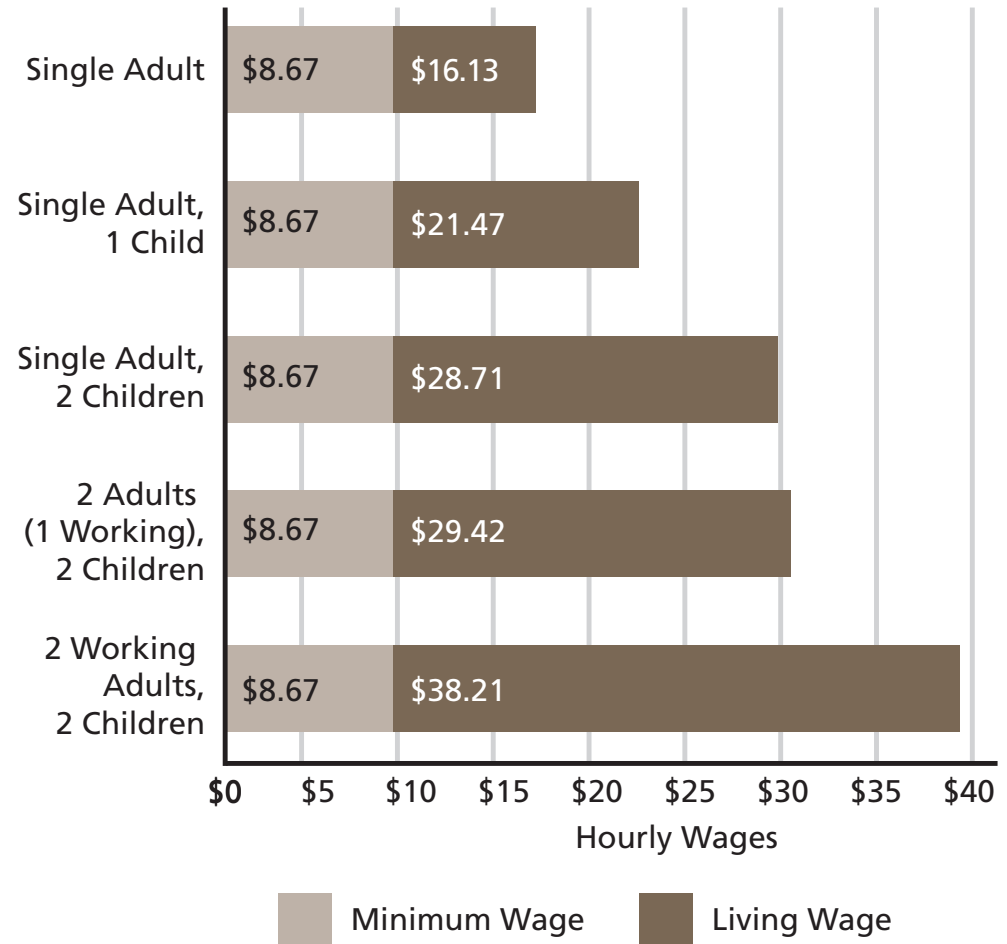


Source: U.S. Department of Health and Human Services, 2011 data

# Minimum Wage Is Not Enough

- The minimum wage is a far cry from what is actually needed to survive
- (Current MW = \$9.19)

## Living Wage vs. Minimum Wage in Washington State (2011 data)



Source: U.S. Department of Labor

# So You Don't Make a Living Wage ...

## WHAT ARE YOUR OPTIONS?

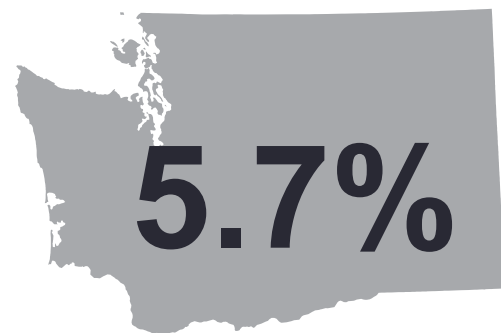
- Necessity roulette
- Find a second or third job
- Turn to the safety net



## MULTIPLE JOBHOLDERS

### Some Washington programs that benefit working people

- Basic Health Plan
- Washington Family Leave Insurance
- Working Families Tax Rebate
- Housing Trust Fund



24<sup>th</sup> highest in country  
U.S. = 4.9%

# Recommendations

Two sides of the Living Wage coin: Wages and support.

## **Wages**

- Preserve the Minimum Wage
- Support protections against wage theft

## **Support**

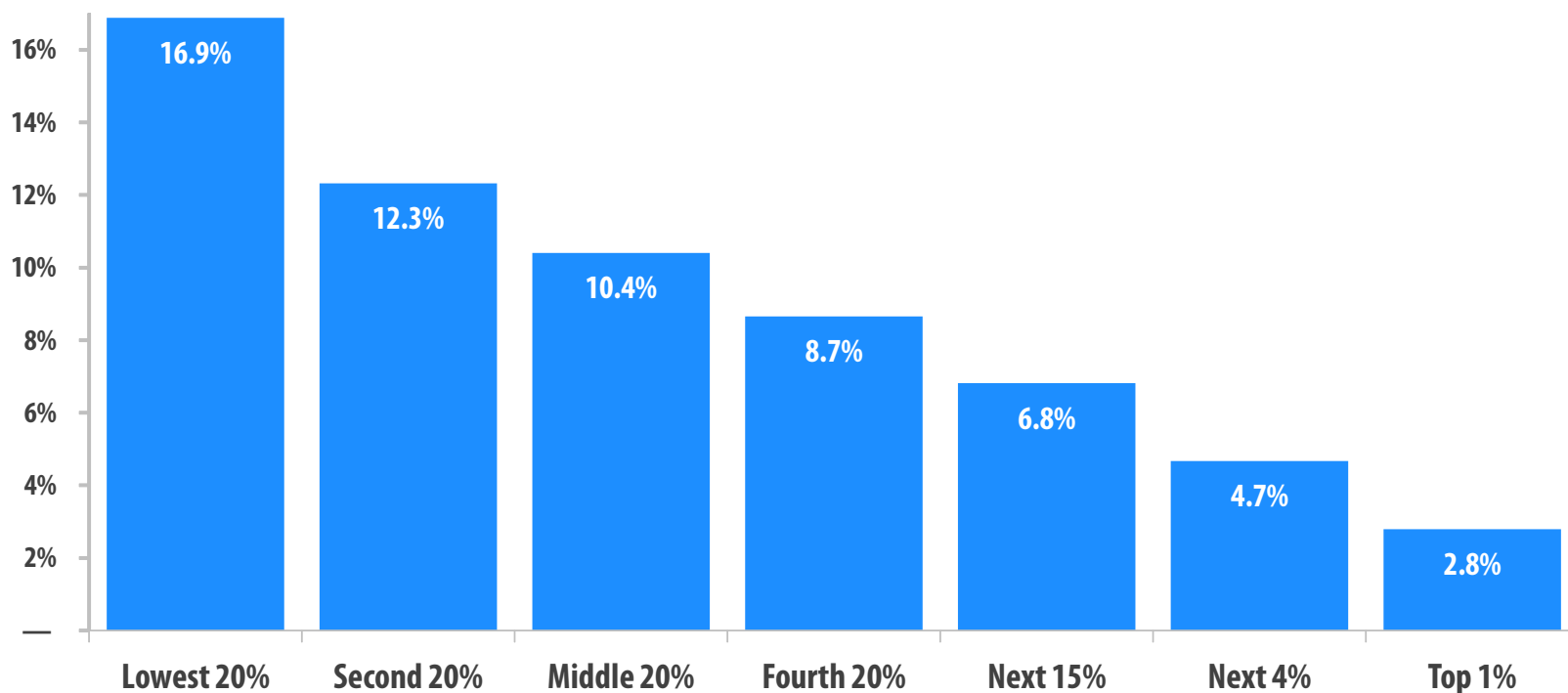
- Strengthen programs Washingtonians need to pull ahead
  - Expand Medicaid eligibility and Basic Health Option
  - Expand eligibility for childcare assistance
  - Close tax loopholes
- A fairer, more progressive tax structure

# Washington's Tax Structure

## Washington State & Local Taxes

Shares of family income for non-elderly taxpayers

#1 of the Terrible 10



Source: Institute on Taxation & Economic Policy, <http://www.itep.org/pdf/whopaysreport.pdf>

# Washington's Tax Structure

## The Ten Most Regressive State Tax Systems

Taxes as shares of income by income for non-elderly residents

	Taxes as a % of Income on			Ratio of	
	Poorest 20%	Middle 60%	Top 1%	Poor to Top 1%	Middle to Top 1%
Washington	16.90%	10.50%	2.80%	605%	375%
Florida	13.20%	8.30%	2.30%	569%	357%
South Dakota	11.60%	8.20%	2.10%	552%	391%
Illinois	13.80%	11.10%	4.90%	285%	228%
Texas	12.60%	8.80%	3.20%	389%	273%
Tennessee	11.20%	8.60%	2.80%	400%	307%
Arizona	12.90%	9.70%	4.70%	274%	207%
Pennsylvania	12.00%	9.80%	4.40%	274%	225%
Indiana	12.30%	10.70%	5.40%	228%	199%
Alabama	10.20%	9.40%	3.80%	268%	246%

Source: Institute on Taxation & Economic Policy, <http://www.itep.org/pdf/whopaysreport.pdf>

# Washington's Tax Structure

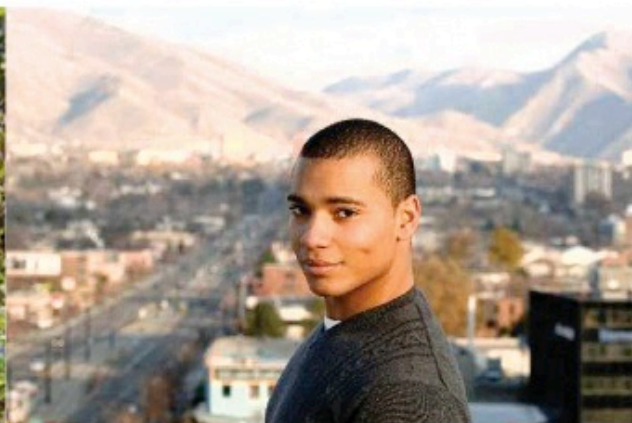
*“If we have a reasonable and an equitable tax system, then we’re better able to provide basic education for people in this state. Better able to provide needed institutional support for those who require that kind of help. Better able to make advancements in corrections to stop the failure of the past century or more in corrections, and to discover new and better ways to create success where we have often had failure.”*

— Gov. Daniel J. Evans, April 7, 1972



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