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# NORTHWEST Job Gap STUDY

## SEARCHING FOR WORK THAT PAYS, 2001

IDAHO

NORTHWEST POLICY CENTER,  
NORTHWEST FEDERATION OF COMMUNITY ORGANIZATIONS, AND  
IDAHO COMMUNITY ACTION NETWORK

JUNE 2001

## ABOUT THE NORTHWEST JOB GAP STUDY

The Northwest Job Gap Study is a joint project of the Northwest Policy Center at the University of Washington Evans School of Public Affairs and the Northwest Federation of Community Organizations.

The Northwest Policy Center is an applied policy research center that works with policy makers and practitioners to improve strategies for a vital Northwest economy, with an emphasis on the health and well-being of the region's people, communities, and environment.

The Northwest Federation of Community Organizations is a regional federation of four statewide, community-based social and economic justice organizations: Idaho Community Action Network, Montana People's Action, Oregon Action, and Washington Citizen Action. These organizations represent a broad based, grassroots constituency, including disenfranchised and low-to-moderate income residents. They engage in community organizing and coalition building, and conduct issue campaigns at the state and community level.

Guiding the Northwest Job Gap Study and its research and analysis, and education and outreach efforts are state steering committees made up of representatives of business, labor, government, and community groups.

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# NORTHWEST JOB GAP STUDY: SEARCHING FOR WORK THAT PAYS IDAHO

## EXECUTIVE SUMMARY

The Idaho Job Gap Study explores the gap between the number of living wage jobs being created in Idaho and the number of people needing living wage jobs. It also seeks to raise awareness and promote public dialogue about the job gap and policy options to address it.

Six research questions are addressed in the job gap study:

- What is a living wage?
- Are we creating enough jobs that pay a living wage?
- Which occupations provide living wage job opportunities?
- How are different demographic groups faring in getting and keeping living wage jobs?
- Is there an education gap in addition to the job gap?
- What are policy options for closing the gap between the number of living wage jobs and people needing these jobs?

## WHAT IS A LIVING WAGE?

A living wage is a wage that allows families to meet their basic needs without resorting to public assistance and provides them some ability to deal with emergencies and plan ahead.

Living wages are calculated on the basis of family budgets assuming that single adults work full time on a year round basis; these budgets include basic necessities, savings, and state, local, and federal taxes. In 1996, the living wage for a single adult in Idaho was \$9.22 an hour; for a single adult with two children, the figure was \$14.42 an hour. In 1998 dollars, the figures were \$9.57 an hour for a single adult and \$14.98 an hour for a single adult with two children; and in 2000 dollars, the figures were \$10.11 an hour and \$15.83 an hour.

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

The Idaho economy is not creating enough living wage jobs for all those who need them, according to several indicators.

For example, 46 percent of all jobs in the economy paid less than the \$9.22 an hour living wage for a single adult in 1996, and 74 percent paid less than the \$14.42 an hour living wage for a single adult with two children. Of all job openings, 49

percent paid less than the living wage for a single adult, and 75 percent paid less than the living wage for a single adult with two children.

For each job opening that pays at least the living wage for a single adult, there were four job seekers on average in 1996, and for each job opening that pays at least the living wage for a single adult with two children, there were eight job seekers on average.

From 1996 to 1998, the percentage of job openings that pay less than the living wage for a single adult went from 49 to 48 percent, and the percentage of job openings that pay less than the living wage for a single adult with two children remained constant at 75 percent. Job gap ratios also remained about the same between 1996 and 1998.

## WHICH OCCUPATIONS PROVIDE LIVING WAGE JOB OPPORTUNITIES?

Certain types of occupations are more likely to pay a living wage. Production, construction, operating, maintenance, and material handling jobs provided 26 percent of all jobs but 31 percent of jobs that pay at least the living wage for a single adult; 65 percent of jobs of this type pay a living wage. Professional, paraprofessional, and technical occupations provided 20 percent of all jobs and 36 percent of jobs that pay at least the living wage for a single adult; 94 percent of jobs of this type pay a living wage. In contrast, service occupations—which include protective service, food service, health assisting service, cleaning and building service, and personal service occupations—provided 16 percent of all jobs but just three percent of living wage jobs for single adults because only 11 percent of service jobs pay a living wage.

Two occupational types contain 77 percent of jobs that pay at least the living wage for a single adult with two children: professional, paraprofessional and technical occupations, and managerial and administrative occupations.

Among the 25 occupations with the most job openings, 11 will have median wages at or above the living wage for a single adult. Four of the top five fall below this level and these four account for one of every seven projected job openings.

Looking at the 25 most rapidly growing occupations, 13 have median wages at or above the living wage for a single adult. Eight of these 13 are computer related and the other five are very diverse.

Of the top 25 living wage jobs for a single adult, 10 are professional, paraprofessional, and technical occupations, including teachers, nurses, and accountants. Eight are production, construction, operating, maintenance, and material handling occupations, including truck drivers, semiconductor processors, mechanics, and construction trades.

Between 1996 and 2006, the number of jobs that pay at least the living wage for a single adult is projected to grow by an annual average of 2.8 percent, just slightly more than the projected average annual growth rate of 2.7 percent for all jobs. During the same time period, the number of jobs that pay at least the living wage

for a single adult with two children is also projected to grow by 2.8 percent a year.

## **HOW ARE DIFFERENT DEMOGRAPHIC GROUPS FARING IN GETTING AND KEEPING LIVING WAGE JOBS?**

People of color, women, single adults with children, and those workers with less education are less likely to have living wage jobs.

Thirty three percent of people of color in Idaho earn at least the living wage for a single adult, compared to 57 percent of whites. Forty five percent of women earn at least the living wage for a single adult, compared to 61 percent of men. Twenty eight percent of single adults with one child and 38 percent of single adults with two children earn the living wage for their household type.

Forty six percent of those with a high school diploma or GED earn at least the living wage for a single adult, compared to 78 percent of those with a bachelor's or graduate degree. Thirteen percent of those with no high school diploma or GED are looking for work, compared to seven percent of those with a bachelor's or graduate degree. Those with no high school diploma or GED are more likely to be unemployed, discouraged workers, or marginally attached.

## **IS THERE AN EDUCATION GAP IN ADDITION TO THE JOB GAP?**

Higher levels of education clearly improve a worker's ability to find a living wage job, as shown in the statistics above. Job openings data confirm this finding. Forty five percent of all openings require little education and training, but most of these openings pay less than a living wage. Seventy six percent of job openings that pay at least the living wage for a single adult (and 93 percent of those that pay at least the living wage for a single adult with two children) require moderate to long term education and training. However, there are more job seekers than job openings at all education and training levels so the living wage issue is not solely an education gap issue.

## **WHAT ARE POLICY OPTIONS FOR CLOSING THE GAP?**

Findings from the Northwest Job Gap Study suggest a number of strategies that business, labor, government, and communities can pursue to close the job gap, promote living wage jobs, and make sure people are able to get and keep these jobs. The strategies fall into four broad categories:

- Job and wage strategies, which focus on increasing the number of jobs that pay a living wage.

Policy options include establishing job quality standards for employers and industries that receive public economic development and business assistance resources; using living wage figures to set wage policies; pursuing high road strategies aimed at creating high wage, high skill jobs; and ensuring workers a strong voice in decisions affecting them.

- Skill development strategies, which focus on providing people the education and training required of living wage jobs.

Policy options include investing in training; promoting job ladders and wage progression; expanding equal education and employment efforts; providing people moving from welfare to work training required for living wage jobs; promoting life long learning; promoting apprenticeship programs; and developing publicly funded jobs programs for the hard to serve.

- Linking strategies, which focus on connecting people to living wage jobs.

Policy options include creating integrated, coordinated workforce development systems connected to the regional economy and labor market; creating labor market intermediaries; creating sectoral employment development initiatives; providing low income community residents first chance at job openings with firms getting public assistance; and organizing communities to help shape company and government decisions regarding living wage jobs and low income communities.

- Safety net and cost of living strategies, which focus on making sure people's basic needs are met until they can get and keep a living wage job, and reducing costs of living—without lowering living standards.

Policy options include using living wage figures to determine eligibility for public assistance; providing food, housing, health care, transportation, and child care assistance to those earning less than a living wage; increasing access to health care; creating new and/or expanding existing safety net programs linked to employment; and developing new institutions and/or mechanisms to provide workers stable benefits.



# NORTHWEST JOB GAP STUDY: SEARCHING FOR WORK THAT PAYS IDAHO

## WHAT IS A LIVING WAGE?

A living wage is a wage that allows families to meet their basic needs without resorting to public assistance and 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, as shown in the table on page 10. Family budgets include basic necessities such as food, housing and utilities, transportation, health care, child care, and household, clothing, and personal items; state, local, and federal taxes; and savings.

Living wages, in 1996 dollars, are:

- For a single adult, \$19,168 a year or \$9.22 an hour.
- For a single adult with one child, \$24,302 a year or \$11.68 an hour.
- For a single adult with two children, \$29,995 a year or \$14.42 an hour.
- For two adults, one of whom is working, with two children, \$26,024 a year or \$12.51 an hour.
- For two adults, both of whom are working, with two children, \$34,032 a year or \$16.36 an hour (which means that the combined wages of both working adults need to total this amount).

These estimates assume full time work on a year round basis.

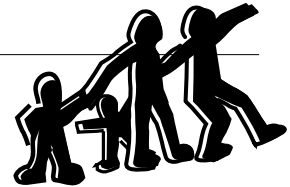
These are statewide averages. In some areas, costs are higher (particularly for housing and child care) and, as a result, living wages are higher. In other areas, including most of the state's rural areas, costs and, therefore, living wages are lower. Living wages for higher cost and lower cost areas are:








	Higher Cost Areas	Lower Cost Areas
Single adult	\$9.82/hour	\$8.80/hour
Single adult with one child	\$12.48/hour	\$11.08/hour
Single adult with two children	\$15.23/hour	\$13.89/hour
Two adults (one working with two children)	\$13.38/hour	\$12.01/hour
Two adults (both working with two children)	\$17.18/hour	\$15.57/hour

The state's higher cost areas are Ada, Canyon, and Kootenai Counties.



# IDAHO FAMILY BUDGETS (IN 1996 DOLLARS)



	Household 1	Household 2	Household 3	Household 4	Household 5
 Food	141	263	331	462	462
 Housing	379	474	474	474	474
 Transportation	386	333	378	346	405
 Health Care	58	108	121	146	146
 Child Care	0	128	414	0	414
 Household, Clothing & Personal	208	255	282	309	322
 Savings	130	159	176	193	201
 State, Local & Federal Taxes	295	304	322	240	412
Gross Monthly Income Needed	1,597	2,025	2,500	2,169	2,836*
Gross Annual Income Needed	19,168	24,302	29,995	26,024	34,032*
Living Wage (at 2080 hrs/yr)	\$9.22	\$11.68	\$14.42	\$12.51	\$16.36*

\*Total amount earned by two working adults

Household 1 is a single adult

Household 2 is a single adult with a school-age child (6-8 yrs)

Household 3 is a single adult with a toddler (12-24 months) and a school-age child (age 6-8 yrs)

Household 4 is two adults (one of whom is working) with a toddler and a school-age child

Household 5 is two adult (both of whom are working) with a toddler and a school-age child

A comparison of the living wage to the state minimum wage shows that the minimum wage is less than 55 percent of the living wage for a single adult and less than 35 percent of the living wage for a single adult with two children. The state's median wage is slightly greater than the living wage for a single adult (106 percent) and about two thirds of the living wage for a single adult with two children (68 percent). The living wage is about 200 percent of the federal poverty level.

## UPDATE

### 1998

Living wages, in 1998 dollars, are:

- \$9.57 an hour or \$19,913 a year for a single adult.
- \$12.14 an hour or \$25,247 a year for a single adult with one child.
- \$14.98 an hour or \$31,161 a year for a single adult with two children.
- \$13.00 an hour or \$27,036 a year for two adults, one of whom is working, with two children.
- \$17.00 an hour or \$35,355 a year for two adults, both of whom are working, with two children.

### 2000

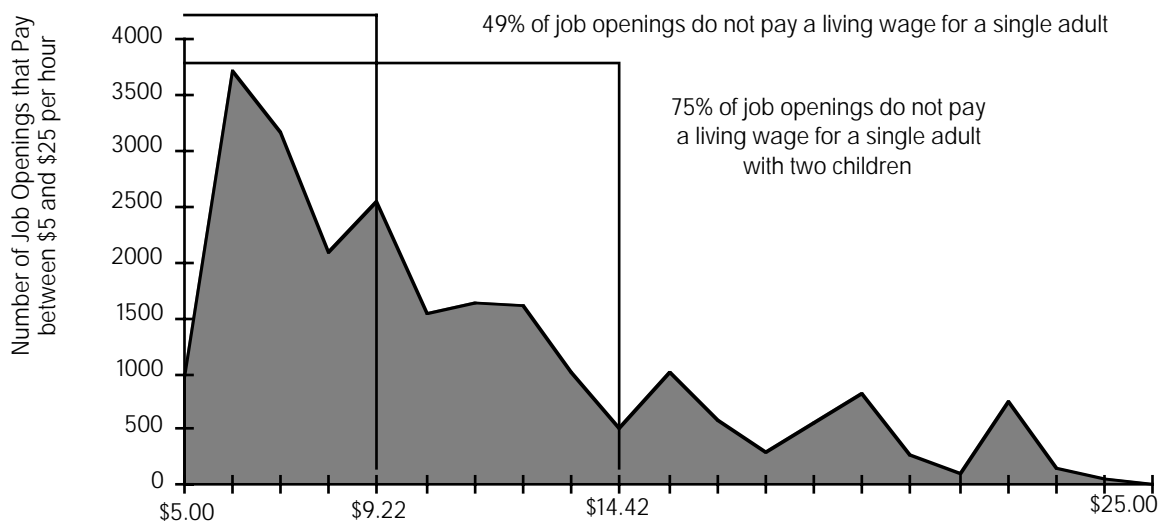
In 2000 dollars, living wages are:

- \$10.11 an hour or \$21,037 a year for a single adult.
- \$12.82 an hour or \$26,672 a year for a single adult with one child.
- \$15.83 an hour or \$32,920 a year for a single adult with two children.
- \$13.73 an hour or \$28,562 a year for two adults, one of whom is working, with two children.
- \$17.96 an hour or \$37,351 a year for two adults, both of whom are working, with two children.

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

The Idaho economy is not creating enough living wage jobs for all those who need them, according to several indicators. These include the number of working age households compared to the number of jobs that pay a living wage, the percentage of jobs and 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.

## IDAHO DISTRIBUTION OF JOB OPENINGS BY WAGE RATE, 1996



\*There are few job openings in the economy that pay more than \$25 an hour. Due to lack of space they have not been included here.

In 1996, there were 331,100 working age households in Idaho, but only 270,518 jobs that could support a single adult and just 128,292 jobs that could support a single adult with two children.

Forty six percent of all jobs in the economy pay less than the \$9.22 an hour living wage for a single adult and 74 percent pay less than the \$14.42 an hour living wage for a single adult with two children.

The job market that job seekers face is similarly limited. Of all job openings, about half (49 percent) pay less than the \$9.22 an hour living wage for a single adult, as shown above. Seventy five percent pay less than the \$14.42 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.

## IDAHO JOB GAP RATIO, 1996



	Single Adult Living Wage \$9.22	Single Adult with Two Children Living Wage \$14.42	All Job Openings
Job Seekers	53,373	53,373	53,373
Job Openings	13,046	6,344	25,355
Job Seekers per Job Opening	4 to 1	8 to 1	2 to 1
Percent of all Job Openings paying less than a living wage	49%	75%	

In addition, there are more people looking for work than there are job openings that pay a living wage. As shown in the table above, job gap ratios, which compare job seekers to job openings, are:

- For each job opening, regardless of pay, there are two job seekers on average.
- For each job opening that pays at least the \$9.22 an hour living wage for a single adult, there are four job seekers on average.
- For each job opening that pays at least the \$14.42 an hour living wage for a single adult with two children, there are eight job seekers on average.

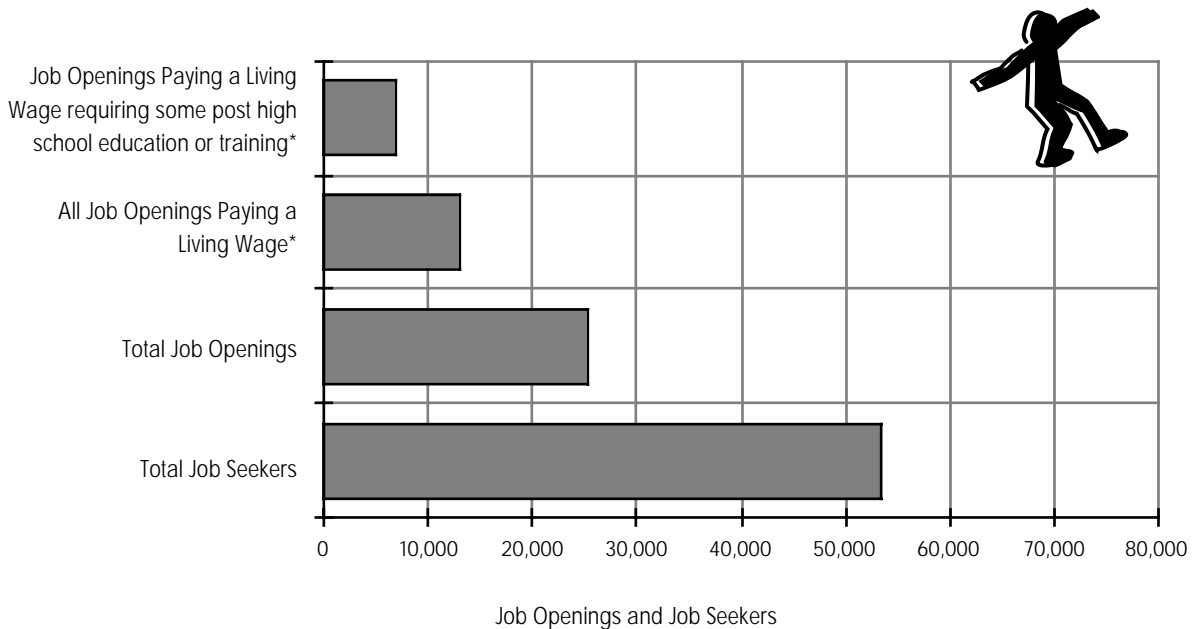
For those job openings that pay a living wage and require at most some combination of a high school diploma, on the job training, work experience, and/or post-high school vocational training, the competition may be even stronger. Fifty four percent of all job openings that pay at least the \$9.22 an hour living wage for a single adult require that amount of education and training. For those job openings that pay at least the \$14.42 an hour living wage for a single adult with two children, the proportion is 21 percent.

Job gap ratios are calculated by dividing the number of people who were looking for work at some point during 1996 by the number of job openings that year. The ratios indicate that, for example, there are four times as many job seekers as there are job openings that pay at least the \$9.22 an hour living wage for a single adult, not necessarily that there are four people competing for each job of that type. The ratios do not take into account characteristics of job seekers such as their household size, their skills, or education and training.

Job seekers total 53,373, which equals almost nine percent of total employment in the state. Job seekers include:

- The unemployed—people who are not employed, but 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. About 61 percent of job seekers are unemployed.

## FINDINGS FOR IDAHO, 1996



\*Living wage refers to a single adult household

- Involuntary part-time workers—people who work less than full time, but want to work full time. About 31 percent of job seekers are involuntary part-time workers.
- Discouraged and marginally attached workers—people who are not employed and not currently looking for work, but have looked within the past year. In the case of discouraged workers, they are not seeking work because they believe there are no jobs available or none for which they are qualified. And in the case of marginally attached workers, it is because of personal or financial reasons. About eight percent of job seekers are discouraged or marginally attached workers.

It is important to note that the unemployment rate reflects only the unemployed and, therefore, misses about 40 percent of all job seekers.

The 53,373 figure is 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 figure used in this study understates the number of job seekers in that it does not count those who are working full time at less than a living wage job, but want a living wage job because data on this group do not exist. It overstates the number in that all the unemployed are counted, even though some may not be looking for a living wage job. Also, people who left the labor market and then re-entered the same occupation are counted among the job seekers, whereas those who moved directly from one job to another in the same occupation are not. However, assuming even a fraction of the 210,000 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 total 25,355 and include:

- Job openings due to growth—the result of new jobs being created by new or existing firms. About 53 percent of all job openings are due to growth.
- Job openings due to net 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. About 47 percent of job openings are due to net replacement.

Not included are job openings due to people changing employers, but remaining in the same occupation because these are largely invisible to the average job seeker. Also not included, for the same reason, are job openings for unpaid family workers and self-employment.

Job openings are broken down by occupation, wages paid, and education and training required. Wage and education and training data were collected and analyzed for over 800 occupations. In determining which job openings paid a living wage, the state median wage for an occupation was used, where available; this means that half the people in the occupation earn less and half more than that amount. Not everyone will start at the median wage, but many should progress to that wage over time.

As shown in the chart on page 14, 13,046 of the 25,355 job openings pay at least the \$9.22 an hour living wage for a single adult. And 6,985 of these job openings pay at least the \$9.22 an hour living wage for a single adult and require at most some combination of a high school diploma, on the job training, work experience, and/or post-high school vocational training.

## UPDATE

### 1998

From 1996 to 1998, the portion of jobs and job openings that pay a living wage remained about the same or improved slightly. The percentage of job openings that pay less than the living wage for a single adult went from 49 to 48 percent, and the percentage of job openings that pay less than the living wage for a single adult with two children remained constant at 75 percent.

Job gap ratios also remained about the same between 1996 and 1998. As shown in the table above, job gap ratios for 1998 are:

- For each job opening, regardless of pay, there are two job seekers on average, the same as in 1996.
- For each job opening that pays at least the \$9.57 an hour living wage for a single adult, there are four job seekers on average, the same as in 1996.
- For each job opening that pays at least the \$14.98 an hour living wage for a single adult with two children, there are eight job seekers on average, the same as in 1996.

## IDAHO JOB GAP RATIO, 1998

	Single Adult Living Wage \$9.57	Single Adult with Two Children Living Wage \$14.98	All Job Openings
Job Seekers	49,473	49,473	49,473
Job Openings	13,154	6,323	25,355
Job Seekers per Job Opening	4 to 1	8 to 1	2 to 1
Percent of all Job Openings paying less than a living wage	48%	75%	





## WHICH OCCUPATIONS PROVIDE LIVING WAGE JOB OPPORTUNITIES?

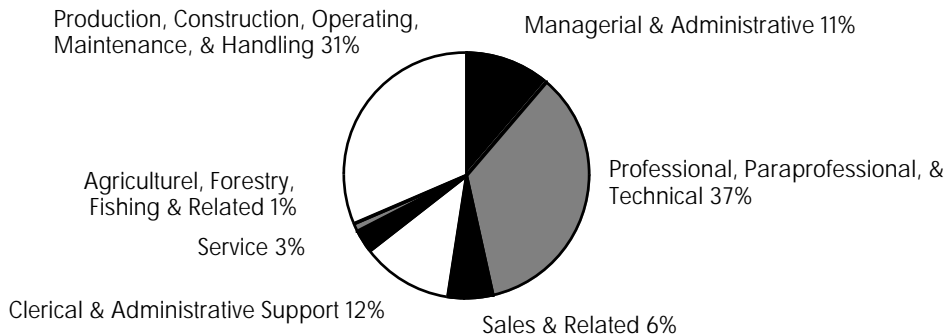
Production, construction, operating, maintenance, and material handling occupations, and professional, paraprofessional, and technical occupations are the two largest groups of occupations in Idaho, both in terms of all jobs and living wage jobs.

Production, construction, operating, maintenance, and material handling occupations accounted for over 130,000 jobs in 1996, equal to 26 percent of all jobs and 31 percent of jobs that pay at least the living wage for a single adult, as shown in the chart below and table on page 20. The difference between the two figures is due to over 65 percent of all production, construction, operating, maintenance, and material handling jobs paying a living wage. The next largest group of occupations was professional, paraprofessional, and technical occupations, which accounted for over 100,000 jobs, equal to 20 percent of all jobs and 36 percent of all jobs that pay at least the living wage for a single adult. The difference is due to 94 percent of all professional, paraprofessional, and technical jobs paying a living wage.

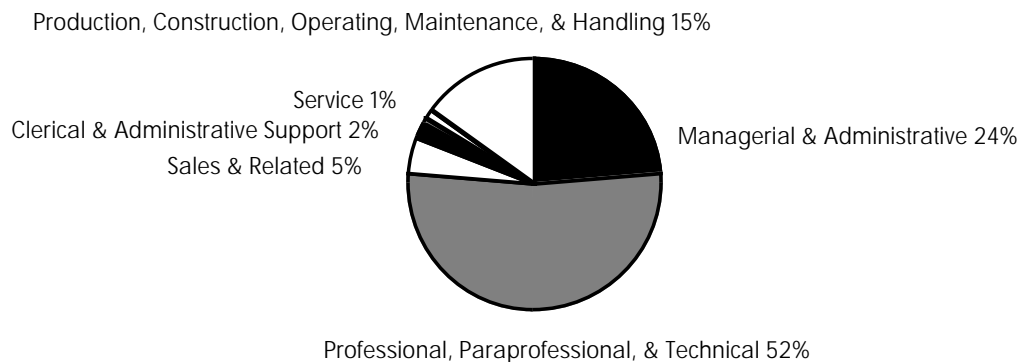
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### IDAHO LIVING WAGE JOBS BY OCCUPATION, 1996

#### SINGLE ADULT LIVING WAGE JOBS



#### SINGLE ADULT WITH TWO CHILDREN LIVING WAGE JOBS



By contrast, service occupations—which include protective service, food service, health assisting service, cleaning and building service, and personal service occupations—accounted for over 79,300 jobs or 16 percent of all jobs. But because only 11 percent of service occupations pay a living wage, they made up only three percent of all living wage jobs.

Clerical and administrative support occupations accounted for another 12 percent of jobs that pay at least the living wage for a single adult, followed by managerial and administrative occupations, 11 percent; sales and related occupations, six percent; and agriculture, forestry, fishing, and related occupations, one percent.

The occupational distribution of jobs that pay at least the living wage for a single adult with two children shifts toward professional, paraprofessional, and technical occupations, and managerial and administrative occupations. These two groups accounted for about 76 percent of jobs that pay at least the living wage for a single adult with two children, as shown in the chart on page 17. Production, construction, operating, maintenance, and material handling occupations accounted for another 15 percent, followed by sales and related occupations, five percent; clerical and administrative support occupations, two percent; and service occupations and agriculture, forestry, fishing, and related occupations, one percent each.

The proportion of living wage jobs varies by occupational group, as shown in the chart on page 19 and table on page 20. Professional, paraprofessional, and technical occupations had the highest portion of jobs that pay at least the living wage for a single adult, 94 percent, followed closely by managerial and administrative occupations, 91 percent. In contrast, service occupations had the lowest, 11 percent. Managerial and administrative occupations had the highest portion of jobs that pay at least the living wage for a single adult with two children, 90 percent; service occupations had the lowest, one percent.

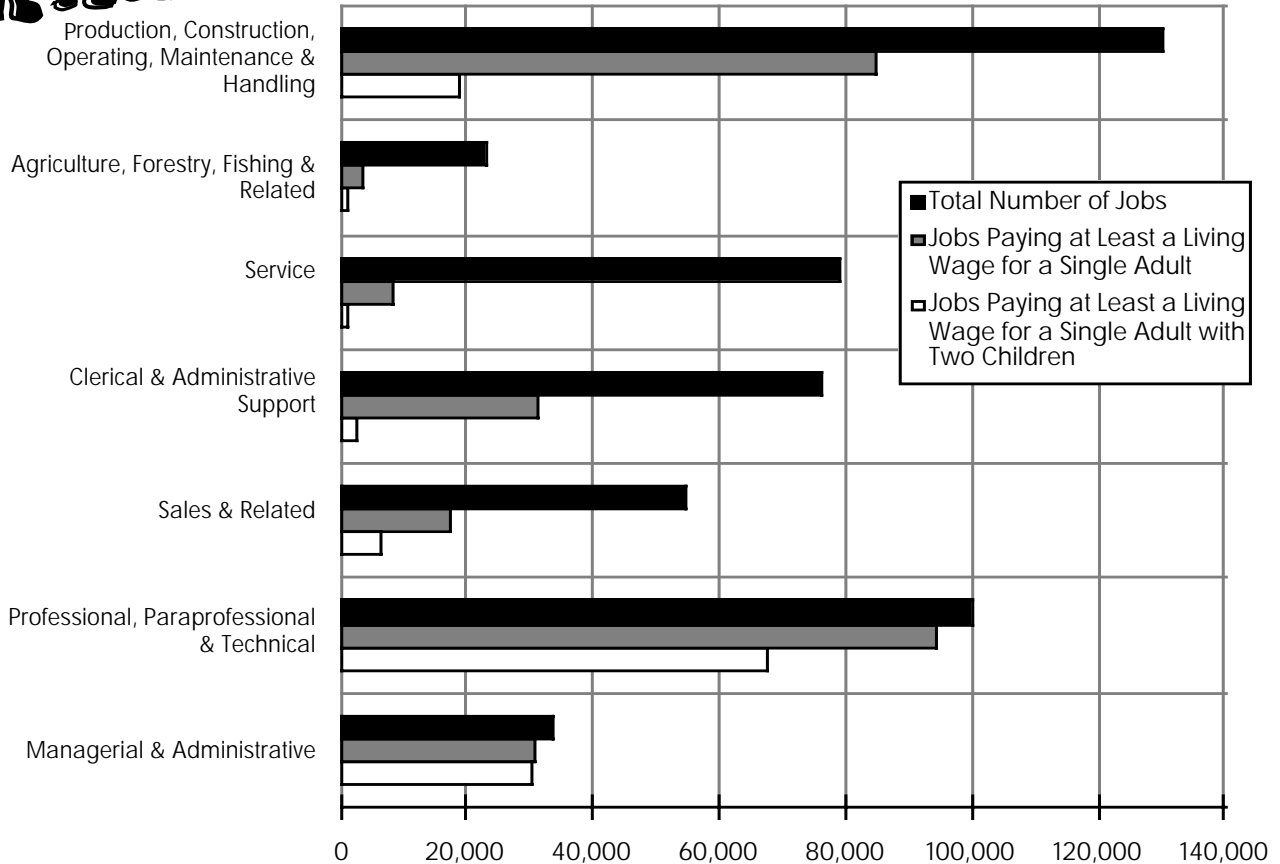
Median wages ranged from a high of \$19.60 an hour for managerial and administrative occupations to \$6.87 an hour for service occupations.

Overall, 54 percent of all jobs paid at least the living wage for a single adult in 1996; 26 percent paid at least the living wage for a single adult with two children.

Between 1996 and 2006, the number of jobs that pay at least the living wage for a single adult is projected to grow by an annual average of 2.8 percent, just slightly more than the projected average annual growth rate of 2.7 percent for all jobs. Professional, paraprofessional, and technical occupations are projected to account for the largest portion of the growth in jobs that pay at least the living wage for a single adult, 39 percent. This is followed by production, construction, operating, maintenance, and material handling occupations, 30 percent; managerial and administrative occupations, 13 percent; sales and related occupations, seven percent; clerical and administrative support occupations, seven percent; service occupations, three percent; and agriculture, forestry, fishing, and related occupations, less than one percent.



## IDAHO LIVING WAGE JOBS BY OCCUPATION, 1996



During the same time period, the number of jobs that pay at least the living wage for a single adult with two children is also projected to grow by 2.8 percent a year. Professional, paraprofessional, and technical occupations are projected to account for 57 percent of this growth. This is followed by managerial and administrative occupations, 25 percent; production, construction, operating, maintenance, and material handling occupations, 11 percent; sales and related occupations, five percent; clerical and administrative support occupations, one percent; and service occupations, one percent.

## IDAHO LIVING WAGE JOBS BY OCCUPATION, 1996\*



	Total Number of Jobs	Percent of Total Jobs	Median Wage (1996)	Percent of Jobs Above Living Wage	Percent of Total Living Wage Jobs
Managerial & Administrative	33,893	7%	\$19.60	91%	11%
Professional, Paraprofessional, & Technical	100,115	20%	\$18.87	94%	36%
Sales & Related	54,731	11%	\$8.62	32%	6%
Clerical & Administrative Support	76,175	15%	\$9.35	41%	12%
Service	79,309	16%	\$6.87	11%	3%
Agriculture, Forestry, Fishing, & Related	23,095	5%	\$8.59	15%	1%
Production, Construction, Operating, Maintenance, & Handling	130,092	26%	\$10.92	65%	31%
Total	497,410	100%		54%	100%

\* Living wage refers to a single adult household

A more detailed look at occupations shows that only 11 of the 25 occupations projected to have the most job openings (due to both growth and replacement needs) between 1996 and 2006 have median wages at or above the living wage for a single adult, as shown in the table on page 21. Four of the top five occupations have median wages below the living wage for a single adult. These four non-living wage occupations—retail salespersons, cashiers, combined food preparation and service workers, and waiters and waitresses—account for over 3,500 job openings a year or one out of every seven job openings.

Among the 11 occupations with median wages at or above the living wage for a single adult are four professional, paraprofessional, and technical occupations; three production, construction, operating, maintenance, and material handling occupations; two clerical and administrative support occupations; one sales and related occupation; and one managerial and administrative occupation.

The 11 require varying amounts of education and training, ranging from little to long term. Specific education and training categories are:

- Little—less than a month of on the job training.
- Short term—up to a year of on the job, employer provided, and/or community college training.
- Moderate—anywhere from more than a year to less than four years of education and training, including on the job, employer provided, college, and apprenticeship training.
- Long term—a four year bachelor's degree or more.

## IDAHO JOB OPENINGS BY OCCUPATION, 1996 – 2006

	Annual Job Openings	Median Wage (1996)	Education & Training
Salespersons, Retail	1,143	\$7.14	Little
Cashiers	1,062	\$5.97	Little
Combined Food Preparation and Service Workers	690	\$5.56	Little
General Managers and Top Executives	672	\$18.71	Long Term
Waiters and Waitresses	616	\$5.40	Little
Teachers, Secondary School	562	\$27.65	Long Term
General Office Clerks	443	\$8.65	Little
Food Preparation Workers	438	\$5.83	Little
Electronic Semiconductor Processors	385	\$10.69	Short Term
Truck Drivers, Heavy or Tractor-Trailer	379	\$12.29	Little
Teachers, Elementary School	361	\$26.92	Long Term
First Line Supervisors, Clerical & Administrative	321	\$11.75	Moderate
First-Line Supervisors and Managers/Supervisors - Sales and Related Workers	312	\$11.54	Moderate
Other Helpers, Laborers, and Material Movers, Hand	308	\$8.67	Little
Teacher Aides, Paraprofessional	280	\$10.09	Moderate
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	269	\$7.09	Little
Stock Clerks - Stockroom, Warehouse or Storage Yard	255	\$7.72	Little
Farm Equipment Operators	238	\$7.67	Little
Maintenance Repairers, General Utility	232	\$10.14	Little
Registered Nurses	232	\$17.59	Moderate
Receptionists and Information Clerks	220	\$7.77	Little
Truck Drivers, Light, Include Delivery and Route Workers	214	\$7.25	Little
Hand Packers and Packagers	210	\$5.61	Little
Nursing Aides, Orderlies, and Attendants	210	\$7.08	Little
Secretaries, Except Legal and Medical	201	\$9.43	Moderate



By contrast, all of the 14 occupations with the most job openings that have median wages below a living wage require little education and training. Among the 14 are five service occupations; three production, construction, operating, maintenance, and material handling occupations; three clerical and administrative support occupations; two sales and related occupations; and one agriculture, forestry, fishing, and related occupation.

Only four of the 25 occupations projected to have the most job openings between 1996 and 2006 have median wages at or above the living wage for a single adult with two children. Three of these are professional, paraprofessional, and technical occupations, two requiring long term preparation and one requiring moderate preparation; the fourth is a managerial and administrative occupation requiring long term preparation.

A majority of the fastest growing occupations—13 of 25—have median wages at or above the living wage for a single adult, as shown in the table on page 23. Computer and engineering occupations dominate the 13; four are related to the production of software or the support of software users, three are in engineering and another is in the production of electronic chips. The remaining five living wage occupations are in human services; teaching; mechanics, installation, and repair; and management. In terms of education and training, six of the 13 require long term, five require moderate, and two require short term education and training.

Among the 11 fastest growing occupations with median wages below the living wage for a single adult are five service occupations, three clerical and administrative support occupations, one production, construction, operating, maintenance, and material handling occupation; one agriculture, forestry, fishing and related occupation; and one professional, paraprofessional, and technical occupation. In terms of education and training, eight require little and three require short term education and training.

Six of the fastest growing occupations also have median wages at or above the living wage for a single adult with two children. Five of the six are professional, paraprofessional, and technical occupations; the remaining occupation is a managerial and administrative occupation involving management of engineering or scientific personnel. Five of the six require long term education or training, and the sixth requires moderate education and training.

All of the 25 fastest growing occupations in Idaho are expected to grow more rapidly than the average of all occupations in the state. Four of the six fastest growing occupations are computer related; all four are living wage jobs in contrast to the other two most rapidly growing occupations, stock clerks and home health aides. Of those occupations included in the top 25 list, 10 are professional, paraprofessional, and technical occupations; eight of these are living wage occupations and eight require moderate or long term education and training. In addition, one managerial and administrative occupation, involving managing engineering and scientific personnel, is on the top 25 list; this occupation requires long term education and training and pays a living wage. Five of the top 25 are

## FASTEST GROWING OCCUPATIONS IN IDAHO, 1996-2006\*

	Number of Jobs		Annual Growth Rate	Median Wage 1996	Education & Training
	1996	2006			
All Other Computer Scientists	181	518	18%	\$14.98	Long Term
Stock Clerks - Stockroom, Warehouse or Storage Yard	2,533	4,714	9%	\$7.72	Little
Home Health Aides	1,038	1,938	9%	\$7.58	Little
Computer Support Specialists	672	1,227	8%	\$13.71	Long Term
Computer Programmers/Systems Analysts	2,139	3,734	7%	\$21.84	Long Term
Computer Engineers	990	1,695	7%	\$27.87	Long Term
Instructors and Coaches, Sports and Physical Training	1,556	2,660	7%	\$8.38	Short Term
Human Services Workers	726	1,216	7%	\$11.18	Short Term
Medical Assistants	623	1,039	7%	\$7.93	Short Term
Amusement and Recreation Attendants	888	1,426	6%	\$5.56	Little
Engineering, Mathematical, and Natural Sciences Managers	2,060	3,263	6%	\$33.01	Long Term
Electrical and Electronic Engineers	1,805	2,882	6%	\$30.11	Long Term
Teacher Aides, Paraprofessional	3,989	6,260	6%	\$10.09	Moderate
Electronic Semiconductor Processors	5,059	7,932	6%	\$10.69	Short Term
Laborers, Landscaping and Groundskeeping	1,114	1,745	6%	\$7.42	Little
Adjustment Clerks	747	1,171	6%	\$8.76	Little
Teachers, Preschool/Kindergarten	892	1,395	6%		Long Term
Bakers, Bread and Pastry	1,260	1,987	5%	\$8.30	Short Term
Bill and Account Collectors	1,134	1,736	5%	\$8.98	Little
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	1,348	2,038	5%	\$13.90	Moderate
Telephone and Cable Television Line Installers and Repairers	861	1,234	4%	\$10.68	Moderate
Electrical and Electronic Engineering Technicians and Technologists	2,459	3,514	4%	\$14.82	Moderate
Food Preparation Workers	4,752	6,715	4%	\$5.83	Little
All Other Hand Workers	1,440	2,061	4%	\$7.89	Little
All Other First-Line Managers - Production, Construction, and Maintenance Workers	775	1,087	4%	\$13.17	Moderate
All Occupations	497,410	632,115	3%		

\*Excludes those occupations that account for less than 0.25% of all job openings



production, construction, operating, maintenance, and material handling occupations; four of these are living wage occupations and require short term or moderate education and training. The other one in this group is not a living wage occupation and requires little education and training. Five of the top 25 are service occupations; none of these are living wage occupations and each of them can be entered with little or short term education and training. Three of the top 25 are clerical occupations; none are living wage occupations and all require little education and training. Completing the top 25 list is one agriculture, forestry, fishing, and related occupation that does not pay a living wage and requires little education and training.

The correlation between longer periods of education and training and living wages is apparent in these groupings.

Almost three quarters of the 25 occupations with the largest number of living wage jobs are professional, paraprofessional, and technical occupations and production, construction, operating, maintenance, and material handling occupations, as shown in the table on page 25.

Ten of the 25 are professional, paraprofessional, and technical occupations—elementary school teachers, secondary school teachers, registered nurses, teacher aides, other professional, paraprofessional, and technical workers, accountants and auditors, licensed practical nurses, other postsecondary teachers, electrical and electronic engineering technicians and technologists, and computer programmers/systems analysts. Five of the 10 are projected to grow at or above the rate for all occupations. All require moderate or long term education and training.

Eight of the 25 are production, construction, operating, maintenance, and material handling occupations—truck drivers, electronic semiconductor processors, maintenance repairers, carpenters, electricians, auto mechanics, industrial truck and tractor operators, and supervisors of production and operating workers. Four of the eight are projected to grow at or above the rate for all occupations. All require anywhere from little to moderate education and training.

Overall, 15 of the 25 occupations with the largest number of living wage jobs are expected to grow at or above the rate for all occupations. About a third are expected to have 53 percent or more of job openings result from growth, equal to or exceeding the average for all occupations. About three quarters require moderate to long term education and training, reinforcing the finding that extensive education and training is required for most living wage jobs.

The second largest living wage occupation in the state, secretaries, with nearly 9,250 jobs in 1996, is expected to have only 200 annual job openings from 1996 to 2006. This is due to secretaries having a far lower rate of growth than the other large living wage occupations.

Twelve of the 25 also have median wages at or above the living wage for a single adult with two children. All but three are professional, paraprofessional, and technical occupations, or managerial and administrative occupations. Almost all require moderate or long term education and training.





## OCCUPATIONS WITH LARGEST NUMBER OF LIVING WAGE JOBS IN IDAHO, 1996

	Number of Jobs	Number of Annual Job Openings	Percent of Job Openings due to Growth/Replacement	Median Wage	Education & Training
General Managers and Top Executives	13,463	672	43/57	\$18.71	Long Term
Secretaries, Except Legal and Medical	9,247	201	83/17	\$9.43	Moderate
Truck Drivers, Heavy or Tractor-Trailer	8,982	379	39/61	\$12.29	Little
Teachers, Elementary School	8,827	361	47/53	\$26.92	Long Term
Teachers, Secondary School	8,583	562	46/54	\$27.65	Long Term
Registered Nurses	7,278	232	44/56	\$17.59	Moderate
First-Line Supervisors & Managers/ Supervisors - Sales and Related Workers	6,100	312	57/43	\$11.54	Moderate
First Line Supervisors, Clerical & Administrative	5,850	321	42/58	\$11.75	Moderate
Electronic Semiconductor Processors	5,059	385	25/75	\$10.69	Short Term
Maintenance Repairers, General Utility	4,624	232	42/58	\$10.14	Little
Carpenters	4,623	201	70/30	\$12.68	Moderate
Teacher Aides, Paraprofessional	3,989	280	19/81	\$10.09	Moderate
Sales Representatives, Except Retail & Scientific & Related Products and Services	3,778	192	51/49	\$14.79	Short Term
All Other Professional, Paraprofessional, & Technical Workers	3,307	167	50/50	\$12.64	Long Term
All Other Clerical and Administrative Support Workers	2,966	127	28/72	\$10.68	Little
Accountants and Auditors	2,781	108	63/37	\$16.15	Long Term
Licensed Practical Nurses	2,781	96	61/39	\$11.21	Moderate
Financial Managers	2,627	127	39/61	\$21.53	Long Term
All Other Postsecondary Teachers	2,559	150	49/51	\$22.28	Long Term
Electricians	2,509	139	45/55	\$17.97	Moderate
Electrical and Electronic Engineering Technicians and Technologists	2,459	170	38/62	\$14.82	Moderate
Automotive Mechanics	2,413	119	74/26	\$11.56	Moderate
Industrial Truck and Tractor Operators	2,359	93	53/47	\$10.16	Little
First-Line Supervisors & Managers/ Supervisors - Production & Operating Workers	2,247	83	67/33	\$15.23	Moderate
Computer Programmers/Systems Analysts	2,139	192	19/81	\$21.84	Long Term
All Occupations	497,410	25,335	53/47		

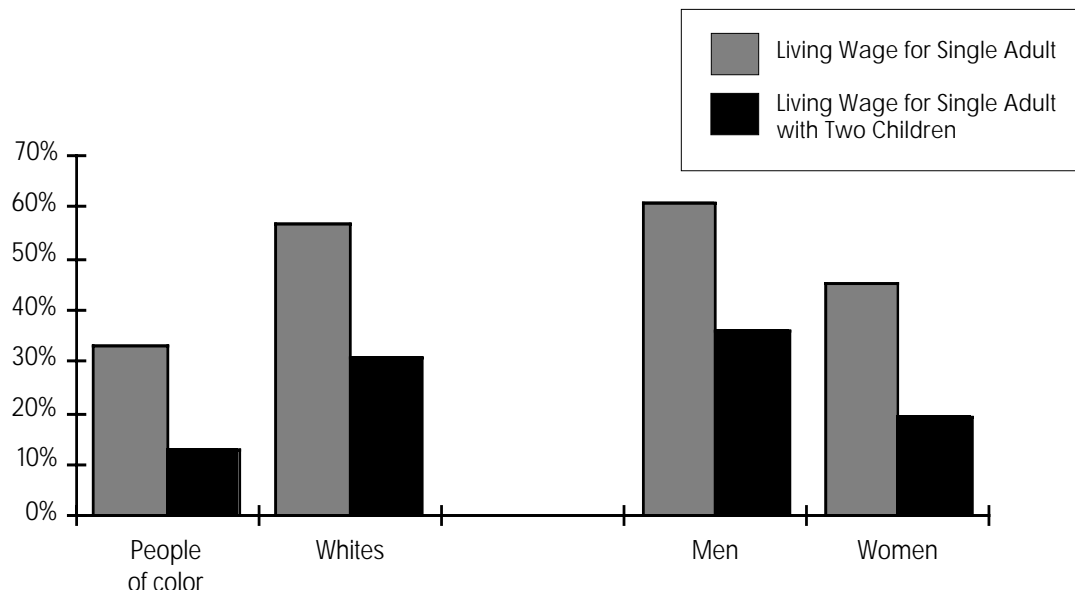
## HOW ARE DIFFERENT DEMOGRAPHIC GROUPS FARING IN GETTING AND KEEPING LIVING WAGE JOBS?

People of color and women are less likely to earn a living wage than whites and men. Thirty three percent of people of color in Idaho earn at least the living wage for a single adult, compared to 57 percent of whites, as shown in the chart below. Only 13 percent of people of color earn at least the living wage for a single adult with two children, compared to 31 percent of whites.

Forty five percent of women earn at least the living wage for a single adult, compared to 61 percent of men. Only 19 percent of women earn at least the living wage for a single adult with two children, compared to 36 percent of men.

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### IDAHOANS EARNING LIVING WAGE BY RACE/ETHNICITY & GENDER



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Single adults with children are also less likely to earn a living wage. Twenty eight percent of single adults with one child and 38 percent of single adults with two children earn the living wage for their household type. This compares to 41 percent of single adults and 86 percent of two adults with two children.

Those with less education and training are also less likely to earn a living wage. Forty six percent of those with a high school diploma or GED earn at least the living wage for a single adult, as shown in the table on page 27. By contrast, 78 percent of those with a bachelor's degree or more earn at least the living wage for a single adult. Nineteen percent of those with a high school diploma or GED earn at least the living wage for a single adult with two children, compared to 57 percent of those with a bachelor's degree or more.

## IDAHOANS EARNING LIVING WAGE BY EDUCATION & TRAINING

	Percent Earning At or Above Living Wage for Single Adult	Percent Earning At or Above Living Wage for Single Adult with Two Children
No High School Diploma	25%	7%
High School Diploma/GED	46%	19%
Some College & Associate Degree	60%	31%
Bachelor's Degree or More	78%	57%
Overall	55%	29%

Earning a living wage also appears related to age and years in the labor force. Only 22 percent of 20 to 24 year olds earn at least the living wage for a single adult, as shown in the chart below. This figure rises to 53 percent of 25 to 34 year olds, 63 percent of 35 to 44 year olds, and peaks at 68 percent of 45 to 54 year olds. It then falls to 64 percent of 55 to 64 year olds and 32 percent of those 65 and older. The portion of those earning at least the living wage for a single adult with two children peaks at 43 percent of 45 to 54 year olds.

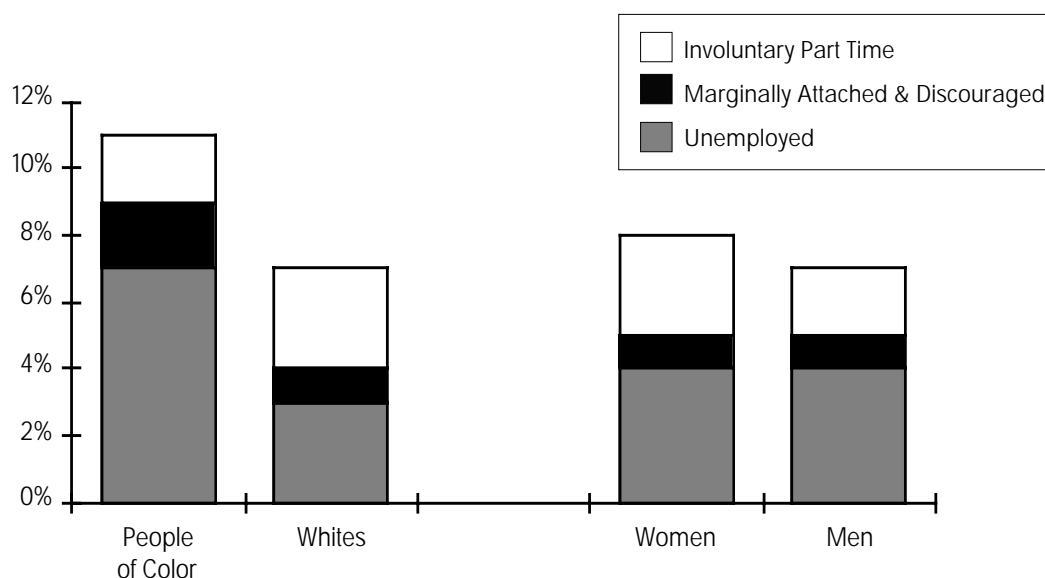
## IDAHOANS EARNING LIVING WAGE BY AGE



People of color and women are also more likely to be looking for work than whites and men. Eleven percent of people of color in the Northwest are looking for work, compared to seven percent of whites. Counted among job seekers are the

unemployed, marginally attached and discouraged workers, and those who are working part time on an involuntary basis. As shown in the chart below, people of color who are job seekers are more likely to be unemployed and marginally attached and discouraged workers, while whites are more likely to be employed part time on an involuntary basis.

## NORTHWEST JOB SEEKER STATUS BY RACE/ETHNICITY & GENDER



Results are reported for the Northwest because the number of job seekers by status and race/ethnicity and gender for the state was too small to analyze.

Eight percent of women are looking for work, compared to seven percent of men. Women are more likely to be employed part time on an involuntary basis, while men are somewhat more likely to be unemployed.

Those with less education and training are also more likely to be looking for work. For example, 13 percent of those with no high school diploma or GED, and 10 percent of those with at most a high school diploma, are likely to be job seekers. In comparison, just seven percent of those with some college, three percent of those with an associate degree, and seven percent of those with a bachelor's degree or more are likely to be job seekers.

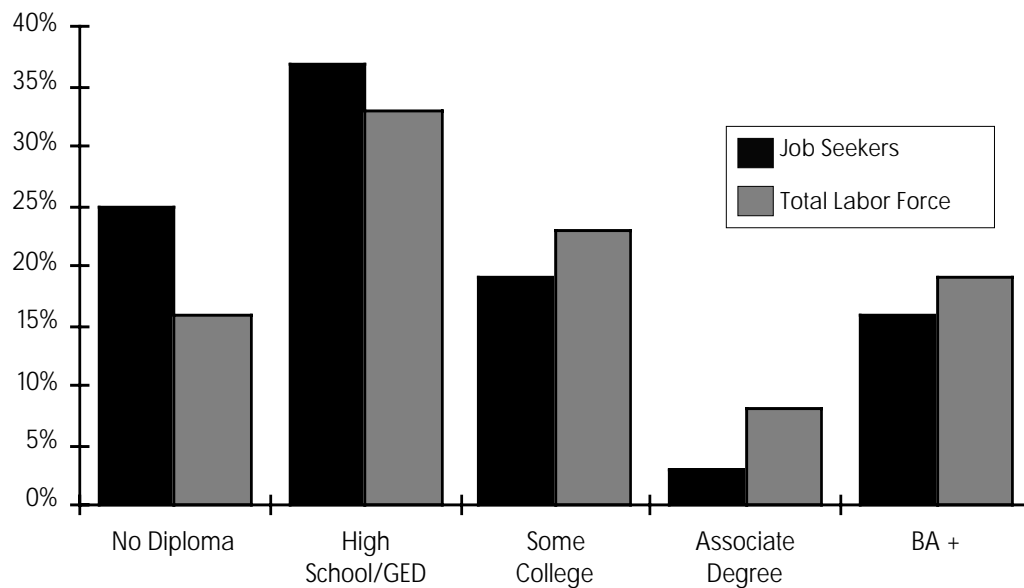
In addition, job seeker status varies by education and training. Those with no high school diploma are more likely to be marginally attached and discouraged workers or unemployed. Those with a high school diploma or GED are more likely to be employed part time on an involuntary basis.

## IS THERE AN EDUCATION GAP IN ADDITION TO THE JOB GAP?

Job seekers with limited education and training are likely to have more difficulty than others in getting living wage jobs, because most job openings that pay a living wage require moderate to long term education and training.

On the job seeker side, those with less education and training are more likely to be looking for work. As shown in the chart below, 62 percent of job seekers have at most a high school diploma or GED, compared to 49 percent of the total labor force.

### IDAHO LABOR FORCE BY EDUCATION & TRAINING



### JOB OPENINGS BY EDUCATION & TRAINING REQUIRED & WAGES PAID, 1996 - 2006



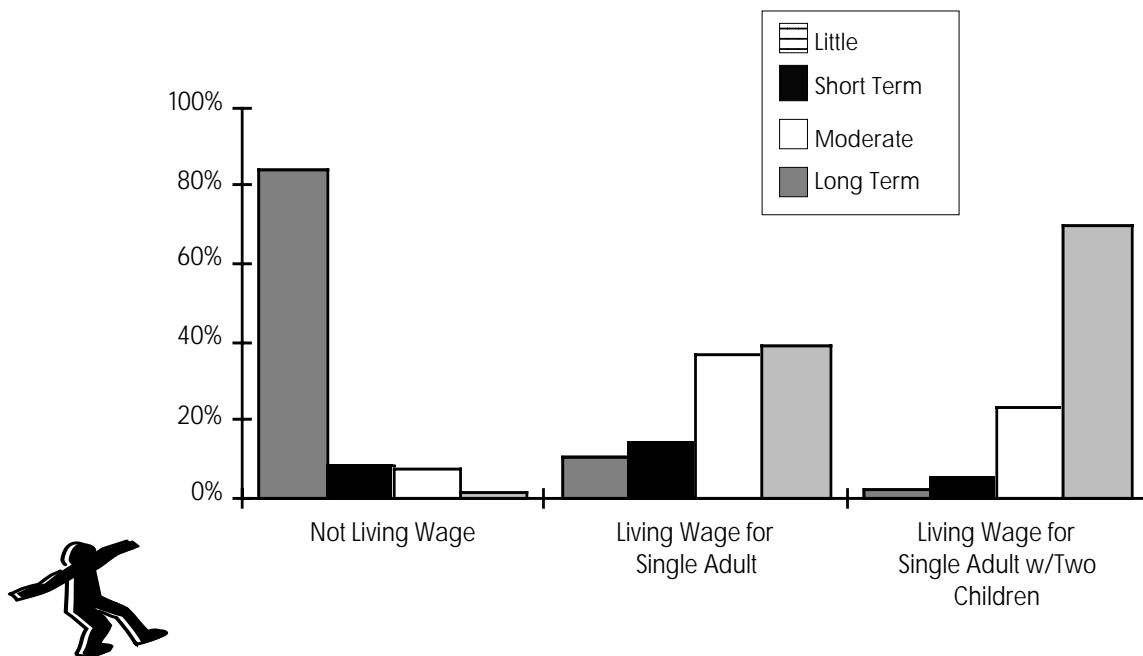
	Annual Job Openings		Not Living Wage		Living Wage for Single Adult		Living Wage for Single Adult with Two Children	
	Number	% Dist	Number	% Dist	Number	% Dist	Number	% Dist
Long Term	5,372	21%	100	1%	5,075	39%	4,453	70%
Moderate	5,673	22%	884	7%	4,784	37%	1,450	23%
Short Term	2,840	11%	955	8%	1,885	14%	328	5%
Little	11,470	45%	10,089	84%	1,302	10%	113	2%
Total	25,355	100%	12,028	100%	13,046	100%	6,344	100%

On the job opening side, 45 percent of all openings require only little education and training, as shown in the table on page 29. However, most of these job openings pay less than a living wage. Of job openings that pay at least the living wage for a single adult, 76 percent require moderate to long term education and training. Of those that pay at least the living wage for a single adult with two children, 93 percent require moderate to long term education and training.

The figures for all jobs are similar. However, the portion of all jobs that pay less than a living wage was slightly lower, 44 percent compared to 47 percent of all job openings. Little change is projected from 1996 to 2006.

The chart below illustrates the connection between education and training and job openings that pay a living wage.

## IDAHO JOB OPENINGS BY EDUCATION & TRAINING REQUIRED & WAGES PAID



It is important to note that there are still more job seekers than job openings at all education and training levels. There are about 33,000 job seekers with at most a high school diploma or GED, compared to 14,300 job openings that require up to a year of education and training (only about 3,200 of which pay a living wage). And there are about 8,700 job seekers with a bachelor's degree or more, compared to 5,400 job openings that require a bachelor's degree or more.

# WHAT ARE POLICY OPTIONS FOR CLOSING THE GAP?

Findings from the Northwest Job Gap Study suggest a number of strategies that business, labor, government, and communities can pursue to close the job gap, promote living wage jobs, and make sure people are able to get and keep these jobs. The strategies fall into four broad categories:

- Job and wage strategies, which focus on increasing the number of jobs that pay a living wage.
- Skill development strategies, which focus on providing people the education and training required of living wage jobs.
- Linking strategies, which focus on connecting people to living wage jobs.
- Safety net and cost of living strategies, which focus on making sure people's basic needs are met until they can get and keep a living wage job, and reducing costs of living—without lowering living standards.

## JOB & WAGE STRATEGIES

One approach to closing the job gap is to increase the number of jobs that pay a living wage. As found by the job gap study, the regional economy is not creating enough living wage jobs. There are far more working age households than there are living wage jobs. Around half of all jobs and job openings pay less than the living wage for a single adult. And there are more people looking for work than there are job openings that pay a living wage. For each job opening that pays at least the living wage for a single adult, there are four to six job seekers on average.

Policy options include:

- *Establish job quality standards for employers and industries that receive public economic development and business assistance resources.*

States and communities can target their economic development and business assistance resources to those employers and industries that meet job quality standards. This includes working with groups of firms in targeted sectors to improve their competitiveness and ability to create living wage jobs.

In targeting economic development and business assistance efforts, one factor to take into account is the amount of education and training required of living wage jobs in an industry, if one goal is to increase the availability of living wage jobs to those who are unemployed and underemployed. For example, about three quarters of living wage jobs in manufacturing require at most moderate education and training.

- *Use living wage figures to establish wage policies.*

Business, labor, and government can use living wage figures in setting wage policies. Companies can analyze their wages in light of living wage figures and for those workers earning less than a living wage, they can develop wage progression strategies, so workers earn a living wage within a set time period. Unions can negotiate wages based on living wage figures. And government can ensure public funds support living wage jobs. In addition, communities can use living wage figures to set community standards.

- *Use living wage figures to set targets for job creation policies and programs and evaluate their impact.*
- *Pursue “high road” strategies aimed at creating high wage, high skill jobs.*  
Companies can adopt high performance work organization systems that place priority on worker participation and skills. Government can support these companies with training and infrastructure development.
- *Promote job ladders and wage progression.*  
With changes in the economy, internal job ladders have broken down. Companies can structure jobs and connections between jobs to create career pathways that make it possible for workers, with a combination of training and work experience, to move up job ladders and achieve wage progression. And government, labor market intermediaries, and other organizations can encourage and support these efforts by providing training and technical assistance.
- *Ensure workers a strong voice in decisions affecting them.*  
In the workplace, this includes addressing barriers to workers’ right to organize and bargain collectively, establishing labor management partnerships, and promoting worker participation. And in the community, this includes ensuring participation in local economic and workforce development policy making.
- *Report living wage job creation and job gap figures on a regular basis.*  
Government and/or other groups can regularly report living wage job creation and job gap figures, along with other economic indicators.

## SKILL DEVELOPMENT STRATEGIES

Along with increasing the number of living wage jobs, people need access to the education and training required of these jobs. As found by the job gap study, most jobs that pay a living wage require moderate to long term education and training. Over 70 percent of job openings that pay the living wage for a single adult require anywhere from a year or more of education and training—including on the job, employer provided, college, and apprenticeship training—to a four year bachelor’s degree or more. For those that pay the living wage for a single adult with two children, the figure is over 90 percent.

In addition, people with less education and training are less likely to earn a living wage and more likely to be looking for work.

Policy options include:

- *Invest in education and training.*  
Most living wage jobs require moderate to long term education and training. Both the private and public sector can invest in education and training.
- *Provide job seekers and low wage workers with the training required for living wage occupations, along with the income support and support services—such as child care and transportation assistance—needed to participate in training.*  
Key features of effective training include targeting training to living wage occupations in demand in the regional economy; developing training that provides skills required by employers; replicating the work environment; integrating basic skills and soft skills training with job skills training;



structuring training in a way that is flexible, competency based, and open entry, open exit, so that it is easy to access; combining classroom instruction with work based learning; and focusing on living wage employment as the outcome. Business and labor participation is critical.

- *Promote job ladders and wage progression, to make it possible for those currently working in jobs that pay less than a living wage to move into living wage jobs.*

Job ladders are one way for those working in jobs that pay less than a living wage to move into living wage jobs, with a combination of training and work experience. This includes community career ladders that focus on cross firm and cross industry skill progressions.

Companies can structure jobs and connections between jobs to create job ladders and promote wage progression. And government, labor market intermediaries, and other organizations can encourage and support these efforts by providing training and technical assistance.

- *Expand equal education and employment efforts.*

People of color and women are less likely to earn a living wage than whites and men, and more likely to be looking for work than whites and men.

In addition to increasing access to education and training and providing income support and support services, government, training providers, employers, and unions can expand their equal education and employment efforts. This includes promoting living wage employment and training among people of color and women, enforcing equal opportunity and affirmative action laws, and creating mechanisms to help link people of color and women to living wage jobs (see below).

- *Promote a smooth transition from school to work.*

Schools can help young people make the school to work transition by providing them exposure to the world of work at an early age; career counseling; information on living wage jobs that are in demand, along with their education and training requirements; and work based learning opportunities.

- *Provide people moving from welfare to work the training required for living wage jobs, along with support services such as child care and transportation assistance needed to participate in training and get and keep a living wage job.*

People moving from welfare to work need access to training in order to get and keep living wage jobs, most of which require at least moderate education and training.

- *Promote lifelong learning.*

Increasingly, incumbent workers need to update their skills on a regular basis. Government, companies, and training providers can promote lifelong learning by providing incumbent workers financial support and easy access to targeted training.

- *Promote apprenticeship programs.*

Apprenticeship programs can be expanded to cover a wider range of occupations. In the U.S., apprenticeship programs focus primarily on the building and construction trades. However, in European countries such as Denmark and Germany, there are apprenticeships for most occupations. Key features of the apprenticeship model include labor and management participation, industry skill standards and certification, a combination of

work based learning and classroom instruction, the ability to earn while you learn, wage progression, career advancement, and funds for training.

- *Develop publicly funded jobs programs for the hard to serve, to help them develop skills and gain work experience.*

Some people who are unemployed lack the skills and work experience required in the labor market. States and communities can develop publicly funded jobs programs to help the hard to serve acquire these skills and experiences and, at the same time, address unmet community needs.

- *Use living wage figures to set targets for employment and training policies and programs, including welfare to work, and evaluate their impact.*

## LINKING STRATEGIES

Beyond increasing the number of living wage jobs and providing people the education and training required of these jobs, there is the need to help connect job seekers to job openings that pay a living wage. This is particularly true for job seekers from low income communities in urban and rural areas, which are characterized by social, economic, and geographic isolation.

Policy options include:

- *Create an integrated, coordinated workforce development system that is connected to the regional economy and labor market.*

State and local workforce development agencies can build integrated, coordinated workforce development systems focused on helping job seekers and workers get and keep living wage jobs, and employers get the skilled workers they need. This includes providing labor exchange and job matching services, as well as access to training and support services. Business, labor, and community participation in developing these systems and services is critical.

- *Create labor market intermediaries to help connect low income community residents to living wage jobs.*

Labor market intermediaries can help connect low income community residents to living wage jobs by actively working with networks of community based organizations, industry brokers, employers, unions, and training providers. Together, they provide the combination of training, access to jobs, human services, and follow up support required to make the connection.

- *Create sectoral employment development initiatives that help link low income community residents to living wage jobs in targeted sectors.*

Sectoral employment development initiatives target a particular occupation or cluster of occupations within an industry that can provide low income community residents living wage job opportunities; intervene by developing value added, market based relationships with key actors in the industry that benefit both low income community residents and the industry; exist primarily to help low income community residents obtain living wage jobs; and increase low income community residents' access to living wage jobs by creating systemic change within the targeted occupation's labor market.

- *Provide low income community residents first chance at job openings with firms getting some kind of public assistance such as loans, bonds, and infrastructure improvements.*

State and local governments can require those firms that get public assistance provide low income community residents first chance at job openings.

- *Improve labor market information.*

With better labor market information (e.g., skills and training required of living wage jobs in demand in the regional economy, career pathways, etc.)—and job counseling—job seekers and workers can make more informed employment and training decisions. Such information can also help training providers develop programs to address the needs of job seekers, workers, employers, and targeted sectors.

- *Organize communities to help shape company and government decisions regarding living wage jobs and low income communities.*

Community based organizations can analyze the regional economy and its impact on the community; assess community needs and resources; secure company and government commitments to jobs and training; reach out and recruit community residents to take advantage of these commitments, and provide them support; and build a sense of community among participants.

## SAFETY NET & COST OF LIVING STRATEGIES

There is also the need to make sure a safety net is in place so that people's basic needs are met until they are able to get and keep a living wage job. Another approach is to reduce costs of living such as housing, child care, and transportation costs—without lowering living standards.

Policy options include:

- *Use living wage figures to determine eligibility for public assistance (e.g., food stamps, medical care, child care, transportation assistance, etc.).*

Using living wage figures sets eligibility for public assistance at up to 200 percent of the federal poverty level.

- *Provide food, housing, health care, transportation, and child care assistance to those earning less than a living wage.*
- *Increase access to health care.*

People earning less than a living wage are far less likely to have employer provided health insurance. About 60 percent of those earning less than the living wage for a single adult do not have employer provided health insurance, according to the job gap study. This compares to almost 20 percent of those earning a living wage.

- *Create new and/or expand existing safety net programs linked to employment.*

Governments can create new and/or expand existing safety net programs linked to employment. This includes expanding Unemployment Insurance and Earned Income Tax Credits.

- *Develop new institutions and/or mechanisms to provide workers stability in health care, retirement, and other benefits.*

In today's flexible economy, people increasingly move from one job to another. Oftentimes, these moves are accompanied by a break in benefits. One way to address this form of economic insecurity is to develop new institutions and/or mechanisms to provide workers stability in health care, retirement, and other benefits.

- *Improve access to safety net programs.*

State and local governments and community based organizations can promote increased awareness of and access to safety net programs.

- *Promote asset building.*

State and local governments, community based organizations, and other public and private institutions can help promote asset building—for example, home ownership—among low wage workers through individual development accounts. IDA's are dedicated savings accounts in which the deposits of low wage workers are matched by public and private sources.

# TECHNICAL NOTES

## LIVING WAGE ANALYSIS

A living wage is a wage that allows families to meet their basic needs without resorting to public assistance, and provides them some ability to deal with emergencies and plan ahead. It is not a poverty wage. A modified market basket approach was used to calculate family budgets, upon which living wage figures are based. Family budget items—along with their data sources—include:

- Food—U.S. Department of Agriculture’s “Low Cost Food Plan.”
- Housing & Utilities—U.S. Department of Housing and Urban Development’s Fair Market Rents (at the 40th percentile), and information provided by US West.
- Transportation—1995 U.S. National Personal Transportation Study from the U.S. Department of Transportation, the U.S. Department of Labor’s Consumer Expenditure Survey (CES), and Internal Revenue Service reimbursement rates for automobile travel (private and public transportation costs are included).
- Health Care—Updates from the 1987 National Health Care Expenditure Survey, data from the Families USA Foundation, and the CES (employer provided health care is assumed; out of pocket costs and individual contributions for health insurance coverage are included).
- Child Care—State welfare agencies’ market rate surveys (up to the 75th percentile).
- Household, Clothing, & Personal—the CES (calculated as a fixed percentage of total household spending, minus child care and taxes).
- Savings—Expert recommendations (set at 10 percent of total household spending, minus child care and taxes).
- State, Local, & Federal Taxes—Employment taxes (FICA), federal taxes (including child care credits and the Earned Income Tax Credit), and state and local sales and income taxes, as appropriate.

The most current data available was used and then inflation adjusted, using the CPI-U published by the Bureau of Labor Statistics. Because the CPI includes all of the budget items in its basket, it is appropriate to use for a short term update. To the extent that inflation has been significantly different from the national average, living wage budgets will vary in accuracy. Because of changes in the CPI sector by sector, this method is not recommended for updating budget items for the job gap study beyond 1999. However, living wage estimates (the bottom line) for each household type can be updated with relative confidence through 2005 using the CPI.

(More detailed information on family budget data sources and calculations can be found in the 1999 edition of the job gap study, posted on NPC’s website at <http://depts.washington.edu/npc>.)

## **JOB GAP ANALYSIS**

Job gap figures are calculated by dividing the number of job seekers by the number of job openings that pay a living wage. Job gap figures and wages were updated to published and imputed 1998 values.

Job seeker numbers are based on published and unpublished data from the U.S. Department of Labor's Bureau of Labor Statistics and its Local Area Unemployment Statistics division. For purposes of the job gap study, job seekers are defined to include the unemployed, involuntary part time workers, and marginally attached and discouraged workers.

Job openings include annual openings due to growth and net replacement. Job opening estimates are produced by state employment departments at least every two years. Occupational projections for 1998-2008 were used for Oregon and Washington. At the time of the job gap analysis, Idaho and Montana had not yet released their 1998-2008 projections.

Data on wages associated with job openings come primarily from the Occupational Employment Statistics (OES) wage survey of employers conducted by state employment departments. State median wages were estimated using a regression for those occupations that were blank.

(More detailed information on job seeker and job opening data sources and calculations can be found in the 1999 edition of the job gap study, posted on NPC's website at <http://depts.washington.edu/npc>.)

## **INDUSTRY ANALYSIS**

Data on the number of people who earn a living wage by industry come from Unemployment Insurance (UI) wage data from state employment departments. States provided a summary table of the number of workers, median wage, and number of people earning a living wage by industry (at the two digit Standard Industrial Classification (SIC) code level). The table was based on UI wage data in 1996 and 1998 in Oregon and Washington and on 1998 data in Montana. Idaho declined to provide UI wage data.

The analysis focused on second quarter (April to June) earnings in the target year. To ensure that a person worked the entire quarter, only those records in the second quarter that also had corresponding records in the first and third quarters were used. Earnings were grouped into inflation adjusted living wage categories to facilitate the analysis.

## **OCCUPATION ANALYSIS**

Data on occupations, their education and training requirements, number of job openings, and median wages come from the OES survey and Industry-Occupation matrices published by state employment departments.

Analysis of the fastest growing occupations was limited to only those occupations that comprised at least one quarter of one percent (0.25%) of all job openings. This eliminated tiny occupations that, for example, might be forecast to grow 50% from two to three people statewide.

## DEMOGRAPHIC ANALYSIS

All demographic data come from the Current Population Survey (CPS) conducted by the Bureau of Labor Statistics. Results from the 1996, 1997, and 1998 "March Supplement" surveys were combined for each of the four states. Using inflation adjusted living wage figures, households were identified as meeting various living wage thresholds. The data were also used to identify job seekers and examine the effects of race/ethnicity, gender, education and training, and age on earnings and labor force status.

## EDUCATION GAP ANALYSIS

Data on the education and training of job seekers and the labor force come from the CPS. Data on the education and training required of jobs and job openings come from the OES survey and Industry-Occupation matrices.