



Montana



Searching for Work that Pays:
2004 Northwest

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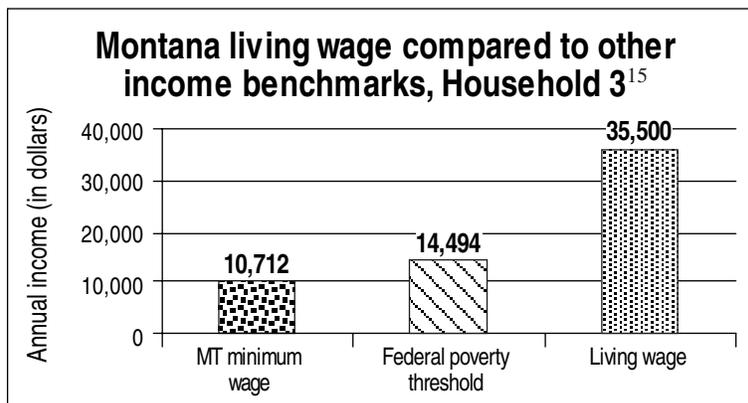
Job Gap Study

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MONTANA KEY FINDINGS

Key findings for Montana are:

- The living wage for a single adult is \$8.61 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 \$17.07 an hour.
- Forty-one percent of all job openings pay less than the \$8.61 an hour living wage for a single adult. Over three quarters (80 percent) pay less than the \$17.07 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$8.61 an hour living wage for a single adult, there are four job seekers on average. For each job opening that pays at least the \$17.07 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 Montana, which reflect family budgets as shown on the following page, are:

- For a single adult household, \$17,915 a year or \$8.61 an hour.
- For a single adult with one child, \$27,148 a year or \$13.05 an hour.
- For a single adult with two children, \$35,500 a year or \$17.07 an hour.

- For two adults, one of whom is working, with two children, \$38,452 a year or \$18.49 an hour.
- For two adults, both of whom are working, with two children, \$49,388 a year or \$23.74 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. Living wages for higher cost and lower cost areas are:

	<u>Higher cost areas</u>	<u>Lower cost areas</u>
Single adult	\$8.77/hour	\$8.41/hour
Single adult with one child	\$13.41/hour	\$12.67/hour
Single adult with two children	\$17.80/hour	\$16.47/hour
Two adults (one working) with two children	\$18.72/hour	\$18.20/hour
Two adults (both working) with two children	\$24.48/hour	\$23.15/hour

Montana family budgets (in 2002 dollars)

	Household 1	Household 2	Household 3	Household 4	Household 5
Food	150	280	369	541	541
Housing & utilities	401	526	526	526	526
Transportation	305	426	426	744	886
Health care	73	141	218	255	255
Child care	0	173	562	0	562
Household, clothing, & personal	232	343	385	516	552
Savings	129	191	214	287	307
State & federal taxes	202	183	259	336	488
Gross monthly income needed	1,493	2,262	2,958	3,204	4,116*
Gross annual income needed	17,915	27,148	35,500	38,452	49,388*
Living wage (at 2,080 hours/year)	8.61	13.05	17.07	18.49	23.74*

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*

ARE WE CREATING ENOUGH JOBS THAT PAY A LIVING WAGE?

Of all job openings, 41 percent pay less than the \$8.61 an hour living wage for a single adult. Over three quarters of job openings (80 percent) pay less than the \$17.07 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 two job seekers on average.
- For each job opening that pays at least the \$8.61 an hour living wage for a single adult, there are four job seekers on average.
- For each job opening that pays at least the \$17.07 an hour living wage for a single adult with two children, there are 12 job seekers on average.

Montana job gap ratio

	Household 1	Household 3	All job openings
Total job seekers	38,700	38,700	38,700
Job openings	9,611	3,195	16,237
Job seekers per opening	4 to 1	12 to 1	2 to 1
Percent of all job openings paying less than a living wage	41%	80%	

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. Below are a few 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.



Anita Anderson
Missoula, Missoula County, Montana

My name is Anita Anderson and I live in Missoula, Montana. I have a job that's pretty good relative to the rest of the jobs in the area. I work for Wal-Mart, and I make \$10.15 an hour working the overnight shift, or about \$1,200 a month after taxes. I've worked at Wal-Mart for just over two years. Before that, I was unemployed because the bank that I had worked for was bought by another company and my position was eliminated. Being unemployed was very difficult for me. And even now with the Wal-Mart job, my finances are extremely tight.

My house payment alone is \$1,200, which is my entire paycheck. But I decided to redo my basement so that I could rent it out, and that's now the income that supplements my job — I need that extra income. Right now my son lives in the basement, and if it weren't for the \$600 he pays in rent every month, I'd have virtually no money to spend on food, car insurance payments, and utilities. But even with his rent payments, I still have no money to spare at the end of the month, which is nothing new to me. I've never really had extra money to spend.

The biggest expense that I have to worry about is my credit card payments. A lot of months I have to put bills on my credit card that I can't afford to pay upfront, so now I'm having to make a minimum monthly payment of \$250, although most months I try to pay more than that. After paying my credit card bill, my next biggest expense are my utilities, which are right around \$160 for the month. After utilities, there's still car insurance, which is \$400 for the year, and then of course food and other things that I need for the house. Usually I just spend whatever I have left over on food, which is often less than \$100 for the whole month.

Even though one-third of my income comes from renting out my basement, and I still have no money left over at the end of the month, I don't qualify for any programs that are aimed at low-income people. Even though some months I can't buy a lot of food because there isn't enough money left over, I don't qualify for food stamps. I'm earning better than the vast majority of people in this area, but there's not really anywhere for me to go from here. And it doesn't matter how much education you have. There just aren't high-paying jobs. A friend of mine works for the state and makes around \$13 per hour, and that's about as high as it gets. So even though I have trouble making ends meet, I know it could be much, much worse. I'm thankful for what I have.

- In Montana, 58 percent of the non-elderly population (439,650 people) was covered by employer-based health insurance, 12 percent (89,680 people) purchased private health insurance, and 13 percent (102,270 people) were covered by Medicaid or other public coverage. Another 129,580 non-elderly Montana residents (17 percent) lacked health insurance.

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. This report includes estimates of the cost of purchasing very basic private health insurance, in the table titled “Family budgets that include the cost of purchasing private health insurance.” For more information on private health insurance coverage and costs, see the full report, *Searching for Work That Pays: 2004 Northwest Job Gap Study*.



Zack Warren

Billings, Yellowstone County, Montana

My name is Zack Warren. I’m 21 years old and recently moved back in with my mother. It was only supposed to be a temporary move to help her out for a little while, but then we both got stuck in bad financial situations, and so we’ve continued to live together so that we can ease both of our financial burdens by splitting the cost of rent and utilities. I definitely couldn’t make it if I didn’t split rent with my mom. I recently started working a second job so that I could supplement my income. I was already working 40 hours per week for my first job, which paid \$8 an hour, but that wasn’t enough for me, so I’ve taken on this second job that pays \$6 an hour and am now working between 65 and 70 hours each week. My mom works as a waitress and earns minimum wage plus tips, but we’re both still struggling. She basically lives on her tips.

Beyond everyday expenses like rent and food, I have to pay a huge medical bill. I had kidney stones, and the detection and treatment of them cost me about \$5,500. When my mom got sick recently, she refused to go to the hospital because she had seen how high my hospital bill was, and she didn’t want to be in the same boat as me. I have to pay the \$5,500 bill out of pocket because I don’t have health insurance. Right now I’m on a plan where I’m supposed to pay \$230 each month, which is why I needed the second job. I couldn’t pay the \$230 medical bill plus utilities, rent, food, and clothing with only one job, even though that job paid more than the minimum wage. Each month I would have about \$30 left over from my paycheck to spend on things besides bills. Now that I have the second job, things have been a little easier to pay for. I was even able to save some money from my last paycheck. But soon after, my old car died, so I had to buy a new one. I had to make a down payment, and now I have monthly car payments to add to my pile of bills. It’s impossible to get ahead — some new expense always comes up that uses up any money that I have left over.

I try to stretch my income by eating at work, where they give me half off, and by only paying the minimum amount on most of my bills. That means that I have to pay them off for longer, but it makes things more affordable from month to month. The only people who can earn a living wage with one job are people who have a college education. That’s why I want to go start school this fall. The only way I’d be able to afford it would be with grants and loans, but I’m willing to take out loans if it means that I’d be able to make good money after graduating. Otherwise I’ll just be stuck in a cycle of lots of hours in low paying jobs.



Connie Wolcott
 Billings, Yellowstone County, Montana

My name is Connie. I live in Billings with my husband, son, and grandson. Right now I am not working both because of carpal tunnel and a back injury, and also because I take care of my grandson. He has lots of health problems of his own, and if I got a job his childcare would be really expensive because of these health problems. In May my husband got a job in the mines. His job is union, and pays better than many in the area — \$17 an hour. He doesn't have health insurance yet, but starting this month he will. He's only able to come home on weekends because the mine is so far away. But we have to make that sacrifice. Things have been hard in the last couple years, and he needs to take a job where he can get it.

He used to have two jobs, one where he helped care for disabled people. He'd been at that job for 14 years, and it paid \$11 an hour and provided benefits, but it still wasn't enough. He was working a second job as a home-care worker. When my husband was fired from his full time job, things got really bad. He had to get more hours as a home care worker, but he was only making \$8 an hour. Plus, home care workers don't have guaranteed hours. Sometimes you get a lot of hours, and other times you get barely any. He was looking for another job for two years. In that time we had to declare bankruptcy.

With all of our expenses, food is the last priority. We're only able to spend whatever money is left over on food. The past couple years have really been a struggle. We are so far behind on all of our bills. When it was time to pay utility bills, we would just pay whichever one was about to be shut off. Sometimes we survived on nothing but Ramen noodles because it was the cheapest food we could find. With my husband's new job, we're trying to get back on our feet, but it's going to be a long process. We still don't have enough money to spend anything on personal things, like clothes. We've been through a lot, and we're all just hoping that things will start to improve. My son and grandson deserve better than this. Pull Quote 2: My husband just got a job that pays better than many in the area. But he's only able to come home on weekends because the mine is so far away. Things have been hard, and he needs to take a job where he can get it.

Montana family budgets that include the cost of purchasing private health insurance (in 2002 dollars)

	Household 1	Household 2	Household 3	Household 4	Household 5
Monthly cost of private non-group health insurance	201.00	315.11	427.26	628.26	628.26
Annual income needed	20,049.91	30,055.82	38,986.06	44,673.30	55,609.39
Living wage including private non-group insurance	9.64	14.45	18.74	21.48	26.74

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: 2004 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.

TECHNICAL APPENDIX

Housing Costs

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

Montana fair market rents

COUNTY	FMR HH1 (1 BD)	FMR HH2-5 (2BD)					
Beaverhead County	359.00	474.00	Golden Valley County	379.00	474.00	Powell County	359.00 474.00
Big Horn County	359.00	474.00	Granite County	359.00	474.00	Prairie County	359.00 474.00
Blaine County	359.00	474.00	Hill County	359.00	474.00	Ravalli County	359.00 474.00
Broadwater County	359.00	474.00	Jefferson County	359.00	474.00	Richland County	388.00 474.00
Carbon County	415.00	539.00	Judith Basin County	381.00	474.00	Roosevelt County	359.00 474.00
Carter County	381.00	474.00	Lake County	359.00	474.00	Rosebud County	359.00 474.00
Cascade County	400.00	527.00	Lewis and Clark County	404.00	538.00	Sanders County	359.00 474.00
Chouteau County	359.00	474.00	Liberty County	359.00	474.00	Sheridan County	359.00 474.00
Custer County	359.00	474.00	Lincoln County	359.00	474.00	Silver Bow County	359.00 474.00
Daniels County	381.00	474.00	McCone County	378.00	474.00	Stillwater County	359.00 474.00
Dawson County	359.00	474.00	Madison County	359.00	474.00	Sweet Grass County	359.00 474.00
Deer Lodge County	359.00	474.00	Meagher County	381.00	474.00	Teton County	359.00 474.00
Fallon County	359.00	474.00	Mineral County	359.00	474.00	Toole County	359.00 474.00
Fergus County	359.00	474.00	Missoula County	406.00	540.00	Treasure County	359.00 474.00
Flathead County	360.00	481.00	Musselshell County	359.00	474.00	Valley County	359.00 474.00
Gallatin County	447.00	599.00	Park County	359.00	474.00	Wheatland County	359.00 474.00
Garfield County	359.00	474.00	Petroleum County	359.00	474.00	Wibaux County	381.00 474.00
Glacier County	359.00	474.00	Phillips County	359.00	474.00	Yellowstone County	402.00 537.00
			Pondera County	379.00	474.00		
			Powder River County	364.00	474.00		

Montana child care

Region	HH2	HH3, HH5
Billings Region (includes Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties).	\$172.04	\$579.09
Bozeman Region (includes Gallatin, Meagher, and Park counties).	\$203.50	\$655.16
Butte Region (includes Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow counties).	\$160.38	\$517.66
Glasgow Region (includes Daniels, Phillips, Roosevelt, Sheridan, and Valley counties).	\$165.88	\$643.28
Glendive Region (includes Dawson, Garfield, McCone, Prairie, Richland, and Wibaux counties).	\$158.40	\$521.40
Great Falls Region (includes Cascade, Chouteau, Glacier, Pondera, Teton, and Toole counties).	\$176.00	\$551.98
Havre Region (includes Blaine, Hill, and Liberty counties).	\$176.66	\$539.22
Helena Region (includes Broadwater, Jefferson, and Lewis & Clark counties).	\$162.36	\$536.80
Kalispell Region (Lake, Lincoln, Flathead, and Sanders counties).	\$159.50	\$516.78
Lewistown Region (includes Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland counties).	\$171.16	\$539.00
Miles City Region (includes Carter, Custer, Fallon, Powder River, Rosebud, and Treasure counties).	\$154.00	\$500.72
Missoula Region (includes Mineral, Missoula, and Ravalli counties).	\$186.78	\$582.12

For more information, sources, and details on methods please see the full report, Searching for Work That Pays: 2004 Northwest Job Gap Study.