

# *Searching for* **WORK** **THAT PAYS:**

## **2007 NORTHWEST JOB GAP STUDY**



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## Executive Summary:

As the Northwest continues to grow, many individuals and families struggle to find living wage work. A living wage allows an individual or family to meet their basic needs without relying on public assistance.

For people looking for living wage work in the Northwest, the market is limited. These job seekers are often confronted with low-paying jobs that do not provide the salary or benefits that will provide sufficient income to afford a basic standard of living. They face the gap left between the need for living wage work, and the availability of jobs that can afford a basic standard of living.

The 2007 Northwest Job Gap Study: Searching for Work that Pays describes the job gap using the percent of job openings that pay a living wage, and the ratio of the number of living wage job openings to the number of people looking for work.

The findings show that for living wage job seekers, the market is limited. As few as one in five job openings in the region offer a wage that could support a working family. The job gap ratios below indicate that over the course of 2005, there were as many as 12 times as many job seekers as there were living wage jobs.

When individuals and families are not able to find living wage work, many are forced to make difficult choices between adequate health care, balanced nutrition, paying bills, and saving for emergencies. Often times health care and savings are the first things to be eliminated from family budgets, leaving people at risk of financial catastrophe in the event of emergency.

The findings in this report are based on data from 2005, the most recent year for which data on job openings, wages, and employment are available.

<b>NORTHWEST JOB GAP RATIO</b>	<b>Total Job Seekers</b>		<b>Total Job Openings</b>		
	<b>563,300</b>		<b>242,801</b>		
		<b>Household 1 Single Adult</b>	<b>Household 2 Single Adult with 1 Child</b>	<b>Household 3 Single Adult with 2 Children</b>	<b>Household 4 2 Adults, 1 Working with 2 Children</b>
Living Wage Job Openings	159,176	84,984	48,150	57,130	
Job seekers per living wage job opening	4:1	7:1	12:1	10:1	
Percent of all job openings that pay less than a living wage	34%	65%	80%	76%	

Although the methods in this report are similar to those of previous Northwest Job Gap publications, due to changes in the structure of available data sources and changes in methods, the job gap data from previous reports cannot be directly compared to this report.

A complete methodology on the living wage calculation can be found in the 2006 Northwest Job Gap Study: Living Wages in the Current Economy at [www.nwfc.org/job\\_gap.htm](http://www.nwfc.org/job_gap.htm).

## Introduction

The 2007 Northwest Job Gap Study: Searching for Work that Pays is part of a series of studies that calculate the cost of basic household budgets in the Northwest. The 2006 Northwest Job Gap Study: Living Wages in the Current Economy, released in September of 2006, calculated the cost of basic needs such as housing, food, utilities transportation, health care, and child care for five different household types. These basic family budgets were used to find what would constitute a living wage in each state.

The living wage calculation was then compared to wages offered by jobs in the current economy to find the number and proportion of living wage jobs in the Northwest. Living Wages in the Current Economy found that a large percentage of jobs in and around the Northwest are not providing a living wage. Many people – particularly people of color – are finding that working full time does not provide a salary sufficient to meet their basic needs.

However, people currently employed are not the only ones affected by the lack of living wage work. People looking for work also need living wage jobs. These job seekers are often confronted with low-paying jobs that do not provide the salary or benefits that will provide sufficient income to afford a basic standard of living. They face the gap left between the necessity for living wage work, and the availability of jobs that can afford a basic standard of living.

<b>LIVING WAGES</b>	<b>Household Configuration</b>	<b>IDAHO</b>	<b>MONTANA</b>	<b>OREGON</b>	<b>WASHINGTON</b>
	1. Single adult	\$10.41	\$9.83	\$11.38	\$11.16
	2. Single adult with one child	\$17.89	\$16.21	\$18.48	\$17.54
	3. Single adult with two children	\$22.23	\$19.98	\$23.40	\$23.39
	4. Two adults (one working) with two children	\$20.98	\$20.83	\$22.34	\$21.77
	5. Two adults (both working) with two children	\$29.30*	\$26.96*	\$30.38*	\$29.95*

\* both parents need to make a total of this wage

## Methodology

The 2007 Northwest Job Gap Study: Searching for Work that Pays is part of a series of studies that calculate the cost of basic household budgets in the Northwest. These costs are then used to find a living wage for five household types.

This report uses the living wage figures to measure the gap that job seekers confront when looking for a job that can support themselves and their families. The job gap is described using the percent of job openings that pay a living wage, and the ratio of the number of job openings to the number of people looking for work. These two measures of the job gap are calculated for four household configurations.<sup>1</sup>

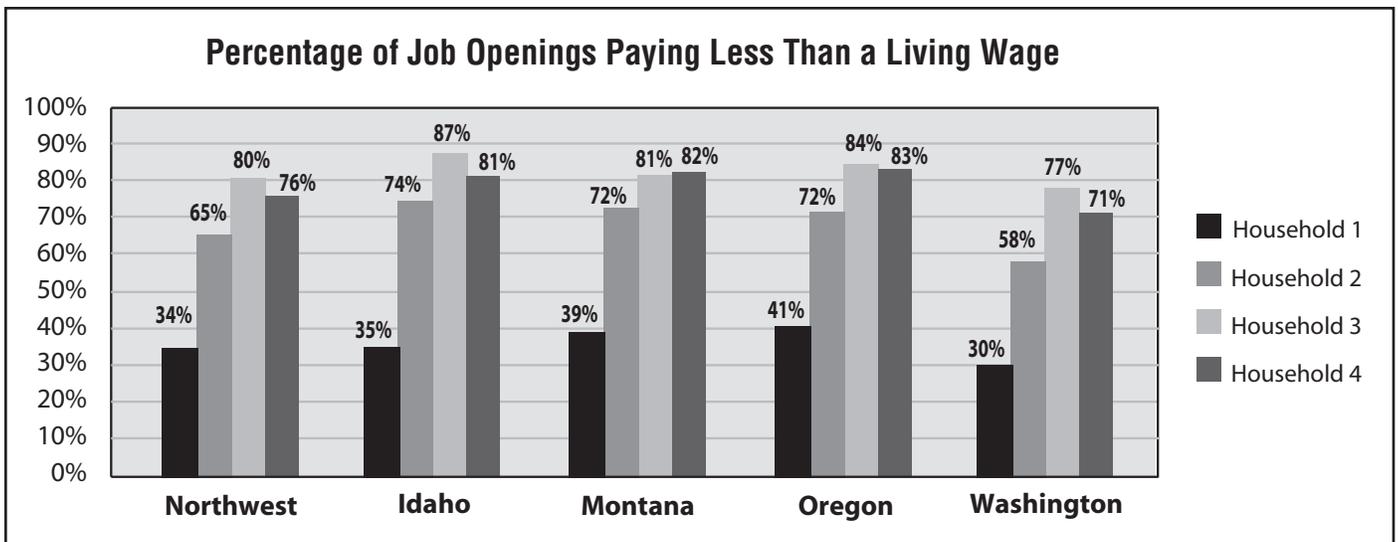
Estimates of job openings are produced by each state following guidelines developed by the states in cooperation with the Bureau of Labor Statistics, and the Employment and Training Administration. The March 2005 Current Population Survey (CPS) was used to calculate the job-seeking population in all four Northwest states. For a detailed description of the living wage calculation, refer to the 2006 Northwest Job Gap: Living Wages in the Current Economy, available at [www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

## ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

The Northwest economy is not creating enough living wage jobs for all those who need them, according to several indicators. These include the percentage of job openings that pay less than a living wage, as well as the number of job seekers compared to the number of job openings that pay a living wage.

### Percent of job openings that pay less than a living wage

For a person searching for a living wage job, this study finds that the market is limited. Of all Northwest job openings, 34 percent pay less than a living wage for a single adult and 80 percent pay less than a living wage for a single adult with two children, as shown in the graph below. It is important to note the distinction between jobs and job openings. Not all jobs come open during the course of a year, but some jobs may open repeatedly during a year due to turnover or seasonality of the work. Job openings are of particular interest because they provide employment opportunities for people looking for work. State by state figures are as follows:



- In Idaho, 35 percent of job openings pay less than the \$10.41 an hour living wage for a single adult and 87 percent pay less than the \$22.23 an hour living wage for a single adult with two children.
- In Montana, 39 percent of job openings pay less than the \$9.83 an hour living wage for a single adult and 81 percent pay less than the \$19.98 an hour living wage for a single adult with two children.
- In Oregon, 41 percent of job openings pay less than the \$11.38 an hour living wage for a single adult and 84 percent pay less than the \$23.40 an hour living wage for a single adult with two children.
- In Washington, 30 percent of job openings pay less than the \$11.16 an hour living wage for a single adult and 77 percent pay less than the \$23.39 an hour living wage for a single adult with two children.

The percentage of job openings that pay a living wage vary from state to state for a number of reasons, including the mix of industries and related occupations in a state, and the prevailing wage levels, which also vary from state to state.

### The Ratio of Job Seekers to Living Wage Job Openings

Another indicator of the job gap is the number of job seekers compared to the number of job openings that pay a living wage. Overall, there are more people looking for work than there are job openings that pay a living wage.

As shown in the table, for each job opening that pays at least the living wage for a single adult, there are three to five job seekers, depending on the state. For each job opening that pays at least the living wage for a single adult with two children, there are nine to 20 job seekers, depending on the state.

Job gap ratios are calculated by dividing the number of people who were looking for work at some point during 2005 by the number of job openings that year. The ratios indicate that, for example, there are three to five times as many job seekers as there are job openings that pay at least the living wage for a single adult, not necessarily that there are three to five people competing for each job of that type. The ratios do not take into account characteristics of job seekers such as their household size, skills, or education and training.

<b>JOB GAP Ratios</b>	<b>Job Seekers per Job Opening</b>	<b>IDAHO</b>	<b>MONTANA</b>	<b>OREGON</b>	<b>WASHINGTON</b>
	All job openings, including jobs that do not pay a living wage	2 to 1	2 to 1	3 to 1	2 to 1
	<b>Living Wage Job Openings</b>				
	Single adult	3 to 1	3 to 1	5 to 1	3 to 1
	Single adult with one child	7 to 1	6 to 1	11 to 1	5 to 1
	Single adult with two children	14 to 1	9 to 1	20 to 1	9 to 1
	Two adults (one working) with two children	10 to 1	9 to 1	19 to 1	7 to 1

## **The Northwest is not creating enough living wage jobs for all those who need them.**

State by state figures are:

- In Idaho, for each job opening that pays at least the \$10.41 an hour living wage for a single adult, there are three job seekers on average. For each job opening that pays at least the \$22.23 an hour living wage for a single adult with two children, there are 14 job seekers on average.

- In Montana, for each job opening that pays at least the \$9.83 an hour living wage for a single adult, there are three job seekers on average. For each job opening that pays at least the \$19.98 an hour living wage for a single adult with two children, there are nine job seekers on average.

- In Oregon, for each job opening that pays at least the \$11.38 an hour living wage for a single adult, there are five job seekers on average. For each job opening that pays at least the \$23.40 an hour living wage for a single adult with two children, there are 20 job seekers on average.

- In Washington, for each job opening that pays at least the \$11.16 an hour living wage for a single adult, there are three job seekers on average. For each job opening that pays at least the \$23.39 an hour living wage for a single adult with two children, there are nine job seekers on average.

A job gap ratio of four to one, for example, does not necessarily imply there are four people competing for each job opening at that wage level. It simply indicates that over the course of a year there were four times as many job seekers as there were living wage jobs at or above that wage level. Available data do not provide details on what sorts of jobs workers from households of different sizes actually pursue, so no precise conclusions can be reached about the applicant pool for jobs at different wage levels. The applicant pool also depends on the skills and education and training of job seekers, as well as other factors.

Large ratios suggest greater competition among job seekers for available job openings.

### **Job seekers include:**

- The unemployed—people who are not employed but are looking for work. Included are those who have been laid off, quit their jobs, are entering the workforce for the first time, or are re-entering it. Not included are those who are unemployed due to temporary layoff or those looking only for part-time work.

- Involuntary part-time workers—people who work less than full-time, but want to work full time.

- Discouraged workers and marginally attached workers—people who are not employed and not currently looking for work, but have looked for work within the past year. In the case of discouraged workers, they are not seeking work because they believe there are no jobs available or there are none for which they qualify.

- Marginally attached workers are not seeking work due to personal or financial reasons.

Not included are people who prefer part-time work.

It is important to note that the unemployment rate reflects only the unemployed and, therefore, misses many job seekers—including discouraged and marginally attached workers. This suggests that there are many more job seekers for each living wage job opening than conventionally assumed.

The job seeker figures used are likely an underestimate of the actual number of job seekers. Ideally, the count of job seekers would capture everyone, working or not, who needs a living wage job. The figures understate the number of job seekers in that it does not count those who are working full-time at less than a living wage

job but want a living wage job, because data on this group do not exist. It overstates the number in that all the unemployed are counted, even though some may not be looking for a living wage job. Also, people who left the labor market and then re-entered the same occupation are counted among the job seekers, whereas those who moved directly from one job to another in the same occupation are not. However, assuming even a fraction of the people working at less than a living wage job for a single adult want a living wage job, the count is, on balance, an underestimate.

### **Job openings include:**

- Job openings due to growth—the result of new jobs being created by new or existing firms.
- Job openings due to replacement—the result of people retiring, entering school or the military, moving across state boundaries, changing occupations, or otherwise leaving the occupation in which they currently work.

The analysis does not include job openings that result from people changing employers but remaining in the same occupation, since these are largely invisible to the average job seeker. Also not included, for similar reasons, are job openings for unpaid family workers and self-employment.

In determining which job openings paid a living wage, the state median wage for an occupation was used, where available; this means that half the people in the occupation earn less and half more than that amount. Not everyone will start at the median wage, but many should progress to that wage over time.

### **What happens to families that do not make a living wage?**

When families are unable to find work that pays

living wages, many are forced to make difficult choices between adequate health care, balanced nutrition, paying bills, and saving for emergencies. The personal stories in this report illustrate some of the complex issues and choices confronted by households below the living wage.

## **State Findings**

### **IDAHO**

#### **IDAHO KEY FINDINGS**

Key findings for Idaho are:

- The living wage for a single adult is \$10.41 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 \$22.23 an hour.
- Thirty five percent pay less than \$10.41 an hour, the living wage for a single adult. Almost nine out of 10, 87 percent, pay less than \$22.23, an hour the living wage for a single adult with two children.
- For each job opening that pays at least \$10.41 an hour, the living wage for a single adult, there are three job seekers on average. For each job opening that pays at least \$22.23 an hour, the living wage for a single adult with two children, there are fourteen job seekers on average.

#### **WHAT IS A LIVING WAGE IN IDAHO?**

Living wages for Idaho are:

- For a single adult household, \$21,658 a year or \$10.41 an hour.

- For a single adult with one child, \$37,219 a year or \$17.89 an hour.
- For a single adult with two children, \$46,239 a year or \$22.23 an hour.
- For two adults, one of whom is working, with two children, \$43,636 a year or \$20.98 an hour.
- For two adults, both of whom are working, with two children, \$60,382 a year or \$29.03 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages. In some counties, costs are higher (particularly for housing and child care) and, as a result, living wages are higher. In other counties, including most of the state's rural counties, costs and therefore living wages are lower. Detailed living wage analyses for selected Idaho counties are available at [http://www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

### ARE WE CREATING ENOUGH JOBS IN IDAHO THAT PAY A LIVING WAGE?

Of all job openings in Idaho, 35 percent pay less

than the \$10.41 an hour living wage for a single adult, as shown in the chart above. Almost nine out of ten, 87 percent, pay less than the \$22.23 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 below, job gap ratios, which compare job seekers to job openings, are:

- For each job opening, regardless of pay, there are two job seekers on average.
- For each job opening that pays at least \$10.41 an hour, the living wage for a single adult, there are three job seekers on average.
- For each job opening that pays at least \$22.23 an hour, the living wage for a single adult with two children, there are fourteen job seekers on average.

<b>IDAHO JOB GAP</b>	<b>Total Job Seekers</b>		<b>Total Job Openings, including jobs that do not pay a living wage</b>		
	<b>52,300</b>		<b>27,801</b>		
		<b>Household 1 Single Adult</b>	<b>Household 2 Single Adult with 1 Child</b>	<b>Household 3 Single Adult with 2 Children</b>	<b>Household 4 2 Adults, 1 Working with 2 Children</b>
Living Wage Job Openings	18,042	7,180	3,649	5,252	
Job seekers per living wage job opening	3:1	7:1	14:1	10:1	
Percent of all job openings that pay less than a living wage	35%	74%	87%	81%	



*My name is Maria Nuñez and I live with my husband and two children. We have lived in Idaho about six years. My family and I are first generation immigrants from Mexico. Like many immigrants before us, we came in search of a better future for our children and in search of the “American Dream.” Nevertheless, we have begun to realize that the dream is hard to achieve and perhaps not a possibility for many people.*

*In my current job as a factory worker I work many hours, some days up to twelve hours. I only make \$6.75 an hour even though the work is really hard. My husband is a welder and he makes \$9.00 an hour. He has a lot of experience and is a good worker, but they refuse to increase his pay. Sometimes they tell him that there will be no work for weeks or even months. As a result, we both have to work more than forty hours a week just to cover the basic necessities.*

*The money we earn is simply not sufficient. After paying rent and the utilities, there isn't enough money to save for future planning. We have not been able to save anything since coming to this country. We do not have health insurance, either, so we have accumulated debt, which means more monthly payments.*

*It seems like whenever our wages are increased, our expenses also increase, and we are left in the same situation as before. For example, a few months ago, my husband received an increase*

*of fifty cents an hour. A couple of days later, our landlord increased the rent.*

*We want a better future and opportunities for our children. To make this a reality my husband and I need to make better wages. I've heard of the American Dream, and how if you just work harder you can make it. We have been working hard, but it has remained a challenge to see how I will pay for my children's education. Perhaps decent pay is too much to ask for? We don't think so.*

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## MONTANA

### MONTANA KEY FINDINGS

Key findings for Montana are:

- The living wage for a single adult is \$9.83 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 \$19.98 an hour.
- Thirty-nine percent of all job openings pay less than the \$9.83 an hour living wage for a single adult. Over three quarters, 81 percent, pay less than the \$19.98 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$9.83 an hour living wage for a single adult, there are three job seekers on average. For each job opening that pays at least the \$19.98 an hour living wage for a single adult with two children, there are nine job seekers on average.

## WHAT IS A LIVING WAGE IN MONTANA?

Living wages for Montana are:

- For a single adult household, \$20,449 a year or \$9.83 an hour.
- For a single adult with one child, \$33,721 a year or \$16.21 an hour.
- For a single adult with two children, \$41,549 a year or \$19.98 an hour.
- For two adults, one of whom is working, with two children, \$43,330 a year or \$20.83 an hour.
- For two adults, both of whom are working, with two children, \$56,077 a year or \$26.96 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages. In some counties, costs are higher (particularly for housing

and child care) and, as a result, living wages are higher. In other counties, including most of the state's rural counties, costs and therefore living wages are lower. Detailed living wage analyses for selected Montana counties are available at [http://www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

## ARE WE CREATING ENOUGH JOBS IN MONTANA THAT PAY A LIVING WAGE?

Of all job openings, 39 percent pay less than the \$9.83 an hour living wage for a single adult, as shown in the chart below. More than four out of five job openings, 81 percent, pay less than the \$19.98 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.

<b>MONTANA JOB GAP</b>	<b>Total Job Seekers</b>		<b>Total Job Openings, including jobs that do not pay a living wage</b>		
	<b>38,400</b>		<b>23,409</b>		
		<b>Household 1 Single Adult</b>	<b>Household 2 Single Adult with 1 Child</b>	<b>Household 3 Single Adult with 2 Children</b>	<b>Household 4 2 Adults, 1 Working with 2 Children</b>
Living Wage Job Openings	14,236	6,646	4,516	4,164	
Job seekers per living wage job opening	3:1	6:1	9:1	9:1	
Percent of all job openings that pay less than a living wage	39%	72%	81%	82%	



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 two job seekers on average.
- For each job opening that pays at least \$9.83 an hour, the living wage for a single adult, there are three job seekers on average.
- For each job opening that pays at least \$19.98 an hour, the living wage for a single adult with two children, there are nine job seekers on average.

*My name is Rebecca Lani. I've lived in Missoula, Montana for two and a half years. I've found that it's difficult for a twenty-three year old to find a job that pays the bills without a college degree. I feel like I'm caught in a trap; without a better job I can't afford an education, but without an education I can't find a better paying job. My only option now for further education is to go into debt for a couple of decades, but I don't want to be that kind of a wage slave.*

*I work full time as a waitress at the Union Club here in Missoula. They pay me a base of \$5.75 an hour. I'm supposed to rely on tips for the main part of my income but the base salary is definitely the bulk of my income.*

*That money gets stretched pretty thin pretty fast. My partner Dan got laid-off and is still looking for a job. All he can find is occasional temporary work, which helps, but doesn't get us any kind of security. Neither of us can even come close to affording health insurance. It's scary living without insurance because I know I'm an accident away, or an illness away from losing everything.*

*Sometimes we skip out on the electricity bills to buy groceries or pay rent. It's hard to eat nutritiously on a tight budget. I'm never able to buy myself nice clothes or a pair of new shoes, all my money goes to paying off bills. Affording a car is totally out of the question at the moment as well. Raising the Montana minimum wage will help, but the state needs to do a better job helping Montanans find jobs that fit their needs. They need to make it affordable for people to get the education or training necessary to get good jobs.*

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# OREGON

## OREGON KEY FINDINGS

Key findings for Oregon are:

- The living wage for a single adult is \$11.38 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 \$23.40 an hour.
- 41 percent all job openings pay less than the \$11.38 an hour living wage for a single adult. Over three quarters of all job openings, 84 percent, pay less than the \$23.40 an hour living wage for a single adult with two children.
- For each job opening that pays at least \$11.38 an hour, the living wage for a single adult, there are five job seekers on average. For each job opening that pays at least \$23.40 an hour, the living wage for a single adult with two children, there are 20 job seekers on average.

## WHAT IS A LIVING WAGE IN OREGON?

Living wages for Oregon are:

- For a single adult household, \$23,671 a year or \$11.38 an hour.
- For a single adult with one child, \$38,441 a year or \$18.48 an hour.
- For a single adult with two children, \$48,667 a year or \$23.40 an hour.
- For two adults, one of whom is working, with two children, \$46,474 a year or \$22.34 an hour.
- For two adults, both of whom are working, with two children, \$63,184 a year or \$30.38 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages. In some counties, costs are higher (particularly for housing and child care) and, as a result, living wages

## OREGON JOB GAP

Total Job Seekers	Total Job Openings, including jobs that do not pay a living wage			
208,700	64,804			
	Household 1 Single Adult	Household 2 Single Adult with 1 Child	Household 3 Single Adult with 2 Children	Household 4 2 Adults, 1 Working with 2 Children
Living Wage Job Openings	38,371	18,332	10,251	10,834
Job seekers per living wage job opening	5:1	11:1	20:1	19:1
Percent of all job openings that pay less than a living wage	41%	72%	84%	83%

are higher. In other counties, including most of the state's rural counties, costs and therefore living wages are lower. Detailed living wage analyses for selected Oregon counties are available at [http://www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

## **ARE WE CREATING ENOUGH JOBS IN OREGON THAT PAY A LIVING WAGE?**

Of all job openings, 41 percent pay less than the \$11.38 an hour living wage for a single adult, as shown in the chart below. Over three quarters of job openings, 84 percent, pay less than the \$23.40 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 \$11.38 an hour, the living wage for a single adult, there are five job seekers on average.
- For each job opening that pays at least \$23.40 an hour, the living wage for a single adult with two children, there are 20 job seekers on average.

# **WASHINGTON**

## **WASHINGTON KEY FINDINGS**

Key findings for Washington are:

- The living wage for a single adult is \$11.16 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 \$23.39 an hour.
- Thirty percent of all job openings pay less than the \$11.16 an hour living wage for a single adult. Seventy-seven percent pay less than the \$23.39 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$11.16 an hour living wage for a single adult, there are three job seekers on average. For each job opening that pays at least \$23.39 an hour, the living wage for a single adult with two children, there are nine job seekers on average.

## **WHAT IS A LIVING WAGE IN WASHINGTON?**

Living wages for Washington are:

- For a single adult household, \$23,220 a year or \$11.16 an hour.
- For a single adult with one child, \$36,481 a year or \$17.54 an hour.
- For a single adult with two children, \$48,644 a year or \$23.39 an hour.

- For two adults, one of whom is working, with two children, \$45,290 a year or \$21.77 an hour.
- For two adults, both of whom are working, with two children, \$62,294 a year or \$29.95 an hour. (which means that the combined wages of both working adults need to total this amount).

These are statewide averages. In some counties, costs are higher (particularly for housing and child care) and, as a result, living wages are higher. In other counties, including most of the state’s rural counties, costs and therefore living wages are lower. Detailed living wage analyses for selected Washington counties are available at [http://www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

### ARE WE CREATING ENOUGH JOBS IN WASHINGTON THAT PAY A LIVING WAGE?

Of all job openings, 30 percent pay less than the \$11.16 an hour living wage for a single adult, as shown in the chart below. Over three quarters, 77 percent, pay less than the \$23.39 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 this page, job gap ratios, which compare job seekers to job openings, are:

<b>WASHINGTON JOB GAP</b>	<b>Total Job Seekers</b>		<b>Total Job Openings, including jobs that do not pay a living wage</b>			
	<b>263,900</b>		<b>126,787</b>			
		<b>Household 1 Single Adult</b>	<b>Household 2 Single Adult with 1 Child</b>	<b>Household 3 Single Adult with 2 Children</b>	<b>Household 4 2 Adults, 1 Working with 2 Children</b>	
	Living Wage Job Openings	88,527	52,826	29,734	36,880	
Job seekers per living wage job opening	3:1	5:1	9:1	7:1		
Percent of all job openings that pay less than a living wage	30%	58%	77%	71%		

- For each job opening, regardless of pay, there are two job seekers on average.
- For each job opening that pays at least the \$11.16 an hour living wage for a single adult, there are three job seekers on average.
- For each job opening that pays at least the \$23.39 an hour living wage for a single adult with two children, there are nine job seekers on average.

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*My name is Teresa Wallace. I live in Seattle with my husband and my two children, aged eight and eleven. My husband is the only one working. He has two jobs, one full-time with benefits, and a second one is part-time. He has to work this second job to afford our subsistence. We all have insurance, but my husband pays about 5% of his income for it. We can only afford all of our basic expenses by having him work two jobs. We live check to check; it's hard to live like this. If my husband gets sick it would be hard because I don't work and I would find it difficult to play all my roles as mom plus working. I would probably have to go to the food bank.*

*We save money only for emergencies, not for ourselves or travel. About six months ago, my father died and we used all our savings for the funeral. So now we limit ourselves. We might go to a cheap place to eat as a family, but we could not afford a vacation.*

*We are trying to save money for our children to go to college as well. But with other small emergencies on the way, our little savings doesn't last long."*

*I think about my children going to college. I know we cannot afford to pay for that so we are starting to save for them. We try not to use this money; many*

*times we have felt we have no other choice, but we have been good at not touching this money but twice. One of those times was due to a medical operation.*

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## Technical Notes

Given limitations in the available data and continuity of data sets, this study updates the previous Northwest Job Gap Study as closely as possible, using 2005 data. Where 2005 data was not available, data for the closest year available were adjusted for inflation to reflect 2005 dollars.

## Family Living Wage Budgets

A living wage is a wage that provides a household with economic self-sufficiency, allowing it to meet its basic needs without government subsidy. For this study, a modified market basket approach was used. Household budgets, upon which living wages are based, include:

- Food
- Housing and utilities
- Transportation
- Health care
- Child care
- Household, clothing, and personal
- Savings
- State and federal taxes

For a detailed discussion on how each of the above pieces of a household budgets factor into the living wage calculation, as well as county and regional estimates of housing, utilities and childcare costs,

refer to the 2006 Northwest Job Gap: Living Wage Jobs in the Current Economy at [http://www.nwfco.org/job\\_gap.htm](http://www.nwfco.org/job_gap.htm).

## **Living Wage Job Openings**

Estimates of job openings are produced by each state following guidelines developed by the states in cooperation with the Bureau of Labor Statistics and the Employment and Training Administration (ETA). The job opening data used in this report include job openings due to growth and job openings due to replacement.

Job openings data in this report exclude openings due to self-employment. The Occupational Employment Statistics (OES) wage survey does not include self-employed wage estimates.<sup>2</sup>

The state agencies that provided the estimates are: the Idaho Department of Labor (2002-2012 projections), the Montana Department of Labor and Industry (2002-2012 projections), the Oregon Employment Department (2002-2012 projections), and the Washington State Employment Security Department, Labor Market and the Economic Analysis Branch (2002-2007 projections). Oregon and Montana provided the data with self-employment excluded. Washington and Idaho projections were adjusted to remove self-employment data using national data on the percentage of self-employed workers by occupation.<sup>3</sup>

Occupations were identified as being living wage or

non-living wage jobs based on wage data from the 2005 Occupational Employment Statistics (OES) wage survey of employers conducted by state Employment Security Agencies in cooperation with the BLS and the ETA.<sup>4</sup>

To determine which occupations pay a living wage, the state's median wage for each occupation was identified.<sup>5</sup> Using the living wage budgets, occupations were classified as non-living wage or as living wage for each household type. The openings were then aggregated to reflect all jobs that pay a living wage for each household type.

## **Job Seekers**

The March 2005 Current Population Survey (CPS) was used to estimate the job-seeking population in Idaho, Montana, Oregon, and Washington. The job-seeking population comprises: a) the unemployed who are looking for jobs and not on temporary lay-off; b) those working part-time who would work full-time if that opportunity were available; and c) those not in the labor force who are able to work full-time but are not looking for a job because they are discouraged or temporarily unable to do so. The sample size of the March CPS is large enough to support a state-level analysis using a single year's worth of data.

## **Job Gap**

Job gap ratios were calculated by dividing the number of job seekers by the number of job openings that pay a living wage.



# References

1. Household five, two working adults with two children, is not included in the job gap numbers. There are many possible combinations of wages for the two adults that would sum to the total combined living wage. In a simple example, each adult could be making half of the living wage for household five – a 50/50 split. However, the more likely scenario is more complex than this, i.e. one adult could be making 75 percent of the living wage, and the other adult making the remaining 25 percent – a 75/25 split. Other combinations would be, 85/15, 90/10, 91.5/8.5, etc. Due to the large number of these possible combinations, this report does not include job gap figures for this household size.
2. As discussed in overview of OES, available at: [http://www.bls.gov/oes/oes\\_emp.htm#scope](http://www.bls.gov/oes/oes_emp.htm#scope).
3. Office of Occupational Statistics and Employment Projections (OOSEP), Bureau of Labor Statistics, U.S. Department of Labor, “Employment by industry, occupation, and percent distribution, 2002 and projected 2012, Self-employed workers, primary job.”
4. U.S. Department of Labor Bureau of Labor Statistics, 2005 Occupational Employment and Wage Estimates, available at: [http://stats.bls.gov/oes/oes\\_dl.htm#2005](http://stats.bls.gov/oes/oes_dl.htm#2005).
5. We were unable to obtain wage data for a small percentage of job openings in each state (three to five percent). These job openings were left out of the calculation. Reasons we were unable to obtain wage data include: OES requires a certain sample size in order to report wage data, and the sample size may have been too small; Certain occupations (ending in nine) are projected by the state, and do not match the Standard Occupational Classifications (SOC) used by OES. For these occupations, no wage data is available, although Oregon does provide data for a few of these categories; confidentiality issues; and sample sizes too small for certain occupations to allow release of data. Source: Conversations with economic analysts who provided job opening data, including: Dwayne Stevenson, Economic Analyst, Workforce and Economic Research, Oregon Employment Department; and Brad Eldrege, Economist, Research and Analysis Bureau, Montana Department of Labor and Industry; and Cathy Bournier, Research & Analysis Bureau, Idaho Department of Commerce & Labor.

# *Searching for* **WORK** **THAT PAYS:** **2007 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 Community Action Network. Collectively, these organizations engage in community organizing and coalition building in 14 rural and major metropolitan areas, included the Northwest's largest cities (Seattle and Portland) and the largest cities in Montana and Oregon. 1265 South Main Street Suite #304, Seattle, WA 98144, Voice: (206) 568-5400, Fax: (206) 568-5444, Web: <http://www.nwfco.org>