

The Vermont Job Gap Study

Phase 2

Livable Wage Jobs: The Jobs Gap

A report by the Peace & Justice Center.

Ellen Kahler, Project Director

Doug Hoffer, Research Director

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Purpose of the Study

The Vermont Job Gap Study is an effort to investigate and better understand certain aspects of the Vermont economy. Primarily, we are interested in whether the economy is producing enough jobs that pay a livable wage (LW), defined as an income sufficient to meet a family's basic needs.¹ The Study will include several phases that will examine various aspects of this issue including:

Phase 1	Estimate the cost of meeting a family's basic needs;
Phase 2	Estimate the number of livable wage jobs in Vermont and the number and the outlook for the future; Note: This Phase will include some discussion of under-employment which was originally intended to be part of a planned Phase 4.
Phase 3	Estimate the social costs of under-employment; and
Phase 4	Policy Recommendations.

Through this Study, we hope to: a) examine some assumptions about economic development and job creation; b) develop expanded methodology for data collection and analysis that can be replicated in the future; c) provide information to help guide decision-makers regarding economic development and public assistance policies; and, d) create new indicators to measure the performance of the economy and evaluate the effectiveness of state programs and policies.

Phase 2 of the Study will attempt to answer two key questions: What percentage of jobs in Vermont pay a livable wage (as determined in Phase 1) and what is the outlook for the future?

The Peace & Justice Center acknowledges the groundbreaking work of the Minnesota Jobs NOW Coalition, which published the Minnesota Job Gap study in 1995. Our methodology has been adapted from the work done in Minnesota and, subsequently, in Maine.² The methodology is described in detail in a separate Appendix (not attached).

The Job Gap Study has been underwritten by the Vermont Community Foundation, the Rural Development Administration (USDA), Autumn Harp, United Way of Chittenden County, and Ben & Jerry's Ice Cream.

¹ We believe that, as a matter of public policy, full-time work should be adequate to ensure economic self-sufficiency and a decent standard of living. Nevertheless, we have adopted conservative assumptions for our basic needs budget. We recognize that there may be differences regarding such a standard and invite comment about our assumptions and methodology (see Phase 1 Appendix).

² Seguinto, Stephanie, "Living on the Edge: Women Working and Providing for Families in the Maine Economy, 1979-93," and "Report of the Commission to Study Poverty Among Working Parents," November, 1996.

Introduction

Vermont’s statewide unemployment rate of 3.9% has been below the national average for some time and job creation nationally has been vigorous in recent years. This appears to be good news and is often cited as evidence of the health of the economy. But many Vermonters have learned first hand that low unemployment can mask economic distress.

Reliance on the unemployment rate as an indicator of economic well-being diverts our attention from

an important but unexamined assumption. **By focusing on those without jobs, we assume those with jobs earn enough to support their families.**

We addressed this issue in Phase 1 and a summary of our findings is presented below. **In Phase 2, we are concerned with the labor market and the number of LW jobs.** We hope this study will contribute to a more informed debate.

What are Basic Needs and a Livable Wage?

According to the U.S. General Accounting Office, economic self-sufficiency requires independence from publicly provided income and housing assistance, and adequate income to meet basic needs.

For this study, basic needs include necessary expenses: food, housing, child care, transportation, health care, clothing, household and personal expenses, and insurance.³ We estimated the monthly cost of each category using market and survey data from the US Departments of Agriculture, Housing

& Urban Development, Transportation, and Commerce, as well as the VT Department of Social & Rehabilitation Services, and the Health Care Authority. We also obtained rates from local service providers for telephone service, renters insurance and child care.

A livable wage is the hourly wage / annual income necessary to cover basic needs plus all relevant Federal and State taxes.

Phase 1 Findings: Summary

Table 1

Livable Wage (Basic Needs + Taxes)		
<i>Family Unit</i>	<i>Rural</i>	<i>Urban</i>
Single Person	\$7.98/hr (\$16,598)	\$8.21/hr (\$17,086)
1 Parent, 1 Child	\$12.36/hr (\$25,712)	\$13.24/hr (\$27,546)
1 Parent, 2 Children	\$14.75/hr (\$30,684)	\$15.61/hr (\$32,478)
2 Parents, 2 Children, (1 male wage earner)	\$14.94/hr (\$31,082)	\$14.76/hr (\$30,691)
2 Parents, 2 Children (2 wage earners)	\$19.46/hr (\$40,474) Avg. \$9.73/hr each	\$19.82/hr (\$41,224) Avg. \$9.91/hr each

³ Although not included, personal savings could be considered a necessity for supplemental retirement, children’s education, and other long-term needs.

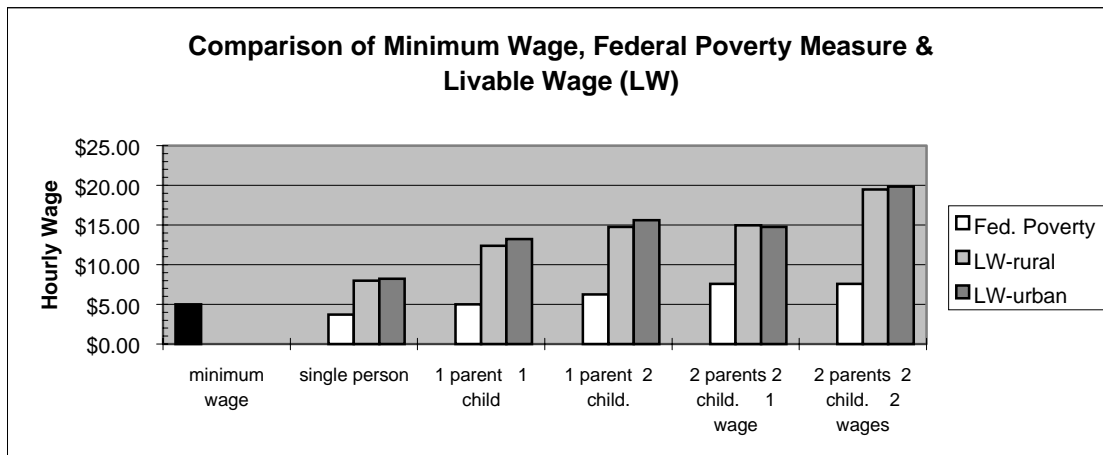
Table 2*

Estimated Cost of Basic Needs and Livable Wage (Rural)					
<i>Category</i>	<i>Single Person</i>	<i>1 Parent 1 Child</i>	<i>1 Parent 2 Children</i>	<i>2 Parents (1 works) 2 Children</i>	<i>2 Parents (both work) 2 Children</i>
Food	\$164	\$250	\$366	\$507	\$507
Rent & Utilities	416	521	521	521	521
Telephone	25	25	25	25	25
Health Care	73	223	262	301	301
Transportation	259	237	276	559	655
Child Care	---	316	478	---	478
Clothing / HH	138	163	185	178	259
Personal Exp.	33	54	66	65	85
Renters Insurance	10	10	10	10	10
Monthly Expenses	\$1,118	\$1,800	\$2,189	\$2,165	\$2,841
Annual Expenses	\$13,416	\$21,600	\$26,268	\$25,980	\$34,092
Fed & State Taxes	\$3,182	\$4,112	\$4,416	\$5,102	\$6,382
Annual Income	\$16,598	\$25,712	\$30,684	\$31,082	\$40,474
Equiv Hrly Wage	\$7.98	\$12.36	\$14.75	\$14.94	\$9.73 each

Conclusions: Phase 1

- Minimum wage does not meet families' basic needs.
- A significant percentage of working families do not earn enough to meet basic needs.
- The Federal poverty measure seriously under-estimates the cost of basic needs.
- Child care costs can be a severe burden for working families and prevent economic self-sufficiency.
- Research is needed to determine the potential impacts of increased wages on tax revenues, public assistance, consumer prices, and demand for goods and services.
- Families that don't earn enough to meet basic needs may have to do without basics, rely on public assistance, get help from other family members, work two jobs, or incur personal debt.

Chart 1*



* See Phase 1 for complete methodology.

Table 3

Estimate of Families in the Labor Force Earning Less Than a LW⁶

Single person	20%
1 parent, 1 child	61%
1 parent, 2 children	83%
2 parents, 2 children, 1 job	43%
2 parents, 2 children, 2 jobs	21%

1996 Annual Average Unemployment by County

Addison	4.8%
Bennington	4.8
Caledonia	6.6
Chittenden	3.0
Essex	8.4
Franklin	5.0
Grand Isle	7.1
Lamoille	6.9
Orange	3.5
Orleans	9.3
Rutland	5.3
Washington	5.1
Windham	4.0
Windsor	3.5
Statewide Average	4.6

Source: VT DET

The Parent Trap

Many two-parent families would prefer that one parent remain at home for full-time child-rearing. But since one income is insufficient, both parents must work. This expands the supply of job seekers, increases competition, and creates downward pressure on wages. If both parents work, child care is a necessity and the cost consumes much of the second income (about 30% for a two-parent family with two children).⁸ In the end, parents and children lose precious time together and significant personal and societal resources are expended.

Phase 2 Findings

In Phase 2, we are concerned with whether the Vermont economy provides enough livable wage jobs for its citizens. We estimated the percentage of livable wage jobs in Vermont, and also provided a revised estimate of the percentage of families that earn a livable wage.

Table 4

Livable Wage (LW) Category ⁴	Annual & Hourly LW		Estimated Percentage of LW Jobs ⁵
Single person	\$16,842	\$8.10	64%
1 parent, 1 child	26,629	12.80	32%
1 parent, 2 children	31,581	15.18	22%
2 parents, 2 children, 1 job	30,887	14.85	24%
2 parents, 2 children, 2 jobs	20,425 (each)	9.82 (each)	51%

Table 4 presents estimates of the percentage of jobs that pay more than each livable wage estimate. Because so few jobs pay a livable wage, it is not surprising that a significant number of families in the labor force earn less than a livable wage (see Table 3 at top left). There are many reasons for the unequal distribution of LW jobs between family types including education and training, age, experience, and gender pay inequities. In addition, jobs at a given wage level can be held by any worker regardless of family situation. However, normal competition is exacerbated by the overall shortage of livable wage jobs.

The challenge for single parents is particularly difficult since fewer than 1 in 4 jobs pay a livable wage. And since only 24% of jobs pay enough for one wage earner to support a four person family, it's not surprising there are so many two-income families. Unfortunately, only half the jobs available in Vermont pay enough to meet basic needs even with two incomes (see Box at lower left).⁷

This snapshot of current conditions suggests the difficulties facing job seekers. In order to better understand the job market, we estimated the "job gap." This required a redefinition of unemployment which, as we will discuss, significantly under-represents the number of people that actually want full-time (FT) work (including the statewide average which masks disparities between counties - see Box at middle left).

⁴ Livable wages are an average of urban and rural; see Job Gap Study, Phase 1.

⁵ Wage data is collected by DET through surveys of employers who report wages within ranges. The methodology assumes uniform distribution within the wage ranges, which is unlikely but the percentages are similar to other data sets.

⁶ Revised April 1997.

⁷ Since jobs are not distributed based on need and all job seekers can compete for any job, the no. of families earning a LW doesn't match the no. of available LW jobs.

⁸ Job Gap Phase 1, p. 7. Percentage is an average of urban and rural estimates.

The Measurement Game: Part 2

Unemployment Redefined

The Marginally Attached

According to the Bureau of Labor Statistics (BLS), in 1995 there were over 1.5 million people nationally who wanted to work but had given up and were no longer considered part of the labor force.⁹ Unlike “discouraged workers” who are not actively seeking work for labor market-related reasons (see page 6), these people report that they were unable to seek work because of personal / financial reasons such as ill health, family responsibilities or a lack of child care or transportation.

Applying national percentages to Vermont, we estimate that there were 2,400 people who fit the definition of “marginally attached” in 1995.

Note: Using BLS national data, the ratio of marginally attached persons to discouraged workers is 3 to 1. We estimate there were 800 discouraged workers in 1995 (see p. 6). Using the ratio, we estimate there would have been approximately 2,400 marginally attached persons in 1995 in Vermont.

Table 5

Unemployed Seeking Full-Time Work in 1995

DET unemployment estimate (1995)	12,400
Those on temporary layoff ¹⁰	-3,102
Sub-total	9,298
Those seeking part-time work ¹¹	-4,000
Sub-total	5,298
Annual adjustment	x 2.44
Total	12,927

In this report, we examine unemployment, which is a commonly used indicator to measure the health of the economy. It measures only the number of people without work who are “actively seeking employment.” There are two key assumptions, however, that limit the accuracy of the measure and create an illusion and false security about the condition of the job market.

The first assumption is that only those actively seeking employment should be considered unemployed. In fact, the Bureau of Labor Statistics (BLS) tracks people who, for a variety of reasons, have not actively sought work for the preceding four weeks. In some cases, these people are no longer considered part of the labor force even though they want to work. These “marginally attached workers” are the inactive unemployed and are invisible to policy makers (see Box left).

The second assumption is that those who are working are not still looking for jobs. However, there are a sizable number of people who are working part-time because they are unable to find full-time work. The BLS refers to this group as “involuntary part-time workers” (see page 6). Using data from the Department of Employment & Training (DET) and the BLS, we have attempted to more accurately characterize conditions in the job market. The definitions are as follows:

Supply 1: Job Seekers

Unemployed: To estimate the number of “unemployed” people seeking FT work, we used DET’s estimate of the total unemployed and subtracted those on temporary layoff and those seeking only part-time (PT) work. But unemployment figures are an average of monthly estimates, and do not measure the total number of persons experiencing unemployment throughout the year. The BLS collects data on the work experience of the population during the entire year through a set of supplemental questions to the March Current Population Survey (CPS). According to the survey, the number of unemployed at any time during 1995 was 2.44 times the average monthly number of unemployed. We applied the formula to 1995 Vermont data to estimate the total number of individuals who were unemployed and sought full-time work at any time during the year (see Table 5 at left).

⁹ BLS, April News Release, “Measure of Labor Under-utilization” (U-6); data obtained through supplemental questions to the CPS.

¹⁰ BLS “Geographic Profile of Employment and Unemployment,” 1993-95; because the VT sample is small, we averaged data from 3 years for our estimate.

¹¹ *ibid.*, because the BLS altered the methodology for this item in 1994, we could only average two years.

In-migration

Competition for jobs is intensified due to the interest of people from out of state. According to the 1990 Census, 14% of all those working FT in 1990 were not here in 1985.¹³ The effect is more pronounced at the upper income levels where almost 1 in 5 jobs (6,600±) paying more than \$40,000 were held by those who recently moved to VT.

Note: The labor market for some higher paid jobs is regional or national in scope so the applicant pool is much larger.

Public assistance recipients

According to the Vermont Department of Social Welfare, there were 6,613 unemployed single parents receiving Aid to Needy Families with Children (ANFC) in February of this year.¹⁵ Obviously, all these people need employment to achieve self-sufficiency and most will be required to work under the new Workfare rules. No doubt some are actively seeking work and are included in DET's estimate of unemployment. Since there is no data available, we cannot reliably estimate how many ANFC recipients may not be included in the unemployment figures.

Table 6

Total No. Available for FT Work, 1995

Unemployed seeking full-time work	12,927
New entrants	769
Discouraged workers	800
Involuntary part-time workers	10,000
Marginally attached	2,400
Total	26,896

New entrants to the labor force: This group consists of jobseekers who have never worked before and, therefore, have not previously been included in the unemployment estimates. According to BLS survey results, the average number of new entrants annually from 1993 to 1995 was 769 persons.¹²

Discouraged workers: This group is a subset of the "marginally attached" and is defined as "persons who want a job, are available to take a job, and who had looked for work within the past year but not within the prior 4 weeks because they believed their search would be futile."¹⁴ Reasons for not looking for work recently include: 1) individual believes no work is available in their line of work; 2) couldn't find any work; 3) lacks necessary schooling, training, skills, or experience; and, 4) employers think they are too young or too old, or other types of discrimination. Using data from the 1995 Current Population Survey (CPS), we estimate that the number of discouraged workers in Vermont is approximately 800. **Although they haven't sought work during the past 4 weeks, discouraged workers can be expected to do so if the labor market changes. Since they have indicated their desire and readiness to work, we have included them in our estimate of job seekers.**

Supply 2: The Under-Employed

Involuntary part-time workers: This group is defined as persons who work part-time (less than 35 hr./week) involuntarily because of business reasons (slack work or lack of full-time opportunities) rather than because of personal constraints or preferences.¹⁶ According to the BLS, there were 68,000 part-time workers in Vermont in 1995¹⁷ (22% of all employed persons). Of those, it is estimated that 10,000 worked part-time involuntarily.¹⁸ We have no way of knowing whether people in this category are actively seeking full-time work but BLS survey respondents indicated that they want to work full-time and are available to do so. **Although not unemployed, involuntary part-time workers should be included in an estimate of the total labor supply for full-time jobs.**

¹² op. cit., BLS "Geographic Profiles," 1993 - 95.

¹³ Source: 1990 Census Public Use Micro-Sample File.

¹⁴ Source: BLS, "Revisions in the Current Population Survey Effective January 1994," p. 16.

¹⁵ Source: March 20, 1997 telephone conversation with Dale Brooks, DSW staff.

¹⁶ op cit. BLS "Revisions in the Current Population Survey," p. 15; BLS recently modified the definition of involuntary PT work to ensure that those working PT for economic reasons want and are available for FT work.

¹⁷ op. cit., "Geographic Profiles," 1995.

¹⁸ op. cit., "Geographic Profiles," 1995; this does not include 4,000 who regularly work FT but reported working less than 35 hr. in the preceding week.

Displaced Workers

Structural changes in the labor market have left some workers without opportunities to utilize their education, training and experience (a form of under-employment). Displaced workers are defined as those who have had their jobs abolished, or lost their jobs due to plant closings or slack work. Although many find full-time work, a significant number are forced to take substantial pay cuts. According to BLS national figures:

% of displaced workers who lost FT jobs & found FT work at less pay ²¹	52%
Overall difference between median pay on lost job & new job ²¹	-12%

Table 7

Estimated Net New Jobs 1995

New jobs-annual growth	4,297
Net replacement-annual	<u>6,892</u>
Total	11,189

Multiple Job Holders

The BLS estimates that 8.5% of all working Vermonters (26,000±) work more than one job at the same time.²³ If all those who wanted one had FT jobs that paid a livable wage, it could create thousands of job openings for others who need them.

Using the more inclusive method shown in Table 6, the statewide rate of un- and under-employment in Vermont for 1995 rises to **8.4% rather than the published statewide unemployment rate of 3.9% (26,896 vs. 12,400)**. Reliance on the official unemployment rate perpetuates the myth that the economy is healthy and meeting the needs of the people. In fact, the economy is failing to produce enough full-time jobs to allow workers to meet their families' basic needs and fulfill their personal and professional goals. Indeed, the most recent BLS estimate of "labor under-utilization" for the nation is 9.6%.¹⁹

Demand: Net Job Openings

New Jobs: The DET publishes individual and aggregate occupational projections for the entire economy. These figures includes jobs lost through business closure, downsizing, and relocation out of state. The average annual number of net new jobs due to business growth is estimated to be 4,297 per year through 2005.²⁰

Replacement Demand: Openings are created when people leave jobs. But some people return to work in the same field with a different employer. To measure job openings available to new entrants and those from other fields, we must estimate the number of persons leaving an occupation and not expected to return. DET estimates that average annual "net replacement" will be 6,892 per year through 2005.²²

Thus, DET's estimate of net new jobs annually is **11,189** (see Table 7).

The Job Gap

Having estimated the number of people who want full-time jobs and the number of net job openings, we can see that overall there were approximately 2.4 people competing for every job in 1995 (26,896 job seekers ÷ 11,189 job openings = 2.4).²⁴ Upon further examination, however, the outlook is even worse.

Table 8 (below) contains estimates of the number of annual livable wage job openings for each livable wage category, and the ratio of job seekers to livable wage jobs. As is evident, the competition for livable wage jobs is fierce.

¹⁹ BLS, April News Release, "Measure of Labor Under-utilization" (U-6).

²⁰ VT DET Occupational Employment and Wage Projections 1994 - 2005.

²¹ Unpublished tabulations from supplemental questions in the CPS.

²² op. cit., DET Occupational Employment and Wage Projections (Projections).

²³ Unpublished data produced from CPS Microdata by the BLS.

²⁴ Obviously, not all those who want FT work are competing for all available jobs. Competition will vary based on geography, occupation, job skills & timing.

Table 8

Gap Between Net LW Job Openings and Total Job Seekers by LW Category, 1995

	<i>Single person</i>	<i>1 parent, 1 child</i>	<i>1 parent, 2 children</i>	<i>2 parents, 2 children, 1 job</i>	<i>2 parents, 2 children, 2 jobs</i>
	\$16,842	\$26,629	\$31,581	\$30,887	\$20,425 each
Net Annual LW Job Openings ²⁵	6,592	2,907	1,838	1,906	4,935
Ratio of Job Seekers to Total LW Job Openings ²⁶	4.1 to 1	9.3 to 1	14.6 to 1	14.1 to 1	5.5 to 1

Employment & Wage Projections - Top 50 Occupational Titles: Net Annual Job Openings 1994-2005²⁸

Occupational Title	# jobs	Est. median wage
Waiters & Waitresses	498	\$4.90
Salespersons, Retail	462	6.50
Cashiers	444	5.40
Mrkt & Sales, Supervisors	239	12.30
Gen. Mgrs. & Top Execs	217	23.10
Secretaries (Ex Legal & Med)	170	9.20
Truck Drivers, Light	166	9.50
Carpenters	164	11.50
Janitors & Cleaners	164	7.00
Truck Drivers, Heavy	157	10.80
Cooks, Restaurant	156	7.50
Registered Nurses	152	16.90
Teachers, Second School	151	17.20
Maint. Repairers, Gen Util	148	9.60
Clerical Supervisors	142	12.90
Maids & Housekeepers	140	6.30
General Office Clerks	135	8.40
Automotive Mechanics	130	10.50
Food Prep. Workers	119	5.90
Clerks:Bkkpng/Accnt/Audit	108	9.60
Teacher Aides, Paraprof.	107	7.40
Food Serv & Lodg Mgrs	101	12.00
Teachers, Elementary	97	16.10
Nursing Aides & Orderlies	95	7.20
Other Sales Rep.	95	13.90
Fast Food Prep/Service	92	5.40
Receptionists & Info. Clks	88	8.20
Stock Clerks, Sales Floor	88	8.00
Hotel Desk Clerks	82	6.80
All Other Service Suprvrs	79	12.90
Child Care Workers	78	5.90
Accountants & Auditors	76	\$14.80
1st Line Suprvrs, Constr	74	\$15.80

Continued on next page

As is clear from Table 8, the challenge for job seekers is much greater than the official statistics suggest. From an overall average of 2.4 job seekers for every job, the competition increases to 14.6 to 1 for jobs that pay a livable wage for a single parent with two children (\$31,581). For families with both parents working (avg. \$20,425 each), the ratio is 5.5 to 1. A review of the requirements for the jobs available demonstrates an additional problem.

Job Preparation:

Education and Training Requirements

Not all job openings are created equal and job applicants bring different skills and training to the job search. Many unemployed persons, including public assistance recipients expected to find employment under the new Workfare rules, have limited education and training.²⁷ Therefore, a large number of jobs with a low education and training threshold increase their chances of finding work.

On the other hand, most jobs with low education and training requirements pay less than a livable wage²⁹ and, presumably, offer limited employee benefits and little chance of advancement. This presents a dilemma for job seekers and policy makers. Job seekers must make choices about how much and what types of education and training are appropriate (and affordable) in light of the opportunities and costs. Policy makers must decide how to plan for and allocate resources to higher education and job training programs.

²⁵ DET Occupational Employment & Wage Survey & Projections. We cross-tabulated the no. of estimated annual job openings by each LW category.

²⁶ Obviously, not all those who want FT work are competing for all available jobs. Competition will vary based on geography, occupation, job skills & timing

²⁷ Only 29.8% of 1996 registered active applicants with the DET had more than a high school education.

²⁸ VT DET: Occupational Employment & Wage Survey and Projection 1994-2005.

²⁹ The average median wage for low skill jobs in 1995 was \$8.07/hr. (\$16,786/yr). "VT Occupational Employment and Wage Survey" (DET 1995) and "Occupational Projections and Training Data" (BLS 1996).

**Employment & Wage Projections
for the Top 50 Occupational Titles:
Net Annual Job Openings 1994-2005**

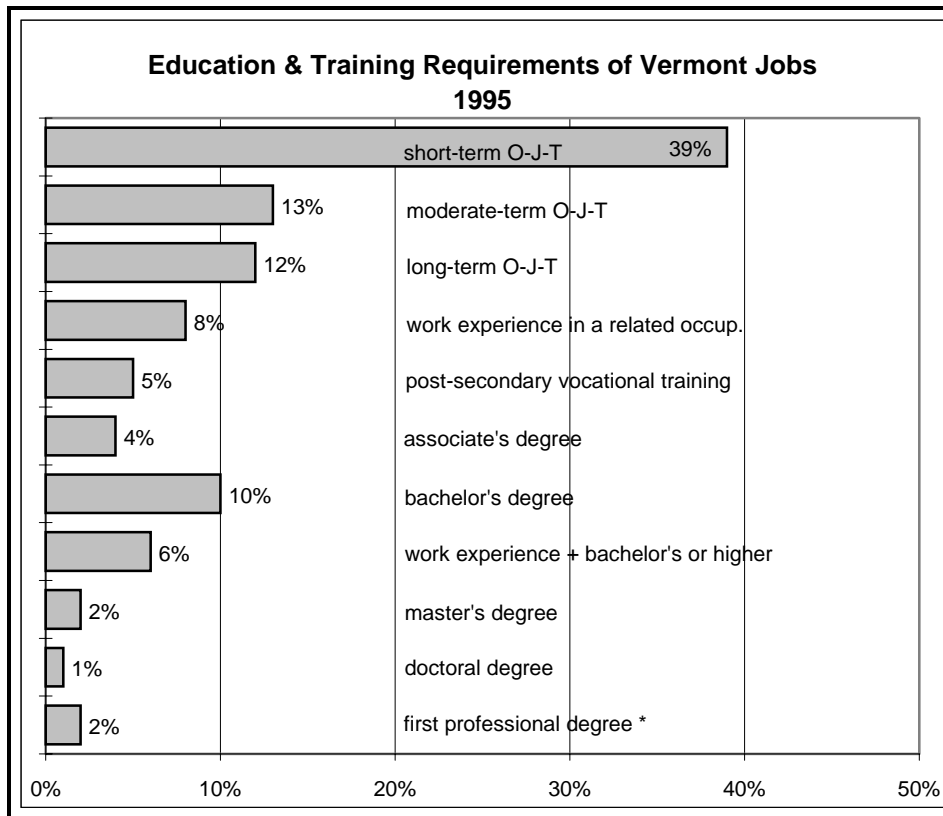
Occupational Title	# jobs	Est. median wage
Lunchroom Attendants	72	\$5.60
Lawyers	71	\$23.20
Human Services Workers	69	\$8.90
Electrical Engineers	69	\$16.60
Bartenders	68	\$5.80
Systems Analysts	67	\$18.40
All Other Mgrs & Admin's	67	\$18.80
Other Freight/Stock/Movers	66	\$7.90
Instructors & Coaches	66	\$10.10
Hairdressers, Hairstylists	64	\$6.60
Other Assemblers/Fabrictrs	63	\$8.40
Physicians	62	\$30.70
Other Prof/Paraprof/Techs	61	\$15.00
Financial Managers	61	\$20.90
Electric/Electron Assmblrs	57	\$7.30
Gardenrs & Grndskprs	57	\$7.50
Police Patrol Officers	57	\$12.60

Finally, an economy with a significant number of low-skill jobs challenges the assertion that the job market of the 21st century will require, and have abundant opportunities for those with, advanced education and skills. As Chart 2 shows, the current projections do not match the rhetoric. The outlook is that 39% of all job openings through 2005 will require nothing more than short-term on the job training (O-J-T). Only 21% will require a Bachelor's degree or higher and another 9% either an Associate's degree or post-secondary vocational training.

Education has immeasurable worth beyond its instrumental value for employment. But if we encourage students (or workers considering career changes) to obtain college degrees and fail to provide enough livable wage jobs, they will either leave the state or suffer un- or under-employment. This would be a waste of resources, lead to reduced earnings, and limit their opportunities to achieve personal and professional goals.

In any case, for those job seekers with limited education and training, the competition for low-skill, livable wage jobs is an urgent problem (see page 10).

Chart 2



* A "first professional degree" is defined by the BLS as the minimum preparation required for entry into several professions, including, law, medicine, dentistry, and the clergy.

LW Jobs with only Short-term Training Required

To help understand the labor market for job seekers with limited education and training, we estimated the number of net annual LW job openings with low skill requirements (see Table 9 below).³⁰ Since the wages required to meet basic needs are, in most cases, higher than prevailing wages in low-skill jobs, it is not surprising how few net annual openings satisfy both requirements.

Thus, the scarcity of low-skill, livable wage jobs is a serious problem, particularly for public assistance recipients expected to find work.

Table 9
Estimated Net Annual LW Job Openings with Low-skill Requirements*

\$8.10 / hr. single person	1,248
\$12.80 / hr. 1 parent, 1 child	59
\$15.18 / hr. 1 parent, 2 children	30
\$14.85 / hr. 2 parents, 2 children, 2 jobs	30
\$9.82 / hr. (each) 2 parents, 2 children, 2 jobs	390

- The methodology used to derive these estimates can be found in an (unattached) addendum. It involved the use of data sets from DET and BLS which both contain a measure of imprecision. Nevertheless, we have tried to be conservative and believe the estimates are a useful point of departure for discussion of the relevant issues.

Conclusions

- ◆ There is a critical shortage of full-time livable wage jobs.
- ◆ Traditional unemployment figures fail to accurately represent actual labor market conditions. The methodology systematically excludes thousands of Vermonters who want and need full-time jobs. Persistent use of such incomplete statistics by government and media is misleading to the public and policy makers.
- ◆ Under-employment is a serious problem in Vermont. It prevents people from meeting their basic needs, fulfilling their personal and professional goals, and wastes precious human resources. We estimate that the total number of unemployed and under-employed in Vermont is at least 26,896 individuals.

Note: This figure does not include several categories of people who, if included, would greatly increase the number of under-employed. In some cases, these categories are difficult to quantify and there is likely to be some overlap in others. A more comprehensive measure of “labor under-utilization” would comprise all those categories listed in Table 6 on page 6 plus those working FT at less than a LW. This would include displaced workers who are either under-utilized or earning less than a LW, and those working multiple jobs to make ends meet.

- ◆ The Vermont economy has, and is expected to produce, a significant percentage of low-skill, low-wage jobs. This challenges commonly held assumptions about the 21st century labor market and raises important questions about the allocation of resources for education and vocational training.
- ◆ Competition for livable wage jobs is severe.
- ◆ Competition for low-skill, livable wage jobs is an urgent problem and has direct implications for public assistance recipients subject to new Workfare rules.

³⁰ op cit., DET Employment and Wage Survey & Projections 1994 - 2005. We sorted the data for each LW category and then for those occupations requiring only Short-term O-J-T and counted the number of estimated net annual job openings.