

The Vermont Job Gap Study

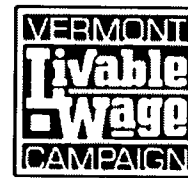
Phase 8

Nickel and Dimed: Poverty & Livable Wage Jobs 2003 Update

A Report by the Peace & Justice Center

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The Peace & Justice Center (PJC) is a Vermont-based, non-profit, membership organization that works for the creation of a just, peaceful, and ecologically healthy world through education, advocacy, training, and non-violent activism. Since its founding in 1979, the Center has played a leadership role in educating and organizing Vermonters to be change agents on a wide variety of economic and racial justice, and peace and human rights issues. PJC has 1,400 members from around the state, who elect a board of directors; the organization operates four projects – Vermont Economic Justice Project; Peace & Human Rights Project; Racial Justice & Equity Project; and the Peace & Justice Store. It also operates a free lending library, and is an incubator and meeting place for grassroots groups.

Created in 1996, *The Vermont Economic Justice Project (VEJP)* is engaged in research, analysis, educational programs, and grassroots organizing. The VEJP has generated significant support throughout the state and achieved solid gains for working Vermonters. Because of the need for a variety of strategies to address systemic economic problems, we work in collaboration with several organizations, including the Vermont Workers' Center, faith communities, unions, non-profits, and individual Vermonters. Our main campaign is the *Vermont Livable Wage Campaign (VLWC)*, also founded in 1996.

The guiding principles of the Vermont Livable Wage Campaign are that all Vermonters have the right to a livable wage job that meets their basic needs, to organize themselves into a union, and to work in a respectful work environment. VLWC is a statewide movement of working people and their allies who are fighting to win livable wages through community-based organizing and union solidarity efforts. We believe that our hard-earned tax dollars should be invested in our communities to promote livable wage job creation rather than corporate subsidies which threaten the economy and culture of our state. While the VLWC is non-partisan, we do engage in public policy and legislative initiatives that are intended to increase the income (minimum wage) and expand the rights of workers in Vermont. The VLWC also focuses on popular education and research. VLWC is directed by a steering committee composed of local living wage groups, non-profit organizations, advocacy groups, unions, and religious communities dedicated to ensuring that every Vermonter receives a livable wage or income.

General Notes on Phase 8

Within the text of Phase 8, "livable wage" represents the livable wage figure of \$11.58/hr (\$24,086/annual wage) for a single person living in Vermont (urban-rural average, source: JFO 1/15/03). It is important to note that the Joint Fiscal Office produces multiple livable wage figures for six different family sizes. When we refer to a "livable wage" within this report we use the livable wage for a single person. Consequently, the economic reality for many working Vermont families is starker than we can concisely measure based on the six different livable wage figures.

Phase 8 of the Job Gap Study contains new data from the 2000 U.S. Census on poverty, gender, and race. Phase 8 does not contain core text within Phase 7 (2002) on livable wage methodology, nor does it contain an explanation of the basic needs budget methodology used by the Vermont Joint Fiscal Office when calculating livable wage figures. Phase 7 also contains extensive analysis on how working Vermonters meet their basic needs when they do not earn a livable wage. We encourage you to refer to Phase 7 (2002) for a discussion about the Vermont economy, including the cost of under-employment, the consequences for families not earning a livable wage (LW), and the fiscal implications for taxpayers and the state when employers do not pay a LW. To order a copy of Phase 7 please contact the PJC at 802-863-2345 x8.

To learn more about and access various resources related to livable wages, livable income and/or livable jobs, visit our website at www.vtlivablewage.org, or call us at 802-863-2345 x8.

Purpose of the Study and Background

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.

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.

There have been seven reports to date:

Phase 1	Basic Needs and a Livable Wage
Phase 2	Livable Wage Jobs: The Job Gap
Phase 3	The Cost of Underemployment: The Income Gap
Phase 4	Policy Recommendations
Phase 5	Basic Needs and a Livable Wage: 1998 Update
Phase 6	The Leaky Bucket: An Analysis of Vermont's Dependence on Imports
Phase 7	2002 Update of Phases 1 - 3

With these studies, we have a) examined some assumptions about economic development and job creation; b) developed methodology and analysis that can be replicated in the future; c) provided information to help guide decision-makers about economic development and public assistance policies; and, d) created new indicators to measure the performance of the economy and evaluate the effectiveness of state programs and policies.

Phase 8 of the Job Gap Study will update and expand portions of earlier reports with the public use micro-data (a weighted 5% sample of all Vermont long forms) from the 2000 Census.

A great deal has happened since Phase 1 was released in 1997. Twelve thousand copies of the Study have been printed and distributed around the state. The findings have been presented to dozens of business, labor, religious and community groups.

The Study has been the catalyst for numerous "livable wage campaigns" around the state, including three cities (Burlington, Barre and Montpelier) that have adopted livable wage ordinances that cover about 800 municipal

employees. In 2002, Burlington extended its ordinance to include employees of companies and non-profits that do business with the city. The Study has been - and continues to be - used as a benchmark by a number of unions during contract negotiations.

Since 1998, the Legislature has enacted three increases in the minimum wage which will rise to \$6.75 / hour in January 2004 and \$7.00 in 2005. As a result, thousands of working Vermonters will get a raise. The legislature also increased the state Earned Income Tax Credit in 1999, which provided an additional \$3.5 million for low-income working families.

Several state agencies have incorporated livable wage language and goals into their work plans. For example, the Dept. of Housing and Community Affairs, which distributes almost \$9 million annually in federal CDBG funds for economic and housing development, makes use of the livable wage in its application and review process. And in 1999, 6,000 state employees won a new contract that established the single person livable wage as a minimum wage for all permanent workers (recent increases have not kept pace with the LW).

Many businesses have used the Study when setting compensation levels for their employees. To assist small business owners, Vermont Businesses for Social Responsibility released a **Livable Jobs Toolkit** in 2002 (available at www.vbsr.org).

In 1999, the Legislature required the Joint Fiscal Office to prepare annual Basic Needs Budgets and calculate the corresponding livable wages through 2006. The Legislature also decided to expand the methodology for the basic needs budget, which has increased the livable wage.

See www.leg.state.vt.us/jfo/reports.htm for details.

Livable Wage around the U.S.

Since the first phase of the Vermont Job Gap Study was published in 1997, over 110 cities and counties around the country have enacted livable wage ordinances, as well as numerous school boards and universities. As a result, tens of thousands of working people now earn a livable wage.

Source: ACORN

<http://www.acorn.org/acorn10/livingwage/shortwins.php>

The Livable Wage

Federal Poverty Measure

The Federal poverty measure is a key social indicator and determines eligibility for many government assistance programs. There are weaknesses in the Federal poverty measure identified by the National Research Council in Measuring Poverty: A New Approach.*

1. Excludes child care costs;
2. Ignores significant variations in health care costs;
3. Ignores geographic price variations for housing;
4. Disregards changes in family size;
5. Original concept of "minimum needs" (adjusted only for inflation) ignores changes in living standards;
6. Assumes only gross money income, and does not reflect important policy initiatives that have raised disposable income (Food Stamps) and reduced disposable income (increases to Social Security payroll tax).

* Citro, Constance and Michael, Robert, editors, Measuring Poverty: A New Approach, National Research Council, National Academy Press, 1995.

Vermont's current statewide rates of poverty and unemployment are both lower than the national averages. Some economists consider this good news and it is often cited as evidence of the comparative health of the Vermont economy.

However, some of these indicators can be misleading, and making favorable comparisons with national averages tends to divert attention from the magnitude and seriousness of the problem here at home. It is no consolation for those without jobs, livable wages or health insurance to know that conditions outside Vermont may be worse.

For example, reliance on the unemployment rate as a key 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.** The issue is further clouded by our continued use of the Federal poverty measure as the main indicator of how many people cannot meet their basic needs, even though many economists have called for its modification (see Box at left).

We must use more relevant and robust indicators to determine whether the economy is meeting the needs of working Vermonters. We think the livable wage is one such measure. **A livable wage is the hourly wage / annual income necessary to cover basic needs plus all relevant Federal and State taxes.**

The livable wage estimates below were developed by the Legislature's Joint Fiscal Office based on our methodology from Phase 1 (modified somewhat by the Legislature in 1999). They will be updated in Jan. 2004. The budgets, methodology and data sources can be seen at www.leg.state.vt.us/jfo/topics.htm.

Vermont Livable Wage: Basic Needs + Taxes

(Source; JFO 1/15/03; all figures per wage earner with employer-assisted health insurance*)

Family Unit	Rural		Urban		Average	
	Hourly	Annual	Hourly	Annual	Hourly	Annual
Two adults (both working), no children	\$9.60	\$19,968	\$9.39	\$19,529	\$9.50	\$19,760
Single person, no children	\$11.48	\$23,885	\$11.67	\$24,278	\$11.58	\$24,086
Single parent, 1 child	\$17.18	\$38,932	\$18.72	\$35,732	\$17.95	\$37,336
Single parent, 2 children	\$20.59	\$42,833	\$22.40	\$46,591	\$21.50	\$44,720
Two parents, 1 wage earner, 2 children	\$22.45	\$46,702	\$23.04	\$47,926	\$22.75	\$47,320
Two parents, 2 wage earners, 2 children	\$13.74	\$28,582	\$14.31	\$29,764	\$14.03	\$29,182

*The methodology assumes that employers pay a large percentage of worker's health insurance costs (84% for singles and 73% for families). Without that benefit, workers must pay these costs out of pocket and the livable wage increases by \$2 - \$5 / hour.

There is no one livable wage number. The LW figures are provided as a reference point and we encourage employers to use this information when setting compensation levels, as a complement to the market survey approach. For more information on becoming a livable wage employer, see the Livable Jobs Toolkit at www.vbsr.org.

Findings: Not Meeting Basic Needs*

A significant percentage of working families in Vermont do not earn sufficient income to meet their basic needs.

How Many Working Vermont Families Don't Earn Enough To Meet Their Basic Needs	
Family / Household Unit	% Earning < LW
Single person	29%
Two adults (both working), no children	8%
Single parent, one child	72%
Single parent, two children	82%
Two adults (one working), two children	55%
Two adults (both working), two children	35%

How do families and individuals make up the difference?

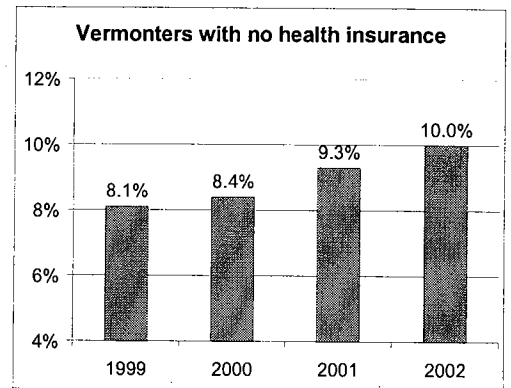
Unfortunately, many are unable to make up the difference and have no choice but to do without some of the basics. For example, **over 60,000 are without health care** and the number is growing¹ (see graph at top right). Other people rely on public assistance to fill part of the gap (see table at right). Some live in substandard housing or pay a high percentage of their income for housing, thereby reducing available funds for other expenses. Some work two jobs (7.3 million nationally²) and others receive help from family members, barter or work "under the table." Finally, many depend on credit cards, which create additional monthly burdens from debt service.

According to the Federal Reserve's Survey of Consumer Finance, the percentage of lower income households with credit card debt has grown to almost half (see table at right). Although the median amount of debt for this group has dropped slightly, the overall situation is troubling in light of the enormous increase in personal bankruptcies in the 1990's (see graph bottom right³).

As a result of insufficient income, the standard of living for many working Vermonters is one of insecurity, dependence, and, in some cases, deprivation.

Note: In addition to the growing insecurity about employment in the traditional workplace, there are many "contingent" workers and "alternative work arrangements." These include temporary workers, independent contractors, on-call workers, temporary help agency workers, and contract company workers. These individuals do not expect their employment to last more than one year. The Bureau of Labor Statistics estimates that there are as many as 5.4 million people in contingent and alternative work arrangements (4% of total employment). If we have a similar proportion, there could be as many as 12,000 such workers in Vermont.

* Unless otherwise noted, all data is from the 2000 U.S. Census public use micro-data or other Census products.



VT Public Assistance Programs⁵

FY 2002 Recipients

166,311	Medicaid
59,688	Food Stamps
24,351	REACH UP
17,817	Fuel Assistance (LIHEAP - HH)

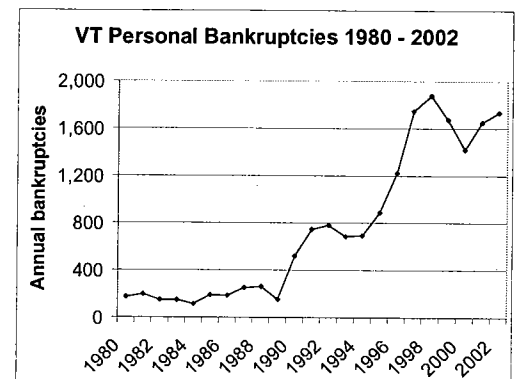
FY 2002 Costs (Federal & State)

\$387 million	Medicaid
\$33 million	Food Stamps
\$30 million	REACH UP
\$13 million	Fuel (LIHEAP)

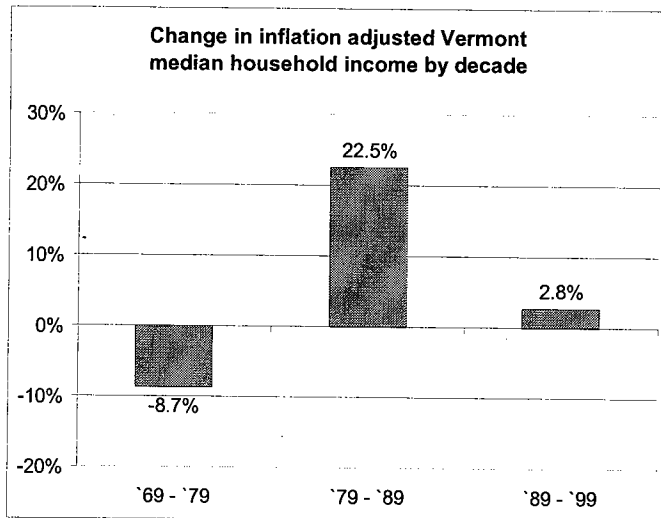
Credit Cards and Debt Service (national data)⁴

Household income \$20,000 - \$39,999

	1998	2001
% w/credit card debt	41%	45%
Median debt (2001 dollars)	\$1,300	\$1,200
% with debt to income ratios > 40%	17%	16%

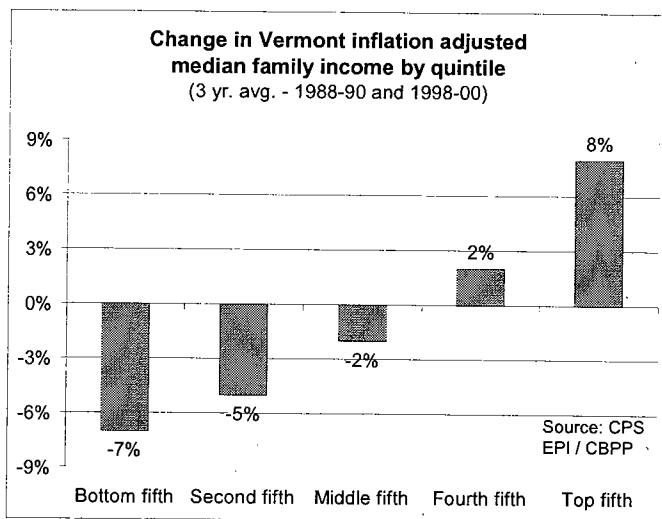


Statewide Income and Poverty: "Nickel and Dimed"



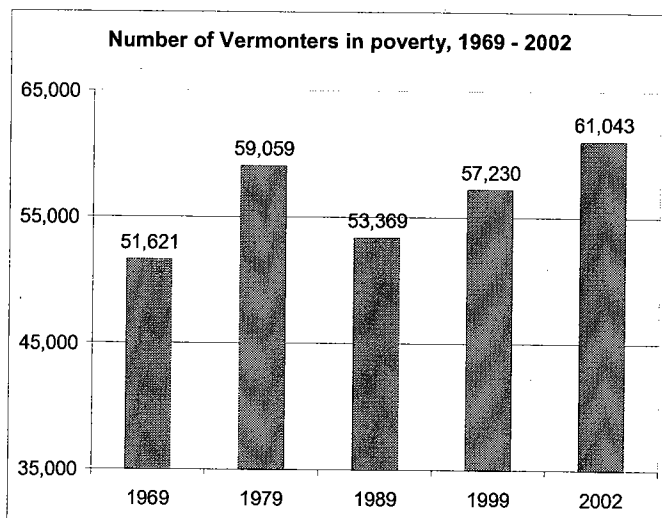
After strong growth in the 1980's, Vermont **inflation adjusted median household income increased only 2.8% from 1989 to 1999** (see graph at left). The limited median wage growth of the 1990's appears even less significant when we consider the distribution of income, which shows that **more than half of all families actually lost ground** and the real gains were concentrated in the top fifth of income earners (see graph at middle left).

The bottom line is that the buying power of the median household has grown only \$2.80 for every \$100 in earnings in the last 10 years. This means that most Vermonters are not getting ahead and that the prospect of working toward a better standard of living is unfulfilled for most people.



One of the primary goals of the Job Gap Study has been to redefine the threshold wage necessary for a decent life. As noted above, the Federal poverty measure has many weaknesses and should be replaced. Nevertheless, it is still widely used and is a measure of real deprivation (see table at bottom).

The percentage of Vermonters classified as being in poverty declined slightly in the 1990's but has risen again and is now 9.9%.⁶ The absolute number remains very high, however, as **61,000 people (including 15,000 children) fall below the unrealistically low official poverty rate** (see graph at lower left⁷).



Moreover, the Census Bureau reported recently that 5.9% of all workers nationally were in poverty (including 2.6% of all FT workers⁸). If this holds true in Vermont, it means that **almost one-third of all those below the official poverty level are in the workforce**.

Based on the data, we are not making progress. Median earnings are stagnant or declining; income inequality is growing; and there are persistently high levels of poverty. If the primary purpose of the economy is to create jobs, wealth and opportunity, it is not working for many Vermonters.

Family Size	Federal Poverty	VT Min. Wage*	Vermont LW
1 adult < 65 yrs	\$9,359	\$14,040	\$24,086
2 adults (< 65)	\$12,047	\$28,080	\$19,760
1 adult, 1 child	\$12,400	\$14,040	\$37,336
1 adult, 2 children	\$14,494	\$14,040	\$44,720
2 adults, 2 children	\$18,244	\$28,080	\$47,320

*VT min. wage = \$6.75; takes effect Jan. 1, 2004.

The Economic Health of Vermont Counties

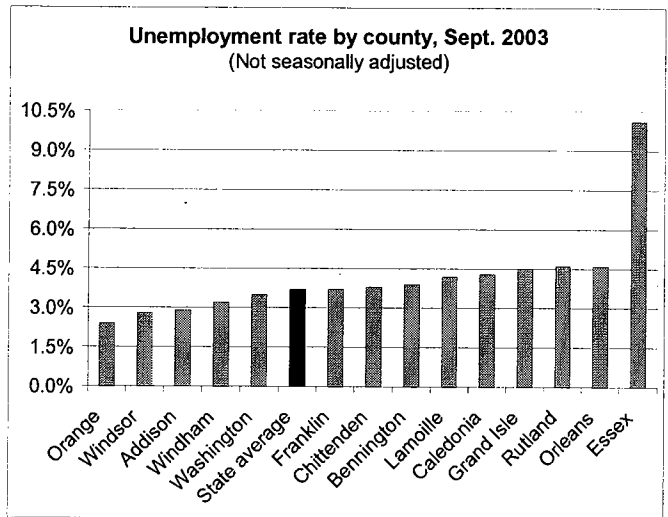
Aggregate statewide figures for unemployment, income and poverty mask significant geographic disparities. For example, according to DET, eight of Vermont's fourteen counties had higher rates of unemployment in Sept. 2003 than the statewide average of 3.7% (see graph at right). Essex was more than twice the statewide rate and Orleans, Rutland and Grand Isle were 24% higher at 4.6%.

Similarly, median household income varies dramatically around the state. The figures for 1999 show nine counties below the statewide average with Essex and Orleans Counties more than 20% lower and Chittenden County almost 20% higher (see graph at middle right). The difference between Chittenden and Essex was \$17,183 (\$330/week).

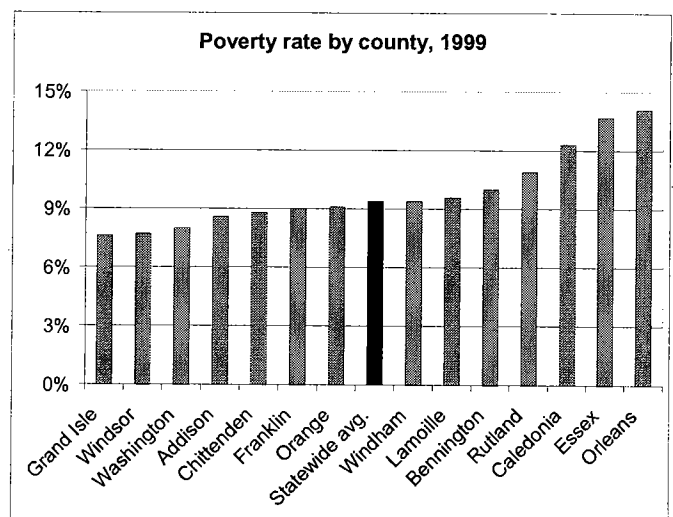
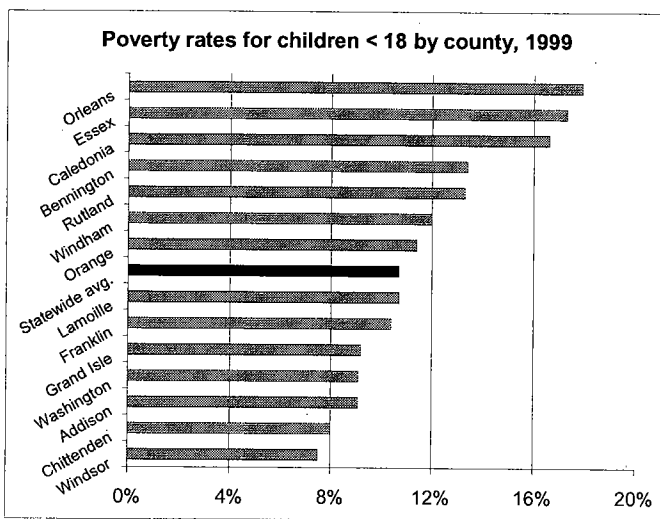
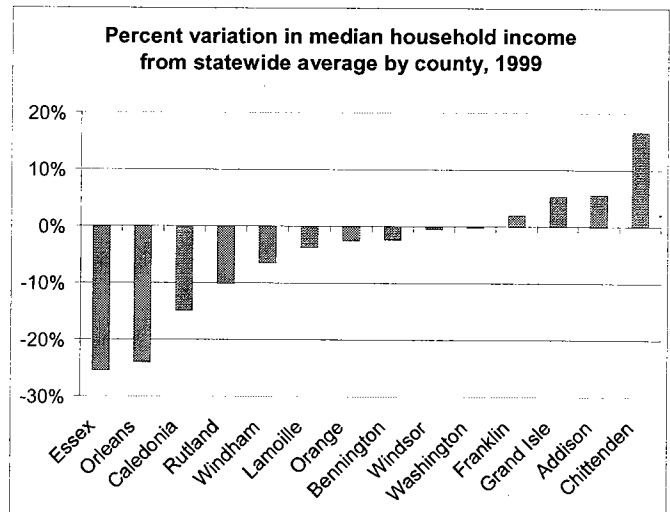
The county income gap narrowed somewhat in the 1990's, but the median household income in Chittenden County (whose relative weight heavily influences the statewide average) actually declined by 3.1%. There was modest growth in Orange, Addison, Lamoille and Franklin Counties, which grew by 6.6%, 7.3%, 8.0% and 9.9% respectively.

The differences in the poverty rate are no less stark. Orleans (14.1%), Essex (13.7%) and Caledonia (12.3%) were well above the statewide average of 9.4%, while Grand Isle (7.6%) and Windsor (7.7%) are well below (see graph at bottom right).

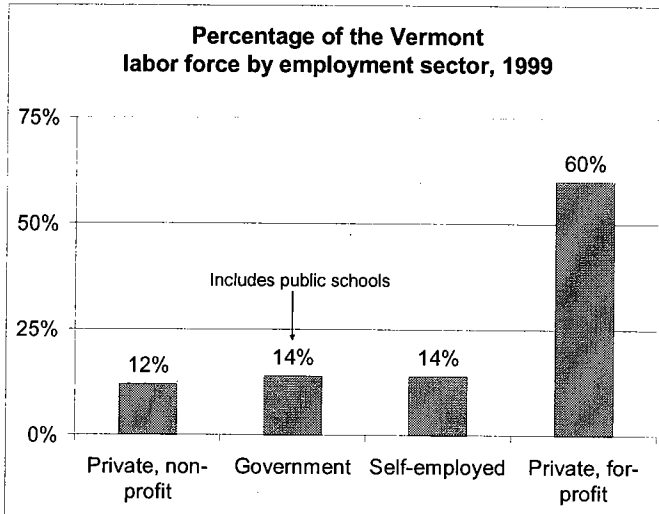
The statewide poverty rate for children under 18 was 10.7% but some counties were much higher: **1 out of every 6 children under 18 were in poverty in Orleans, Essex and Caledonia Counties.**



Note: The seasonally adjusted statewide unemployment rate for Sept. 2003 was 4.3%.



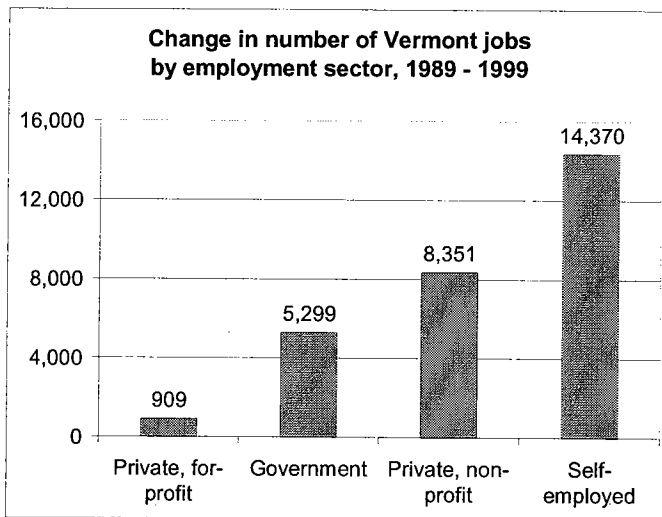
Employment Sectors: Who do Vermonters Work for?



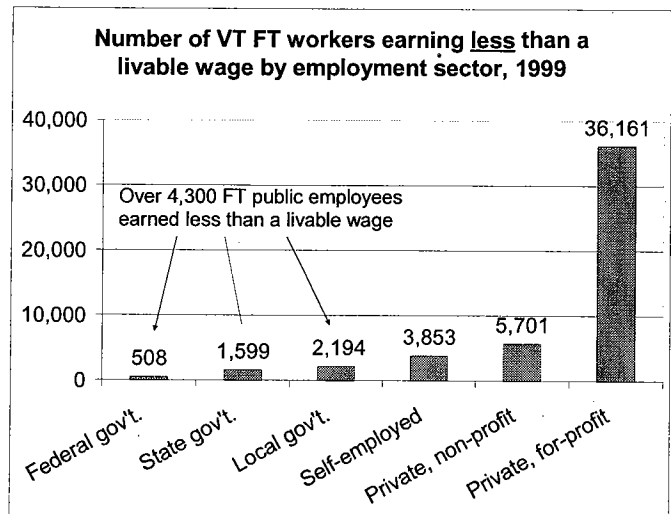
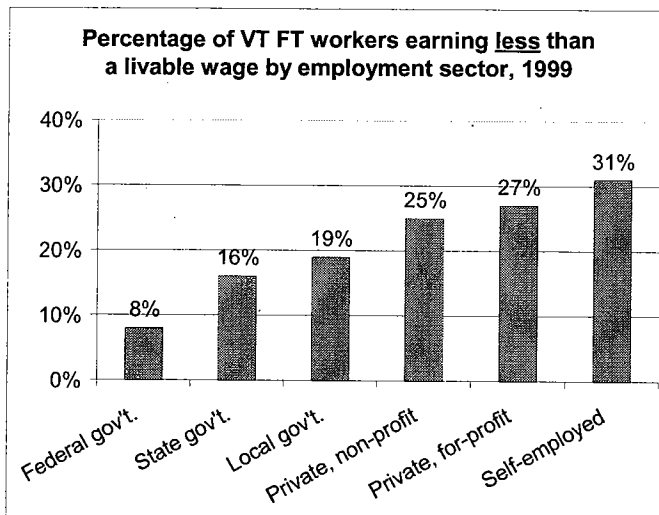
Seventy eight percent (78%) of the labor force worked full-time hours (35+ hrs.) in 1999, but less than two thirds (64%) worked FT year round.

The private for-profit sector provided 6 out of 10 jobs in Vermont (see graph at left), down from 66% in 1989. The for-profit sector is often characterized as the engine for job creation. However, the small increase in the number of people employed in that sector in the last 10 years was dwarfed by growth in other sectors (see graph at middle left). The private for-profit sector created many new jobs, but job destruction resulted in very small net increases.

The number of persons reporting self-employment increased significantly during the decade and accounted for 14% of all jobs (up from 10% in 1989). Self-employment can be rewarding and often pays well, but almost one-third earned less than a livable wage* (see graphs below).



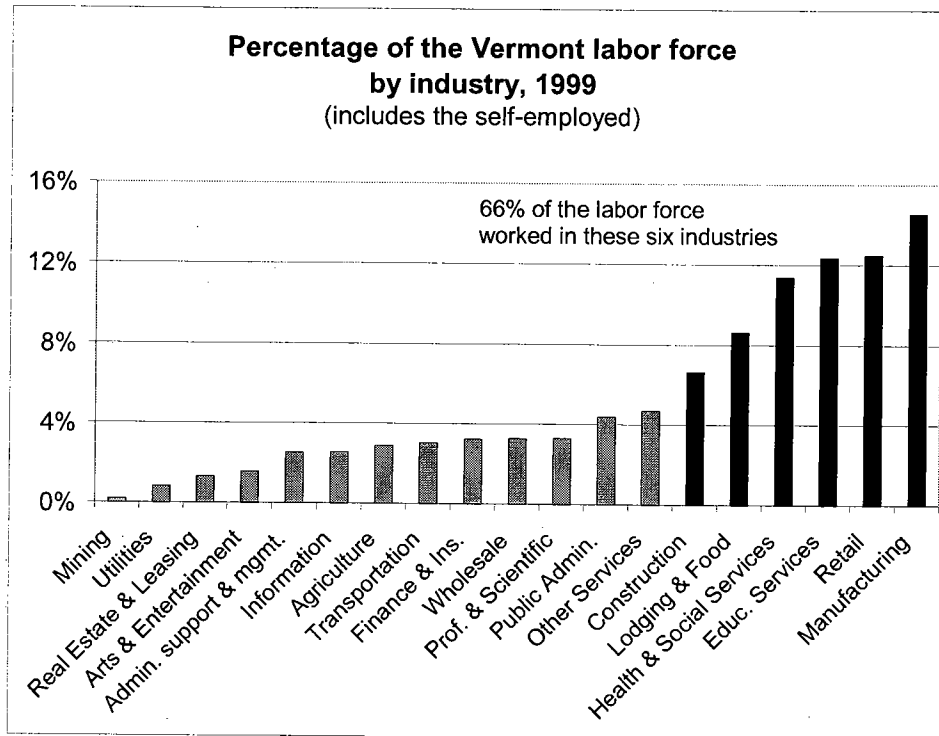
One out of four FT workers (26%) earned less than a livable wage in 1999.* Although the public sector has the smallest percentage of low wage workers, there were 4,300 FT public employees who earned less than a livable wage* (school support staff are the largest group). As we found in Phases 3 & 7 of the Job Gap Study, there is a measurable cost to taxpayers when FT workers earn less than a livable wage because some will require public assistance to make ends meet (resulting in an indirect subsidy to low wage employers). It is especially ironic that government itself may contribute to the demand for public assistance by paying low wages.



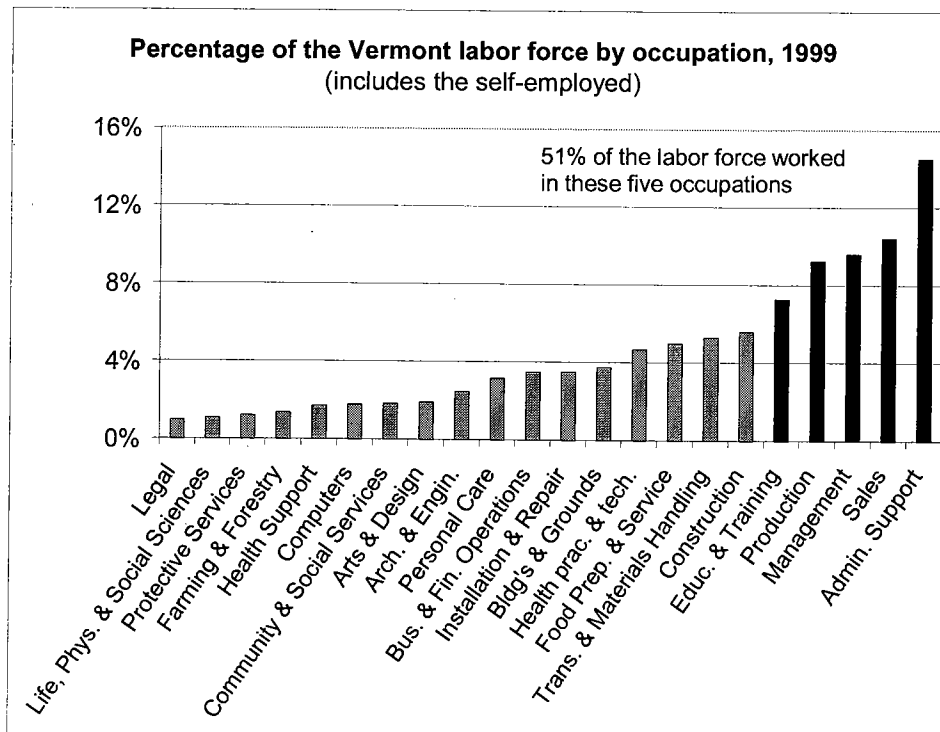
* Livable wage for a single person (urban - rural avg.)

Industry and Occupation: The Workplace

Two thirds of the Vermont labor force (66%) worked in only six industries in 1999 and four of the six had very high rates of PT jobs (up to 39% - lodging & food, retail, health and education). These six industries employed 76% of all FT workers who earned less than a livable wage (almost 35,000 workers).

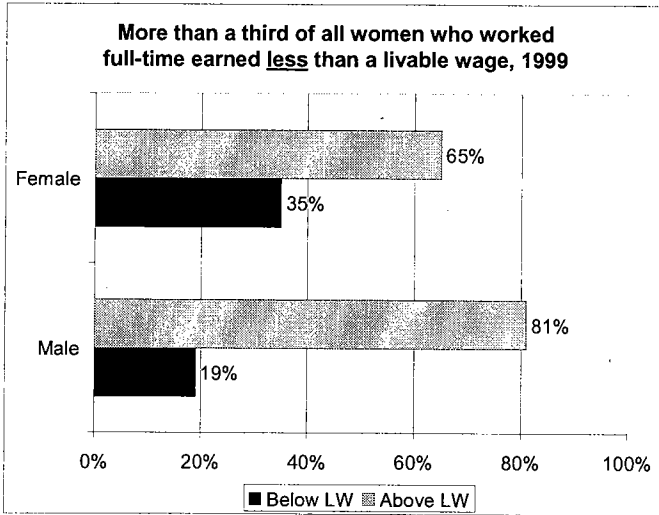


Fifty one percent (51%) of the labor force worked in only five occupational categories in 1999 (admin. support, sales, management, production*, and education & training). Three of the five had very high percentages of FT workers earning less than a LW (admin. support 33%, sales 31%, production 27%).



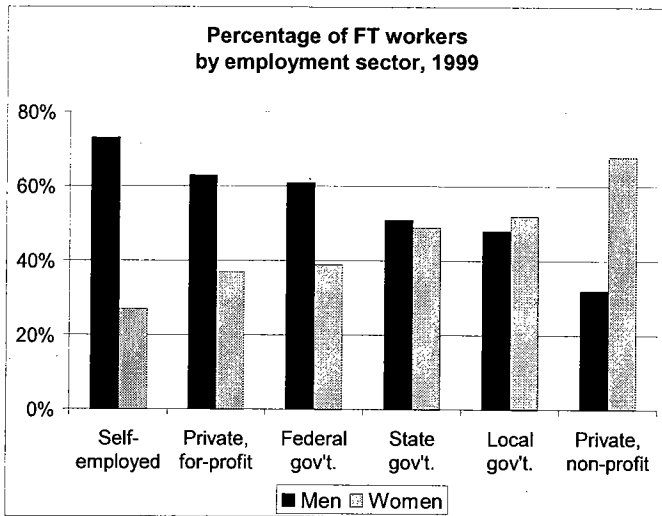
* e.g., assemblers, fabricators, machine operators, etc.

The Gender Gap: Women and the Livable Wage



Women are 48% of the labor force in Vermont, but only 41% of the FT workforce. A much higher percentage of men work FT than women (87% vs. 67%). **Of those women who work FT outside the home, more than one-third earn less than LW** (see graph at left).

Except for the federal government, women are well represented in the public sector, which has comparatively high wages (see graph at middle left). Women dominate the non-profit sector, however, which has lower wages on average. Men are much more likely to be self-employed.



Women have a lower unemployment rate than men and this has been the case for most of the 1990's. However, women's rate of "labor underutilization" may be much higher because the unemployment rate excludes those who are no longer actively seeking work or who want to work but are unable to do so for personal reasons (lack of child care, no car, caring for a sick relative, etc.).

Almost one-third (31%) of all families headed by a single woman with children under 18 are in poverty (43% in Caledonia County).

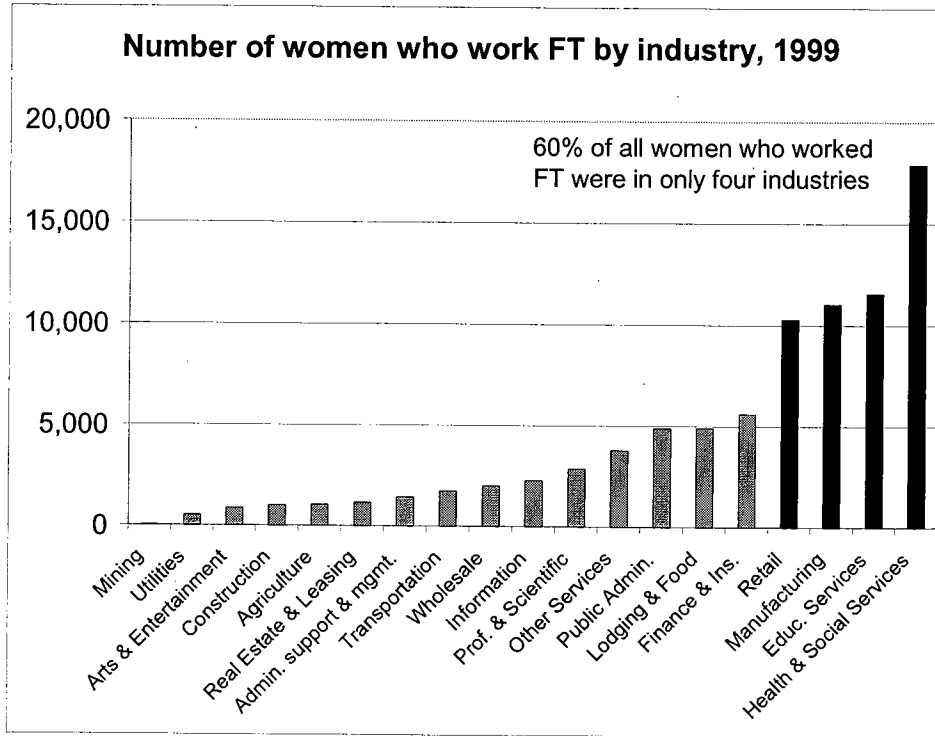
Of all FT workers with limited education, women are much more likely to have low wage jobs than men. This may reflect occupational choices (and limitations) and differences in experience and job tenure (e.g., women returning to the official workforce after raising children). It may also reflect discrimination.

Vermont's Glass Ceiling: For those with advanced education (except those with PhD's), men still dominate the highest income categories. For example, 38% of all men with graduate degrees earn more than \$55,000 compared to only 12% for women; men with Masters are 6 times more likely to earn \$100,000; and men with professional degrees are 3 times as likely to earn more than \$100,000.

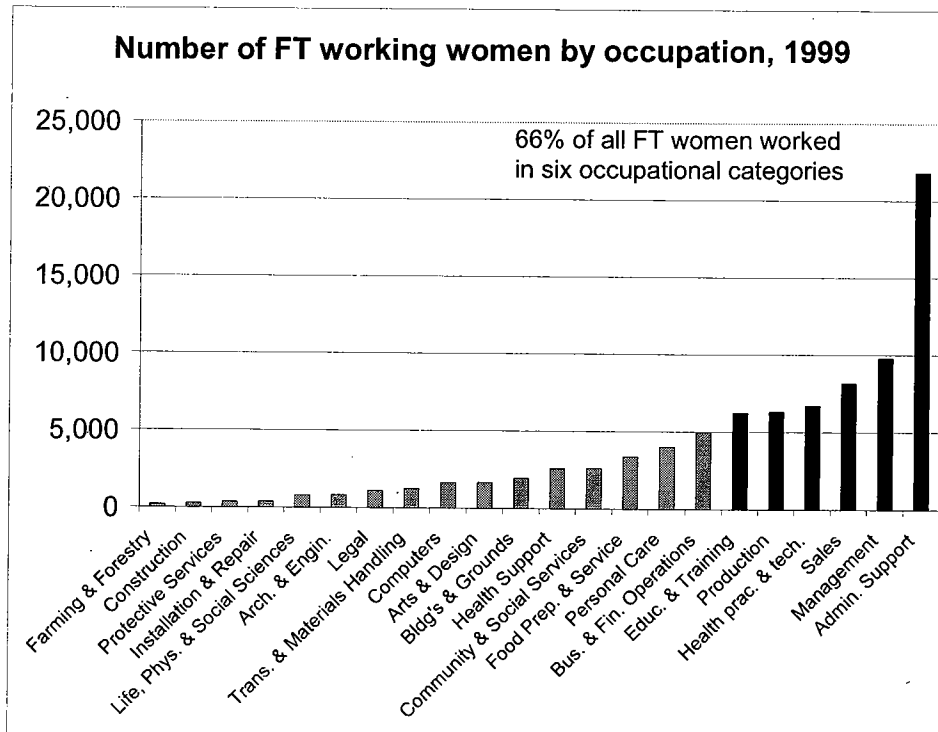
Income by Gender and Education, 1999

Educ. Level	< High School		High School		Some college		Assoc. degree		BA		MA		Prof. degree		PhD	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
< \$15,000	21%	37%	13%	25%	16%	23%	9%	16%	8%	12%	5%	8%	6%	2%	7%	2%
\$15 - \$19,999	17%	25%	12%	23%	9%	18%	6%	13%	5%	10%	3%	3%	4%	7%	3%	6%
\$20 - \$29,999	29%	25%	33%	31%	25%	33%	20%	32%	18%	29%	11%	17%	7%	22%	5%	13%
\$30 - \$39,999	20%	8%	23%	14%	22%	17%	25%	22%	17%	25%	16%	30%	12%	20%	11%	16%
\$40 - \$54,999	10%	4%	15%	5%	17%	8%	20%	14%	23%	17%	26%	30%	16%	22%	27%	29%
\$55 - \$69,999	1%	2%	3%	1%	6%	1%	11%	2%	12%	4%	12%	7%	13%	12%	21%	10%
\$70 - \$99,999	1%	0%	2%	1%	3%	1%	9%	1%	10%	2%	14%	3%	13%	6%	17%	18%
\$100,000 +	1%	1%	1%	<1%	1%	<1%	2%	<1%	7%	<1%	12%	2%	30%	10%	9%	5%

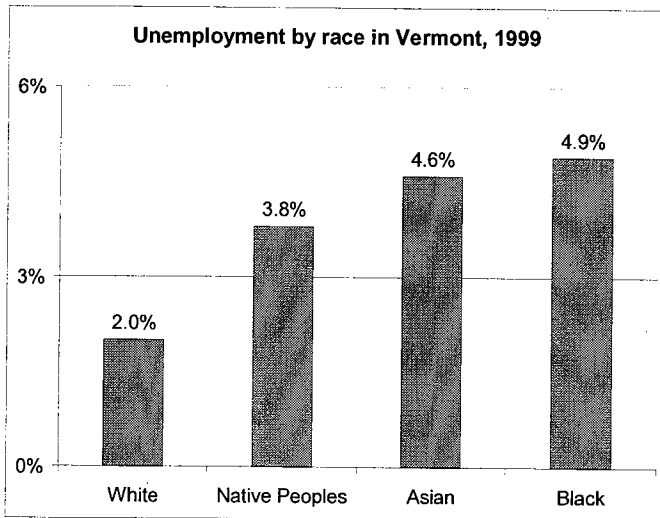
Women who worked FT outside the home were concentrated in a few industries and occupations. Sixty percent (60%) worked in only four industries (healthcare & social services, education, manufacturing and retail). One out of five worked in health care and social services where a quarter of the FT jobs paid less than \$20,000 (88% of those held by women).



Two thirds (66%) of all FT women work in only six occupational categories (administrative support, management, sales, health care, production and education & training). One out of four (21,460) worked in administrative support where 27% of the FT jobs paid less than \$20,000 (77% held by women).



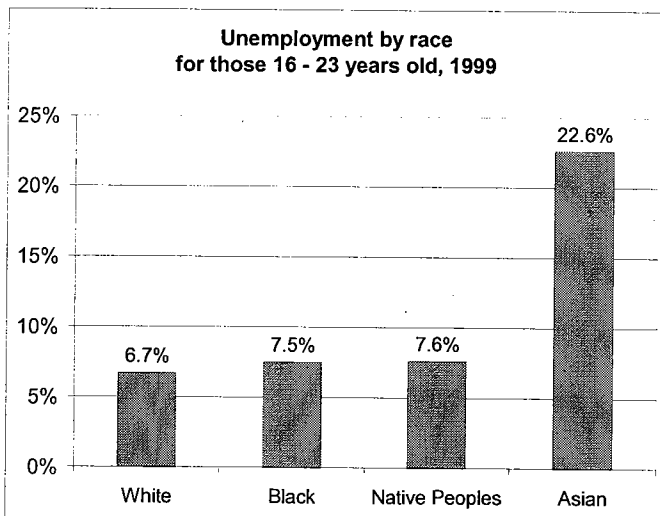
Jobs, Wages, Poverty and Race



Non-whites were 3.2% of Vermont's population in 1999; 3% of the labor force; and only 2% of all FT workers. **Thirty percent (30%) of all the people of color in the labor force arrived in Vermont within the last five years.**

The unemployment rate for non-whites was more than twice that of Whites (see graph at left). The disparity for those under 24 was less severe, with the exception of Asian youth whose rate (23%) was three times that for Whites and Blacks (see graph at middle left).

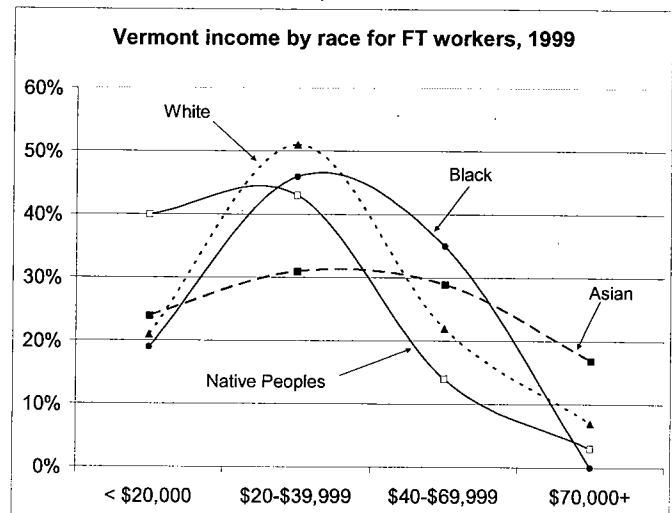
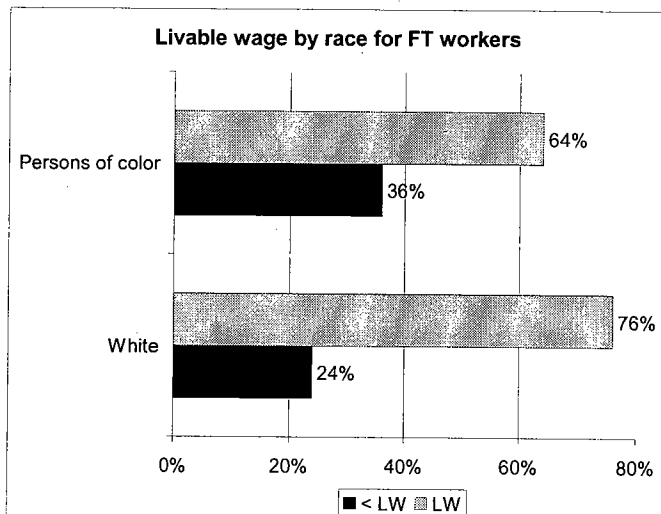
For those working FT, people of color were less likely to earn a livable wage than Whites (see graph at bottom left).



Vermont Whites in the labor force have a higher percentage of Bachelors and Associates degrees, but persons of color have a higher percentage of graduate degrees (16% to 10%). Of those who work FT, the figures for graduate degrees were:

- 36% Asians (includes Pacific Islanders)
- 18% Blacks
- 12% Native Peoples (North American)
- 10% White

Income distribution in Vermont was skewed by race in ways that reflect educational attainment. For example, more than half of all White FT workers earn between \$20,000 and \$39,999 (see below). Blacks and Asians were more likely to earn \$40,000 - \$69,999 than Whites; Asians were twice as likely to earn more than \$70,000; and Native Peoples were the least likely to earn more than \$40,000 (83% earn less).



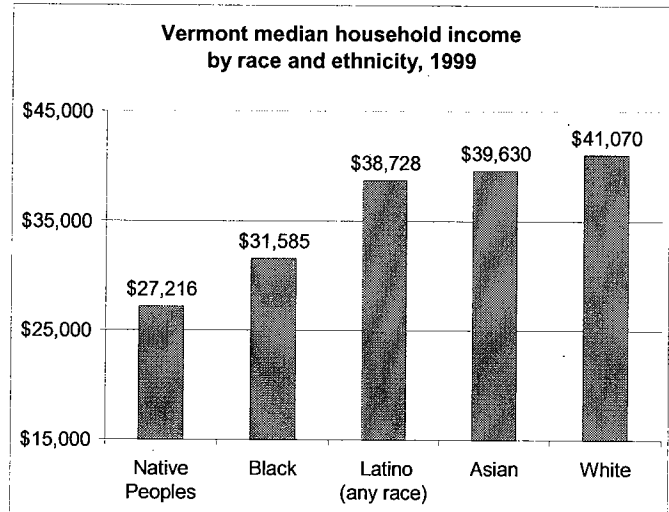
* Livable wage for a single person (urban - rural avg.)

Note on population: Second only to Maine, Vermont has the smallest percentage of non-white residents in the U.S. However, while the white population of Vermont has grown modestly in the last 20 years, the rate of growth for people of color has been enormous (see table at right).

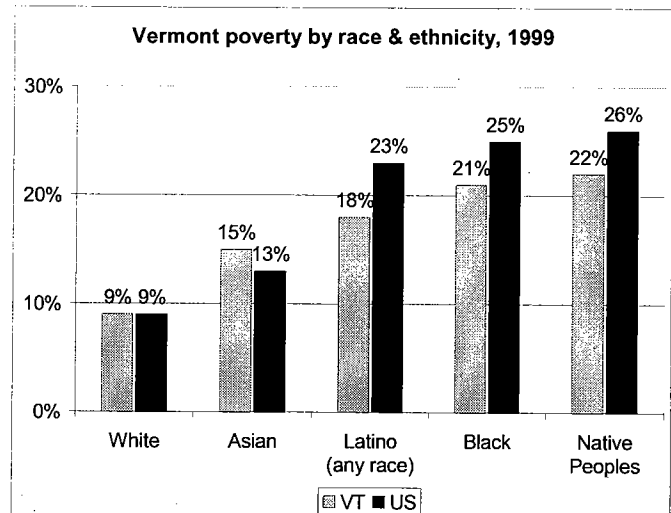
Rate of VT Population Growth, 1979 - 1999	
295%	Asians
170%	Blacks
146%	Native Peoples
67%	Latino / Latina (of any race)
16%	White

Notwithstanding the comparatively high rate of educational attainment for people of color in Vermont, the overall income and poverty statistics showed considerable variance from those of Whites in some cases.

For example, Asian and Latino median household income was close that of White's. However, **White median household income was 51% higher than that of Native Peoples in 1999 and 30% higher than Black households** (see graph at right).



Although not as stark as the national figures, the poverty rates for people of color in Vermont were significantly higher than for Whites. Indeed, **more than 1 out of 5 Blacks and North American Natives were in poverty in 1999** (which we know to be considerably lower than a livable wage; see graph at right).

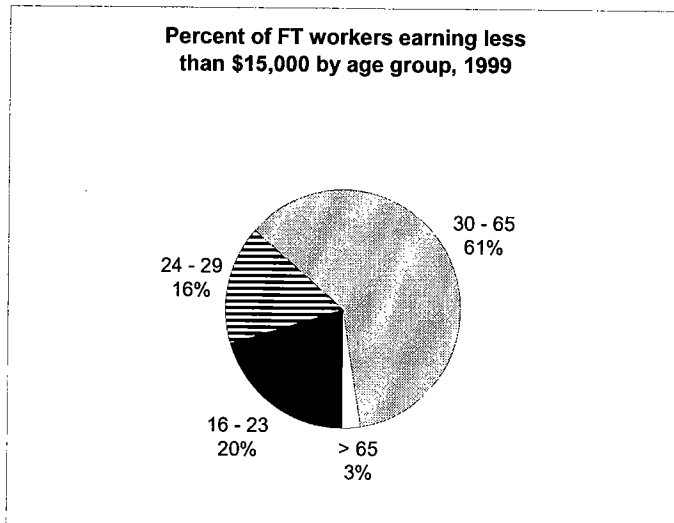


The data on industry and occupation by race show that Blacks and Asians are under- or over-represented in some cases (see tables below). These disparities illustrate the opportunities in certain fields for highly educated in-migrants (see page 14), as well as the concentration of less well educated people of color in lower wage industries and occupations. It also shows the areas where the pre-existing Vermont workforce was unable to meet the need for certain highly skilled positions (many of which involve regional and national searches).

Percentage of workers by industry & race		
Industry	Overall	Racial variance
Manufacturing	19.2%	Asian 22.2%
Retail	11.8%	Black 17.6%
		Asian 3.9%
Health care & Social Assist.	10.9%	Asian 23.9%
Educational services	8.8%	Black 17.6%
Accom. & Food service	5.0%	Asian 10.5%
Finance & Insurance	4.1%	Black 9.1%
Prof., Sci. & Tech. services	3.6%	Asian 11.9%
Information	2.7%	Black 6.0%

Percentage of workers by occupation & race			
Occupation	Overall	Racial variance	
Sales	9.9%	Asian	5.5%
Trans. & material handling	5.3%	Black	14.3%
		Educ. & training	4.5%
Health prac. & technicians	4.4%	Asian	11.3%
		Native	10.2%
Arch. & Engin.	3.4%	Asian	11.9%
Bldgs. & Grounds	2.9%	Asian	6.9%
Computers / Math	2.3%	Asian	9.2%
Management	12.5%	Native	8.3%

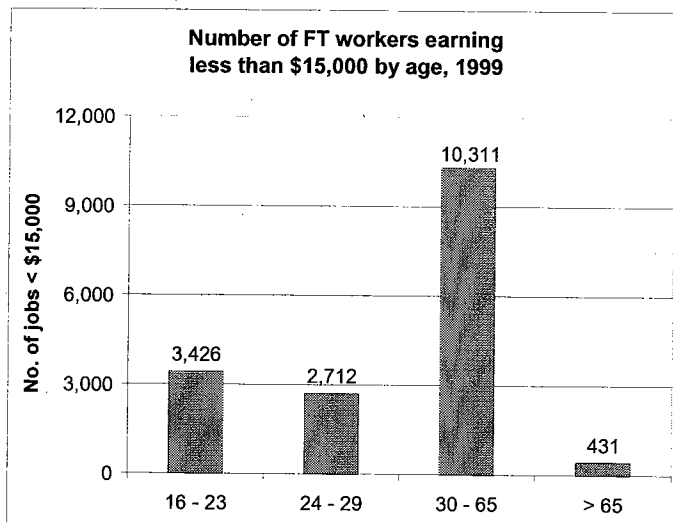
Age and Wages: Misconceptions



Many people believe that low wage jobs are filled primarily by young people. While it is true that most young people have lower wage jobs, the majority of such jobs are held by older workers. **Sixty-one percent (61%) of all year round FT workers in Vermont who earned less than \$15,000 (\$7.20/hr) in 1999 were over 29 years old** (and 59% were women; see graph at left).

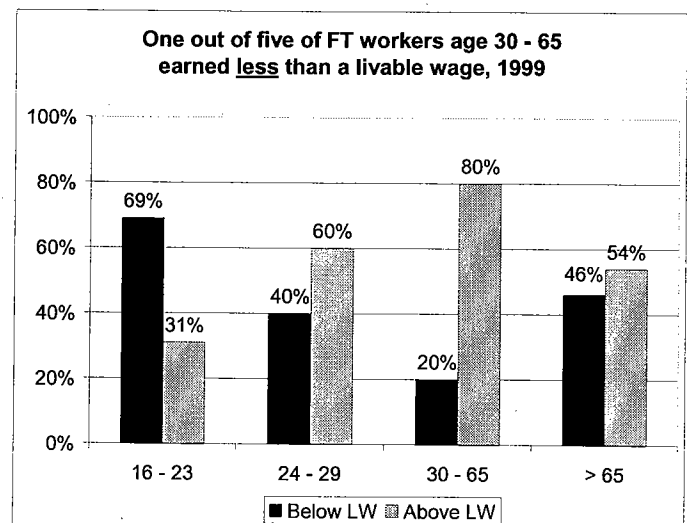
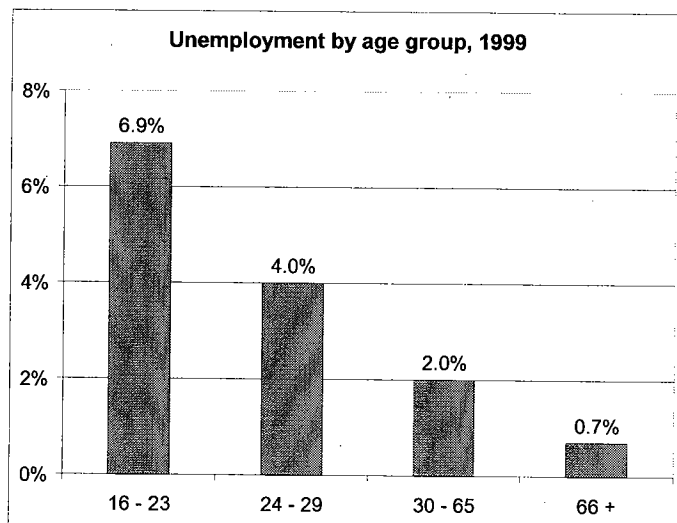
The numbers are not encouraging. **Over 10,000 FT workers over 29 earned less than \$15,000 per year** (see graph at middle left). In addition, 1 out of 5 FT workers over 29 earned less than a single person livable wage (see graph at bottom right).

Younger workers are much more likely to be unemployed (see graph at bottom left) although the duration of their unemployed status is shorter than that of older workers.⁹



Over half (54%) of all young workers are in only three occupations (sales, food prep. & service, and admin. support). Some of these entry level jobs are necessary since many young workers need the flexibility of PT and seasonal jobs for school and child rearing. On the other hand, many young people are out of school and have families; they need to earn a livable wage too.

Forty percent (40%) of all FT workers 30 - 65 were in only four occupations (management, administrative support, production and sales). Two of these (admin. support & sales) have a high incidence of PT jobs and pay comparatively low wages. In addition, while most production* jobs pay reasonably well, 1 out of 5 pay less than \$20,000.



* e.g., assemblers, fabricators, machine operators, etc.

In-migrants: New Vermonters in the Labor Force

In-migrants are defined as those who moved to Vermont from other states or countries within the preceding five years. In-migrants represented 14% of the labor force (about even by gender; 7% non-white) and held 12% of all FT jobs in 1999.

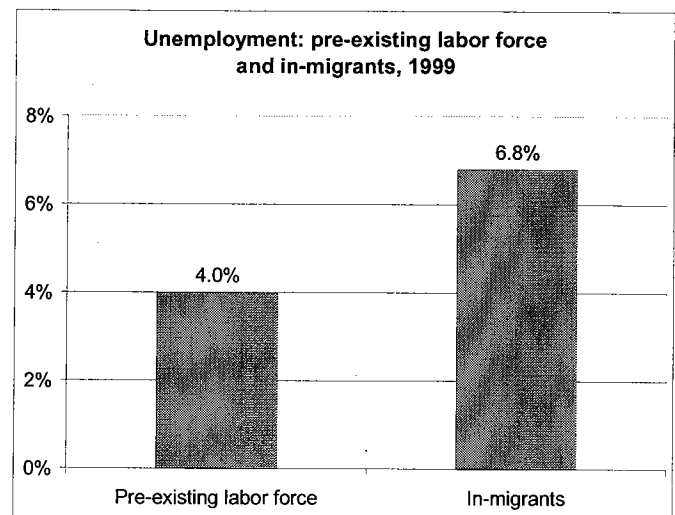
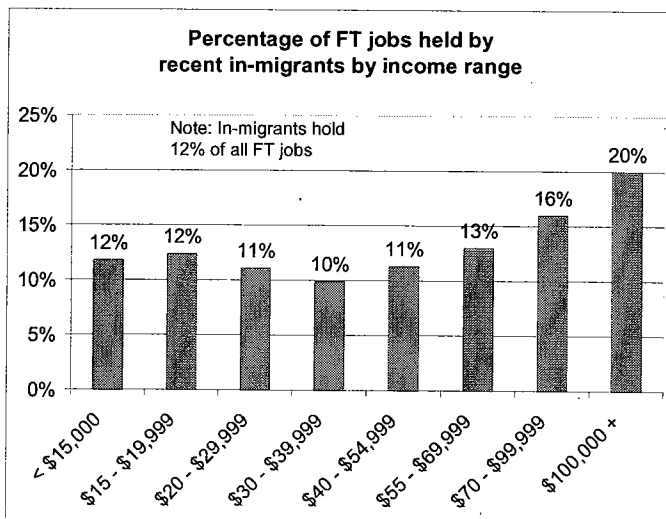
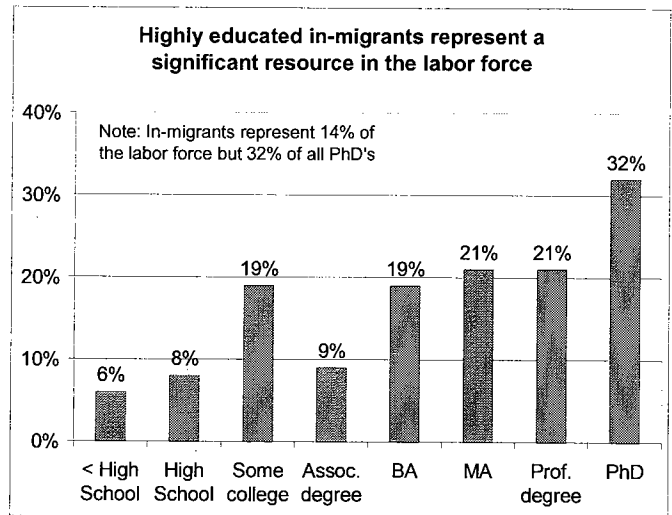
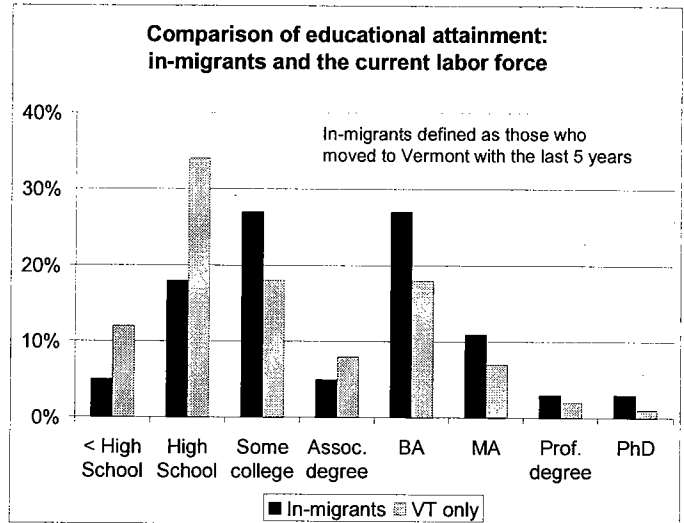
Recent in-migrants have considerably higher levels of educational attainment than the existing labor force. For example, 44% of in-migrants had a BA or higher compared to only 28% of the current labor force (17% vs. 10% for graduate degrees). As a result, in-migrants represent a significant resource (see graphs at top and middle right).

In-migrants held a disproportionate share of high wage jobs. Although in-migrants were only 12% of all FT workers, they held 20% of jobs paying over \$100,000 (see graph at lower left).

Vermont benefits from the arrival of highly educated workers who add value to the workforce and the community. However, the influx means that those already here are less likely to get the most sought after jobs.

In-migrants were much more likely to be unemployed than workers already here (see graph bottom right).

Note: The overall unemployment rate shown below does not match DET's figures for 1999. The Census long form survey is much different from the Current Population Survey (CPS - regular source of unemployment data). The sample for the CPS is very small but the labor force questions are much more detailed than the decennial Census.



Special thanks to the following partners:

- Champlain Valley Office of Economic Opportunity
- City of Burlington Community and Economic Development Office
- United Way of Chittenden County
- Vermont Foodbank

Next Steps

We understand that livable wages cannot be mandated—it needs to come from the bottom up. This is why the Peace & Justice Center and Vermont Livable Wage Campaign favor a grassroots approach, wherein individuals join together and organize rallies, support striking workers, monitor and speak out on legislation, educate Vermonters on the economy and livable wages, attend public hearings and forums, and through these collaborative efforts, create change.

Ways to Get Involved

- ✓ Sign up for the Economic Justice/VLWC Action Alert Emails
- ✓ Sponsor a LW presentation in your church, school, organization, or community
- ✓ Ask your organization to join the VLWC coalition
- ✓ Help start a local livable wage committee in your town
- ✓ Volunteer for the VLWC
- ✓ Write a letter to the editor in support of livable wages
- ✓ Urge your legislators to support increases in the minimum wage
- ✓ Sign the “VLWC Pledge” to turn out for economic justice events in Vermont
- ✓ Send a donation to the VLWC to continue our work!

To find out how to get involved, volunteer, and stay informed about economic justice issues in Vermont, please visit our website at www.vtlivablewage.org or call us at 802-863-2345 x8.

Endnotes

- ¹ Source: Census Bureau estimates based on the Current Population Survey.
- ² Source: Bureau of Labor Statistics.
- ³ Source: American Bankruptcy Institute.
- ⁴ Source: Fed. Reserve System, 2001 Survey of Consumer Finances, Tables 11.
- ⁵ Source: Vermont Department of Prevention, Assistance, Transition and Health Access.
- ⁶ Source: Census Bureau, "Poverty in the United States: 2002", September 2003.
- ⁷ Source: Census Bureau -- <http://www.census.gov/hhes/poverty/census/cph1162.html>
- ⁸ Op cit., "Poverty in the United States: 2002"
- ⁹ Source: Bureau of Labor Statistics; <http://www.bls.gov/cps/cpsaat31.pdf>

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