



**COLORADO CENTER**  
on LAW & POLICY

Justice and Economic Security for all Coloradans

# New poverty estimates paint grim picture for many communities throughout Colorado

**ISSUE BRIEF**  
**Sept. 27, 2012**

Andrew Ball  
Policy analyst  
789 Sherman St.  
Suite 300  
Denver, CO 80203  
[www.cclponline.org](http://www.cclponline.org)  
303-573-5669 ext. 316  
aball@cclponline.org

The Colorado Center on Law and Policy is a nonprofit, nonpartisan research and advocacy organization seeking justice and economic security for all Coloradans.

The Colorado child poverty rate was up almost 2 percentage points in 2011 compared with the 2007 level. In 2011, more than 211,000 children, or 17.5 percent of all Colorado children lived in poverty.

New data released from the U.S. Census Bureau’s annual American Community Survey show a continued struggle for many Colorado citizens as recovery stagnates.

- The overall poverty rate in Colorado was statistically unchanged from 2010 to 2011. In 2011, more than 674,000 people, or 13.5 percent of the state’s population, lived below the federal poverty line.<sup>i</sup>
- In 2011, 9.1 percent of Colorado families lived in poverty a 0.3 percentage point decrease from 2010. However, in 2007 only 8.4 percent of Colorado families lived in poverty.
- The Colorado child poverty rate was up almost 2 percentage points in 2011 compared with the 2007 level. In 2011, more than 211,000 children, or 17.5 percent of all Colorado children lived in poverty.
- 6.1 percent of Colorado’s population lived in deep poverty, or below 50 percent of the federal poverty line 2011.

**Figure 1**

| <b>COLORADO POVERTY RATES THROUGH THE DECADE</b> |             |             |             |
|--|-------------|-------------|-------------|
|  | <b>2001</b> | <b>2007</b> | <b>2011</b> |
| Overall  | 9.6%        | 12.0%       | 13.5%       |
| Family   | 6.8%        | 8.4%        | 9.1%        |
| Kids   | 12.2%       | 15.9%       | 17.5%       |

Source: U.S. Census Bureau American Community Survey 2011

## Poverty and Race

Statewide, poverty remained high among minority groups through 2011 and was statistically unchanged from 2010. The poverty rate in Colorado at the start of the recession in 2007 among all ethnic groups was 12.0 percent. After enduring the recession, the poverty rate in Colorado is now 13.5 percent, a statistically significant increase. Among communities of color, the black population in Colorado suffered the highest rate of poverty in 2011, with 27.3 percent of the black and African-American community living below the federal poverty line. The Latino population had the next highest rate at 24.3 percent. Meanwhile, white, non-Hispanics had a much lower incidence of poverty with only 9.4 percent of the population living in poverty. Although no race group saw a statistically significant change from 2010 to 2011, the black and white, non-Hispanic communities saw a statistically significant increase in poverty from the 2007, pre-recession level. The black community experienced a 36 percent increase in the number of black and African-American Coloradoans in poverty from 2007 to 2011. Meanwhile, the white, non-Hispanic community saw a 22 percent increase in the number of people who were in poverty in 2011 compared with 2007.

**Figure 2**

| <b>Race and Poverty in CO</b> | <b>2007</b> | <b>2010</b> | <b>2011</b> |
|-------------------------------|-------------|-------------|-------------|
| black/African-American        | 21.2%       | 25.7%       | 27.3%       |
| Latino                        | 24.2        | 24.9%       | 24.3%       |
| white, non-Hispanic           | 8.0%        | 9.3%        | 9.4%        |

*Source: U.S. Census Bureau American Community Survey 2011*

## Median Income and Race

Nationally, median income in 2011 was down more than \$1,000 from 2010 and almost \$5,000 since 2007, the beginning of the recession (in 2011 dollars). Furthermore, the Gini Index, which measures income inequality on a scale of zero to one, zero meaning complete income equality and one meaning one household brings in all income, rose from 0.469 in 2010 to 0.475 in 2011, a statistically significant increase in income inequality.

Median income in Colorado in 2011 was \$55,387, down from \$59,890 in 2007 (in 2011 dollars). Median incomes across the demographic spectrum reflect this negative movement. Since the start of the recession the median income for white, non-Hispanics, black/African-Americans and American Indian/Alaska Natives have decreased significantly in 2011 dollars. Meanwhile the median incomes of Latinos, Native Hawaiian/Pacific Islanders and Asians have remained unchanged since 2007 in 2011 dollars. The median income for white, non-Hispanics and Asians was the highest in Colorado in 2011, at \$60,638 and \$63,894 respectively (Figures 3, 4).

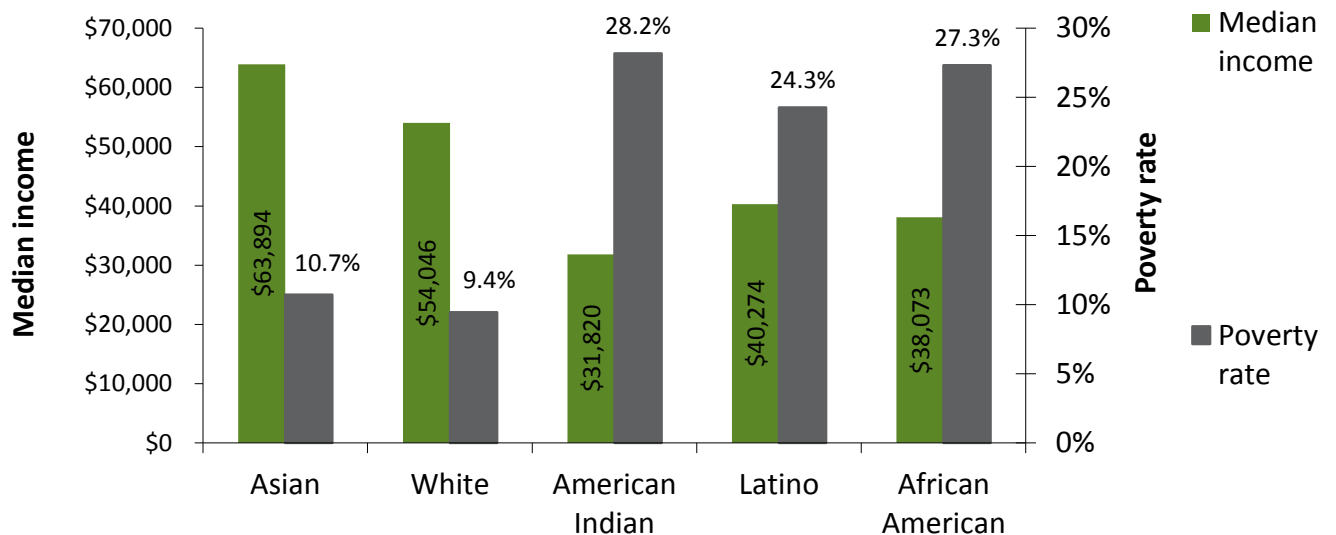
**Figure 3**

| Race/Ethnicity                   | 2007 Median Income (2011 dollars) | 2010 Median Income (2011 dollars) | 2011 Median income (2011 dollars) |
|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| white, non-Hispanic              | \$65,901                          | \$61,807                          | \$60,638                          |
| black/African American           | \$45,198                          | \$40,264                          | \$38,073                          |
| Asian                            | \$60,905                          | \$58,616                          | \$63,894                          |
| Native Hawaiian/Pacific Islander | \$35,102                          | \$52,046                          | \$49,734                          |
| American Indian/Alaskan Native   | \$43,519                          | \$35,396                          | \$31,820                          |
| Latino                           | \$40,194                          | \$38,607                          | \$40,274                          |

Source: U.S. Census Bureau American Community Survey 2011

**Figure 4**

**Colorado income and poverty by race, 2011**



Source: U.S. Census Bureau American Community Survey 2011

**Poverty and Gender**

In 2011, men and women in Colorado once again experienced a statistically significant difference in the incidence of poverty and annual median earnings. In 2011, 14.2 percent of the female population in Colorado was in poverty while only 12.8 percent of men in Colorado lived in poverty. Furthermore, median annual income for women was more than \$10,000 less than the median annual earnings of the male population in Colorado (Figure 5).

**Figure 5**

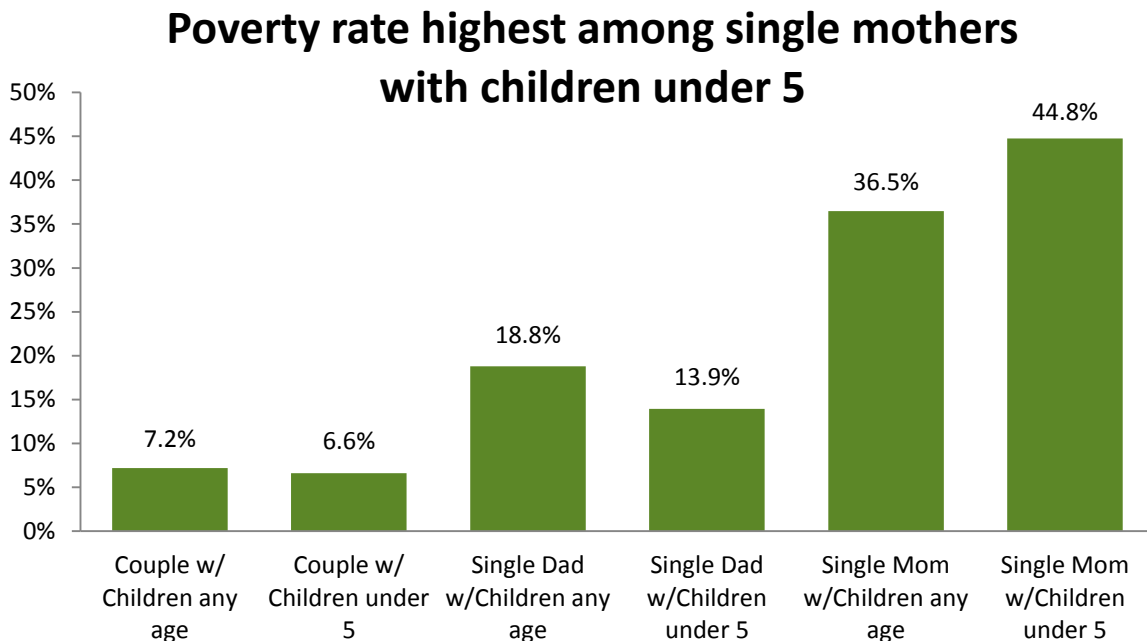
| INCOME AND POVERTY BY GENDER IN COLORADO 2011 |              |                 |
|---|--------------|-----------------|
|   | POVERTY RATE | MEDIAN EARNINGS |
| Men   | 12.8%        | \$50,987        |
| Women   | 14.2%        | \$40,236        |

Source: U.S. Census Bureau American Community Survey 2011

### Poverty and Family Type

The 2011 American Community Survey revealed stark differences in the incidence of poverty between family types. In 2011, being a single mother meant being much more likely to live in poverty. Furthermore, if you were a single mother with a child under the age of five, you had a nearly 50 percent chance of living below the federal poverty line. Your male counterparts, on the other hand, only had about a one-in-ten chance of living in poverty. Meanwhile, married couples with children under 5 were seven and a half times *less* likely to live in poverty (Figure 6). This large disparity highlights the financial burden parents can experience when they have young children.

**Figure 6**



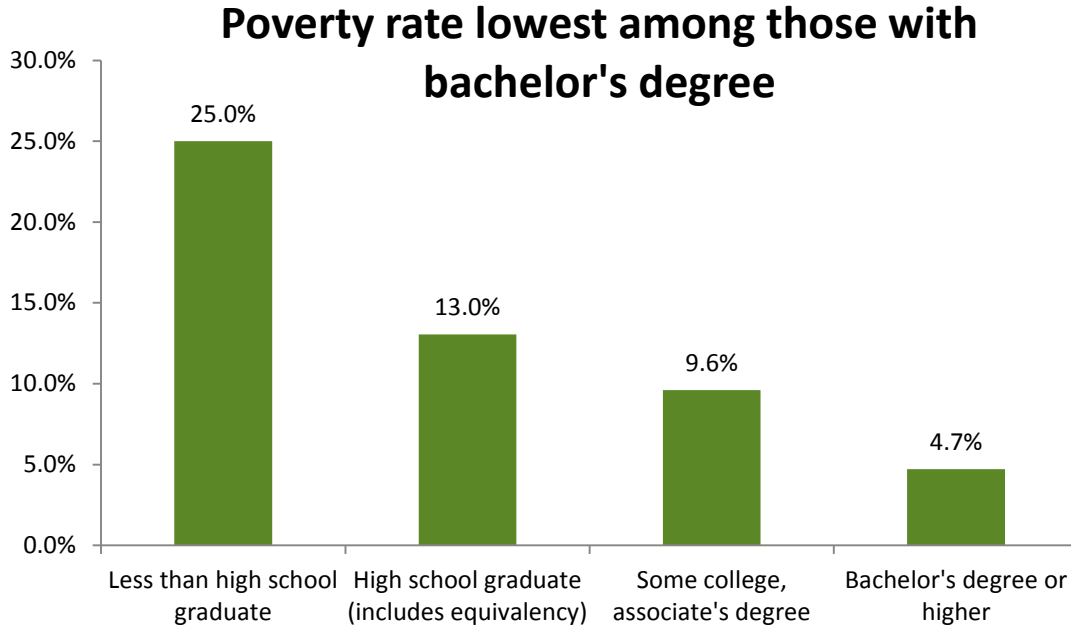
Source: U.S. Census Bureau American Community Survey 2011

### Poverty and Education

Educational attainment, or the highest level of education a person has completed, continues to be a large determinant of poverty. In 2011, one-in-four people over the age of 25 who failed to graduate high school was living in poverty. Meanwhile, simply graduating high school cut this

poverty rate nearly in half to 13 percent. Finally, only about five percent of those with a bachelor's degree or higher reported living in poverty in 2011 (Figure 7).

**Figure 7**

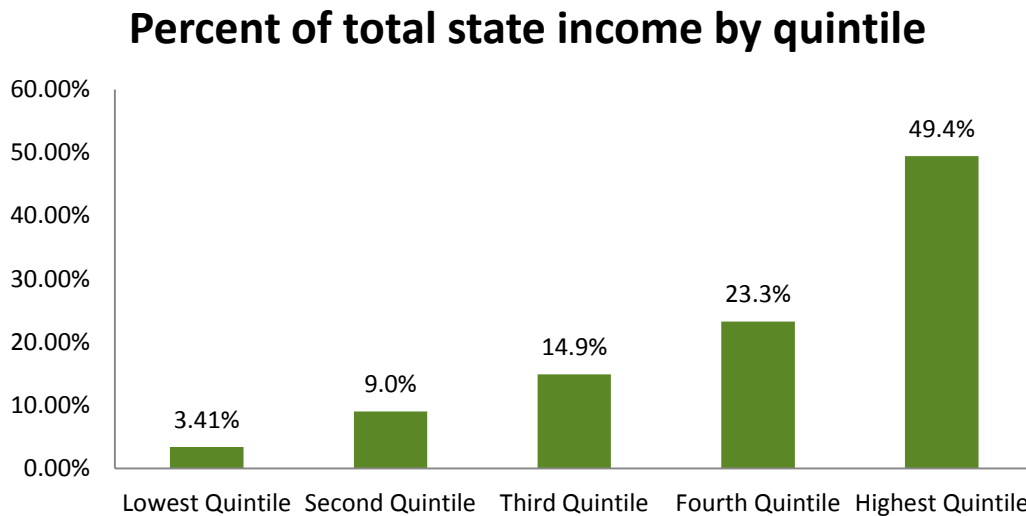


Source: U.S. Census Bureau American Community Survey 2011

### Unequal Earnings

The distribution of income in Colorado is quite uneven; the top 20 percent of Colorado households, known as the highest quintile, held nearly 50 percent of the state's wealth in 2011, while the bottom 20 percent of households held only 3.4 percent of all income in Colorado.<sup>ii</sup> (Figure 8)

**Figure 8**



Source: U.S. Census Bureau American Community Survey 2011

## How Colorado Ranks

The rankings below are among the 50 states. A low ranking means good news. For example, in 2011, Colorado had the 18<sup>th</sup> lowest (best) total poverty rate compared with all 50 states and the share of Colorado's population with bachelor's degrees was the third highest in the country.

**Figure 9**

| <b>COLORADO'S NATIONAL RANKINGS</b>          |                  |                  |
|--|------------------|------------------|
| <b>TOPIC (RANKINGS 1=BEST, 50=WORST)</b>     | <b>2010 RANK</b> | <b>2011 RANK</b> |
| Total poverty                                | 21               | 18               |
| Child poverty                                | 15               | 16               |
| Median Household income                      | 15               | 15               |
| Share of population with a bachelor's degree | 2                | 3                |
| Share of population with an advanced degree  | 8                | 7                |

*Source: U.S. Census Bureau American Community Survey 2010, 2011*

Taking stock of the most recent data from the Census Bureau's American Community Survey, it is clear that many Coloradoans are still struggling to cope with the effects of the 2007 recession. It is also clear that typically disadvantaged demographic groups such as the African-American or Latino communities are facing huge challenges as poverty rates hover around 25 percent. Furthermore, there is great inequality between men and women as women face an economic reality with higher rates of poverty and lower annual earnings. In light of the disparity in economic well-being demographic categories, policy makers need to place priority on developing a pathway to self-sufficiency that will provide education, jobs and a higher quality of life for *all* Coloradoans regardless of race, gender or class.

---

<sup>i</sup> In 2011, the federal poverty line was \$22,811 for a family of four with two children.

<sup>ii</sup> Income includes earnings through wages and salaries, transfer income such as unemployment insurance payments or child support payments and dividends, interest and rental income. One way to show the distribution of aggregate income is to line up all households and divide them into quintiles where each quintile represents 20 percent of all households.