

Broken Bootstraps

FALLING BEHIND ON FULL-TIME WORK

By Ben Henry and Allyson Fredericksen • February 2013



*The bootstrap is an American myth, not an American value.
With so few jobs paying a living wage, a stronger
safety net means stronger opportunity for
the American worker.*

14TH ANNUAL

2012 Job Gap Report



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Ensuring equal access to power and opportunity, supporting and defending the rights of all people, and eliminating discrimination and oppression.

The Alliance for a Just Society's mission is to execute regional and national campaigns and build strong state affiliate organizations and partnerships that address economic, racial, and social inequities.

The Alliance (formerly the Northwest Federation of Community Organizations), is a national coalition of eight state-based grassroots community organizations including The Center for Intercultural Organizing, Colorado Progressive Coalition, Idaho Community Action Network, Indian People's Action (Montana), Maine People's Alliance, Make the Road New York, Montana Organizing Project, Oregon Action, Progressive Leadership Alliance of Nevada, and Washington Community Action Network.

Building on the proven community organizing success of the Northwest Federation of Community Organizations (NWFCO), Alliance staff and partners set out not only to replicate on a national level the best of NWFCO's 17 years of praxis, but also to create a progressive infrastructure capable of meeting 21st century challenges to the American dream of liberty and justice for all.

We believe that class, race and gender are the most fundamental divisions in society. We acknowledge that none of these dividing forces can be addressed without working to address all of them simultaneously. The struggle for social justice requires a strong, broad base to defend advances made toward economic justice and, in turn, generate increased power to sustain social change. All of this work depends on developing a core of leaders, educating the public, and building the power for fundamental systemic change.



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CREDITS & ACKNOWLEDGEMENTS

Job seeker data provided by Matt Broaddus of Center on Budget and Policy Priorities.

The study has benefited from contributions from the following: Rachel Berkson, Sam Blair, Ben Cantrell, Danisha Christian, Daniel Coates, Jason Collette, Bryan Davis, Rachael DeCruz, David Fleishman, Corrine Fowler, Qinglian Gao, Jesse Graham, Rahul Gupta, Darlene Huntress, Fernando Mejia, Haylee Morse-Miller, Dennis Osorio, Sheena Rice, Rich Rohde, Sheley Secrest, Gerald Smith, Terri Sterling, Mike Tipping, and Ron Williams. And special thanks to Garrett Martin from the Maine Center for Economic Policy and Doug Hall from the Economic Policy Institute.

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INTRODUCTION

Pulling yourself up by the bootstraps: The concept is an American ideal, a well-established part of our folklore, an idiom that has embedded itself into our country's lexicon. But, in reality, we find there is a more accurate way to describe it: A fairy tale.

For generations, candidates across the country have reveled in the opportunity to tell their own stories of perseverance in the face of adversity. We've all heard the tale: A young man with a tough background and a chip on his shoulder rises from the ashes of a hellish existence, pulling himself up by the bootstraps to make something of himself. Captivating and gripping, these ubiquitous narratives are an essential element of our political theater, required reading for "Getting Elected 101."

Never mind the fact that the act of lifting up one's self with loops attached to your shoe is physically impossible.

Indeed, we are seeing compelling evidence that this notion is a myth; it is also metaphorically impossible for Americans today to pull themselves out of poverty, especially when the deck is stacked against them.

We see this when corporations that bring in extravagant profits choose instead to

cut employee hours, pay salaries well below living wages, and skirt health care responsibilities. We see this with the worsening income inequality crisis, which had already reached historical levels. We see this as our elected representatives choose cuts to programs that are the only means to survival for our society's most disenfranchised.

Today, we face a crucial moment as we confront lasting and far-reaching decisions at the federal and state levels. Though the Great Recession that began in 2007 ended in 2009, the United States economy has yet to recover and states across the country continue to feel the effects of years of budget deficits. As 2013 begins, 30 states and the District of Columbia face budget shortfalls for the upcoming fiscal year.¹ The federal government faces a deficit of more than \$1 trillion and looming sequestration that will force cuts to vital programs, severely impacting the lives of millions of Americans — many of whom have no access to living wage jobs to support themselves without a safety net.

There are two sides to the living wage coin: the need for higher wages to allow workers to provide for the needs of their families and save for the future, and the exigency of strong safety net programs to make up for a lack of such wages. Our study finds that there is a widespread lack of living wages; thus, the need exists for a strengthened safety net.

In his 2013 State of the Union address, President Obama called for fairer wages through an increase in the federal minimum wage, tying future increases to cost of living standards. The federal minimum wage has not increased since 2009, and, in real dollars, is less than it was 50 years ago.² It also falls well short of the minimum wage in many other countries, such as the United Kingdom, France, and Japan.³

Meanwhile, corporations are employing business models that underpay workers in the pursuit of maximizing profits and, in many cases, are actively opposing government funding of programs that help make up for their low wages. Corporate profits are at an all-time high, while wages

TOP 15 LARGEST LOW-WAGE EMPLOYERS

Ranked by size of U.S. workforce

U.S. Company	Workforce
1. Wal-Mart Stores, Inc.	1,400,000
2. Yum! Brands, Inc. (Taco Bell, Pizza Hut, KFC)	880,330
3. McDonald's Corp.	859,978
4. Target Corp.	365,000
5. Sears Holdings Corporation	264,000
6. Doctor's Associates, Inc. (Subway)	250,810
7. Burger King Holdings, Inc.	191,815
8. ARAMARK Corporation	180,000
9. Starbucks Corporation	176,533
10. DineEquity, Inc. (Applebee's, IHOP)	173,350
11. Compass Group PLC.	171,596
12. Macy's, Inc.	171,000
13. The Wendy's Company	168,672
14. Darden Restaurants, Inc. (Olive Garden, Red Lobster, Capital Grille)	165,475
15. J.C. Penney Company, Inc.	159,000

Source: National Employment Law Project, July 2012

for most workers remain stagnant or are decreasing, and the pay gap between CEOs and average workers continues to rise.

So, in this 14th year of our annual no-frills look at the wages needed to survive, we find that a fundamental American ideal — that hard work should earn you a paycheck that allows you to support yourself and your family — is a myth. Working families are falling behind, and expected to somehow pull themselves ahead without even access to the mythical bootstraps.

While President Obama's minimum wage proposal is a step in the right direction, our study finds that it does not go nearly far

enough to help working families move out of poverty. As most jobs do not pay a true living wage, a strengthened social safety net must provide low-wage workers the support needed to meet the needs of themselves and their families.

Making Ends Meet

From Washington state to Maine, the majority of jobs do not pay a living wage; people just aren't making ends meet. The living wage needed to support a single parent with two children ranges from \$24.82 per hour in Montana to \$31.28 per hour in Colorado; in New York City, the living wage is \$39.09.

In the states studied, 82% of all jobs paid below the living wage, and no state has fewer than 20 job-seekers for each of those living wage jobs. Even when looking at the living wage for a single adult, which ranges between \$13.94 and \$16.31 (and \$22.10 in New York City), only in three of the states studied did a majority of job openings pay a living wage.

We are left with the question, Why do so few living wage jobs exist? Market systems incentivize wealth accumulation rather than building a healthy economy and expanding individual wellbeing.⁴

Despite the recent recession, corporate

profits are now at an all-time high; wages, however, are at an all-time low, with most workers seeing a decline in wages over the past 30 years.⁵ This is evidence of America's broken bootstraps. A major portion of the boost in corporate profits has come directly from keeping wages stagnant despite increased labor productivity.⁶ Shockingly, the majority of low-wage workers are employed by large corporations that have the means and the profit margins to increase wages.⁷

Fundamental American ideals — equal opportunity and the right to prosper — are a thing of the past, as observed in increased income inequality. In fact, income inequality has increased more in the U.S. than in any other major western country since 1960.⁸ The Walton family, for example, has as much wealth as the bottom 48.8 million families combined, or 41% of the entire United States.⁹ An Economic Policy Institute brief states, "A key driver of wage inequality is the growth of chief executive officer earnings and compensation."¹⁰ In 2011, the CEO-to-worker compensation ratio was 200-to-1 — much higher than the prevailing rate for any decade in the past 50 years.¹¹

The wage gap widens as corporate interests focus on executive profits instead of shared prosperity. It becomes impossible for a family to pull itself out of poverty when corporate executives actively prevent

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government programs designed to benefit the common good. For instance, the Affordable Care Act (ACA) requires businesses with greater than 51 employees to offer health coverage to all employees who average more than 30 hours or more per week, subject to a fine of \$2,000 per employee.¹² Because there are no penalties for not covering part-time employees, corporations are hiring subcontractors and cutting hours for their employees to dodge ACA requirements.

Notably, fast food and casual dining restaurants — which employ a large number of low-wage workers — have cut employees' hours to avoid the cost of providing healthcare.^{13,14} Additionally, retail outlets such as Walmart have also indicated that employee hours will be cut to avoid providing health care for employees.¹⁵ During the recession, there was a massive shedding of workers and aggregate hours,¹⁶ despite record profits for corporations. Since then, the hours and jobs have not yet returned.¹⁷

For many corporations, chronically underpaying employees is embedded deep in their culture as part of the corporation's business model. The majority of low-wage workers are employed by large corporations with over 100 employees, including Walmart, Yum! Brands (which includes KFC, Taco Bell, and Pizza Hut), Target, and others.¹⁸ At Walmart, the highest-paid executive makes over \$18 million per year¹⁹ — over 1,100 times the average wage for a Walmart sales associate (\$8.81 per hour²⁰). Similarly, the highest-paid executive at Target makes over \$19 million per year,²¹ while sales floor team members earn an average of only \$8.29 per hour.²² While average sales associate pay is higher than the federal minimum wage, for employees supporting multiple children on

one salary, it falls well short of the poverty level — and that's if those employees are employed full-time.²³

A Higher Minimum Wage Helps, But Is Not Enough

President Obama's proposal to raise the federal minimum wage will benefit both working families and the economy, even if it does fall short of a living wage. The federal minimum wage in the United States is well behind many other countries, and is substantially lower in real value than it was in the 1960s. Raising the minimum wage would better enable workers to provide for themselves and their families. Additionally, because low-wage workers are more likely to spend additional income on goods and services, the increase will facilitate job growth and provide more revenue for local economies.

Increasing the federal minimum wage would help millions of workers across the country. A raise to \$9.00 an hour by 2015 would increase the wages of over 13 million Americans, nearly three-fifths of whom are women and nearly half of whom are full-time employees.²⁴ In addition to those who directly benefit from the increase, many workers who earn just over the minimum wage would also see an increase in pay.²⁵

Moreover, an increase in the minimum wage will benefit small businesses and the economy in general, as low-wage workers will use the additional revenue to purchase goods and services that they were previously unable to afford, creating a positive impact on the economy.²⁶ Additionally, an increase may lead to growth in small business across the country, as it has in states that have increased their state minimum wage.²⁷

While President Obama's proposal will help both the economy and workers throughout the country, it will not be enough to lift many families out of poverty and will fall well short of providing a living wage. A single parent with two children working full time at \$9.00 an hour in 2013 will still be under the 2013 federal poverty line;²⁸ when the increase reaches \$9.00 an hour in 2015, inflation will have decreased its real value further. However, if the minimum wage is not raised, low-wage families will see the real value of their wages drop even more due to inflation, and neither workers nor the economy will see the benefits of increased income. Raising the federal minimum wage is an important first step in supporting working families across the country.

A Safety Net to Catch Those Without Living Wage Jobs

In the absence of living wage jobs, low-wage workers are forced to make tough choices to provide for their families. Many workers make compromises on expenses or work multiple jobs. For some families, public assistance can be the only realistic option for providing for essential needs.

When wages are not enough to cover all of a family's expenses, workers must often choose between paying rent or health insurance premiums, or maintaining a nutritionally balanced diet.^{29,30} Other workers take on multiple jobs to cover the bills, and often still struggle to not fall behind.^{31,32} In 2011, nearly all of the states in our study saw an increase in multiple jobholders as a percentage of total employment — with Maine seeing the largest increase of any state in the country — indicating that workers do not make enough with one job to support their families.³³ Nationwide, the rate of multiple

In 2011, nearly all of the states in our study saw an increase in multiple jobholders as a percentage of total employment — with Maine seeing the largest increase of any state in the country — indicating that workers do not make enough with one job to support their families.

jobholders decreased slightly in 2010 and held steady in 2011 and 2012 at just under 5% of the population; however, multiple jobholding for women — who are more likely to live in poverty, especially as single mothers³⁴ — remained at 5.6% from 2002 onward.^{35,36} Each of these options tears at the fabric of society, putting additional stress on families, and can be especially detrimental to children who end up suffering from poor nutrition³⁷ or home instability due to the compromises their parents were forced to make.³⁸

For those who are eligible, public assistance can help alleviate some of the stress of covering varied expenses such as food, healthcare, and housing costs. Currently, over 30% of Americans receive Social Security and/or Medicare benefits.³⁹ A study on public assistance in California found that the retail industry had the most employees receiving public assistance⁴⁰ — a category

into which many of the 50 largest low-wage employers fall, and in which the top paid executive to average employee wage is often over 1,000 to 1. The same study found that nearly half of the total public assistance expenditures went to working families who did not make enough to support their families.⁴¹

For public assistance to truly be a safety net for working families, programs like Medicaid, Social Security, and Temporary Assistance to Needy Family (TANF) must be robust enough to truly support working families. It is also important to learn from the success of programs like Supplemental Nutrition Assistance Program (SNAP), which has been able to respond to increased need during the recent recession, due in large part to its requirement that funding expand to meet the need of all who are eligible.⁴²

Currently, federal and state safety net programs are inadequate to fully support low-wage workers. Medicaid covers 11 million non-elderly low-income parents, caretaker relatives, pregnant women, and other non-disabled adults whose income does not exceed 41% of the Federal Poverty Level; in 2014, income eligibility will increase to 133% of the Federal Poverty Level with the implementation of Medicaid Expansion through the Affordable Care Act.⁴³ Because TANF funding is capped

so that increased need does not increase funding, TANF benefits have fallen and are worth less than they were when the program was reformed in 1996,⁴⁴ and lifetime limits mean that families that do not find adequate employment after 5 years — less in some states — will be kicked off the program.⁴⁵

At the federal level, some parts of the safety net are at risk, while others have seen the real value of funding decrease in recent years. Sequestration is set to cut Medicare reimbursement rates by 2% and other Medicare programs by 8%, threatening access to care for millions.⁴⁶ While Medicaid Expansion will help millions of Americans gain health coverage, there has been pushback by Republicans across the country — though there have recently been a number of Republican governors who have said they will support Medicaid Expansion in their states.⁴⁷ Additionally, the TANF block grant is worth 30% less now than it was when it was instituted in the welfare reform of 1996.⁴⁸

In every state in our study, funding for state-level safety net programs is also at risk. In Maine and Washington, budget deficits have led to severe cuts to safety net programs, and another deficit this year leaves vital programs in jeopardy. In Oregon, the state's governor has proposed cutting the lifetime limit for TANF to only three years. Even in states like Montana and Colorado that

In the absence of living wage jobs, low-wage workers are forced to make tough choices to provide for their families. Many workers make compromises on expenses or work multiple jobs. For some families, public assistance can be the only realistic option for providing for essential needs.

have budget surpluses this year, safety net programs are at risk when legislatures want to use the surplus for tax cuts rather than reinvesting in programs that have seen cuts in recent years. Additionally, most of the states in our study have governors and/or legislatures that are either not in support of Medicaid Expansion or are still undecided.

Meanwhile, corporations that avoid paying living wages are fighting to cut funding for safety net programs that help support their employees. For example, the “Fix the Debt” campaign has focused on implementing corporate tax breaks while cutting “earned benefit programs like Social Security” in its lobbying campaign.⁴⁹ Fix the Debt lists nearly 100 companies in its CEO Council,⁵⁰ including Macy’s and Staples — each of which are one of the 50 largest low-wage employers in the country.⁵¹ These corporations claim that the only way to “fix the debt” and repair the economy is to severely cut back social safety net programs⁵² — which would hurt the economy as low-wage workers would have less money to spend on goods and services because they would have to pay for essentials and bills.

Additionally, some of the Fix the Debt corporations are also among corporations that avoided paying taxes between 2008 and 2010,⁵³ therefore not contributing to fund safety net programs that would help their employees.

A Rising Tide Lifts All Boats

To strengthen our economy, we need either more living wage jobs and higher minimum wages, or a stronger safety net to make up for a lack of living wage jobs.”⁵⁴

If we measure the health of our economy in terms of healthy communities and personal utility rather than profit maximization, all members of society will share in prosperity.^{55, 56} If we measure progress by how many people can find a job that pays the mortgage, everyone will benefit. If we measure the strength of our economy not by the number of billionaires we have or the profits of the Fortune 500, but by an economy that honors the dignity of work, then every will benefit. A strong safety net can also contribute to economic growth and reducing poverty through enhancing community assets and helping to stabilize aggregate demand.⁵⁷ When more people have more money to spend, the economy as a whole is strengthened. Businesses need customers, and rising tide lifts all ships.

Being able to support yourself and your family shouldn’t be out of reach for so many Americans. Ultimately, more living wage jobs are needed to allow workers to meet their families’ needs. In the absence of living wages, though, a strong safety net can help the economy and give working families the support they need to not only survive, but thrive.

If we measure the health of our economy in terms of healthy communities and personal utility rather than profit maximization, everyone will benefit through shared prosperity.

METHODOLOGY

The 2012 Job Gap is the latest in a series of studies that calculate the cost of basic household budgets in the states across the country to: 1) determine the living wage for certain household types; and 2) measure the availability of these living wage jobs. This living wage is used to identify the “job gap,” that is, the percent of job openings that pay less than a living wage, and the ratio of the number of people looking for work to the number of living wage job openings. In this year’s report, we calculate the living wage and job gap for six states (Washington, Oregon, Montana, and Idaho, Colorado, and Maine), and calculate the only the living wage for New York City.

To calculate a living wage for each state or city, the Job Gap Study estimates the costs of basic needs such as housing, food, utilities, transportation, health care, and child care, for certain household sizes. Data for this calculation comes from state and federal public data sources, such as the U.S. Department of Labor’s Bureau of

Labor Statistics (BLS), the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT), the U.S. Department of Agriculture (USDA), the U.S. Census Bureau, the Consumer Expenditure Survey, and others. Wage and occupational data are derived from data each state reports to the BLS as part of their Occupational Employment Statistics (OES) program.

Occupation and wage data are available from each state in accordance with guidelines developed by the states in cooperation with the BLS and the Employment and Training Administration. The March 2011 Current Population Survey (CPS) was used to find the job-seeking population in all states in this study.

The findings of this report are based on data from 2011, the most recent year for which complete data on job openings, wages, and employment are available.

For a complete discussion of the methodology of this study, see the Technical Notes.

WHAT IS A LIVING WAGE?

A living wage is a wage that allows families to meet their basic needs, without public assistance, and that provides them some ability to deal with emergencies and plan ahead. It is not a poverty wage.

Living wages are calculated on the basis of family budgets for several household types. Family budgets include basic necessities, such as food, housing, utilities, transportation, health care, child care, clothing and other personal items, savings, and state and federal taxes. Living wages for a single

adult range from \$13.94 an hour (\$28,987 a year) in Montana to \$16.31 (\$33,934 a year) in Colorado, and \$22.10 an hour (\$45,970 a year) in New York City. This assumes full-time work on a year-round basis. For a single adult with two children, living wages range from \$24.82 an hour (\$51,620 a year) in Montana to \$31.28 an hour (\$65,069 a year) in Colorado, and \$39.09 an hour (\$81,297 a year) in New York City.

State-by-state living wage estimates, as shown in the table below, are as follows. All

2012 Living Wages	CO	ID	ME	MT	NYC*	OR	WA
Household 1: Single adult	\$16.31	\$14.32	\$15.40	\$13.94	\$22.10	\$15.84	\$16.13
Household 2: Single adult with one child	\$22.99	\$21.26	\$22.56	\$19.25	\$29.59	\$22.15	\$21.47
Household 3: Single adult with two children	\$31.28	\$27.50	\$28.92	\$24.82	\$39.09	\$27.79	\$28.71
Household 4: Two adults (one working) with two children	\$29.78	\$27.62	\$29.71	\$27.64	\$35.71	\$29.59	\$29.42
Household 5: Two adults (both working) with two children**	\$40.89	\$37.25	\$38.46	\$34.80	\$48.09	\$37.87	\$38.21

* Living wage in five boroughs of New York City

** Total amount earned by both adults

data assumes full-time work on a year-round basis:

- For a single adult, the living wage ranges from \$13.94 an hour (\$28,987 a year) in Montana to \$16.31 an hour (\$33,934 a year) in Colorado, and \$22.10 an hour (\$45,970 a year) in New York City.
- For a single adult with one child, the living wage ranges from \$19.25 an hour (\$40,040 a year) in Montana to \$22.99 an hour (\$47,810 a year) in Colorado, and \$29.59 an hour (\$61,554 a year) in New York City.
- For a single adult with two children, the living wage ranges from \$24.82 an hour (\$51,620 a year) in Montana to \$31.28 an hour (\$65,069 a year) in Colorado, and \$32.09 an hour (\$81,297 a year) in New York City.
- For two adults, one of whom is working, with two children, the living wage ranges from \$27.62 an hour (\$57,443 a year) in Idaho to \$29.78 an hour (\$61,938 a year), and \$35.71 an hour (\$74,274 a year) in New York City.

- For two adults, both of whom are working, with two children, the living wage ranges from \$34.80 an hour (\$72,388 a year) in Montana to \$40.89 an hour (\$85,059 a year) in Colorado, and \$48.09 an hour (\$100,034 a year) in New York City. This means that the combined wages of both working adults need to total this amount.

Living Wage versus the Minimum Wage and Federal Poverty Measures

Federal poverty thresholds, the income limits that the federal government uses to measure whether a person or family is living in poverty, are calculated by multiplying the cost of a minimum food budget by three. When this formula was derived in 1964, it was generally true that food occupied one-third of a typical family budget. Since then, however, living expenses such as housing, gasoline, utilities, health care, and child care have increased much

faster than food expenditures. Because spending on food has fallen dramatically as a proportion of all costs, and because the formula for the poverty threshold has not been adjusted to accommodate this change, the federal poverty measure substantially underestimates a family's basic needs. Many families with incomes above the federal poverty threshold still lack sufficient resources to meet their basic needs. A family of two, for example, could be earning more than double the federal poverty threshold, but still be making less than a living wage.

This study found living wages were two to three times greater than the federal poverty guidelines.

The minimum wage also fails to provide a family or individual with a basic standard of living. In the areas covered in this report, minimum wages in 2011 varied from \$7.25 an hour, or \$15,080 a year (the federally mandated minimum wage, assuming full-time work throughout the year), in Idaho and New York City, to \$8.67 an hour, or \$18,034 a year in Washington. However, these wages are not living wages, and they would not fully support either an individual or family.

Living wages are calculated on the basis of family budgets for several household types. Family budgets include basic necessities, such as food, housing, utilities, transportation, health care, child care, clothing and other personal items, savings, and state and federal taxes. This assumes full-time work on a year-round basis.

Living Wage vs. Poverty Guidelines



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

KEY FINDINGS

Across the country, our economy is failing to create enough living wage jobs for all those who need them. This finding is based on an examination of two indicators:

- The percentage of job openings that pay less than a living wage; and,
- The number of job seekers compared to the number of job openings that pay a living wage.

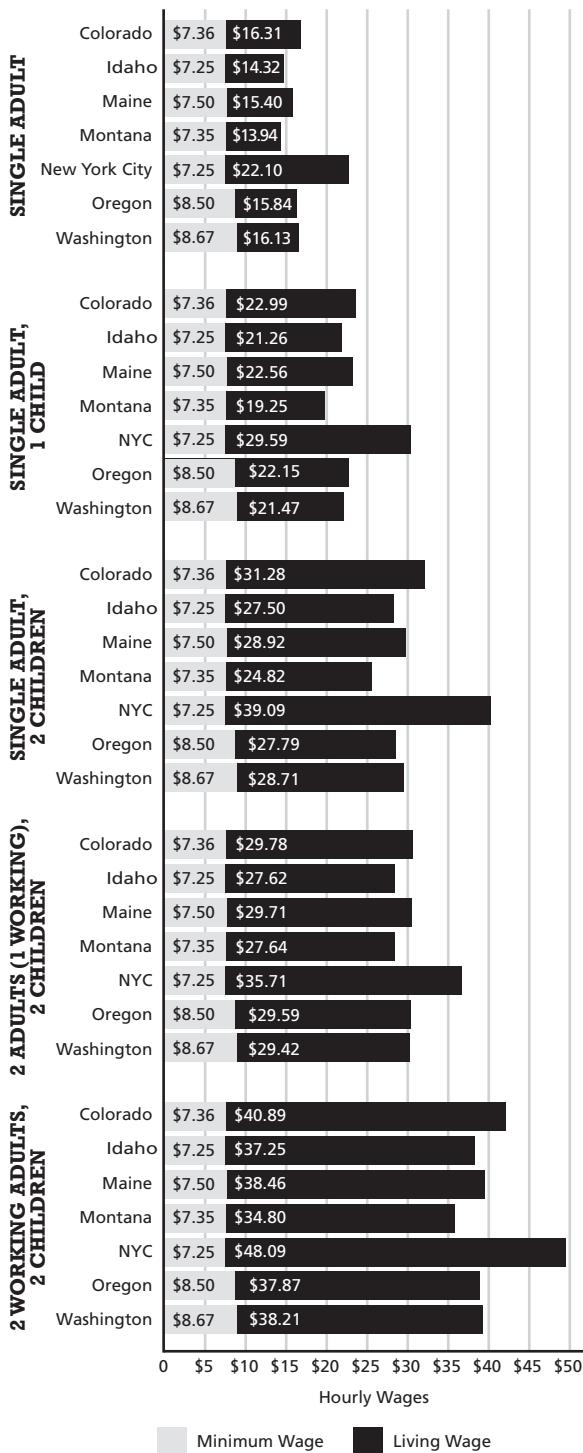
Percentage of Openings That Pay Less Than a Living Wage

This study finds that the market is limited for a person searching for a living wage job. Of all openings in the states studied (looking at data for 2011), 48 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. It is important to note the distinction between jobs and job openings. Not all jobs come open during the course of a year. On the other hand, some jobs 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 Colorado, 48 percent of job openings pay less than the \$16.31 an hour living wage for a single adult and 81 percent pay less than the \$31.28 an hour living wage for a single adult with two children.
- In Idaho, 51 percent of job openings pay less than the \$14.32 an hour living wage for a single adult and 88 percent pay less than the \$27.50 an hour living wage for a

Living Wage vs. Minimum Wage



Source: U.S. Department of Labor, 2011 data

2012 Job Gap	CO	ID	ME	MT	OR	WA
Job seekers per job opening that pays a living wage for:						
Single adult	8:1	8:1	11:1	8:1	11:1	9:1
Single adult with one child	13:1	16:1	20:1	15:1	17:1	13:1
Single adult with two children	23:1	32:1	39:1	30:1	28:1	20:1
Two adults (one working) with two children	18:1	32:1	54:1	46:1	34:1	21:1

single adult with two children.

- In Maine, 53 percent of job openings pay less than the \$15.40 living wage for a single adult and 88 percent pay less than the \$28.92 an hour living wage for a single adult with two children.
- In Montana, 50 percent of job openings pay less than the \$13.94 an hour living wage for a single adult and 86 percent pay less than the \$24.82 an hour living wage for a single adult with two children.
- In Oregon, 54 percent of job openings pay less than the \$15.84 an hour living wage for a single adult and 83 percent pay less than the \$27.79 an hour living wage for a single adult with two children.
- In Washington, 42 percent of job openings pay less than the \$16.13 an hour living wage for a single adult and 74 percent pay less than the \$28.71 an hour living wage for a single adult with two children.

The percentage of job openings that pay a living wage varies 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. See the state-specific sections below for the full details on each state.

The Ratio of Job Seekers⁵⁸ to Living Wage Openings

As shown in the “2012 Job Gap” table, for each job opening that pays at least the living wage for a single adult, there are anywhere from eight to 11 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 20 to 39 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 2011 by the number of job openings that year.

State-by-state figures are as follows:

- In Colorado, for each job opening that pays at least the \$16.31 an hour living wage for a single adult, there are eight job seekers on average. For each job opening that pays at least the \$31.28 an hour living wage for a single adult with two children, there are 23 job seekers on average.
- In Idaho, for each job opening that pays at least the \$14.32 an hour living wage for a single adult, there are eight job seekers on average. For each job opening that pays at least the \$27.50 an hour living wage for a

single adult with two children, there are 32 job seekers on average.

- In Maine, for each job opening that pays at least the \$15.40 an hour living wage for a single adult, there are 11 job seekers on average. For each job opening that pays at least the \$28.92 an hour living wage for a single adult with two children, there are 39 job seekers on average.
- In Montana, for each job opening that pays at least the \$19.94 an hour living wage for a single adult, there are eight job seekers on average. For each job opening that pays at least the \$24.92 an hour living wage for a single adult with two children, there are 30 job seekers on average.
- In Oregon, for each job opening that pays at least the \$15.84 an hour living wage for a single adult, there are 11 job seekers on average. For each job opening that pays at least the \$27.79 an hour living wage for a single adult with two children, there are 28 job seekers on average.
- In Washington, for each job opening that pays at least the \$16.13 an hour living wage for a single adult, there are nine job seekers on average. For each job opening that pays at least the \$28.71 an hour living wage for a single adult with two children, there are 20 job seekers on average.

These results indicate that the states studied are not creating enough living wage jobs for all those who need them. However, 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, education, and training of job seekers, as well as other factors. Large ratios suggest greater competition among job seekers for available job openings.

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.

In the pages that follow, this report provides state-by-state findings, determining the living wage for certain household types and measuring the availability of these living wage jobs. This living wage is used to identify the “job gap,” that is, the percent of job openings that pay less than a living wage, and the ratio of the number of people looking for work to the number of living wage job openings.

COLORADO

Key Findings for Colorado

- The living wage for a single adult is \$16.31 an hour. This reflects 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 \$31.28 an hour.
 - Forty-eight percent of job openings pay less than \$16.31 an hour, the living wage
- for a single adult. More than four out of five, 81 percent, pay less than \$31.28 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$16.31 an hour, there are eight job seekers on average. For each job opening that pays at least \$31.28 an hour, there are 23 job seekers on average.

Colorado Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$769	\$862	\$862	\$862	\$862
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$145	\$333	\$467	\$524	\$524
Household, clothing & personal (18%)	\$427	\$529	\$592	\$825	\$859
Savings (10%)	\$237	\$294	\$329	\$458	\$477
Child care	\$0	\$501	\$1,400	\$0	\$1,400
Total annual state & federal taxes	\$5,475	\$6,549	\$8,778	\$6,963	\$10,974
Gross monthly income needed	\$2,828	\$3,984	\$5,422	\$5,162	\$7,088
Gross annual income needed	\$33,934	\$47,810	\$65,069	\$61,938	\$85,059
Living wage (at 2080 hr/yr)	\$16.31	\$22.99	\$31.28	\$29.78	\$40.89

2012 Colorado Job Gap	Total Job Seekers:	Total Job Openings:		
	375,583	86,893		
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: Two adults (one working) with two children
Living wage job openings	45,517	29,289	16,384	20,368
Job seekers per living wage opening	8:1	13:1	23:1	18:1
Percent of all job openings paying less than a living wage	48%	66%	81%	77%

Colorado's Living Wage

The living wages for Colorado are as follows:

- For a single adult household, \$33,934 a year or \$16.31 an hour.
- For a single adult with one child, \$47,810 a year or \$22.99 an hour.
- For a single adult with two children, \$65,069 a year or \$31.28 an hour.
- For two adults, one of whom is working, with two children, \$61,938 a year or \$29.78 an hour.
- For two adults, both of whom are working, with two children, \$85,058 a year or \$40.89 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages and are weighted by each county's population. 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.

The Colorado Job Gap

Of all job openings in Colorado, 48 percent pay less than the \$16.31 an hour living wage for a single adult, as shown in the chart below. More than four out of five, 81 percent, pay less than the \$31.28 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, the job gap ratios for Colorado, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$16.31 an hour, the living wage for a single adult, there are eight job seekers on average.
- For each job opening that pays at least \$31.28 an hour, the living wage for a single adult with two children, there are 23 job seekers on average.



'With three young children, and with groceries and gas prices climbing, our monthly expenses are adding up quickly. It's too costly for us to do anything fun like going to the movies or camping in the nearby mountains.'

BOB MARTINEZ* | Denver

My wife, Lucia, and I are raising our three kids, ages 8, 4, and 3, at a public housing site in Denver. We both grew up in the neighborhood and have lived here all our lives. Lucia stays home with the kids, while I have a job serving lunch at a middle school.

I make \$12,000 a year, and my family is able to get by because we were lucky to get a subsidized housing unit. With three young children, and with groceries and gas prices

climbing, our monthly expenses are adding up quickly. It's too costly for us to do anything fun like going to the movies or camping in the nearby mountains. The summers are especially hard, since I have no income for three months during school break.

My income is just enough to survive, but I can't save any money and I'm worried about what would happen to my family in case of an emergency.

* A pseudonym was used to protect the author's identity.

'I was constantly worried about how we would make ends meet.'

AINE TACKNEY* | Denver

My husband, Martin, our 3-year-old son, Leo, and I live in a small rented house on Denver's West side. I am working part-time as a substitute teacher, and only make between \$500 and \$1,000 per month.

For several years, while Martin was in college, that was our only income. We stayed with Martin's parents and received food stamps — which were not enough to cover our monthly groceries, meaning we had to cut back on meals and borrow money from friends. I was constantly worried about how we would make ends meet.

After Martin graduated this summer, he was lucky to find a full-time job at a homeless shelter and now has a take-home pay of about \$2,000 per month. However, almost half his income goes toward child care for Leo, since he can no longer look after him while I am at work.

The second income has allowed us to move to our own place. While we're able to pay our bills on time, we can afford few "extras," such as vacations, extracurricular activities like swimming lessons for Leo, visits to the zoo, or the occasional glass of wine. I almost



never buy new clothes and go to the public library every week. Martin and I are trying to save a little money every month, but we usually need to use our savings for car repairs and other unexpected expenses.

* A pseudonym was used to protect the author's identity.

IDAHO

Key Findings for Idaho

- The living wage for a single adult is \$14.32 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$27.50 an hour.
 - Fifty-one percent of job openings pay less than \$14.32 an hour, the living wage
- for a single adult. More than four out of five, 88 percent, pay less than \$27.50 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$14.32 an hour, there are eight job seekers on average. For each job opening that pays at least \$27.50 an hour, there are 32 job seekers on average.

Idaho Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$582	\$704	\$704	\$704	\$704
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$131	\$265	\$413	\$470	\$470
Household, clothing & personal (18%)	\$376	\$472	\$539	\$772	\$806
Savings (10%)	\$209	\$262	\$300	\$429	\$448
Child care	\$0	\$572	\$1,197	\$0	\$1,197
Total annual state & federal taxes	\$4,702	\$5,882	\$6,869	\$6,000	\$9,373
Gross monthly income needed	\$2,482	\$3,685	\$4,766	\$4,787	\$6,457
Gross annual income needed	\$29,786	\$44,218	\$57,192	\$57,443	\$77,488
Living wage (at 2080 hr/yr)	\$14.32	\$21.26	\$27.50	\$27.62	\$37.25

2012 Idaho Job Gap	Total Job Seekers:	Total Job Openings:		
	105,687	28,141		
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: Two adults (one working) with two children
Living wage job openings	13,770	6,549	3,334	3,334
Job seekers per living wage opening	8:1	16:1	32:1	32:1
Percent of all job openings paying less than a living wage	51%	77%	88%	88%

Idaho's Living Wage

The living wages for Idaho are as follows:

- For a single adult household, \$29,786 a year or \$14.32 an hour.
- For a single adult with one child, \$44,218 a year or \$21.26 an hour.
- For a single adult with two children, \$57,191 a year or \$27.50 an hour.
- For two adults, one of whom is working, with two children, \$57,443 a year or \$27.62 an hour.
- For two adults, both of whom are working, with two children, \$77,488 a year or \$37.25 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages and are weighted by each county's population. 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.

The Idaho Job Gap

Of all job openings in Idaho, 51 percent pay less than the \$14.32 an hour living wage for a single adult, as shown in the chart below. More than four out of five, 88 percent, pay less than the \$27.50 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, the job gap ratios for Idaho, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$14.32 an hour, the living wage for a single adult, there are eight job seekers on average.
- For each job opening that pays at least \$27.50 an hour, the living wage for a single adult with two children, there are 32 job seekers on average.

'We need more than just minimum wage jobs in Idaho. Instead of giving up on public education, we need to really invest in it so that our children can become a healthy, strong, educated and well-trained workforce that moves Idaho ahead in the next generation.'

JESSICA SCHULTZ | Lewiston

I dreamed of being a teacher for many years. I went to college, received my Master's in Education, and worked hard to become a high school science teacher. At first, I loved my job. Teaching teenagers science and helping their young minds grow is an awesome responsibility and I enjoyed every minute in the classroom. Before long, I purchased a home in Lewiston and settled into a routine of working hard to provide for my daughter and son as a single mom.

Despite my hard work as a full-time teacher, I did not make a decent wage. My children qualified for the free and reduced meals at school. Worse, for two years, they did not have health insurance, because it would cost me 15% of my monthly pay. At my income, I simply could not afford it.

My job and many other teaching positions were on the chopping block because of budget cuts. Before long, I was unemployed. With the current budget cuts to education in Idaho, it is not possible for me to teach here. Those cuts destroyed my dream.

However, I am not one to give up, so I have started working multiple part-time jobs. Currently, I work as a waitress, part-time for \$4.35 an hour plus tips. I work Friday, Saturday and Sunday. With tips, I make



minimum wage. I am also working at the college part-time through a government-funded project Monday through Thursday. Without a day off, I work for a monthly income of about \$1,200.

It's tough to make it with this income. I live on a very tight monthly budget. I use my tax return each year to pay ahead on all the bills I can, like water, sewer and garbage. My daughter and I do qualify for SNAP benefits and I have learned to become an expert in the art of extreme couponing to make those benefits go as far as they can. I also use my SNAP benefits to purchase garden seeds in the spring so I can grow even more food.

Without health insurance, I prioritize taking

very good care of my body. Still, my family history has links to serious health conditions and, without access to early detection and prevention services, I lose out on less expensive early treatment options. That could change though, as I qualify for health care under the Medicaid expansion, if it passes in Idaho.

I like to look at the bright side of things and for opportunities out of challenges. But if I had one decent-paying job, I wouldn't

need the services that are currently helping my family survive. We need more than just minimum wage jobs in Idaho. Instead of giving up on public education, we need to really invest in it so our children can become a healthy, strong, educated and well-trained workforce that moves Idaho ahead in the next generation. According to many of my former students, I am "the best, most amazingly awesome science teacher in the world." I would love to be teaching again.

'If jobs paid more then I wouldn't need all the services that currently help us get through each month. I could save money and be more prepared when emergencies happen.'

MIRANDA DAVIS | Lewiston

I am happily a single mom to two beautiful and precious little people. I am also disabled, having suffered a stroke at the age of 19 and in treatment for two serious health diseases. I work as hard as I am physically able to support my family; however, right now, it isn't enough to get us out of poverty.

Until last fall, I received Social Security benefits.

Although the benefits covered most of my health care expenses and supplemented my income, it wasn't enough to support the kids, so I worked part-time to make ends meet. Unfortunately, I was denied benefits. This has made my life very challenging.



I currently work at a daycare and earn \$9.20 an hour. It is really difficult living with so little money each month. I now receive SNAP benefits for the three of us. In addition, the kids receive Medicaid and childcare assistance. We live in a housing project, so my rent is subsidized, but even with all that, I still need to use community resources in emergency situations like when my car broke.

If jobs paid more then I wouldn't need all the services that currently help us get through each month. I could save money and be more prepared when emergencies happen — and with two small children, I can tell you, emergencies happen.

MAINE

Key Findings for Maine

- The living wage for a single adult is \$15.40 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$28.92 an hour.
 - Fifty-three percent of job openings pay less than \$15.40 an hour, the living wage
- for a single adult. More than four out of five, 88 percent, pay less than \$28.92 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$15.40 an hour, the living wage for a single adult, there are eleven job seekers on average. For each job opening that pays at least \$28.92 an hour, the living wage for a single adult with two children, there are 39 job seekers on average.

Maine Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$685	\$846	\$846	\$846	\$846
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$136	\$348	\$476	\$519	\$519
Household, clothing & personal (18%)	\$403	\$528	\$591	\$819	\$854
Savings (10%)	\$224	\$293	\$328	\$455	\$475
Child care	\$0	\$421	\$1,066	\$0	\$1,066
Total annual state & federal taxes	\$5,142	\$6,663	\$7,980	\$7,164	\$10,273
Gross monthly income needed	\$2,670	\$3,911	\$5,012	\$5,150	\$6,667
Gross annual income needed	\$32,039	\$46,929	\$60,148	\$61,796	\$80,006
Living wage (at 2080 hr/yr)	\$15.40	\$22.56	\$28.92	\$29.71	\$38.46

	2012 Maine Job Gap	Total Job Seekers: 96,000	Total Job Openings: 19,506	
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: Two adults (one working) with two children
Living wage job openings	9,076	4,725	2,433	1,763
Job seekers per living wage opening	11:1	20:1	39:1	54:1
Percent of all job openings paying less than a living wage	53%	76%	88%	91%

Maine's Living Wage

The living wages for Maine are as follows:

- For a single adult household, \$32,039 a year or \$15.40 an hour.
- For a single adult with one child, \$46,929 a year or \$22.56 an hour.
- For a single adult with two children, \$60,148 a year or \$28.92 an hour.
- For two adults, one of whom is working, with two children, \$61,796 a year or \$29.71 an hour.
- For two adults, both of whom are working, with two children, \$80,006 a year or \$38.46 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages and are weighted by each county's population. 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.

The Maine Job Gap

Of all job openings in Maine, 53 percent pay less than the \$15.40 an hour living wage for a single adult, as shown in the chart below. More than four out of five, 88 percent, pay less than the \$28.92 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, the job gap ratios for Maine, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$15.40 an hour, the living wage for a single adult, there are eleven job seekers on average.
- For each job opening that pays at least \$28.92 an hour, the living wage for a single adult with two children, there are 39 job seekers on average.

'It has been an incredible struggle since Roger lost his job, and we are trying so hard to stay positive, keep going and live on the small amount of money we have. I keep telling Roger there is a divine reason for this happening to us. It's a way to help others, to share our story and be part of the movement that makes change.'

PATTY KIDDER | Maine

My husband, Roger, worked as a computer technician for 21 years. He has some physical issues — he had a life-threatening operation around 2004 because of spleen/hernia problems and suffers from chronic health issues including autoimmune deficiencies and intestinal problems. As a result, he can't do a lot of physical work, because it could literally be life-threatening. He also suffers from clinical depression and anxiety, which is successfully managed through medication.

In 2009, his employer laid off all its workers and shut down the plant. We lived off Roger's severance package that allowed us to provide for our two teenaged daughters for a year or so while he looked for work. But he could not find a job, severance ran out, and COBRA ended. We lost our health insurance, but, luckily, our daughters were still covered on MaineCare. We are also enrolled with MaineCare RX Plus, which helps cover his prescription drugs.

Roger has gone back to school so that he can either look for tech jobs or perhaps start his own business. He is limited in what he can do for work because of his health issues. We tried to get him Social Security disability, but have been denied three times. I have since started working from home as a polarity/massage therapist to help make ends meet, and earn about \$10,000 a year, which is what we are currently living on. I haven't been able to find any other work (and neither has Roger, who is still looking while he is in school). We are essentially living off my meager income, Roger's student loans, and food stamps.

I consider us "Survivors of the '08 Recession." It has been an incredible struggle since Roger lost his job, and we are trying so hard to stay positive, keep going and live on the small amount of money we have. I keep telling Roger there is a divine reason for this happening to us. It's a way to help others, to share our story and be part of the movement that makes change.

'Quite simply, a lack of a living wage keeps me poor. I don't have the luxury to think about college. My kids are being contacted by colleges to go to baseball clinics, and I can't do it. The kids have to ask other people for help. It's hard for me that they have to do that.'

MARIE PINEO | Maine

I am a single mom with twin 16-year-olds in the house. My eldest is 25. Child support is only \$20 a week, and I am constantly getting shut-off notices for all my utilities. I work part-time in a seasonal job, and work is not reliable. Without Medicaid and housing and disability assistance, I would not be able to make ends meet.

As it stands, just to survive, I often must use revolving credit cards to pay basic bills and food pantries to make food stretch, and cut out much-needed allergy meds.

Quite simply, a lack of a living wage keeps me poor. I don't have the luxury to think about college. My kids are being contacted by colleges to go to baseball clinics, and I can't do it. The kids have to ask other people for help. It's hard for me that they have to do that.

I am always looking for a job — but there are a lot of other people looking, too. To find a permanent job that suits the requirements of my disabilities is impossible.

If I realized my dream of a living wage job, I could save for college, take my kids to camp, and afford a reliable vehicle. I could afford gas and groceries, throw a birthday party for the kids, and never have to go without my allergy medication. I wouldn't be sick anymore; I would be healthier. I could afford organic groceries, better quality foods than you can buy on a single-parent, part-time wage. We could go on a vacation — imagine that! We've never, not once, gone on a real vacation.



For my kids, they feel less than some of their friends because their parents can do so much more for their friends than I can. I think it makes them feel bad, to ask me, and to hear my answer. They don't know what to look forward to in their lives. It would be so nice to have the money to do things for my kids that other parents can do.

MONTANA

Key Findings for Montana

- The living wage for a single adult is \$13.94 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$24.82 an hour.
 - Fifty percent of job openings pay less than \$13.94 an hour, the living wage for
- a single adult. More than four out of five, 86 percent, pay less than \$24.82 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$13.94 an hour, there are eight job seekers on average. For each job opening that pays at least \$24.82 an hour, the living wage for a single adult with two children, there are 30 job seekers on average.

Montana Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$554	\$697	\$697	\$697	\$697
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$126	\$295	\$389	\$445	\$446
Household, clothing & personal (18%)	\$368	\$478	\$532	\$764	\$799
Savings (10%)	\$204	\$266	\$295	\$424	\$444
Child care	\$0	\$266	\$842	\$0	\$842
Total annual state & federal taxes	\$4,452	\$4,983	\$6,056	\$6,557	\$9,032
Gross monthly income needed	\$2,416	\$3,337	\$4,302	\$4,791	\$6,032
Gross annual income needed	\$28,987	\$40,040	\$51,620	\$57,497	\$72,388
Living wage (at 2080 hr/yr)	\$13.94	\$19.25	\$24.82	\$27.64	\$34.80

	2012 Montana Job Gap	Total Job Seekers: 68,449	Total Job Openings: 16,404	
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: Two adults (one working) with two children
Living wage job openings	8,236	4,621	2,319	1,498
Job seekers per living wage opening	8:1	15:1	30:1	46:1
Percent of all job openings paying less than a living wage	50%	72%	86%	91%

Montana's Living Wage

The living wages for Montana are as follows:

- For a single adult household, \$28,987 a year or \$13.94 an hour.
- For a single adult with one child, \$40,040 a year or \$19.25 an hour.
- For a single adult with two children, \$51,620 a year or \$24.82 an hour.
- For two adults, one of whom is working, with two children, \$57,497 a year or \$27.64 an hour.
- For two adults, both of whom are working, with two children, \$72,388 a year or \$34.80 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages and are weighted by each county's population. 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.

The Montana Job Gap

Of all job openings in Montana, 50 percent pay less than the \$13.94 an hour living wage for a single adult, as shown in the chart below. More than four out of five, 86 percent, pay less than the \$24.82 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, the job gap ratios for Montana, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$13.94 an hour, the living wage for a single adult, there are eight job seekers on average.
- For each job opening that pays at least \$24.82 an hour, the living wage for a single adult with two children, there are 30 job seekers on average.

'We have zero in saving and live paycheck to paycheck. Some months we have to decide what bills aren't paid to get us to the next month.'

KAREN UNRUH | Glendive

My husband, John, and I live in Glendive, where we raise our three daughters, ages 5, 3, and 1. I am a stay-at-home mom, but work on the side when asked to babysit for friends and family. I also sell organizational materials. Together, I'd estimate I am able to bring home about \$200 each month. John works full-time selling construction materials. He also works part-time as a volunteer firefighter. From his two jobs, he averages \$1,200 a month in take-home pay. We receive tax returns that are critical to our family.

Despite our hard work and creative efforts to make the dollar stretch as far as it can, we still struggle each day to make ends meet. There are many things my family cannot have because of how little we earn. My needs always come after taking care of my kids, so, often enough, my nutritional or health needs are not met so that my kids are healthy. Vacations and "extra things" like haircuts are out of the question. My husband will take on extra work (like the sugar beet harvest every fall in Sidney) to earn a little extra money so my family can enjoy the holidays.

Low wages have impacted our family by making it difficult to find affordable housing. My family was on the verge of homelessness. With the Bakken oil boom activity in the eastern half of the state, the housing shortage has had a significant impact on the availability of affordable rentals. Our rent



was \$300 four years ago. Last year it jumped to \$650, causing huge strain for my family. We then got word that it was going to increase again to \$1,000 a month.

It was a low-quality rental that we could not afford to live in and we had to move. Luckily, a family member loaned us the money for a down payment for our own trailer, which means we will not be at risk of surprise rent increases anymore. Because oil workers are willing to pay more, landlords are raising rents and families like mine are on the verge of homelessness. It is a myth that, because of the oil boom, everyone is better off. Truth is, many families are being negatively impacted by the increase in activity. We are also lucky that our family

member who loaned us the money is flexible with payments back, and we are using tax returns to pay back that loan. Both the Earned Income Tax Credit and the Mortgage Deduction are essential to our family surviving. If those were to go away, my family would drown.

If we made a living wage, we would be able to have the simple pleasure of having savings to prepare for emergencies. We have zero in savings and live paycheck to paycheck. Some months we have to decide what bills aren't paid to get us to the next month. If we were paid better wages for the work that we do, we could do the little things that seem so normal to others, like buy new outfits as opposed to the used clothes that we currently wear.

'Low wages make it really tough to provide everything that my kids need, and impossible to plan for the future.'

FAITH WAGNER* | Butte, MT

It's tough getting by with four children and three adults in one house, but somehow we scrape by every month. My husband, Christopher, and I live in Butte with his father and our four children — 11-year-old twins and two grandchildren whom we've now adopted. I earn \$8 an hour working nights and evenings as a front desk clerk. Christopher earns \$50,000 per year working for a satellite company — it sounds like a lot of money, but it doesn't go very far when you have bills to pay, a large household to feed, and young children who don't understand why they can't get all of the newest and best things.

Thankfully, Christopher's job provides health insurance for everyone except for his father, whom we can't add to the plan. It costs us about \$500 a month, which can feel like quite a lot sometimes, but it's good to know that we have it. Even with the health insurance, though, I know that we would be in big trouble if anyone in our family ever had a big health emergency that the insurance company wouldn't cover; we can pay the monthly premium, but any more than that and we'd be sunk.

Providing for the kids also takes a big chunk out of our income. We've enrolled all four kids at a private school, and, even though it's a lot less expensive than some

private schools, it still costs us \$4,500 per year. We also pay about \$500 per month for childcare during the school year and \$1,000 per month during the summer when school's out. Add to that the cost of clothes for the kids at the beginning of the year (about \$3,000), plus other odds and ends as the kids grow, and it starts getting really expensive.

After health insurance and providing for our kids, it's really tough to cover the \$4,000 or more for food, rent, utilities, gas, and car insurance and maintenance. Once everything is paid for, there's nothing left over. We don't do anything that's not in the budget — we don't go on vacation, we don't get to go see our grandkids, I don't get to see my mother, we can't start saving for college funds or retirement, and we can't even begin to think about buying a house.

Low wages make it really tough to provide everything that my kids need, and impossible to plan for the future. I would love to be able to help my kids go to college when they get older, but there is no money left at the end of the month to even save for emergencies, let alone start a college savings account. I just want the best for my family, but with the wages I earn, that's really not possible.

* A pseudonym was used to protect the author's identity.

NEW YORK CITY

Key Findings for New York City

- The living wage for a single adult is \$22.10 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$39.09 an hour.

New York City's Living Wage

The living wages for New York City are as follows:

- For a single adult household, \$45,970 a year or \$22.10 an hour.
- For a single adult with one child, \$61,554 a year or \$29.59 an hour.
- For a single adult with two children, \$81,297 a year or \$39.09 an hour.
- For two adults, one of whom is working, with two children, \$74,273 a year or \$35.71 an hour.
- For two adults, both of whom are working, with two children, \$100,034 a year or \$48.09 an hour (which means that the combined wages of both working adults need to total this amount).

New York City Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$1,284	\$1,426	\$1,426	\$1,426	\$1,426
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$139	\$285	\$416	\$460	\$460
Household, clothing & personal (18%)	\$554	\$658	\$721	\$950	\$984
Savings (10%)	\$308	\$365	\$401	\$528	\$547
Child care	\$0	\$580	\$1,511	\$0	\$1,511
Total annual state & federal taxes	\$9,038	\$10,760	\$15,110	\$10,959	\$16,282
Gross monthly income needed	\$3,831	\$5,130	\$6,775	\$6,189	\$8,336
Gross annual income needed	\$45,970	\$61,554	\$81,297	\$74,274	\$100,034
Living wage (at 2080 hr/yr)	\$22.10	\$29.59	\$39.09	\$35.71	\$48.09

'I work hard. I should be able to afford an apartment on my own. That's not too much to really ask for.'

PLINEO GARRIDO | New York City

I am 63 and living in a basement, which I share with a roommate. This isn't the way I thought I would live my life. Times are tough, so I guess I have to do what I have to do, but, emotionally, I admit that it takes a toll on me. I am a freelance writer. I also develop websites. I'd say I bring home about \$1,200 each month. It isn't much, but I've learned to get by.

I don't have worry about providing for a family anymore. My only son is 24 and just finished college. It's just me. No one helps me support myself.

My basement apartment costs me \$500 a month. I had to get a roommate to help cover the other monthly expenses. It works out, I guess. On my phone, I pay \$50.

Because I am limited in my income, I don't buy things that I can't afford, or don't really need. For instance, I don't pay for gas or transportation. I try to cut down on costs as much as I can. If I need to go someplace, I try to walk. If it's too far, then I have to ask myself if it's a trip worth making. If it's not, then I don't go. Doing this allows me to reduce my monthly transportation

expenses to about \$20.

There's a thing you learn to do when you're working with a small budget: sacrifice. We all have to make them, but if you're not earning a living wage, your sacrifice is going to be a lot higher than others. Believe me.

The sacrifices are often things people take for granted. For instance, I have a female friend and sometimes we go out. Not often, just sometimes. At times I foot the bill of our date, and sometimes she'll cover it. She has to constantly remind me to not be machista. I'm learning.

When dating on a limited income like the one I have, we have to redirect where we place our values. We try to focus on communication; not focus on spending money. We look for things to do that don't cost anything. I'd estimate that I spend less than \$50 each month socially.

If I had a real living wage income, I would be living in an apartment that I could rent or own by myself. I work hard. I should be able to afford an apartment on my own. That's not too much to really ask for.

'Family is very important to me, but I can't see them because I am never home. ... I have dreams. I want more out of life than just working all day and night. If I had a decent-paying job, I am sure things would be different. My life would be better.'

LUCILA TZUNUN | New York City

I have to work seven days a week just to take care of me and my family. I have three different jobs because getting by on only one income is not enough. I have a full-time job, which I work from Monday to Friday; then I work my part-time jobs on the weekends.

There are six people in my family: I live with my brother, sister, her husband and their two children. We all do what we can to pull our resources together. My two brothers have multiple jobs, too. One of my brothers works at a factory making floors during the week, and then works construction on the weekends. The other brother works six days a week, and part-time on the weekends. We are a very hard-working family.

Still, it isn't enough to make ends meet. Working all three of my jobs only provides me with \$350 per week. This is not the way to live. But you learn to make it work. You become creative with your spending and only buy the bare minimum on what you need. I don't splurge on anything. For food, I spend \$40 a week. I try to eat healthy. My

health is important because I don't have any medical insurance and can't afford to become ill. I try to take very good care of myself. I have a gym membership — I figure keeping myself healthy by exercising now will pay off in avoiding medical bills later. I have a brother who still lives in my hometown of Guatemala. He is sick, so I also have to send money back home to help care for him.

There are trade-offs you make in order to make ends meet. Having to work seven days a week means that you can't relax on Sundays or during the weekends. I can't go out with friends.

If I made a living wage, I would be able to spend more time with my family. Family is very important to me, but I can't see them because I am never home. I would be able to help take better care of my loved ones back home. I would be able to pay for school. I want to study and become a businesswoman. I have dreams. I want more out of life than just working all day and night. If I had a decent-paying job, I am sure things would be different. My life would be better.

OREGON

Key Findings for Oregon

- The living wage for a single adult is \$15.84 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$27.79 an hour.
- Fifty-four percent of job openings pay less than \$15.84 an hour, the living wage for a single adult. More than four out of five, 83 percent, pay less than \$27.79 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$15.84 an hour, there are 11 job seekers on average. For each job opening that pays at least \$27.79 an hour, there are 28 job seekers on average.

Oregon Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: Two adults (both of whom are working) with a toddler and a school-age child
Food	\$198	\$376	\$498	\$726	\$726
Housing & utilities	\$698	\$832	\$832	\$832	\$832
Transportation	\$595	\$543	\$543	\$1,187	\$1,326
Health care	\$130	\$291	\$387	\$444	\$444
Household, clothing & personal (18%)	\$405	\$510	\$565	\$797	\$832
Savings (10%)	\$225	\$284	\$314	\$443	\$462
Child care	\$0	\$407	\$996	\$0	\$996
Total annual state & federal taxes	\$5,932	\$7,160	\$8,196	\$8,399	\$11,383
Gross monthly income needed	\$2,745	\$3,840	\$4,817	\$5,128	\$6,565
Gross annual income needed	\$32,945	\$46,076	\$57,800	\$61,538	\$78,780
Living wage (at 2080 hr/yr)	\$15.84	\$22.15	\$27.79	\$29.59	\$37.87

2012 Oregon Job Gap	Total Job Seekers:	Total Job Openings:		
	345,003	70,556		
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: Two adults (one working) with two children
Living wage job openings	32,311	20,339	12,172	10,224
Job seekers per living wage opening	11:1	17:1	28:1	34:1
Percent of all job openings paying less than a living wage	54%	71%	83%	86%

Oregon's Living Wage

The living wages for Oregon are as follows:

- For a single adult household, \$32,945 a year or \$15.84 an hour.
- For a single adult with one child, \$46,076 a year or \$22.15 an hour.
- For a single adult with two children, \$57,800 a year or \$27.79 an hour.
- For two adults, one of whom is working, with two children, \$61,538 a year or \$29.59 an hour.
- For two adults, both of whom are working, with two children, \$78,780 a year or \$37.87 an hour (which means that the combined wages of both working adults need to total this amount).

These are statewide averages and are weighted by each county's population. 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.

The Oregon Job Gap

Of all job openings in Oregon, 54 percent pay less than the \$15.84 an hour living wage for a single adult, as shown in the chart below. More than four out of five, 83 percent, pay less than the \$27.79 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, the job gap ratios for Oregon, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$15.84 an hour, the living wage for a single adult, there are 11 seekers on average.
- For each job opening that pays at least \$27.79 an hour, the living wage for a single adult with two children, there are 28 job seekers on average.

'No one would want to live this way — and I don't know sometimes how we do it. \$11 an hour to support three kids is not enough. If it wasn't for the food stamps and the break we get on housing, I would probably lose my kids because there is no way I could support them.'

FELICIA JOHNSON* | Portland

I am a single mom living in Portland with three kids. We moved here six years ago from the East Coast to escape their abusive father, so we are on our own without any support from him. I have a full-time job that pays \$11 an hour — and that's after two raises over an 18-month period.

I wake up in the morning thinking about money and I go to bed every night thinking about money, doing the math in my head to figure out how to stretch what we have each day. My kids have less than their friends and we live in a tight space — they share a room and I sleep on the couch because this is what we can afford. By the time I am done paying rent, groceries, transportation, and childcare, there is little left at the end of the month for things like clothes. If I miss one day of work, we miss out on four days of groceries. And it always feels like we are on the brink of disaster. We have no

savings. I have no health insurance. No one would want to live this way — and I don't know sometimes how we do it. \$11 an hour to support three kids is not enough. If it wasn't for the food stamps and the break we get on housing, I would probably lose my kids because there is no way I could support them.

Having a living wage — enough money to take care of my kids and myself with a little left over at the end of the month — would change our lives. We could live in a bigger place and not feel like we are stepping all over each other. It sounds silly, but I could have my own room and not have to sleep on the couch. My kids could do more activities with their friends, like go to the movies or play sports or go to the mall — stuff that kids like to do that my kids can't. It hurts to have to say no to them. Saying yes, even once in a while, would be awfully nice. It would just be easier in every single way I can think of.

* A pseudonym was used to protect the author's identity.

'I am so grateful that these programs exist — but there is also some shame in having to rely on the government for this kind of help. I am a capable, smart woman and I want to work ... but there are just no jobs available to me that even begin to allow us to do that.'

CHEREE ANN WOLF | Salem

I live in Salem with my son, Noah, who just turned 6 a few months ago. I've been an Oregonian my whole life. I am grateful for many things — a beautiful, bright, engaging son; a state that I love; friends and family; and my sobriety. I have tried to live my life in a way that makes me a good role model for my son and that gives him the best opportunities to thrive and be happy. Mostly I am good at this. Where I have often struggled and failed is in giving us both the economic security we need to make all the other parts of our life possible.

When Noah was born, I had a high school education, and the best job I could find was waiting tables and bartending. I wanted more for me, more for Noah. I went back to school a few years ago and got an associate's degree in the accounting field. But entry-level accounting jobs start at \$10 an hour, and I keep getting passed over anyway because I have no experience in the field. I'm back to waiting tables now because it's the only job I can find. It's challenging because the schedule is erratic, which is difficult when you are a single mom. And the pay isn't steady — some nights I might make

\$50 in tips, but on slow nights I get sent home early with only \$10 in my pocket. I have more than \$1,300 a month in bills — basic utilities, rent, groceries, car insurance. And it doesn't take a genius to understand that the math just doesn't work there.

We get assistance from the government because of Noah — health care, food stamps, help with housing and childcare. We absolutely could not make ends meet without it. I am so grateful that these programs exist — but there is also some shame in having to rely on the government for this kind of help. I am a capable, smart woman and I want to work — I want to be able to provide for my son without having to use food stamps every month. But there are just no jobs available to me that even begin to allow us to do that.

If I was making a living wage, Noah could have the things he says he wants — he could play sports, he could get music lessons. He deserves to have a full, happy childhood and to do the things that he sees his friends doing. I would like to not have to always rely on the kindness of strangers and stand strong on my own. It would make me feel like a better mom — it would make me feel like a better person.

WASHINGTON

Key Findings for Washington

- The living wage for a single adult is \$16.13 an hour. This reflects what is needed to meet basic needs, maintain some ability to deal with emergencies, and plan ahead. The living wage for a single adult with two children is \$28.71 an hour.
- Forty-two percent of job openings pay less than \$16.13 an hour, the living wage for a single adult. About three out of four, 74 percent, pay less than \$28.71 an hour, the living wage for a single adult with two children.
- For each job opening that pays at least \$16.13 an hour, there are nine job seekers on average. For each job opening that pays at least \$28.71 an hour, there are 20 job seekers on average.

Washington Family Budgets 2012	Household 1: Single adult	Household 2: Single adult with a school-age child (age 6-8 yrs)	Household 3: Single adult with a toddler (12-24 months) and a school-age child (6-8 yrs)	Household 4: Two adults (one of whom is working) with a toddler and a school-age child	Household 5: 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)	\$16.13	\$21.47	\$28.71	\$29.42	\$38.21

	Total Job Seekers:		Total Job Openings:	
	592,755		118,145	
	Household 1: Single adult	Household 2: Single adult with one child	Household 3: Single adult with two children	Household 4: 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%

Washington's Living Wage

The living wages for Washington are as follows:

- For a single adult household, \$33,544 a year or \$16.13 an hour.
- For a single adult with one child, \$44,664 a year or \$21.47 an hour.
- For a single adult with two children, \$59,715 a year or \$28.71 an hour.
- For two adults, one of whom is working, with two children, \$61,188 a year or \$29.42 an hour.
- For two adults, both of whom are working, with two children, \$79,478 a year or \$38.21 an hour (which means that the combined wages of both working adults need to total this amount).

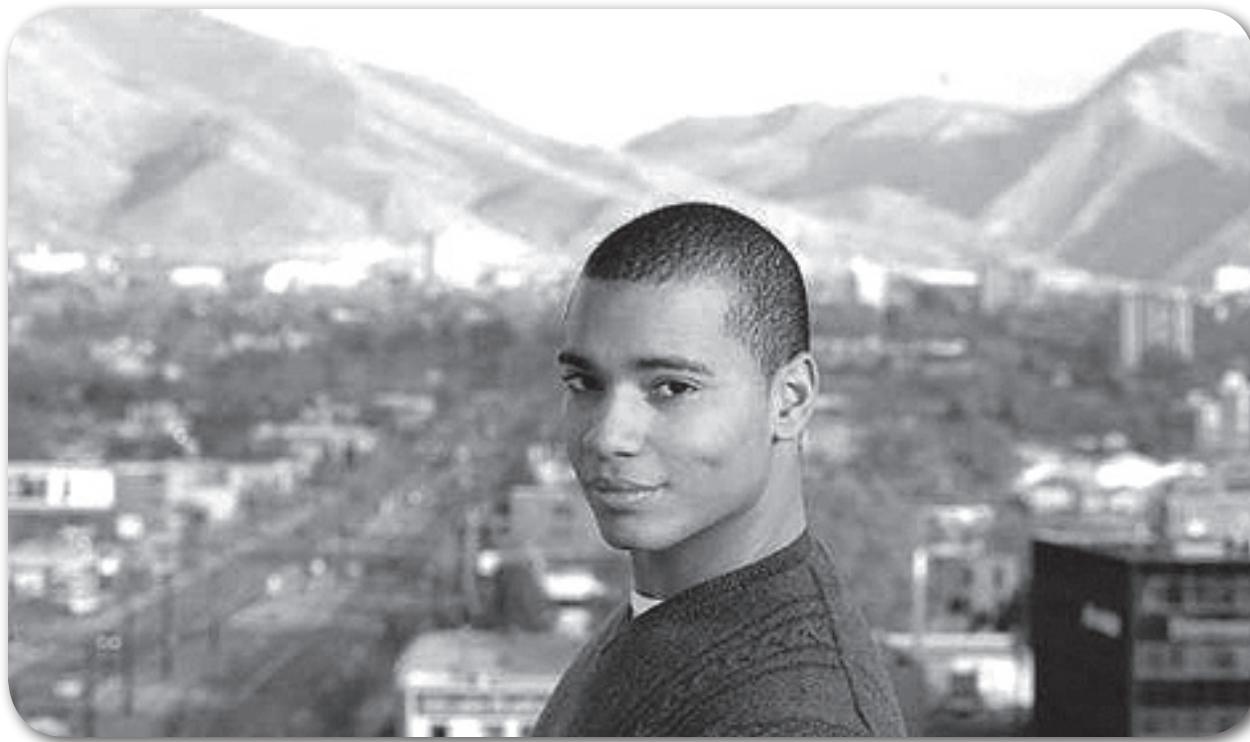
These are statewide averages and are weighted by each county's population. In some counties, costs are higher (particularly for housing and child care) and, as a result, living wages are higher. In other counties, including most of the state's rural counties, costs, and therefore living wages, are lower.

The Washington Job Gap

Of all job openings in Washington, 42 percent pay less than the \$16.13 an hour living wage for a single adult, as shown in the chart below. About three out of four, 74 percent, pay less than the \$28.71 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, the job gap ratios for Washington, which compare job seekers to job openings, are as follows:

- For each job opening that pays at least \$16.13 an hour, the living wage for a single adult, there are nine job seekers on average.
- For each job opening that pays at least \$28.71 an hour, the living wage for a single adult with two children, there are 20 job seekers on average.



'New experiences and opportunities will lead to more challenges and obstacles that I will need to overcome. The only choices I have are to continue to work hard, believe that better things are possible and believe that I am capable of being successful.'

ISIAHA DAY | Spokane

I grew up in Salt Lake City and moved to Spokane in 2003. I bounced around a lot as a kid, living in a lot of different places due to my mom's struggle with mental illness.

I was living in a homeless shelter when I was told that I was going to go live with my Grandma. I moved in with her and stayed there until I left home to live on my own.

Since then, I've been going back and forth between trying to go to college and working to earn enough to support myself. I currently work at a downtown restaurant washing dishes for \$9.75 an hour. With only 30 hours a week, I don't make enough money to pay for all of the things I need. Weekly trade-offs between food, clothing, bills and other living expenses are common. With my mother receiving disability insurance and my grandmother on Social Security, I don't have

very many options when money begins to run short. Unlike my friends, I can't simply go home or ask my parents for money. Donating plasma weekly helps with some of the basic expenses, but it's not enough to save any money to finish school and work toward the goals I want to achieve.

Although things have been difficult in the past and are hard for me right now, I know they will only continue to get harder as life goes on. New experiences and opportunities will lead to more challenges and obstacles that I will need to overcome. The only choices I have are to continue to work hard,

believe that better things are possible and believe that I am capable of being successful.

With a higher-paying job and more money, the first things I would focus on are returning to college and finishing my education. I hope to work for my community after college, advocating for better mental health care, better support for homeless families, and expanded opportunities for at-risk youth. My experience growing up has taught me that hard work, integrity, and a positive attitude in all situations are absolutely necessary to have the best chance of success.

'I have to work odd, extended hours and spend less time with my daughter as a result. It is certainly better than being unemployed, but I am exhausted.'

LORNA WALSH | Washington

I am a single mother of my 14-year-old daughter. I work three part-time jobs to keep us afloat. I made more and had more security with one job, but was laid off and now make about \$20,000 less a year.

After being laid off, I realized right away that no one was paying for experience in the current economy. Employers wanted the skills I had but wanted to pay entry-level wages for them. However, I found that, if I cobbled together multiple employers, I could make more than I could with one job. That means working more than 40 hours a week, but instead of having the salary I did before, it is closer to three-fourths of what I had made.



I have to work odd, extended hours and spend less time with my daughter as a result. It is certainly better than being unemployed, but I am exhausted. I'm not able to take paid vacation and sick leave when I need it. I have to work extra hours in advance or sacrifice income if I want to take time off.

Right after being laid off, I had the horrible luck of being forced to have an emergency appendectomy. I had no health insurance because I could not afford COBRA. The surgery costs were over \$15,000. At this rate, it will take me a long time to pay this off.

It is challenging to keep all of this moving. I'm just grateful that my daughter is responsible, understanding and supportive.

DISCUSSION

The shortfall in living wage jobs and the failure of many job opportunities to provide a living wage presents challenges for individuals and families. The cost of many basic necessities has been rising over time, with wages failing to keep pace. As a result, many families are forced to make difficult tradeoffs, often forgoing one basic necessity in order to meet another. A few of these costs and tradeoffs are discussed in the sections below.

Health Care

In 2010, major health reform legislation became law. It is estimated that the Patient Protection and Affordable Care Act (ACA) will provide coverage to 32 million additional people by the time it is fully implemented in 2014.⁵⁹ In the meantime, people living in the states studied in our report and the country as a whole continue to struggle with the high costs of health care. While the affordability of coverage and care under ACA depends, to a certain degree, on how it is implemented in each state, every state in our study will see an increase in the number of working families covered if the state accepts federal funds for health care expansion.

Over the past several years, more full-time workers have been forced into part-time jobs than at any time over the past 15 years,⁶⁰ and the number of uninsured Americans rose sharply in 2009 to over 50 million people, setting a new record.⁶¹ While part-time work as a percentage of total employment decreased slightly in both 2011 and 2012, it has not returned to pre-recession levels.

For those with employer-based health insurance, the two largest components in health care costs are employee contributions to their health plans and out-of-pocket costs. Over the past 10 years, these costs have risen

steadily and employees have been bearing larger shares of these costs. Since 2000, premiums for family coverage have grown by 114 percent, while employee contributions have increased by 147 percent.⁶² The average cost of premiums for employer-based family coverage in 2010 was \$13,770.⁶³

In states across the country, families that struggle to earn a living wage are negatively impacted by these trends that place access to quality health coverage increasingly out of reach.

Telephone & Internet

For the past 14 years, we have used the cost of basic telephone service as part of the calculation for housing and utilities. While this is the least expensive option commonly available for low-income families, the reality is that many families pay much more for phone service. Bundled packages that include cable and/or Internet in addition to phone service are much more expensive and highly advertised than the very basic service we use in our study. When working families search for phone service, they may not even be aware that phone-only service is available, or may choose a more expensive package because it seems like a good deal.

In addition to bundled phone packages, more families of all income levels use cell phones either in addition to or instead of

landline service. In 2010, it was reported that more than 90% of Americans use cell phones.⁶⁴ While low-cost plans are available from many carriers for low-income people, these rates are not widely advertised, so many people who might qualify may be paying more for cell phone service than necessary.

Like cell phones, home Internet use continues to grow, with nearly 70% of households using the Internet at home in 2009.⁶⁵ While there is still a sizeable portion of the population with no home Internet access, it is likely that more families will have access at home in coming years. Whether families choose to use a mobile Internet plan with cell phones, pay for stand-alone Internet service, or bundle Internet service with a phone and/or cable plan, this can add a substantial cost for low-income families. As with cell phones, there are low-income Internet plans available, but these are also much less advertised.

While it is possible for a low-income family to purchase a basic phone plan, it is less likely that they will do so. Options for basic phone service and reduced-cost cell phone and Internet service are not widely advertised, making it more likely that working families will have an extra cost each month for these alternative communication options.

Expiration of Making Work Pay Tax Credit

The American Recovery and Reinvestment Act of 2009, or ARRA, created the Making Work Pay tax credit that offset part of the Social Security taxes paid by low- and middle-income workers for 2009 and 2010, but expired in 2011. This tax credit helped support working families, and decreased living wages in 2010 as this credit reduced workers' tax liability.

By providing a refundable credit equal to 6.2 percent of earnings, up to a maximum credit of \$400 for individuals and \$800 for couples, the Making Work Pay tax credit offset the regressivity of payroll taxes.⁶⁶ With this credit, working families saw a boost to the income, helping them to pay for goods and service that their families needed.

In December 2010, Congress replaced the expiring Making Work Pay credit with a cut on payroll taxes, which resulted in higher net taxes for many low-income families and lower taxes for those with higher-incomes. These higher taxes for low-income families mean that low-income workers must earn more to support themselves and their families, leading to a higher-than-normal increase in the living wage.

RECOMMENDATIONS

Workers across the country are finding that hard work doesn't guarantee that they will have enough income to support themselves and their families — that pulling themselves up by their bootstraps is, in fact, a myth. There are several strategies to help ensure that working families have the support they need: Increase the wage floor, strengthen federal and state safety nets, and increase revenue at both the state and federal levels to strengthen the infrastructure that will allow for a strong safety net for workers. Additionally, states should ensure that workers are receiving the wages that they have earned, and that regulations are in place to protect low-wage workers.

Support the creation of living wage jobs and increase the wage floor.

As President Obama noted in his State of the Union address, a worker with two kids who is making minimum wage should not have to live below the poverty line. Even though the President's proposal does not go far enough, increasing the federal minimum wage to \$9.00 by 2015 and indexing it to inflation will raise the wage floor and help millions of workers better provide for their families. In addition, not allowing corporations that do not pay living wages to receive public subsidies offers a powerful incentive to pay livable wages.

Strengthen federal and state safety net programs and work supports.

In the absence of living wage jobs, strong federal and state safety nets can help workers provide for their families. Federal programs like TANF should be able to expand to increased need and not have funding capped. Additionally, funding for safety net programs such as Medicare

should be strengthened, not cut.

At the state level, supports like state-level Earned Income Tax Credits, child care assistance and tax credits, and state health care programs should be strengthened, not cut. And states should make state-federal partnerships, such as TANF, more robust, and should accept federal funding for expanding Medicaid.

Increase federal and state revenue.

A strong safety net requires enough revenue to support it. At the federal level, allowing taxes on high-income earners to increase to previously held levels will help inject revenue into the economy that can then support low-wage workers. A financial transaction tax can also help level the playing field by taxing certain large financial transactions and using that revenue to strengthen work supports.

Increasing revenue at the state level is also important for strengthening state-level programs. This can be done by evaluating

and closing tax loopholes, making a state's tax structure more progressive, and ensuring that surpluses are used to strengthen infrastructure and work supports.

To guarantee that both federal and state budgets balance, more must be done to ensure that corporations pay into the system. When corporations that pay workers low wages do not pay taxes, they are benefiting from a safety net system into which they do not contribute.

Protect low-wage workers.

Low-wage workers already struggle to support their families; they should not also have to worry about not receiving the wages they are due or having to take out unregulated, high-interest loans to cover costs. States need to support measures to address wage theft and ensure that workers are being paid at least the minimum wage that they are due. Additionally, states also need to regulate payday lending operations to ensure that interest rates and fees are capped and transparent.

CONCLUSION

The findings of this report show that, for people looking for living wage jobs, the prospects are dim. While corporate profits are at an all-time high, wages for workers in our study have not kept up, and many potential workers are either under-employed or unemployed. Without access to living wage jobs, families and individuals must make impossible decisions between paying for healthy food, health care, and other basic bills. In the absence of living wage jobs, a strong safety net is necessary to help workers provide for themselves and their families.



TECHNICAL NOTES

Given limitations in the available data and continuity of data sets, this study updates the previous Job Gap Study as closely as possible using 2011 data. Where 2011 data were not available, data for the closest year available were adjusted for inflation to reflect 2011 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 items;
- Savings; and
- State and federal taxes

Household Assumptions

Household types are selected to reflect the range of budget requirements for five household types:

- Single adult
- Single adult with one child between the ages of six and eight
- Single adult with two children, one between the ages of six and eight and the other between the ages of one and two
- Two adults including one wage earner, with two children, one between the ages of six and eight and the other between the ages of one and two
- Two adults, both wage earners, with two children, one between the ages of six and eight and the other between the ages of one and two

Food

Food costs are derived from the “Low Cost Food Plan” in the U.S. Department of Agriculture’s (USDA) monthly report “Cost of Food at Home: U.S. Average at Four Cost Levels.”⁶⁷ Food costs for the living wage calculation for 2003 to 2009 are based on an annual average of monthly food costs.

The Low Cost Food plan values are based on food expenditures by the 25th to 50th percentiles of the U.S. population, as determined in the National Household Food Consumption Survey. This plan is 25-50 percent higher than the “Thrifty Food Plan,” which is used as the basis for food stamp allocations and federal poverty benchmarks. The Thrifty Plan was not used because nutritionists consider it to be nutritionally inadequate on a long-term basis. The Low Cost Plan is based on the assumption that all food is prepared at home.

Households are calculated based on the following: Single Adult HH1 (20-50 year old woman); Single Adult with Child HH2 (20-50 year old woman and 6-8 year old child); Single Adult with two children HH3 (20-50 year old woman, 6-8 year old child, and one to two year old child); HH4 and HH5 are calculated with one woman 20-50 years old, one man 20-50 years old, one 6-8 year old child, and one to two year old child.

There are no adjustments for these food plans by state or region. Other reports indicate that the variation in food prices is small enough that geographic adjustments are not necessary. The USDA values are based on 2001-02 data and updated monthly for inflation.⁶⁸

Housing and Utilities

Housing and utilities costs are derived from U.S. Department of Housing and Urban Development (HUD) Fair Market Rents and information provided by CenturyLink.

Fair Market Rent data are provided at a county level.⁶⁹ Fair Market Rents are gross rent and utilities estimates “that would be needed to rent privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.” They include shelter rent plus the cost of all utilities, except telephones. HUD sets Fair Market Rents at the 40th percentile (in other words, 40 percent of the standard quality rental housing units are at or below this cost, but 60 percent cost more than this figure). The 40th

percentile rent is drawn from the distribution of rents of all units occupied by renter households who moved to their present residence within the past 15 months. Public housing units and units less than two years old are excluded. It is assumed that families with one or two children will rent a two-bedroom unit, and that a single adult household will rent a one-bedroom unit.

Affordable housing is typically defined as less than 30 percent of a household's annual income. Households that spend more than this are considered "cost burdened" and may have difficulty affording other necessities.⁷⁰

The cost of basic service for unlimited local calls, with no call waiting, voice messaging, or other extras was determined based on the rates from Qwest (now CenturyLink) in Colorado, Idaho, Montana, Oregon, and Washington, and with conversations with experts in Maine and New York, where CenturyLink is not one of the primary telephone service providers. The estimate does not include any long-distance calls.^{71, 72, 73} The estimate also does not include set-up fees, federal fees, or taxes. Each state's basic phone cost was added to its weighted average Fair Market Rent to determine the whole cost of rent and utilities.

Transportation

Transportation costs are derived using the 2011 National Household Travel Survey from the U.S. Department of Transportation (DOT)⁷⁴ and 2011 Internal Revenue Service (IRS) "Standard Mileage Rates" as an approximate cost for automobile travel.⁷⁵

The transportation component of the family budget is based on the cost of maintaining a private vehicle, and the National Household Travel Survey provides data on the annual vehicle miles of travel. The mileage totals are adjusted for the number of adults, workers and persons in each household.⁷⁶ The number of annual vehicle miles traveled per household was then multiplied by the IRS standard mileage reimbursement rate for the year of the study which accounts for vehicle cost, insurance, gasoline, repairs, depreciation, and vehicle registration fees.⁷⁷

Health Care

Health care expenses include insurance premiums as well as the out-of-pocket costs not covered by insurance. Estimates of health care expenditures are prepared for families that are covered by employer-sponsored insurance, as well as for families that purchase private non-group health insurance.⁷⁸ These

two estimates provide some idea of the range of health care costs families experience, yet the figures are probably conservative. Workers who earn low wages are far more likely than higher-wage earners to contribute a large share of their income to their health insurance premiums.⁷⁹ Additionally, low-wage workers are much less likely than higher-wage earners to work in companies that offer health insurance to their employees.⁸⁰ In 2011 in the U.S., 49 percent of the population had employer-based insurance, 5 percent purchased private, individual health insurance, 16 percent were covered by Medicaid, 13 percent were covered by Medicare, and 16 percent were uninsured.⁸¹

Employer-Sponsored Insurance: Average employee contributions to employer-sponsored insurance premiums were obtained for each state from the Insurance Component Tables of the 2011 Medical Expenditure Panel Survey (MEPS).⁸² Although MEPS contains some information about co-payments and deductibles, it does not provide detailed information about the typical package of health benefits.

Out-of-Pocket Costs: Out-of-pocket costs represent the medical expenses that are not covered by an insurance policy, and are instead paid by the individual or their family for health care received.⁸³ To arrive at a total figure for health care costs, an average value for out-of-pocket expenses was added to the family share of insurance premiums. Out-of-pocket costs are based upon figures from the 2007 MEPS Household Medical Expenditure Tables, which can be modified to produce specific out-of-pocket data by age and geographic region.⁸⁴ Out-of-pocket costs for those purchasing private insurance and those buying into employer-sponsored health insurance are calculated using the same methods.

Child Care

Child care expenses are based on the assumption that all single-parent households and households with two working parents require child care services. Estimates are derived from market rate surveys conducted by state welfare agencies. Because the federal government and most states subsidize child care for low-income families up to the 75th percentile — the statewide child care rate at which 75 percent of child care slots may be purchased — state-level data are readily available and are used for these estimates.

As child care market rate surveys are done by each individual state, their methods vary. For this reason, this study's methods vary slightly state-to-state. Each

state provides child care costs by region. The costs of the various types of child care are averaged for each region, weighted by that region's population, and summed to produce a weighted average for the cost of child care in each state.

In all states, school-age children are assumed to attend half-time and toddlers full-time, 12 months a year. However, the specific methodology here differs by state, based on how or whether each state defines half-time and/or school age care. In the two-parent household, with only one parent working, it is assumed that child care is not necessary. So, in Household 1 (single adult) and Household 4 (two parents, two children, with only one working parent), child care costs are \$0.

Household, Clothing, and Personal Items

Household, clothing, and personal spending estimates are derived from the Consumer Expenditure Survey (CES) and are calculated as a fixed percentage of total household spending minus child care and taxes.⁸⁵ Spending on these items, as a proportion of total income, is consistent across income categories. No detailed expenditures or needs-based estimates are available for these budget categories. A total percentage of 18 percent for this item is used in the household budget, based on the 1998 CES estimates. It is essential to use a percentage for household, clothing, and personal expenditures that is fixed over time. The first year of the Job Gap study was based on CES data from 1998. We believe that data from that year fairly represent household costs, and we have used the same proportions for subsequent years of this study. As defined by the CES:

1. Household costs include laundry and cleaning supplies, stationery supplies and postage, household linens (towels, sheets, etc.), sewing materials, furniture, floor coverings, major appliances, miscellaneous house wares (small appliances, plates, etc.), and other items needed to operate and maintain a household. Household costs are estimated at 5 percent.
2. Clothing and personal costs include clothing, personal care products, reading materials, and other personal expenses. Clothing and personal costs are estimated at 6 percent.
3. Recreation and entertainment costs include fees for participant sports, admissions to sporting events, movies and video rentals, TV/sound equipment, music, pets, toys, and other entertainment expenses. Entertainment costs

are estimated at 5 percent.

4. Miscellaneous costs include items not covered in the above categories such as school supplies, bank fees, and credit card finance charges. Miscellaneous costs are estimated at 2 percent.

Savings

The American Savings Education Council (ASEC) has developed a formula for estimating the percentage of household income that families should save.⁸⁶ This study assumes that workers are not enrolled in employer-sponsored retirement plans, given that only 33 percent of those with incomes between \$10,000 and \$25,000 participate in an employer-sponsored retirement plan.⁸⁷ When applied to households in our study, the recommendation is that families should save between seven and 13 percent of household income for retirement. Using the lower estimate of seven percent, an additional three percent was added to cover emergencies and allow families to plan ahead. Savings rates are set at 10 percent of spending minus child care and taxes.⁸⁸

State and Federal Taxes

Taxes include federal taxes (including child care credits and the Earned Income Tax Credit), payroll taxes (Social Security and Medicare), and state income taxes where applicable. Property taxes are not included here because they are accounted for in housing (rental) costs. State and local sales taxes are not added to the income tax figure because they are already reflected in the cost of food, transportation, and household costs.⁸⁹

The total living wage budget before taxes is assumed to represent each household's annual income. Federal and state income tax returns are prepared for each household using TaxCut software from H&R Block. Employment taxes are calculated at 7.65 percent of earned income (6.2 percent for Social Security, 1.45 percent for Medicare). For federal taxes it is assumed that families would use the standard deduction and that there was no source of outside income. Where appropriate, deductions are made for applicable child care and EITC benefits, including the \$600 per child credit. Once the tax amount is calculated, it is added to each family's monthly budget to determine the total living wage.

Job Seekers

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 — 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 — people who are not employed and 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 used here underestimate the number of job seekers in that they do not count those who are working full-time at less than a living wage but would prefer a living wage job, because data on this group do not exist. They overstate 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

Job openings include the following:

- 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 earn more than that amount. Not everyone will start at the median wage, but many should progress to that wage over time.

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