

# Oregon



## Searching for Work that Pays: **2004 Northwest**

Oregon • Montana  
Idaho • Washington

# Job Gap Study

Northwest Federation of Community Organizations (NWFCO) and

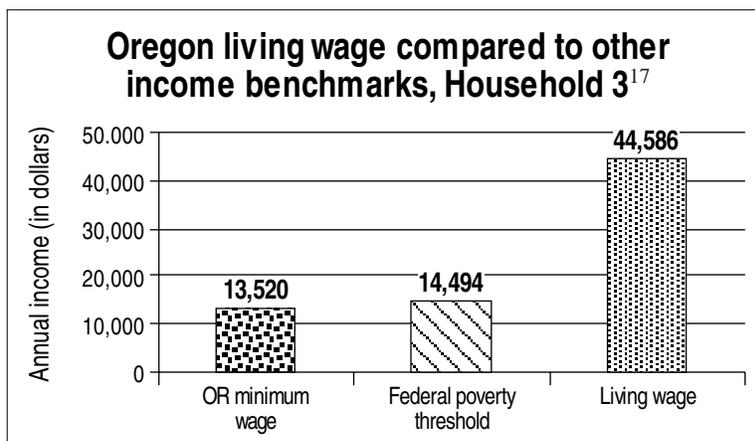
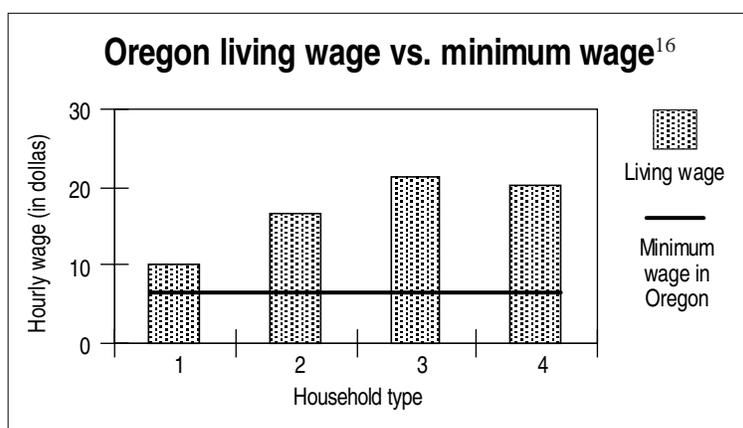
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## OREGON KEY FINDINGS

Key findings for Oregon are:

- The living wage for a single adult is \$10.17 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 \$21.44 an hour.
- Thirty-four percent all job openings pay less than the \$10.17 an hour living wage for a single adult. Over three quarters of all job openings (83 percent) pay less than the \$21.44 an hour living wage for a single adult with two children.
- For each job opening that pays at least the \$10.17 an hour living wage for a single adult, there are six job seekers on average. For each job opening that pays at least the \$21.44 an hour living wage for a single adult with two children, there are 24 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, \$21,156 a year or \$10.17 an hour.

- For a single adult with one child, \$34,382 a year or \$16.53 an hour.
- For a single adult with two children, \$44,586 a year or \$21.44 an hour.
- For two adults, one of whom is working, with two children, \$42,274 a year or \$20.32 an hour. • For two adults, both of whom are working, with two children, \$58,325 a year or \$28.04 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:

	<b>Higher cost areas</b>	<b>Lower cost areas</b>
Single adult	\$10.85/hour	\$9.06/hour
Single adult with one child	\$17.60/hour	\$14.76/hour
Single adult with two children	\$23.27/hour	\$18.90/hour
Two adults (one working) with two children	\$21.03/hour	\$19.02/hour
Two adults (both working) with two children	\$29.88/hour	\$25.51/hour

### Oregon family budgets (in 2002 dollars)

	<b>Household 1</b>	<b>Household 2</b>	<b>Household 3</b>	<b>Household 4</b>	<b>Household 5</b>
Food	150	280	369	541	541
Housing & utilities	535	673	673	673	673
Transportation	305	426	426	744	886
Health care	66	141	209	246	246
Child care	0	359	901	0	901
Household, clothing, & personal	264	380	419	551	586
Savings	147	211	233	306	326
State & federal taxes	295	396	486	463	702
Gross monthly income needed	1,763	2,865	3,715	3,523	4,860*
Gross annual income needed	21,156	34,382	44,586	42,274	58,325*
Living wage (at 2080 hours/year)	10.17	16.53	21.44	20.32	28.04*

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, 34 percent pay less than the \$10.17 an hour living wage for a single adult. Over three quarters of job openings (80 percent) pay less than the \$21.44 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 the \$10.17 an hour living wage for a single adult, there are six job seekers on average.
- For each job opening that pays at least the \$21.44 an hour living wage for a single adult with two children, there are 24 job seekers on average.

### Oregon job gap ratio

	Household 1	Household 3	All job openings
Total job seekers	261,600	261,600	261,600
Job openings	41,569	10,937	62,533
Job seekers per opening	6 to 1	24 to 1	4 to 1
Percent of all job openings paying less than a living wage	34%	83%	

# 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.

- In Oregon, 62 percent of the non-elderly population (1.9 million people) was covered by employer-based health insurance, 8 percent (246,690 people) purchased private health insurance, and 14 percent (448,760 people) were covered by Medicaid or other public coverage. Another 476,320 non-elderly Oregon residents (15 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.

### Oregon 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	163.63	241.28	249.52	466.93	466.93
Annual income needed	22,781.28	36,061.67	45,264.72	45,960.27	62,011.52
Living wage including private non-group insurance	10.95	17.34	21.76	22.10	29.81

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.

### **Talia Valdez**

Medford, Jackson County, Oregon

**M**y name is Talia Valdez. I live with my husband and our four-month-old daughter. My husband was just fired from his job. He was working 60 hours per week at \$9.60 an hour. Now that he's out of work, our income is nothing. I've been looking for a job for quite a while. In the last three weeks, I've applied for at least 20 jobs, from restaurants to Wal-Mart. I've had a few interviews, but no one has hired me. If one of us doesn't get a job soon, there'll be no way that we'll be able to pay our bills. Because our budget was so tight, we have practically no savings to fall back on now that he's out of work.

Rent is probably the thing that's the most difficult to pay for. But everything is hard to pay for when you have no income at all. While I'm out looking for jobs, I have to leave my daughter with friends. They don't charge as much as a professional childcare service would, so that saves us some money. But even when my husband was working, there were some things that we couldn't afford. Neither of us have health care, for example. Our daughter has health care through the Oregon Health Plan, but only for the first year of her life. After that, all three of us will be uninsured. I've considered going back to school so that I would have an easier time finding a job, but it costs too much money — I wouldn't be making any money while I was in school, and we'd have to pay for childcare full time. We're both just hoping that my husband will find work soon. If he doesn't, we have very tough times ahead of us.

# TECHNICAL APPENDIX

## Housing Costs

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

### Oregon fair market rents<sup>77</sup>

COUNTY	FMR HH1 (1 BD)	FMR HH2-5 (2BD)	Grant County	382.00	496.00	Morrow County	382.00	496.00
Baker County	382.00	496.00	Harney County	382.00	496.00	Multnomah County	606.00	747.00
Benton County	520.00	660.00	Hood River County	426.00	579.00	Polk County	492.00	630.00
Clackamas County	606.00	747.00	Jackson County	467.00	624.00	Sherman County	382.00	496.00
Clatsop County	441.00	577.00	Jefferson County	382.00	496.00	Tillamook County	382.00	496.00
Columbia County	606.00	747.00	Josephine County	392.00	504.00	Umatilla County	382.00	496.00
Coos County	394.00	523.00	Klamath County	382.00	496.00	Union County	382.00	496.00
Crook County	382.00	496.00	Lake County	382.00	496.00	Wallowa County	382.00	496.00
Curry County	439.00	582.00	Lane County	476.00	620.00	Wasco County	487.00	544.00
Deschutes County	458.00	613.00	Lincoln County	398.00	530.00	Washington County	606.00	747.00
Douglas County	382.00	496.00	Linn County	460.00	597.00	Wheeler County	382.00	496.00
Gilliam County	402.00	496.00	Malheur County	382.00	496.00	Yamhill County	606.00	747.00
			Marion County	492.00	630.00			

### Oregon child care<sup>81</sup>

Region	HH2	HH3, HH5
Region A (includes child care providers in the Portland Metropolitan area, Mount Hood, Corvallis, Independence, Monmouth, Eugene, Springfield, Ashland, and Gold Hill).	\$421.67	\$1096.67
Region B (includes child care providers in Salem, Bend, Albany, Philomath, Lincoln County, and areas outside the Portland Metropolitan area).	\$339.00	\$802.33
Region C (includes all communities not in Region A or B, including most of Oregon's rural areas).	\$277.67	\$687.67

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

