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## New Hampshire Livable Wage Study Released

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DURHAM, N.H. -- Fifty-nine percent of jobs in New Hampshire pay a livable wage for a single person, according to a new study directed by the University of New Hampshire's Office of Economic Initiatives (OEI) at the Whittemore School of Business and Economics and the North Country Council, Inc., Bethlehem. Further, only about 13 percent of jobs in southern New Hampshire and 8 percent in the North pay enough to support a single parent with two small children.

The just-released study, conducted by researchers at the Josiah Bartlett Center for Public Policy for OEI, NCC and others, used average wages calculated from 548 different jobs and considered several family types and working arrangements -- one or two parents, one or both working, with one or two children -- as well as the single person. Children were assumed to be four to six years old and in need of some daycare. Other co-directors of the research were the New Hampshire Small Business Development Center at UNH and the U.S. Department of Agriculture Rural Development.

A livable wage is enough to cover a household's basic needs, including food but not restaurant meals, rent and utilities (no cable TV), basic phone service, clothing and household expenses, transportation, child care, health care, personal expenses and savings (five percent of the budget). In 1999, the most recent year for which figures are available, a livable wage for a single person in New Hampshire paid \$9.01 per hour, said OEI director Janice Kitchen.

Work paying less than a livable wage is found mostly in the service and tourist economy -- jobs such as bank tellers, cashiers, clerks, cooks and food service workers, hairdressers, janitors and housekeepers, teacher aides

and waitstaff.

"What struck me from our findings is that 87 to 92 percent of jobs in New Hampshire do not pay well enough to support a single parent with even one child," said Kitchen. "Jobs in the service and tourist industry pay below the livable wage. If we want to develop quality jobs here in the state, we need to be looking at expanding the number of computer, manufacturing and health care service jobs available."

The average hourly wage needed to support a single mother with one child in New Hampshire is \$15.72 per hour, the study shows. Meanwhile, hourly wages for such jobs as clerks, child care workers and retail salespersons is less than \$8 per hour. Areas of the state with the lowest percentage of jobs paying a livable wage include Berlin, Colebrook, Conway, Lancaster, Pelham, Peterborough, Plymouth, Littleton and the Salem/Derry area.

Jeffrey Hayes, economic development director at the North County Council, says one important message from the study is that not all development is equal. "If we have simply more of the same type of development -- for instance tourism jobs do not pay a livable wage -- it won't help us much. I think it shows that we need to diversify the economy in the North."

The forest products industry is another area where diversifying -- moving away from a paper-centered economy to more value-added manufacturing jobs -- would really help, Hayes added. "We have a lot of people underemployed in the North. They live here because of the quality of life, but it's a struggle." He hopes the study will lead to changes. "I think any policy maker would agree that it's more efficient to have a livable wage go to the individual rather than support welfare," Hayes added. "This study gives us a framework to start work on improving the situation."

Another valuable lesson of the livable wage study, according to Kitchen, is that education is a key to attaining a livable wage job. "If you're looking at it from an economic development point of view, this is really important," she pointed out. "Jobs that pay well enough to support someone or support a family take the most education."

That point is illustrated by the study's finding that one area in the North stands out for the availability of high-paying jobs in the medical services sector. The Lebanon-Hanover area, home to the Dartmouth Hitchcock Medical Center, enjoys the distinction of having more than 70 percent of jobs pay a livable wage.

State policy makers and people concerned about the quality of life in New Hampshire may want to take a careful look at findings in the new study, Kitchen recommends. "It definitely contains food for thought," she said. "It should be seen as a planning tool. It informs us about areas we should be looking in terms of economic development. Even on the individual level, it has relevance. Parents who want their children to be able to remain in the state after high school, guidance counselors wanting to give students good advice and do a good job of preparing them for the job market, can explore what this study has to say. Education is certainly a key."

Given the study findings, how are people managing?

It is clear that some families "do without" some of the basic needs identified in the study. Often the first to go is health insurance. "Recent studies have shown that about 16 percent of New Hampshire residents are not covered by private insurance and that the poorer new Hampshire residents are, the less likely they are to have insurance," Kitchen reported.

Also, many people work more than one low-paying job. It is estimated that twice as many workers in the North Country hold more than one job compared to workers in the southern part of the state. "Apparently this is one way that North County residents have used to cope with the relative scarcity of livable wage jobs in their part of New Hampshire," the study authors note. Another way both single- and two-parent families make ends meet is to accept help with child care from their extended family.

To obtain a copy of "The Availability of Livable Wage Jobs in New Hampshire," contact the New Hampshire SBDC at the University of New Hampshire, 603- 862-2200, or download a pdf file on the Web at: [www.nhsbdc.org](http://www.nhsbdc.org) Click on "news."

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