Appendix C.
Employer Survey

This appendix contains the results of an employer survey that was conducted for the Bonner County Housing Needs Assessment.

Effects of Housing Costs on Employment

To analyze how the housing market in Bonner County affects employers, we collected and analyzed surveys from area employers. A total of 39 employers participated in the survey effort. Together, these employers provide jobs to more than 3,000 full-time equivalent jobs in the county[1]. The industries represented by the employer surveys are diverse, and include professional and financial services, education, tourism, health care, retail, real estate and manufacturing. Occupations represented include sales, bookkeeping, engineers, assemblers, teachers, bankers, real estate professionals, housekeeping, middle and upper management, nurses and civil servants.

The wages paid by the employers represented in the surveys were also wide-ranging, from a low of $4.50 per hour to more than $100,000 salaried. Most wages were hourly. The largest proportion of hourly positions paid $20 to $35 per hour (51 percent), followed by $10 to $19 per hour (31 percent). The remainder (18 percent) paid less than $10 per hour. When the employers answered questions about the housing needs of their employees, it is these hourly employees who are largely represented in their responses.

What are the effects upon employers? As part of the survey, employers were asked how the changes in the housing market during the past 5 years have affected their ability to recruit workforce. The vast majority of employers—85 percent—said the changing market has affected their ability to recruit workforce negatively or very negatively (24 percent negatively, 61 percent very negatively). Sixteen percent said the changes in the market had positively affected their ability to recruit workforce.

Exhibit C-1.
"How has the change in the market during the past five years affected your ability to recruit workers?"

Source:
Employer surveys and BBC Research & Consulting.

Very Negatively	24%
Negatively	61%
Positively	13%
Very Positively	3%

What can their employees afford to pay in housing costs? Some employers provided information on the rent and home prices needed by their employees. Rent levels ranged from $850 to $1,000 per month; homes needed to be priced under $200,000.

[1] The Idaho Department of Commerce and Labor reported 14,366 total wage/salaried workers employed by businesses and organizations that are subject to unemployment insurance as of fourth quarter 2005. The employer survey data collected for this study collected full time equivalent (FTE) employees. If employees average 1.2 jobs, the employer surveys captured an estimated 25 percent of FTE positions in the county.

Employers were also asked to characterize their workers' experience finding housing in Bonner County. Exhibit C-2 shows that the vast majority of employers said their workers have a difficult or very difficult time finding the housing they need.

Exhibit C-2.
"How would you characterize your workers' experience finding housing?"

Source:

Employer surveys and BBC Research & Consulting.

	Rental	Homeownership
Very Difficult	26%	44%
Difficult	54%	44%
Easy	21%	11%
Very Easy	0%	0%
Percent Difficult/Very Difficult	79%	89%

Some employers offered reasons for why their employees had difficultly finding affordable housing. The top reasons included:

- Lack of rental units priced at less than $400 per month. Units that exist are in poor condition and overpriced. There is not enough supply of such units to keep rents down.
- Lack of affordable, entry-level housing with restrictions on investor purchases. "Price to buy is way too high for what a company can pay."
- Lack of affordable housing close to Sandpoint (where employers are located).
- Land use codes prohibit high enough density, which is needed to develop affordable housing.

Matching the wage data with what employees could afford based on industry standard shows that hourly employees earning less than $10 per hour need rental housing priced at less than $425 per month (not counting utilities). Employees paid between $10 and $19 per hour need rental housing priced at between $425 and $945 per month. They could pay up to $157,400 to buy a home. Employees with hourly wages of between $20 and $35 could pay up to $1,725 in rent and $287,000 to buy a home.

Exhibit C-3 shows affordable rents and home prices by wage level.

Exhibit C-3.
Affordable Rents and Home Prices, Employees

Wage rate, hourly employees	Number of Employees	Equivalent Salary	Affordable Rent	Affordable Home Price
< $10/hour	203	$0 to $20,800	$425	$ 70,779
$10 to $19/hour	335	$20,801 to $41,600	$945	$ 157,378
$20 to $35/hour	545	$41,601 to $72,800	$1,725	$ 287,278

Source: Employer surveys and BBC Research & Consulting.

Comparing these affordability levels with the rental market as represented by recent newspaper ads demonstrates that employees earning more than $15 per hour are likely to be able to find affordable rentals (mostly homes for rent), but employees earning less than $10 per hour would have a fairly difficult time finding affordable rental units available.

Most of the employers surveyed pay their employees an adequate hourly wage to enable them to rent at market prices: approximately 51 percent of employees earned more than $20 per hour, allowing them to afford rental units priced at more than $945 per month. An estimated 15 percent of employees earned between $15 and $20 per hour, enabling them to rent at between $685 and $945 per month.

Employees earning less than $15 per hour (18 percent of the employee wages reported by the employers) are likely to have difficulty finding available, affordable rental housing. In general, employees earning $10 per hour need to be earning at least 50 percent more than they are to afford market rate rental housing (unless they are sharing housing with others).

Employees earning less than $20 per hour would find it difficult to buy housing in Bonner County. In 2005, about one-third of sales reported by the MLS would have been affordable to employees earning less than $20 per hour. Employees earning $10 per hour would find just 5 percent of all sales affordable.

Housing future workers. In the next *five* years, the employers surveyed estimate they will add about 600 workers to their companies, in aggregate. During the next *10* years, these employers will add approximately 1,000 workers—or an average of 100 per year.

Most of the employers surveyed expect to have similar wage distributions as they do currently. However, the largest employers project the strongest growth in lower-paying, service jobs. Some employers wrote that they hope to be able to raise wages somewhat to accommodate cost of living increases in the county. If their wage projections are accurate, between one-third to half of new employees would earn wages that would qualify them as low-income.

As mentioned above, the employer survey data collected for this study represents approximately 25 percent of covered employment in the county. Since 2000, total employment in the county has grown from 11,003 in 2000 to 14,168—or at an average of more than 500 jobs per year. The job growth projections reported by the employers who contributed surveys to this study are therefore between 20 and 25 percent of the likely employment growth that could occur in the county, if growth in the next 10 years is similar to the past five.

With that projection, can we then estimate how many rentals or housing units will be needed to house those new workers? Examining job growth by wage category can assist with determining future housing needs. For example, if most of the future jobs in an area pay low wages, future housing needs are likely to be at the lower price range, all other things being equal. One limitation of this exercise is that household formation and change—people getting married or divorced and having or not having children—can have a large effect on housing preferences and affordability. A teacher starting his first job might have a very difficult time finding a home to buy in his price range until he marries someone who is employed as a tax attorney, at which point housing affordability becomes much less of a concern.

Nonetheless, employment growth is important as a baseline indicator of future housing need. The employment projections in the next 10 years that were estimated by the employers contributing to this survey can be thought of as a lower-bound estimate of growth. Given these estimates, in the next 10 years, housing will be needed to accommodate approximately 1,000 new positions (240 of which will be seasonal). Some of these workers will occupy the same housing units. If we assume that each housing unit has 1.5 non-seasonal workers, then, in 10 years, approximately 500 units will be needed to accommodate the growing non-seasonal workforce *of the employers surveyed.* Additional units will be needed to accommodate the 240 new seasonal workers.

Based on the wage information submitted by the employers and their projected distribution of new employment positions, about half of the new non-seasonal workers would need rental units priced between $425 and $945, or for sale units priced less than $157,000 (in today's dollars). Another half would need housing with rents ranging between $945 and $1,725, or for sale units priced between $157,000 and $287,000. Seasonal workers would need units affordable at less than $425 per person per month.

Where in the county or out of county would their new employees have to live [and commute to work]? New workers earning less than $10 per hour would need to find below-market rate rental units, or share market rate units with roommates or other wage earners. Currently, most of the subsidized (most affordable) rental units in the county are located in Sandpoint.

Workers earning more than $10 per hour would find market rate rentals easier to come by, but buying would be difficult. Based on the 2005 sales data from the MLS, the Priest River area would have the most affordable housing for workers earning between $10 and $20 per hour to buy. Workers in the $20 to $35 wage range (mostly those at the higher end) could find some housing in Sandpoint affordable, in addition to Sagle. The incomes needed to afford the median- and average-priced for sale housing in other parts of the county are higher than what the majority of the new workers would be earning.