

SEARCHING FOR WORK THAT PAYS:

2005 NORTHWEST JOB GAP STUDY

WASHINGTON

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STATE FINDINGS (WASHINGTON)

WASHINGTON KEY FINDINGS

Key findings for Washington 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 provides some ability to deal with emergencies and plan ahead. The living wage for a single adult with two children is \$22.35 an hour.
- Thirty-two percent of all job openings pay less than the \$10.77 an hour living wage for a single adult. Seventy-seven percent pay less than the \$22.35 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$10.77 an hour living wage for a single adult, there are four job seekers on average. For each job opening that pays at least \$22.35 an hour, the living wage for a single adult with two children, there are 12 job seekers on average.

ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

Of all job openings, 32 percent pay less than the \$10.77 an hour living wage for a single adult, as shown in the chart below. Seventy-seven percent pay less than the \$22.35 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 \$10.77 an hour living wage for a single adult, there are four job seekers on average.
- For each job opening that pays at least the \$22.35 an hour living wage for a single adult with two children, there are 12 job seekers on average.

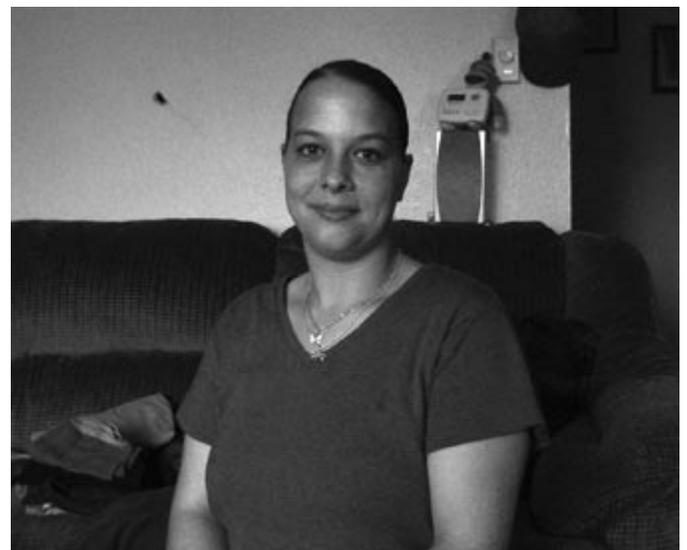
WHAT IS A LIVING WAGE?

Living wages for Washington, which reflect family

budgets as shown on the following page, are:

- For a single adult household, \$22,402 a year or \$10.77 an hour.
- For a single adult with one child, \$35,011 a year or \$16.83 an hour.
- For a single adult with two children, \$46,486 a year or \$22.35 an hour.
- For two adults, one of whom is working, with two children, \$42,921 a year or \$20.64 an hour.
- For two adults, both of whom are working, with two children, \$58,907 a year or \$28.32 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.

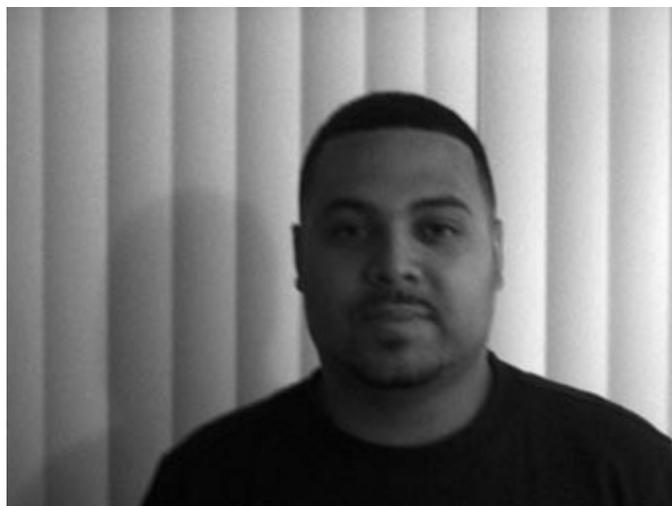


TACOMA, WASHINGTON

My name is Kristina Foulkes. I am 28 years old with 2 children ages 6 and 20 months. My husband works full time (often more) as a heating/cooling specialist. He is the sole wage earner in our family, making an average of \$2300/ month. We get health insurance through his company, but it costs over \$700 a month which is automatically deducted from his paycheck. There is a \$2000 deductible and as a family of 4 with 2 young children, we have gone over this deductible. Right now, we owe about \$2000 in medical expenses from smaller bills that have piled up over the past year since my latest was born.

My youngest is behind on his regular immunizations because I can't afford the co-pay or charges that might come along with bringing him to the doctor. I found out recently that WIC will do the immunizations for free. I wish we could take advantage of that service. On paper our family makes too much money to qualify for any assistance, but after the bills are paid and the health insurance is taken out we don't have much to live on.

I don't understand why we are paying so much for insurance and still have to pay out of pocket each time we go to the doctor. I would like to go back to work, but then we would need to pay for childcare which is a big expense. I have worked in the past at fast food restaurants and gone without insurance. I am looking to go back to school so that I can go back to work and add income for my family. If my husband were injured or laid off, I don't know what we would do about money, which is another big reason for me to return to school to get training for a better paying job. I can't go back to working for minimum wage at fast-food restaurant. There is no way we would survive on that.



SEATTLE, WASHINGTON

My name is Richard Vera, and I am a 27 year old man of Puerto Rican descent with a four-year-old daughter, Desiree. I have a small DJ business in which I am the sole employee. I also work full-time at an electrical warehouse, filling and delivering orders. I got this job through a temp agency, and get no health benefits as a temporary employee. If I get hired on as a permanent employee, I may get some health benefits. My income from these two jobs is roughly \$1600 a month. My girlfriend Candace, who works in interior design,

helps me out a lot; without her, I fear that I could end up homeless.

I have a lot of expenses in my life related to my DJ work and my daughter. I have a van I use for DJing, which costs me \$350 a month in gas and insurance, and I've had to put \$3000 worth of work and registration fees into it in the past year. I pay \$320 a month in child support, though, right now, I'm paying half of my paycheck because I got behind in payments during the time I was underemployed. Rent, utilities, and food cost me about \$700 a month. I often worry about being able to afford my bills, and in order to stretch my income I avoid luxuries like going out or buying anything unnecessary.

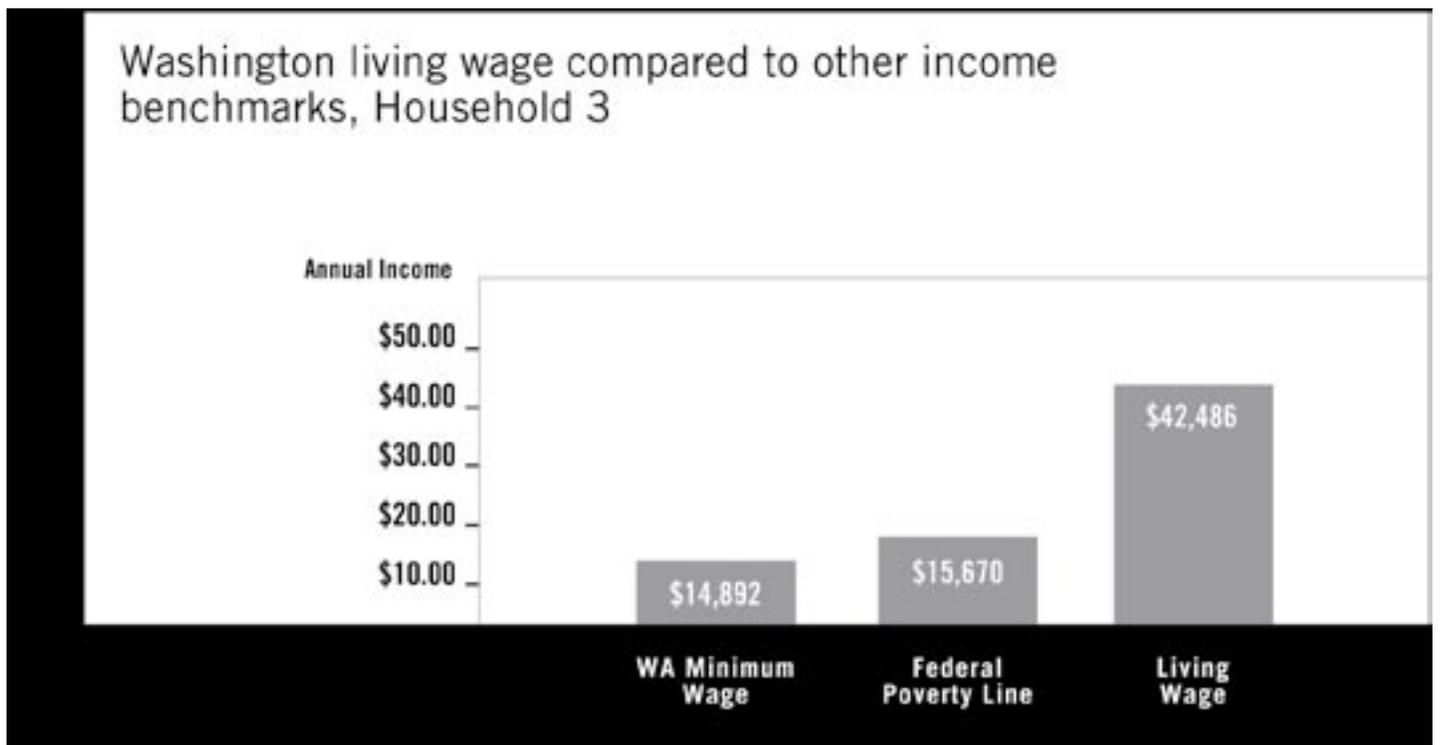
The last time I had health benefits was in 2001 when I worked for Fred Meyer, which was also the last time I went to a doctor for a check-up. Since 2001, I've tried to make ends meet as a DJ, but the summer months were very slow for me and I was nearly broke. I've had several other jobs off and on. However, it's been hard to find anything besides fast-food jobs, and nothing has worked out. Recently it's seemed like the job market is improving and there are more opportunities for me, but since I don't have a college education, I don't feel I have a chance of making much more than \$10 or \$12 an hour.

In general, my health insurance is simply the fact that I'm young and in good health. However, if I get injured I will usually just work through the pain, which reduces my productivity and increases the chance I will have a serious injury. For instance, I walked on what I thought was a sprained ankle for a month and a half until the pain was so great that I finally went to have it looked at, only to learn that my ankle was actually broken.

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 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

WASHINGTON Family Budgets (in 2004 Dollars)

	HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4	HOUSEHOLD 5
Food	162	304	401	587	587
Housing & Utilities	624	788	788	788	788
Transportation	313	484	484	764	910
Health Care	72	155	212	256	256
Child Care	0	267	965	0	965
Household, Clothing, & Personal	293	433	471	599	635
Savings	163	240	262	333	353
State & Federal Taxes	239	247	291	251	415
Gross Monthly income needed	1,867	2,918	3,874	3,577	4,909
Gross Annual income needed	22,402	35,011	46,486	42,921	58,907
Living Wage (at 2080 hours/year)	10.77	16.83	22.35	20.63	28.32

WASHINGTON Job Gap Ratio

	TOTAL JOB SEEKERS – 317,500		TOTAL JOB OPENINGS – 110,319			
			HOUSEHOLD 1	HOUSEHOLD 2	HOUSEHOLD 3	HOUSEHOLD 4
Living Wage Job Openings			75,327	44,041	25,766	33,580
Job Seekers per Living Wage Opening			4:1	7:1	12:1	9:1
Percentage of All Job Openings Paying Less than a Living Wage			32%	60%	77%	70%

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.



SEATTLE, WASHINGTON

My name is Sue Coffman. I am a 59 year old woman and own my small business. I do odd jobs such as cleaning, pet sitting and house maintenance; therefore, I have to get private insurance if I want insurance. I earn approximately \$1500.00 per month. I am constantly working two to five jobs under the guise of one business just to make ends meet. I have been doing this for 22 years now, working at least 40 hours per week, and often times more. Despite how much I work, and my willingness to work, I have trouble paying bills, particularly rent and utilities. Luckily, I live with my partner; yet, I still worry about how I am going to pay my bills in the future at this

rate. Currently, I pay \$300.00 in rent, \$150.00 in utilities, \$100 to \$150.00 for transportation, \$200.00 for food and \$25 to \$50.00 for car repairs. In addition to these expenses, it also costs me approximately \$200.00 to \$300.00 per month in dietary supplements to help me stay healthy.

Just recently, I have been able to begin saving money in case of emergencies, usually \$70.00 per month. Last year my car broke down, and I was able to get it fixed with the savings that I have had; thankfully, nothing else come up, had I been sick, I would have had to choose between my health and my car.

My housemate and I grow food and work to conserve energy to stretch our income. I am constantly looking for more side jobs too! Often times, I fear homelessness and what would happen if I do not get those extra jobs. But I keep on juggling, trying to keep my head above water.

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, 61 percent of the non-elderly population had employer-based health insurance, six percent purchased private health insurance, 16 percent were covered by Medicaid, 1 percent were covered by Medicare, and 17 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.

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

SEATTLE, WASHINGTON

My name is Leigh and I'm a fifty year old woman living with my 17 year old daughter. I work as a door detailer at a cabinet making shop; I've been in the cabinet making business for about fifteen years, and I enjoy it a lot. I've been at my current job for the past four months, and my health insurance just kicked in after three months. This is the first time I've had health insurance since I lost my job in November 2002, even though I've been employed periodically since then. Currently, I make about \$1700 a month at my job, and receive \$500 a month in child support.

My late husband, who was a Vietnam veteran, suffered from seizures that made it difficult to work, and was not working at the time I lost my job. We fell behind in house payments and had to file bankruptcy in order to keep our house. In April 2003, my husband died from unknown seizure-related complications. I got a \$220 Social Security death benefit and a \$5000 life insurance payment, which allowed me and my daughter to get through that period. Now I'm paying \$1500 a month to pay off my debts.

On top of everything in June 2005, my daughter developed an antibiotic resistant abscess on her neck and had to stay in the hospital for three days. Ironically, she fell sick one month before my health insurance kicked in and now I am faced with an additional

\$4000 hospital debt. I was so worried—about my daughter, about money. There were no alternatives.

Besides \$1500 a month for bankruptcy payments and \$120 a month for health care, I pay about \$80 a month in utilities (electricity, water/sewage, and garbage) and about \$50 for the phone. I pay roughly \$250 a month for food for my daughter and I, and we try to stretch that budget by eating skimpy meals and making as much of it as we can from scratch.

My budget does not allow me any room to save for emergencies, but I'm working to pay of my debts and get back on my feet so I can start saving again and be financially stable

TECHNICAL APPENDIX

HOUSING COSTS

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

WASHINGTON Housing & Utilities Cost for 2004

	HUD Fair Market Rents – 1bdrm	HUD Fair Market Rents – 2bdrm
Adams	410	535
Asotin	410	535
Benton	618	740
Chelan	410	535
Clallam	494	628
Clark	644	795
Columbia	410	535
Cowlitz	430	554
Douglas	424	535
Ferry	410	535
Franklin	618	740
Garfield	410	535
Grant	410	535
Grays Harbor	410	540
Island	729	923
Jefferson	443	545
King	729	923
Kitsap	602	781
Kittitas	410	535
Klickitat	410	535
Lewis	410	535
Lincoln	410	535
Mason	483	593
Okanogan	410	535
Pacific	410	535
Pend Oreille	410	535
Pierce	553	736
San Juan	578	771
Skagit	571	674
Skamania	410	535
Snohomish	729	923
Spokane	471	569
Stevens	410	535
Thurston	660	823
Wahkiakum	410	535
Walla Walla	410	535
Whatcom	562	747
Whitman	421	559
Yakima	480	596

WASHINGTON 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 1 (includes Adams, Asotin, Chelan, Douglas, Ferry, Garfield, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties).	\$222.75	\$762.25
Region 2 (includes Benton, Columbia, Franklin, Kittitas, Walla Walla, and Yakima counties).	\$231.00	\$765.50
Region 3 (includes Island, San Juan, Skagit, Snohomish, and Whatcom counties).	\$280.50	\$994.50
Region 4 (includes King County).	\$299.75	\$1,186.25
Region 5 (includes Kitsap and Pierce counties).	\$253.50	\$880.50
Region 6 (includes Clark, Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania, Thurston, and Wahkiakum counties).	\$264.50	\$900.50

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>