

**PERSONAL ECONOMIES:  
Living on the Edge with Nothing Left to Give**

## *Executive Summary*

This whitepaper is based on the results of a survey conducted by the Associated COLT Staff of the University of Maine (ACSUM). COLT staff are the clerical, office, laboratory, and technical employees of the University; ACSUM is their representative in contract negotiations with the University. The purpose of the survey was to gain insights into the financial situation of the employees it represents in order to accurately state the impact of the University's philosophy of compensation on ACSUM bargaining unit members. The survey also supplies demographic information on COLT employees that is relevant to their economic situation:

- The COLT unit is eighty-five percent (85%) female.
- A significant number of COLT employees who will be retiring in the near future: sixteen percent (16%) are over the age of 55.
- COLT employees are more educated than the Maine and U.S. average, with twenty-six percent (26%) holding Bachelor's degrees.
- Average wages for COLT employees fall well below the state per capita average (11% in 2000), and were nearly \$7000 below the national average for the same year. At the same time, upper level University administrators earn over 500% the per capita income average.
- Currently proposed health care cost increases, if implemented, will mean a loss to many COLT employees even after the proposed raise. Some stand to lose five percent (5%) or more of their disposable income, and some may not be able to afford coverage at the present wages.
- COLT employees have a multiple job rate that is much higher than the Maine or national average.
- Twenty percent (20%) of COLT employees have resorted to state aid, or to housing assistance from friends or family, while working for the University.

What this means to the University of Maine System, and to the citizens of Maine:

- Wages in the COLT unit have stagnated relative to the local market, and the wage scale has major problems because the University no longer honors the longevity step system that is still a part of the COLT contract. This situation puts the University at a disadvantage in attracting qualified support staff.
- Retention of younger employees is not going well for the University. A very conservative estimate of the costs to the University of replacing COLT workers over just the last two years comes to roughly half of a million dollars.
- Changes in technology have caused an evolution of skills, and as a result clerical and technical capabilities are closer to those of professionals. Compensation and benefits policies as applied to the predominantly female COLT unit, if compared with analogous accommodations for faculty and professionals, can create an impression of gender and class bias inappropriate for a public institution.

## **PERSONAL ECONOMIES: Living On The Edge with Nothing Left to Give**

In February 2002, the Associated COLT Staff of the Universities of Maine (ACSUM) surveyed the clerical, office, laboratory, and technical (COLT) bargaining unit employees it represents. ACSUM is the bargaining agent for the UMS COLT unit; it is affiliated with the Maine Education Association (MEA) and the National Education Association (NEA). As the sole bargaining agent, it has the obligation to negotiate for and represent all COLT unit employees with regard to work place conditions, wages and benefits for all COLT employees.

As part of its ongoing effort to deal effectively with those issues important to the bargaining unit, ACSUM decided to learn more about the employees it represents. ACSUM designed the *Personal Economies Survey* to accomplish two goals. First, it wanted to gain insight into the economic condition of the clerical and technical employees that it represents. Second, ACSUM wanted to be assured of accurately stating the impact of the UMS philosophy of compensation on bargaining unit members. The survey was designed to address issues of education, health/dental care, housing, and family profile, as well as economic well-being and use of social services.<sup>1</sup>

The response rate was large enough to be statistically valid, with over fifty-five percent (55.3%). Response rates by campus or unit varied with a low of over twenty-six percent (26.4%) for the Cooperative Extension Service to a high of seventy-two percent (72%) for the University of Maine at Fort Kent. The survey response profile was similar to an analysis of COLT unit employees by years of service. Response rates for campuses or work units were as follows:

<b>All</b>	<b>UMA</b>	<b>UMF</b>	<b>UM</b>	<b>CES</b>	<b>UMM</b>	<b>UMPI</b>	<b>USM</b>	<b>UMFK</b>	<b>SYSW</b>
<b>610</b>	34	39	260	28	13	17	183	18	18
<b>Unit Size</b>									
<b>1104</b>	55	62	343	106	24	29	326	25	43
<b>Percentage</b>	61%	64%	60%	26%	54%	58%	56%	72%	41%

### ***Who We Are - Gender, Longevity of Service, and Age***

The unit is overwhelmingly female. Eighty-five percent (85%) of unit members are women.<sup>2</sup>

Length of employment with the University varies from 1 month to 43 years. The median point for employment as of February 2002 was February 1996, and the average duration of employment for all COLT unit employees was 9.5 years. Closer scrutiny reveals that

median duration of employment for those who have completed 5 or fewer years of service is 2.06 years, and for those who have completed 10 or fewer years of service, 3.4 years.<sup>3</sup>

Fifty-one percent (51%) of the survey respondents report being age 45 or older, sixteen percent (16%) report being 55 or older, and six percent (6%) report being over age 60. Particular campuses need to be immediately concerned about the impact of retirement due to a larger percentage of employees over sixty than the overall profile.<sup>4</sup> As evidenced by the reported ages of the employees, COLT unit members bring many years of life experience and, therefore, maturity to the System. This also suggests that some COLT staff may join the University after employment elsewhere, which adds to the repertoire of skills brought to the workplace.

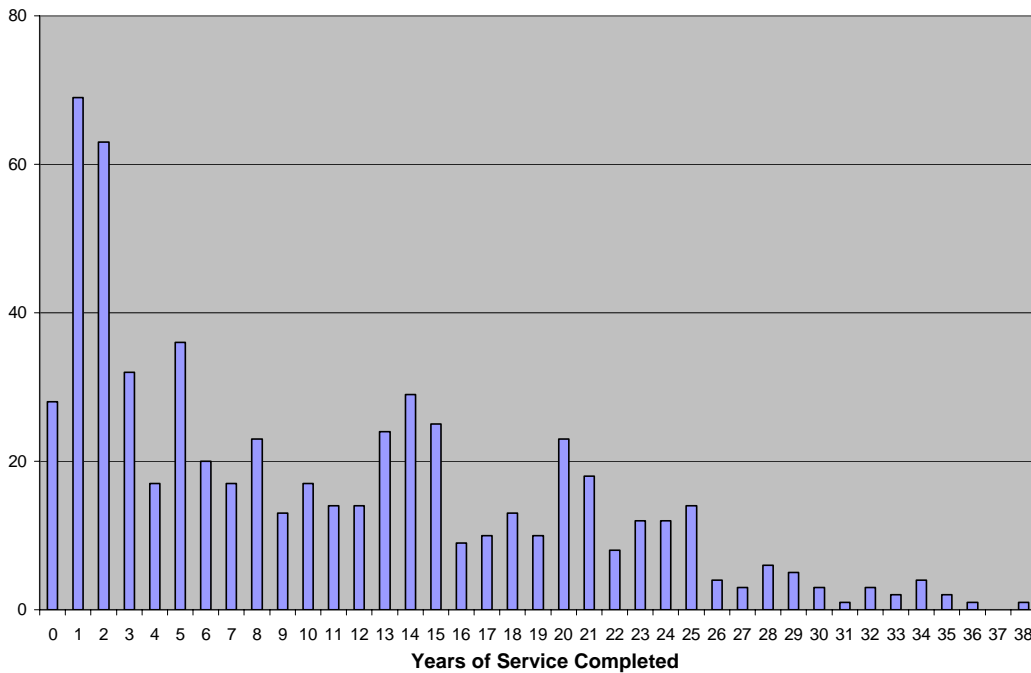
Only twelve percent (12%) of the respondents were 20 to 30 years old. In contrast to their older peers, younger employees may not add to the depth of skills and maturity likely to help in providing a good educational experience to students. Because of depressed wages, the newest employees are taking skills gained from University employment on to other employers, a loss to the University. In fact, at a “Lunch with Rich” function in 1999, USM President Richard Pattenaude stated that University employment is a first-experience *position* for many employees, indicating that it is probably not a career choice.

Changes in technology have caused an evolution of skills, and as a result clerical and technical capabilities are closer to those of professionals. If the technical skills of COLT staff were compensated, a living wage might result in a viable occupation for younger workers who could then choose to stay. In order to compensate COLT unit employees fairly for skills that have evolved as a result of changes in technology, the University and ACSUM need to review and update the classification system so that values for technical skills are not only included but are also properly weighted.

### ***What this Means for the University System***

While experience and maturity are pluses for the University in terms of competence and work ethic, a clear downside is that in the next 10 to 12 years at least twenty-two percent (22%) of staff will retire. While that in itself may not be problematic, given the turnover rate at 5 or fewer completed years of service (see above), it is questionable what degree of institutional memory will exist for the University System in the next decade.<sup>5</sup> Human resource experts acknowledge that “the ability to attract, develop, and hold on to talented people is the single most reliable predictor of overall excellence”<sup>6</sup> for a business or institution. This holds true for public institutions as well as private business. The System also acknowledged this in “Policy Options in Higher Education,” a late 1990’s paper, where it stated a desired benefit of the proposal on “Investment in Human Capital” as being able to “[r]etain experienced employees.” (See attachment A.) Clearly the data indicate that efforts to retain new employees within the last 10 years are not going well.

Profile of Survey Respondents by Years of Service Completed by 2\_2002



Employer competition for employees likely to choose this type of work will increase over the next few years. The U.S. Bureau of Labor Statistics projects that the employment category of “executive/legal secretaries and administrative assistants” will grow by over eleven percent (11.5%) between 2000 and 2010. The current downturn in the economy notwithstanding, employer competition for these categories of office workers will not soften substantially, given the State of Maine's projected flat population growth. Coupled with the projection that twenty eight percent (28%)<sup>7</sup> of the State's workforce will be retiring within 5 years, and the out-migration of Maine's young employees, intense competition for qualified support staff is expected. Beyond 5 years, employer competition for employees will only intensify, because according to the State's Bureau of Human Resources, fifty percent (50%) of state employees will be eligible to retire in 10 years.<sup>8</sup>

Further, the cost of constantly recruiting, hiring, and training new employees needs to be taken into consideration when employee retention policy is considered. Human resource experts estimate that the cost of recruiting, hiring, and training new employees is somewhere between ten percent (10%) to fifty percent (50%) of the salary for that position.<sup>9</sup>

According to System data for June 2002, 248 COLT unit employees have 23 months or less of service. Based on a conservative staff replacement cost factor of ten percent (10%), in under two years the University has spent, either directly or indirectly through lost productivity, over half a million dollars on recruiting and hiring new staff. If a higher rate for employee replacement costs is used, the amount is not inconsequential. Further, new staff are generally trained in a work-based situation by other clerical or

technical staff. These trainers receive neither additional compensation nor time away from their duties to provide the training. Breaking in new hires can thus add to the employees' workload, shifting his/her attention from the student service mission to repetitive training as employees leave and are replaced.

<b>Date Of Hires Year 0*</b>				
<b>June 2002</b>				
<b>WAGE BAND</b>	<b>Annual Pay (at start rate)</b>	<b>Employees Hired</b>	<b>Annual Pay x # employees</b>	<b>Rehiring Costs (based on 10%)</b>
01	\$19,344.00	1	\$19,344.00	\$1,934.40
5	14,996.80	1	14,996.80	1,499.68
8	16,265.60	3	48,796.80	4,879.68
9	16,556.80	2	33,113.60	3,311.36
12	17,867.20	5	89,336.00	8,933.60
13	18,241.60	8	145,932.80	14,593.28
14	18,678.40	26	485,638.40	48,563.84
15	19,240.00	5	96,200.00	9,620.00
16	19,593.60	2	39,187.20	3,918.72
17	20,155.20	1	20,155.20	2,015.52
18	20,654.40	9	185,889.60	18,588.96
19	21,070.40	38	800,675.20	80,067.52
21	22,089.60	23	508,060.80	50,806.08
<b>Total</b>				<b>\$248,732.64</b>

\*Based on University data, June 2002

### ***Who We Are - Educational Attainment***

The average COLT employee of the University of Maine system is more educated than the average state resident. Twenty six percent (26%) of COLT staff responding to the survey reported a Bachelor's Degree.<sup>10</sup> This is higher than the state average, where just under twenty three percent (22.8%) hold four-year degrees.<sup>11</sup> It is even higher than the U.S. average, where twenty-five percent (25.1%) hold four-year degrees.

Twenty two percent (22%) of COLT unit members report holding an Associate's Degree. Three percent (3%) of survey respondents hold a Master's Degree. For spring semester 2002, twenty eight percent (28%) report they were taking classes, and nearly twenty percent (20%, overall) were enrolled in a degree program.

While a degree is not required, clearly COLT staff are skilled both in relation to their required level of work and their level of educational attainment. This is contrary to the assumption that their low pay may point to a low skill level. College educated staff can only *enhance* the delivery of services to students. This is significant, given that during their college careers, students interact more frequently with support staff than they do with faculty.

### ***What This Means for the University***

Considering that a degree is not required for any COLT unit position or even for certain entry level professional positions, COLT unit members certainly demonstrate superior educational attainment. COLT unit members contribute substantially to the status and positive image of the University of Maine System. Their enhanced knowledge of the educational experience contributes to their understanding of student needs and allows the kind of connection that can add to the quality of the educational experience for those students.

Because educational attainment is not recognized or rewarded by the University—except as sometimes misused in the selection process—retention of dedicated employees becomes problematic. This is an issue in today’s competitive market for clerical and technical workers, and will only become more dramatic as more experienced employees retire. The State will also be shedding about fifty percent (50%) of its employees in the next ten years, when UMS clerical workers will be retiring in record numbers. UMS faces a crisis in finding workers to fill these future vacancies, and should begin to take steps to demonstrate that it values its employees, especially in the area of educational attainment.

### ***Who We Are - Economic Status***

COLT wages do not measure up against state and national per capita averages:

- Based on recent U.S. Department of Commerce data (2000), the average per capita income in Maine for 2000 was \$25,380.<sup>12</sup> According to data provided to ACSUM by the University of Maine System, as of November 1, 2000, the average University wage for COLT unit members was \$22,561, or \$2,819 (11%) below the state per capita average income.
- When compared to available national data about average incomes, the COLT unit’s average income still comes up short. In 2000 the average per capita income in the U.S. was \$29,469.<sup>13</sup> In 2000, the per capita income for COLT unit employees was \$6,908 below the national average.
- According to System data for 2001, the average annual wage for COLT unit members (November 1, 2001) was \$22,578, hardly a change from 2000. For full time/12 month employees, the average wage for 2002 is \$23,170, which is below the State 2000 per capita average income of \$25, 380 by 8%.<sup>14</sup>

Clearly COLT employees are perceived and paid as unskilled workers. Such perceptions are behind the times, and may reflect a residual undervaluing of women’s work. COLT clerical and administrative duties are now highly technical and increasingly sophisticated. They routinely include web page design and desktop publishing, skills that pay well in local markets. In addition, a college education is increasingly advisable for COLT staff, as their duties now sometimes include research and working with statistics. The following table documents the comparisons:

**COLT Clerical, Technical and Administrative Skills  
in the Regional Market**

<b>Desktop Publishers</b>	<b>Median Wage</b>	<b>Rank</b>	<b>Graphic Designers</b>	<b>Median Wage</b>	<b>Rank</b>
Maine	\$13.07	28	Maine	\$14.99	30
New Hampshire	14.25	19	New Hampshire	13.99	39
Massachusetts	18.30	3	Massachusetts	19.34	4
U.S.	14.71		U.S.	16.62	
<b>Computer Support Specialists</b>	<b>Median Wage</b>	<b>Rank</b>	<b>Technical Writers</b>	<b>Median Wage</b>	<b>Rank</b>
Maine	\$13.61	41	Maine	\$22.47	17
New Hampshire	16.49	30	New Hampshire	23.66	10
Massachusetts	21.25	2	Massachusetts	26.11	3
U.S.	17.53		U.S.	22.98	
<b>Administrative Assistants</b>	<b>Median Wage</b>	<b>Rank</b>	<b>Secretaries</b>	<b>Median Wage</b>	<b>Rank</b>
Maine	\$12.79	40	Maine	\$10.32	32
Bangor*	15.90		Bangor*	13.32	
New Hampshire	13.78	27	New Hampshire	11.02	23
Massachusetts	16.59	6	Massachusetts	13.37	8
U.S.	14.95		U.S.	11.47	

**COLT Average \$11.13**

**COLT Median: \$10.86**

Source: America's Career InfoNet, <http://www.acinet.org>

\*Figures for Bangor for Administrative Assistants and Secretaries (Secretary II) are taken from *salary.com*. These figures are based on analysis of data reported by Bangor corporate human resources departments. They suggest that the median wages from the U.S. government Career InfoNet are on the conservative side. Secretary II is mid level. These positions, as reported by *salary.com*, demand a high school education and several years of experience.

COLT staff routinely oversee complex budgets and work with other aspects of grant writing, which puts them near technical writers with regard to skills. Some COLT job descriptions even include providing technical support. Young people from Maine don't

have to go far to find better wages for the skills COLT staff generally have. By depressing COLT wages, the University is closing the door to traditionally feminized occupational areas that are moving toward the expectation of professional qualifications. (See Attachment B for actual job descriptions for some of these positions.)

To reiterate, changes in technology and its applications have significantly impacted on staff. Office workers, including the clerical staff at University of Maine System campuses, predominantly though not exclusively women, absorbed a lot of stress as typing became keyboarding. For years their work meant testing the technology in the trenches, coping with obtuse DOS screens and non-*wysiwyg* layout tools. COLT staff have to learn new tools often while still efficiently completing their work. COLT staff are frequently minor technical advisors in their departments, spreadsheet and database experts, and knowledgeable advisors to students worried about degree requirements. Their cooperation and expertise will be crucial to the implementation of PeopleSoft. Unfortunately, those who helped the University through those early, sometimes awkward learning-years of new technology have been left behind in wages because of the University's refusal to honor the wage progression steps that it continues to publish in the collective bargaining agreements. Internally, COLT wages are severely and artificially skewed with regards to longevity of service.

Select comments from survey respondents highlight the financial difficulty created for COLT unit employees by University wage policies:

#### *Employee Comments on Wage Levels*

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"Our wages should be equitable with state employees - after all, ask any citizen and they believe we are state employees."

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"I could *not* afford to live by myself. My partner helps support the household. I believe that people who work full time should be able to afford a reasonable living."

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"It is next to impossible to support a family on what one makes at UMF."

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"I believe the pay scale is low compared to other relative government agencies. I was GS6-Step 3 for Civil Service before transferring here and do the same amount and level of work now as I did then at a *much* lower scale of pay."

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"I think it is a disgrace that we can spend millions of dollars on equipment, but don't pay the people that run the equipment enough money to keep them from needing public assistance."

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"The University doesn't pay at living wage. [I] won't be able to stay at this rate."

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#### ***What This Means to the University***

Obviously, the current wage policies mean, as more than one respondent states, "[I] won't be able to stay at this rate." The turnover rate in the first five years reflects this. The average rate of pay calculated for University clerical staff is significantly below the state per capita average, which leads us to conclude that depressing support staff wages is a tacit policy of the University of Maine System.

As distressing, however, is the impact of the disparity between administrators' salaries and the wages of support staff, because it creates a more insidious problem for the University. UM's President Hoff's unfortunate remark to a *Maine Campus* reporter (May 9, 2002) that his raise of three percent (3%), amounting to about \$4000, was so small as to be "just noise in the system" is symptomatic of an administrative culture that is out of touch with large segments of its employees. A comparable raise for four top administrators would add up to the full annual wages of a child-care worker.

Paying a premium for top administration does not appear to be stabilizing the University's funding issues, as claims of serious fiscal problems recur regularly. It is puzzling that it has not occurred to the UMS administration that wage step systems were designed to stabilize employment and budgets, as funds needed for wages would be precisely predictable from year to year with such a system.

To illustrate the growing disparity, in 2000 the salary for the position of UMS Chancellor was \$151,973, which was five hundred ninety-six percent (596%) above the 2000 state per capita average. The current Chancellor's salary is \$195,000—or seven hundred sixty-eight percent (768%) above the state average—while UMS clerical staff wages fall significantly below the state per capita of \$25,380. There are no savings in such practices.

COLT staff are experiencing serious wage stagnation caused by no recognition of longevity. This has a demoralizing influence.

Contract proposals presented this year have moved COLT compensation from regressive to punitive. The University has continued its practice of providing higher percentages to faculty, which destroys the University's stated goal of internal equity. In addition, proposed significant increases in employee premiums mean that some 150 COLT employees will actually lose money. Some stand to lose five percent (5%) or more of their disposable income when changes in deductions and out-of-pocket caps are considered. This is driven by inadequate coverage for people outside the University, not by alleged poor health habits of University staff. The effect would be regressive again, as the lowest paid would have the same insurance premiums and benefit changes as the highest paid. We will see later in this paper how critical rent and health care are to family budgets.

### ***How "Bad Off" Are We?***

A portion of the *Personal Economies Survey* addressed the need of financial assistance programs or support from family and friends. The questions asked were as follows:

While working for the University, have you ever . . ."

- been without housing and had to move in with family or friends?
- been without housing (homeless) and therefore forced to use a shelter?
- had to use emergency municipal services (city funds for food/fuel/utilities)?
- had to use a food pantry?
- been eligible for federal food stamps?

- been eligible for Medicaid?
- been eligible for TANF (formerly called AFDC)?
- received fuel assistance?

Twenty percent (20%), or one in five COLT unit employees, report receiving some form of public subsidy while working for the University. They answered “yes” to one or more of the above questions. In other words, one in five COLT unit members has needed assistance from public programs for food, fuel, medical, or general living expenses or has turned to family and friends or a shelter because they were without housing. This is alarming, in light of the fact that most COLT unit members are employed full time with benefits. The University’s depressed wages impact significantly on state and local government budgets as these services are increasingly needed.

Another problem faced by COLT unit members, according to a survey by the National Low Income Housing Coalition, is that rentals have become even less affordable in 2002. Maine’s “housing wage” — the hourly wage that a 40 hour a week worker must earn to afford a two-bedroom apartment — increased from \$11.80 to \$12.37 during that past year.<sup>15</sup> Housing is considered affordable when full-time workers are able to pay 30 percent or less of their income toward rent. The current fair-market rent on a two-bedroom apartment is \$643 statewide.<sup>16</sup> The median hourly rate of a full-time COLT employee is \$10.86 per hr. This puts great stress on housing costs for many COLT employees.

Most alarming of the housing/living conditions reported was the need of some to live with family members or reside with friends, and for others, the threat of homelessness while working for the University. Ten percent (10%) of the respondents, or 59 out of 610, reported that while working for the University, they had been without housing, had to move in with family or friends, and in one case had to resort to a shelter. Other respondents indicate that they might have been homeless if they had not held second or third jobs. Survey comments convey just how difficult it is for COLT unit members:

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“I live in a tacky, small apartment in a questionable neighborhood so I can keep my rent low and afford to live on a University salary.”

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“We have to live in the Boondocks in order to afford our rent!! Cannot afford to live closer to work!”

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Some COLT unit employees just barely miss the cut-off point for assistance programs, as indicated by the following comments from the survey:

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“You don’t have to receive state aid to be struggling financially. Some of us are just too damn proud to receive government/state aid.”

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“I work for the UMCE limited Income Nutrition Program and if I had to live on just my income, I would qualify for my own program!”

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“I would qualify for many of these programs if I didn’t have a second job”.

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“Sometimes I made \$500 too much to qualify for fuel assistance, food stamps.”

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***How Much Do We Have to Work?***

An unusually high percentage of COLT unit employees work a second or third job to make ends meet. Mainers as a whole have a multiple job holding rate of over eight percent (8.6%), while COLT staff report second jobs at the rate of twenty percent (20%) overall. Maine has the eighth highest multiple job rate in the country in 2000,<sup>17</sup> with a national average of 5.6%.<sup>18</sup> The multiple job holding rate for COLT unit members is over two times the state rate and nearly four times the national rate.

<b>Percentage Reporting Second Job</b>	
COLT Employees	20%
State of Maine	8.6%
New England average	7.5%
U.S	5.6%

The respondents’ comments relevant to holding a second, and for some a third job, indicate a strong sense of pride, independence, a willingness to work hard, and recognition of the University’s failings in providing a living wage for their COLT employees.

- “I cannot “make it” with the University job alone! I work 2 jobs (1 full 1 part) year round. The third job is part-time 6 months of the year.”
- “I work 2 part-time jobs as well as my UMF employment to make sure I can pay my bills, rent, etc. I am able bodied and do not believe in assistance for people who are able to work.”
- "I work 2 jobs because USM does not pay a living wage. Had to move from my last apartment (\$700 monthly, no heat, no hot water) to a smaller Apt/\$600 monthly with heat. Moving again at end of month because rent is still more than I can afford. Will have to have a roommate this time."
- "I have to keep a 2<sup>nd</sup> job just to make ends meet because I have student loan payments."
- "I currently work 2 plus jobs in addition to my full time job here at the University to support myself."

***What This Means for the University***

Loss in productivity has not been considered, but this is an issue the University must take into account. Further, stress and its resulting health issues have an impact on employees’ lives, which should be of particular concern in this era of increased health costs.

### ***Dental and Health Insurance***

Nearly twenty percent (20%) of COLT employees do not get their health insurance from the System plan, a savings to the University. Of note is that a majority of the survey respondents have insurance plans that cover only one or two individuals, while only twenty three percent (23%) of subscribers have family coverage. This subscriber profile means relatively low costs to the University for health care benefits.

It is also noteworthy that two percent (2%) report having participated in Maine’s health coverage program for children of low-income families. One full-time employee reported that because her income level as an Administrative Assistant I was so low, her children were eligible for MaineCare, even though she had family coverage through the University.

Dental health is problematic for COLT unit members. Fifty-six percent (56%) of the respondents report not participating in the voluntary, employee paid dental insurance plan, and ten percent (10%) left this question blank. Only four percent (4%) of respondents overall reported participating in the family dental plan, twenty-two percent (22%) reported participating in the single plan, and eight percent (8%) in the single plus one plan. The dental insurance the University offers is clearly no “insurance” at all for the COLT unit members, unlike the partially paid faculty coverage that all state employees also have. A total of thirty-four percent (34%) reported that they participate in the University dental health plan. In survey comments, a number of respondents voice strong feelings that the dental plan is not affordable:

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“. . . too expensive . . .”

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“Dental insurance is too expensive and it doesn’t cover much.”

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“Can’t afford to participate.”

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### ***COLT Unit Members and Their Families***

Sixty-seven percent (67%) of survey respondents report being either married or partnered, yet fifty three percent (53%) overall report they have no dependents (children or dependent adults). Twenty percent (20%) report having only 1 dependent, and eighteen percent (18%) report only 2 dependents.

Of those with dependents, seventeen percent (17%) report that they are the sole means of financial support for their families, and forty-eight percent (48%) report providing health insurance coverage for their dependents. These data suggest that families are not a burden to the system as regards providing health coverage for this group, but this should not be a rationale to ignore the needs of COLT employees with children. While overall, families are not a burden to the System in terms of health care costs, for some families health insurance costs and benefits are central to their ability to make it financially.

The average family size in Maine is 2.9.<sup>19</sup> Survey data suggest that “family unit” size for the COLT unit is small. This has favorable implications for medical and dental insurance costs to the University, as well as for use of tuition waivers.

When we consider the future of our young people, and of our young families, we need to be concerned about the work environment they will encounter in Maine. While the state rushes to educate its young people, some of its institutions are neglecting the need to provide decent benefits, thus failing to support its own goals.

A living wage includes adequate provision for health care and child care. The following wage table shows how important affordable healthcare is for young families:

**Living Wage Benchmarks,  
Maine, 2001**

Source: **Maine Center for Economic Policy**  
[www.mecep.org](http://www.mecep.org)

Single person	\$ 15,774*
Single parent, 1 child	26,739*
Single parent, 2 children	29,018
2 parents, 1 earner, 2 children	28,426
2 parents, 2 earners, 2 children	42,569*
<b>COLT average wage, 2001</b>	<b>22,578</b>
Fair market rent	25,730

\* signifies that the budget for this family size comes to more than 200% of the federal poverty level, making it ineligible for the state’s low-premium children’s health insurance program called MaineCare. Therefore, additional premiums for full family coverage and out-of-pocket health care costs for the children are included in these budgets. All other households with children are assumed to be participating in MaineCare.

*Fair-market rent* on a two-bedroom apartment is \$643 statewide. Fair market is defined as housing costs at or below 30% of income.

***Home Ownership in Relation to Wages***

Consistent with overall state data, seventy-three percent (73%) of the COLT unit respondents consider themselves “homeowners” in the broadest sense of the term. These “home ownerships” include cabins, trailers on rented lots, inherited family homes, homes with very high mortgage payments for two income families. The distance of employee dwellings from work reflects the economic constraints placed on COLT unit members.

A few comments illustrate what University wage and salary policies mean for many COLT unit members in terms of basic housing:

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- “If I were single and had not inherited my home, I certainly would not be able to afford even the most modest rental. There is no doubt that I would be homeless.”
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- “[I] nearly lost my house to foreclosure – couldn’t make regular payments.”
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- “Who could purchase anything (let alone a home) with the salary you provide!”
- 
- “I live with my parents.”
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- “My monthly U Maine income is \$1,108. I also have car payment of \$193 /mo, house property taxes of \$1,480/yr. (and will be going up again next year), insurances are \$65/month, gas to work - \$30.00 per week, electric bill \$50/mo., phone \$38/mo. (service only), \$67/mo. for oil. This leaves a total of \$108.05 for food & extra needs for the month.”
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For those owning homes, the statewide average mortgage was \$587.00. The average mortgages for those reporting from UM was \$497; the average for those reporting mortgages from USM was \$817.

Sixteen percent (16%) of the respondents purchased their homes through a housing program, and seventeen percent (17%) report qualifying for a property tax rebate from the state's property tax relief program.

As mentioned earlier, "home ownership" can be a deceptive term. The following statements reflect the stark reality of homeowner status for some COLT unit employees:

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"I make \$10.13 an hour and don't live beyond my means – so that means living in a trailer, owning a 1988 car with 200,000 miles on it, buying new clothes rarely, restricting all other expenses."

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"With bills, transportation expenses, etc. USM wages don't go far in the winter especially life gets hard with additional expenses (fuel, etc.) expenses are barely met with little for food. 'Simplified' diet is a necessity (i.e., living on oatmeal and or rice on a regular basis in the wintertime. Home is a tiny 'camp.' Both me and wife work with little left over after average expenses."

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"Although I answer no to all of Question #20, the reason I can is because I've worked as many as 3 jobs at a time! Also, the reason I have my home is because we purchased it before my husband died. Now I wonder if I'm going to have to sell it."

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For those who rent, the average monthly rental expense reported was \$478.00 overall. The monthly rent for select campuses is as follows: UM, \$456; USM, \$515; UMA, \$452. As outlined earlier in this paper, University wage and salary policies have a real impact on the quality of housing for those COLT unit members who rent.

### ***Conclusions***

University of Maine COLT employees are not only hard workers, but on the average, work more hours than the typical Maine worker. They are paid considerably below state per capita income levels. The University's compensation policy toward COLT employees creates considerable economic and lifestyle hardship for unit members and their families. Even in a relatively low paying state, University COLT unit members earn considerably below the state average for wages, although nearly eighty percent (80%) work full-time. Because the University refuses to honor the longevity provisions implicit in the wage structure found in the COLT collective bargaining agreement, unit employees face undue economic hardship as a result of limited wage improvement, causing many to seek other employment.

Other public sector employees, including state workers and teachers, normally increase their pay with experience on the job. The University has no such mechanism for COLT employees. One can be a faithful, extremely productive employee for years on end, and never make headway. State employment allows a fair and equitable mechanism to attain

a livable wage, which the University System seems unwilling to provide similarly for COLT unit employees. In fact, the University has demonstrated that it sees a competitive pay structure as a right for only some personnel.

The University needs to recognize that it has a compensation system that does not pay its employees in the COLT unit fairly or adequately. The compensation structure leaves too many employees underpaid and many close to poverty levels. Combined with anticipated reductions in health care benefits, the compensation structure could make the University a less attractive place to work for current and prospective employees. Newly hired employees and even management no longer view the classified positions at the University as career positions. Rather, they see them as stepping-stones to other careers with other employers. The University needs to take a careful look at these issues and determine if it wants to serve as a model for the new Maine that values education and advancement, or the old Maine where its younger employees move on to something else in another state.

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<sup>1</sup> A survey was mailed to the 1104 unit members at that time (based on COLT unit data provided by the University of Maine Systems Office, a regular bi-monthly report required by the Contract of Agreement), along with a brief explanatory letter and a return envelope. The mailing was based on the February 2002 UMS report on bargaining unit size. Of the one thousand one hundred and four (1104) surveys that were sent out, six hundred and ten (610) were returned by both ACSUM members and non-members. All responses were confidential and unit members were instructed not to sign the forms or to indicate their identities in any way. Questions were both quantitative and qualitative. Quantitative information was compiled using an electronic data scanning software, while the qualitative data input was done by two COLT unit volunteers. The categories or units of the System were Cooperative Extension Service (CES); University of Maine (UM); University of Maine at Augusta (UMA); University of Maine at Farmington (UMF); University of Maine at Fort Kent (UMFK); University of Maine at Machias (UMM); University of Maine at Presque Isle (UMPI); University of Southern Maine (USM); and System Wide Services/University Networking for Educational Technology (SWS/UNET).

<sup>2</sup> Based on February 2002 System data.

<sup>3</sup> Based on February 2002 System Data.

<sup>4</sup> The employee age profile is an immediate concern for specific campuses/units. Two units (UMA and CES) have 11% or more of their COLT employees in **the over-60-age** category. CES has an additional 18% between the ages of 56 and 60.

<sup>5</sup> Employment duration analysis based on February 2002 data provided to ACSUM by the University of Maine System.

<sup>6</sup> 1997 *Fortune* survey of "The World's Most Admired Companies."

<sup>7</sup> From "More than a quarter of state work force soon eligible to retire," in Portland Press Herald, 3/19/01, p. 1-B.

<sup>8</sup> *Ibid.*

<sup>9</sup> Sara Cox Landolt, "The Cost of Hiring." *Credit Union Management*, January 2001, v 24, #1, 46. Joe Grimm, "Turning On, Turning Off, Turning Over." *Editor & Publisher*, April 24, 2002, v. 133, #17, 25 – 32.

<sup>10</sup> Maine State Planning Office paper presented at the 2002 Governor's Economic Development Conference, June 2002, Augusta.

<sup>11</sup> Evan Richert. "The Call to Higher Education: Visionary Engagement," paper prepared for the 2002 Governor's Economic Development Conference, held in Augusta, Maine, June 3, 2002.

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<sup>12</sup> Bureau of Economic Analysis, U.S. Department of Commerce  
[http://www.netstate.com/states/alma/me\\_alma.htm](http://www.netstate.com/states/alma/me_alma.htm)

<sup>13</sup> US Department of Commerce, Bureau of Economic Analysis  
<http://www.bea.doc.gov/bea/regional/reis/drill.cfm>

<sup>14</sup>Based on System data reported to the MEA for June 2002.

<sup>15</sup> From "Report shows housing crunch tightening grip on local renters," in Portland Press Herald, 9/20/02, p. 1-A.

<sup>16</sup>*Ibid.*

<sup>17</sup> Connecticut Department of Labor online resource available at  
<http://www.state.ct.us/ecl/research/digest/articles/01articles/oct01art1.html>

<sup>18</sup> Maine State Planning Office, as reported by State Economist Laurie Lachance in "The Good, The Bad, The Ugly, The Outlook," May 14, 2002, presentation to the Maine Employee Benefits Council.

<sup>19</sup> State Planning Office, State of Maine/US Census Data

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