Housing and the Workforce: A Place to Hang One’s Hat

The third in a series of papers demonstrating the value of affordable housing for people and communities across the State of Vermont

With a commitment to products that are made with rBST-free and organic milk, operations based out of a LEED-compliant facility powered in part through alternative energy, and a website decorated with the markings of a Holstein cow, Brattleboro-based Commonwealth Dairy is the picture of Vermont wholesomeness. In business since 2011, the dairy’s staff has grown to 130 employees. Of those, 20 are temporary or temp-to-hire, positions that are filled by two ends of the spectrum: recent high school graduates and people in their 40s who are stuck in entry-level positions, changing jobs only by switching companies.

“They’re making the choices between housing and medical” and other costs of living, says Angie Timm, vice president, finance and administration, of Commonwealth’s roughly 40 employees who support their families through production work. Many have turned to state-supplied insurance and make ends meet by staying with extended family, while others are living nearby in affordable housing built by the Windham & Windsor Housing Trust.

“It has an impact when people are worried about where they’re going to live,” says Lisa Falcone, Working Bridges project director, “and that’s a big issue for a lot of workers in Vermont.” Managed by the United Way of Chittenden County, Working Bridges is an employer collaborative focused on workplace productivity, retention, advancement, and financial stability for employees. Falcone says she’s spoken with the human resources director at one area company that pays a generous entry-level wage but has a perpetually open, technically skilled position. The HR director has told Falcone that she can’t find anyone to take the job because prospective employees are deterred by the cost of living in general and of housing in particular.

It’s an issue that’s felt by companies and their employees statewide, and at multiple income and skill levels. Heather Banks, former senior director of human resources at UTC Aerospace (formerly Goodrich), the Vergennes-based manufacturer that employs 850, found it difficult to hire mid-level professionals from out of state because many were unable to find rental housing, whether for 30 days or a year. Banks says it was equally challenging to lure semi-skilled technical workers down from the Northeast Kingdom and elsewhere, for essentially the same reasons.
At first glance, actual employment numbers seem positive, with unemployment at its lowest statewide since 2005. But that doesn’t show the whole picture. It does not, for example, take into account part-time and temporary workers or the underemployed—those working of necessity below their skill level because they can’t find an appropriate job. That was underscored in the spring of 2014, when personal income taxes collected by the state came in below forecast, and by the latest Census data, which show that Vermont’s median household income slipped two percentage points between 2012 and 2013, to $52,578, while the poverty rate rose 1.2 percent, with 74,058 Vermonters living in poverty. Overall, the state’s population is aging, and workforce numbers are dwindling.

In some parts of the state, the affordable housing options are so limited that competition is stiff. Going to see an apartment or calling a potential landlord necessitates time away from a work, and can become almost as time-intensive as a second job.

For women who are the sole or primary wage earners in their households, the wage gap—with Vermont women paid 85 cents for every dollar earned by a man doing the same job—is a chronic stumbling block. The affect on the workforce is significant: in 2014, women headed 24,231 households in the state. Women also make up 60 percent of the state’s minimum-wage workforce, which means that they will feel the increase in the minimum wage that will be phased in by 2018. But even that will top out at $10.50 per hour—still well below what is considered a livable wage.

But there are bright spots. Vermont’s housing nonprofits and housing authorities have created a web of affordable rental properties in virtually every community in the State. And Vermont housing organizations have pioneered an affordable homeownership program that counts over 1,000 homes in total, and is being copied in countries and cities around the world.

Lisa Jensen, Working Bridges’ resource coordinator, says one Chittenden County company has contacted her to learn how it might help its staff members who want to purchase homes, acknowledging that housing is a helpful tool in employee retention. And employees themselves—people who not so long ago were using Section 8 rental subsidy—are asking for information about becoming first-time homebuyers, recognizing that once they’re over the hurdle of a down payment, they will pay less in housing costs as homeowners than as renters. They’ve heard through word of mouth from friends and coworkers about opportunities including Champlain Housing Trust’s Shared Equity Program, as well as other incentives through USDA Rural Development and the Vermont Housing Finance Agency’s programs, among others—the kinds of assistance that can help them find a place to call home.

“[The cost of housing] has an impact when people are worried about where they’re going to live, and that’s a big issue for a lot of workers in Vermont.”

Lisa Falcone, Working Bridges project director

For more information, contact Chris Donnelly at Champlain Housing Trust by calling (802) 861-7305 or Kenn Sassorossi at Housing Vermont at (802) 863-8424. Others in this series can be found at: http://j.mp/CHT-publications