

STATE OF WORKING COLORADO 2009



**COLORADO FISCAL
POLICY INSTITUTE**

Justice and Economic Security for *all* Coloradans

BY ALEC HARRIS



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The **Colorado Fiscal Policy Institute**, a nonprofit, nonpartisan project of the Colorado Center on Law and Policy, promotes justice and economic security for *all* Coloradans. COFPI is a dynamic organization, leading the effort to resolve some of Colorado's biggest fiscal challenges. As both a resource and catalyst, the Institute works for changes in public policy through timely, credible and accessible fiscal policy analysis, education, advocacy and coalition building.

Colorado Fiscal Policy Institute
789 Sherman St., Suite 300
Denver, CO 80203
(303) 573-5669
(303) 573-4947 fax
www.cclponline.org

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Alec Harris
Policy Analyst
aharris@cclponline.org
(303) 573-5669 x 316

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INTRODUCTION

As Colorado heads into 2010 it seems that the worst of the recession is behind us. Very recently job losses have slowed and unemployment has eased. However, the effects of the most severe economic downturn in more than half a century are still permeating deeply through the state economy. Wages are stagnant, employment is down markedly, poverty is up, and private insurance coverage is shrinking with government options taking up the slack. Looking backward, it has been a troubling decade for workers in Colorado which began and ended in recession, and saw few real gains in between. Indeed the recent past raises real questions for workers and policymakers alike about the kind of jobs, security, and lifestyle the future Colorado will promote, and about the kind of investments needed to attain this future.

The State of Working Colorado examines how well Colorado workers fared in the past decade and looks closely at trends from the current recession just now appearing in the social economic data. It compares trends in wages, employment and unemployment, poverty and health insurance from the recession that began the decade in 2001 to the current downturn that was just picking up speed in 2008.

The results reveal a contradiction unique to Colorado and familiar to many policymakers, community leaders, and workers in the state. Across the board Colorado excels in pure economic metrics, leading the region in wages, unemployment, and workforce education. Yet life in the Colorado workforce adheres to a different reality. Wages are stagnant, private insurance is declining, poverty rates and food stamp reciprocity are rising, and economic inequality between genders, races, and education levels abounds. Addressing this contradiction may be the greatest challenge for Colorado policymakers in the decade to come.

KEY FINDINGS

Employment

- Employment in Colorado saw sizeable decline as the state slipped into recession, lagging the nation by roughly ten months. Losses were most severe from spring of 2008 to fall of 2009, when they began to slow. In November 2009 the state saw a net gain in jobs for the second straight month, continuing the first upward employment trend since the beginning of the recession. However, that month the state was still down some 106,000 jobs overall since the recession began in December 2007, with an estimated job shortfall of nearly 200,000 jobs. [pp-8]
- The construction, manufacturing, and information industries have seen the worst declines in employment since 2001. [pp7-8]
- While the state boasts one of the most educated populations in the country, its students achieve below-average rates of college attendance and completion. This forms what many experts call the “Colorado Paradox.” [p10]
- Labor force enrollment in Colorado saw uninterrupted growth from 2001 until 2009, when it fell markedly and for the first time in the decade. Labor force participation in the state was consistently above the national and regional averages throughout the decade. [pp11-12]
- The share of workers in the state who work part-time remained at about one-quarter throughout the decade. However, the share of part-time workers who were “involuntarily part-time” (part-time for economic reasons) shot up from 42% in 2001 to 77% in 2008. Also there continues to be substantial inequality evident in involuntary part-time work rates. [pp13-18]

Unemployment

- Unemployment shot up from 4.1% at the start of the recession in December 2007 to its peak of 7.8% in July 2009. In November 2009 it stood at 6.9%. Colorado’s unemployment has been consistently below the national rate throughout the downturn. [p21]
- As of November 2009 the current recession has lasted 23 months and counting. It is the longest and deepest recession since the Great Depression, and has earned the moniker the “Great Recession”. [p22]
- Unemployment insurance reciprocity rates in Colorado are consistently below the national and regional averages. However, unemployment exhaustion rates in the state are consistently above the norm. The state long-term unemployment share was on the rise in 2008. [pp23-25]
- Disparities in unemployment and underemployment rates are striking. Educational attainment figured prominently in unemployment figures. [pp26-29]

Income and Wages

- Real median household income in Colorado was \$56,663 in 2008. While consistently above the national median household income, this figure saw no statistically significant change since 2001 when it stood at \$57,744. This stagnation was also apparent in real household income for a four-person family, which moved from \$82,253 in 2001 to \$81,644 in 2008. Amidst this stagnation, most Colorado families never got a chance to recover from the first recession as they headed into the 2007 downturn. [pp34-35]
- The 2008 real median wage in Colorado was \$17.40 per hour. This is roughly \$1.70 more per hour than the national and regional median wage. However, this figure has stagnated since 2001, when it stood at \$17.10 per hour. [p40]
- Sizable disparities in income and wages abound in Colorado, whether in terms of geography, household composition, race, or education. [pp33-39; 41-45]

Poverty

- Eleven percent of Coloradans lived below the federal poverty level in 2008, a poverty rate more than two percentage points below the mountain region and national averages. However, the Colorado poverty rate is up from 8.7% in 2001. [p47]
- In 2008, more than one-quarter of all Coloradoans lived below 200 percent of the federal poverty level — a cutoff point many experts argue is a far more realistic assessment of human needs. [p50]
- Child poverty in the state has grown rapidly in the past decade, and in 2008 Colorado ranked among the top five states with the fastest growing number of poor kids since 2000. In 2008 15% of Colorado children lived below the federal poverty level and 33% lived below twice the poverty line. [p51]
- Women, recent mothers, single parents, minorities, high school dropouts, people with disabilities, and immigrants all fare notably worse in poverty metrics in the state. [p52-57]
- The number of Coloradans earning below the poverty wage has risen from an estimated 18% in 2001 to 21% in 2008. [p58]
- Food stamp reciprocity in the state has increased steadily over the decade from 3.6% of the population in 2001 to 5.1% in 2008, and the median wage of recipients has also increased. Household composition, racial background, disability status, and geography all play significant roles in predicting food stamp reciprocity. [pp59-64]

Healthcare

- In 2008, 70% of Coloradans had private insurance, down from 75% in 2001. Twenty-three percent of Coloradans used government insurance, which is up from 20% in 2001— a growth rate of about 8 times the growth in state population. Sixteen percent of Coloradans reported no health insurance whatsoever, up from 15% in 2001. [pp65-66]

- Some 12% of kids in Colorado were without health insurance in 2008, versus the 10% national average. Furthermore, a staggering 26% of low income kids (below 200% FPL) were without insurance, versus 17% at the national level. [pp67-68]
- In recent years Colorado has experienced explosive growth in Medicaid and its Children's Basic Health Plan, programs which provide healthcare for the needy and the young. Combined these programs have seen 15% growth in enrollment during the last year, and 26% enrollment expansion since the start of the recession. These growth rates vastly outpace state population growth. [p69]
- In 2008 employer-sponsored health insurance coverage in Colorado was down roughly 6 percentage points for all age groups since 2001. [p71]

2008 Data and the Recession

2001 serves as a useful benchmark for comparison to 2008, as it was the first year of the previous recession and thus represents the same position in the business cycle that 2008 data reflect. (The current recession began in December 2007.) However, the full severity of the 2007 recession is largely not reflected in the latest 2008 Census American Community Survey (ACS) and Current Population Survey (CPS) data on which this report largely relies. This is because both data sets reflect the conditions in 2008, when the recession was just getting underway.¹

For instance, Colorado saw its first net decrease in employment in September 2008, three quarters of the way into the year and 10 months into the national recession. At year end, the 2008 Colorado unemployment rate was pegged at 4.8%. By July of 2009 this was up to 7.8%, and stood at 6.9% in November 2009. These examples illustrate that while the 2008 Census data have much to say about the state of working Colorado, they provide an incomplete picture of the recession.

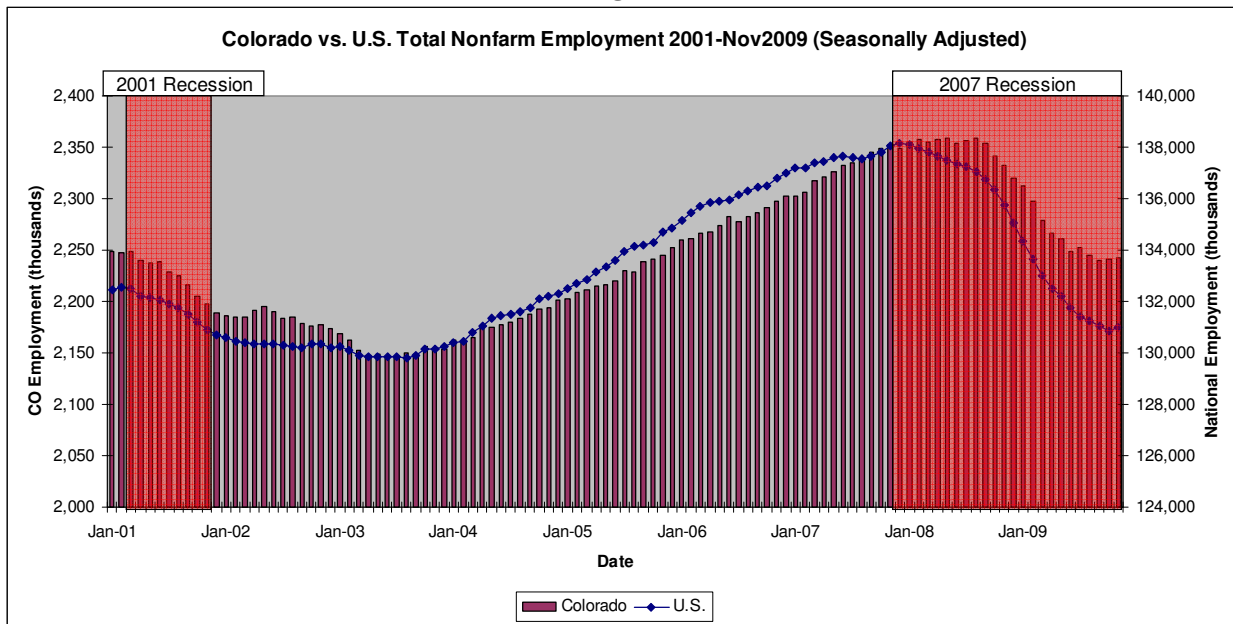
¹ 2008 CPS figures were collected in March 2009 and were derived from questions about the past year (2008). 2008 ACS figures were collected throughout 2008 using a rolling survey methodology.

CHAPTER ONE: EMPLOYMENT

Overall Employment

In November 2009 Colorado gained 1,800 jobs. (Fig. 2) That marked the second consecutive month of net job growth and the first upward employment trend since the beginning of the recession. (Fig. 1) However, the state was still down 18,900 jobs (0.8% of pre-recession workforce) since May and down 90,000 jobs (3.9% of pre-recession workforce) since November 2008. **Since the recession officially began in December 2007, Colorado has experienced a net loss of 105,900 jobs, or 4.5% of its workforce, ranking 27th nationally in recessionary job loss.**² (Fig. 2)

Figure 1



Source: Author's analysis of BLS Current Employment Statistics Survey data

Figure 2

COLORADO TOTAL EMPLOYMENT (November 2009)			
This Month	2,242,900		
Change This Recession	-105,900		
Level and Percentage Change:			
Current Recession	-105,900	-4.5%	Dec-07 to Nov-09
Since Last Month	1,800	0.1%	Oct-09 to Nov-09
Last Three Months	-2,300	-0.1%	Aug-09 to Nov-09
Last Six Months	-18,900	-0.8%	May-09 to Nov-09
Last Year	-90,000	-3.9%	Nov-08 to Nov-09

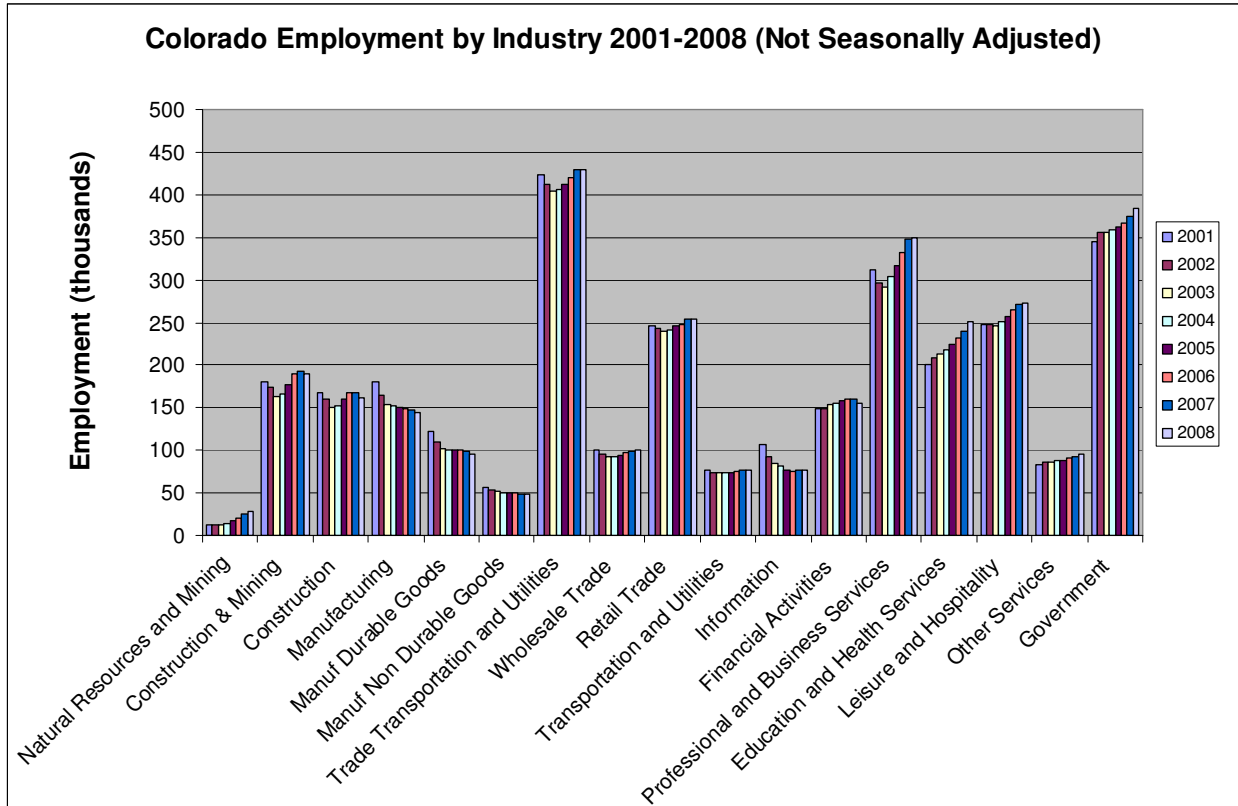
Source: EPI Analysis of BLS Current Employment Statistics Survey

² Economic Policy Institute analysis of BLS Current Employment Survey data

Industry Employment

An industry-level breakdown of Colorado employment reveals some structural labor market trends. Since 2001, the manufacturing, durable and non-durable goods manufacturing, and information industries have all seen declines in employment. All other industries saw increases in total employment or negligible change over the decade. (Fig. 3) This generally upward trend is positive but unsurprising given steady population growth in the state.

Figure 3



Source: Economic Policy Institute analysis of Current Employment Statistics Survey

Construction Jobs

The construction sector is considered an economic harbinger by many experts, as employment in this sector is highly volatile, and changes here often foreshadow larger economic trends. Construction employment data for Colorado reveals that recent losses have slowed. In fact, **November 2009 was the first month the Colorado construction industry gained jobs since the recession began.** Unfortunately, the construction sector as a whole has taken a huge hit during the Great Recession — **losing roughly one-fifth of total employment since the recession began.** (Fig. 4)

Figure 4

COLORADO CONSTRUCTION EMPLOYMENT (November 2009)					
This Month	133,000				
Level and Percentage Change:					
Current Recession	-34,000	-20.4%	Dec-07	to	Nov-09
Since Last Month	600	0.5%	Oct-09	to	Nov-09
Last Three Months	-4,400	-3.2%	Aug-09	to	Nov-09
Last Six Months	-5,800	-4.2%	May-09	to	Nov-09
Last Year	-21,900	-14.1%	Nov-08	to	Nov-09

Source: EPI Analysis of BLS Current Employment Statistics Survey

Job Shortfall

Job shortfall is a metric to help contextualize changes in the size of the labor market. If economic activity is to remain constant barring all other changes (e.g. in productivity, unemployment, etc.), the number of jobs must grow at the same rate as the population. If the job growth rate falls behind, presumably this means that other factors of the economy are “stretching” to make up the shortfall — e.g. unemployment is increasing or employed workers are forced to be more productive. **In November 2009 the Colorado job shortfall was estimated at 195,191 jobs.** (Fig. 5)

Figure 5

COLORADO JOB SHORTFALL SINCE RECESSION BEGAN (DEC 07-NOV 09)	
Working age population growth	3.8%
Total Jobs This Month	2,242,900
Calculated Jobs Needed <i>(the number of jobs total in the state if job growth kept pace with working age population growth)</i>	2,438,091
Job Shortfall	195,191

Source: EPI Analysis of BLS Current Employment Statistics Survey

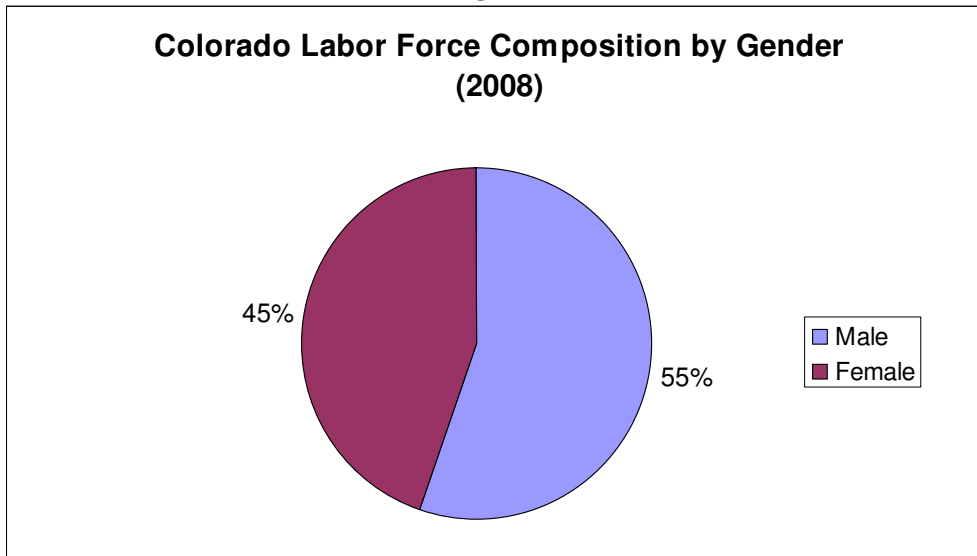
Labor Force Composition

An understanding of the state’s labor force composition is useful for a good understanding of trends and outcomes in Colorado’s labor market. The labor force is defined as the combined total of employed and unemployed workers. (People who are not seeking work are outside both groups.)

Gender & Age

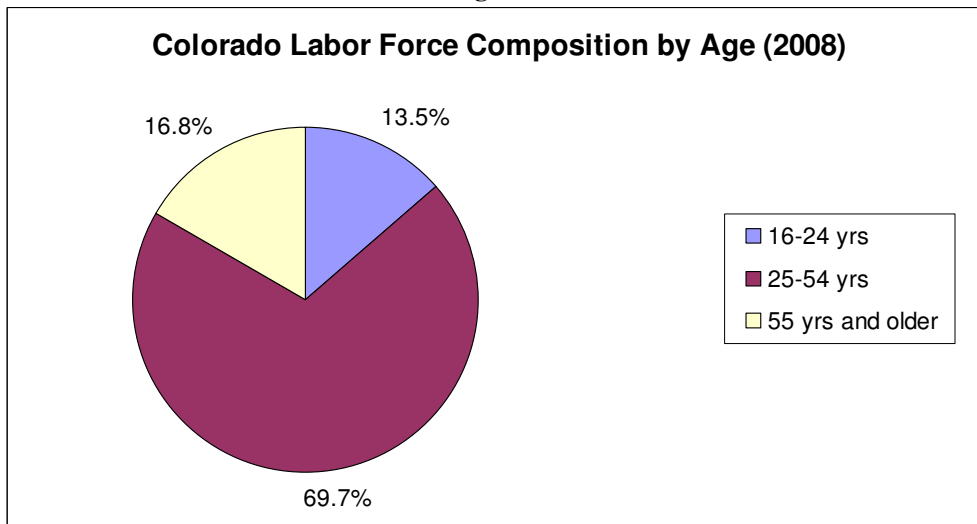
In 2008 there were 23,493,000 nonfarm employees in the state.³ Of those, 55% were men and 45% women. (Fig. 6) 69.7% of workers were between 24 and 55 years old. (Fig. 7)

Figure 6



Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data

Figure 7



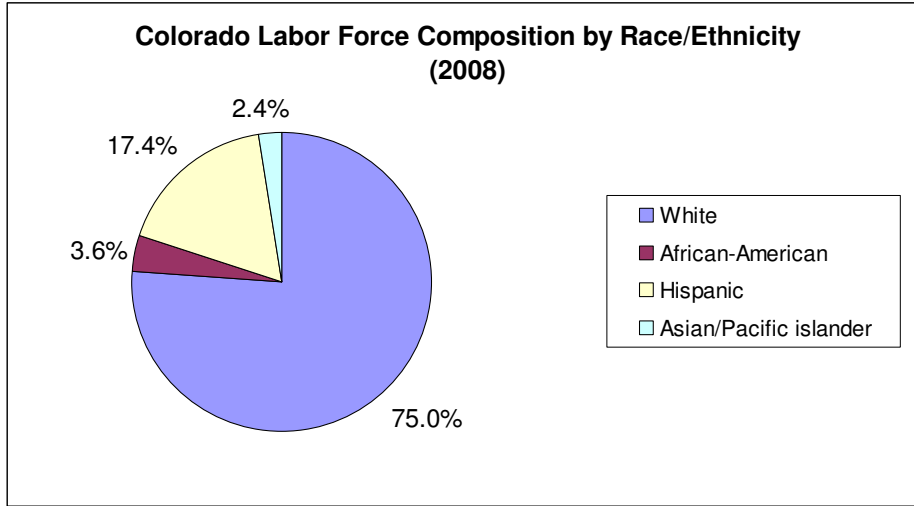
Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data

³ Bureau of Labor Statistics state and area employment data

Race

Colorado’s labor force is primarily white (75%). The second largest racial/ethnic group is Hispanics, who represented 17.4% of the state labor force in 2008. African-Americans and Asian-Americans represented small segments of the labor force, at 3.6% and 2.4% respectively. (Fig. 8)

Figure 8

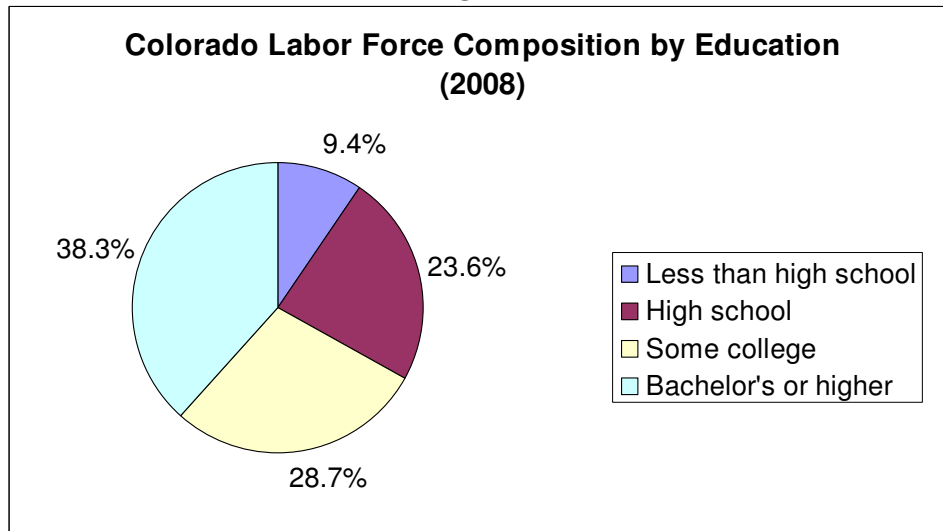


Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data

Education

Colorado attracts an educated workforce. Nearly 40% of those in the labor force hold a bachelor’s degree or higher and nearly 30% have had some college. Some 33% of the labor force reported a high school diploma or less. (Fig. 9) However, while the state boasts one of the most educated populations in the country, it suffers from below-average rates of post-secondary attendance and completion.⁴ This “Colorado Paradox” means that much of the state’s educated workforce is imported.

Figure 9



Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data

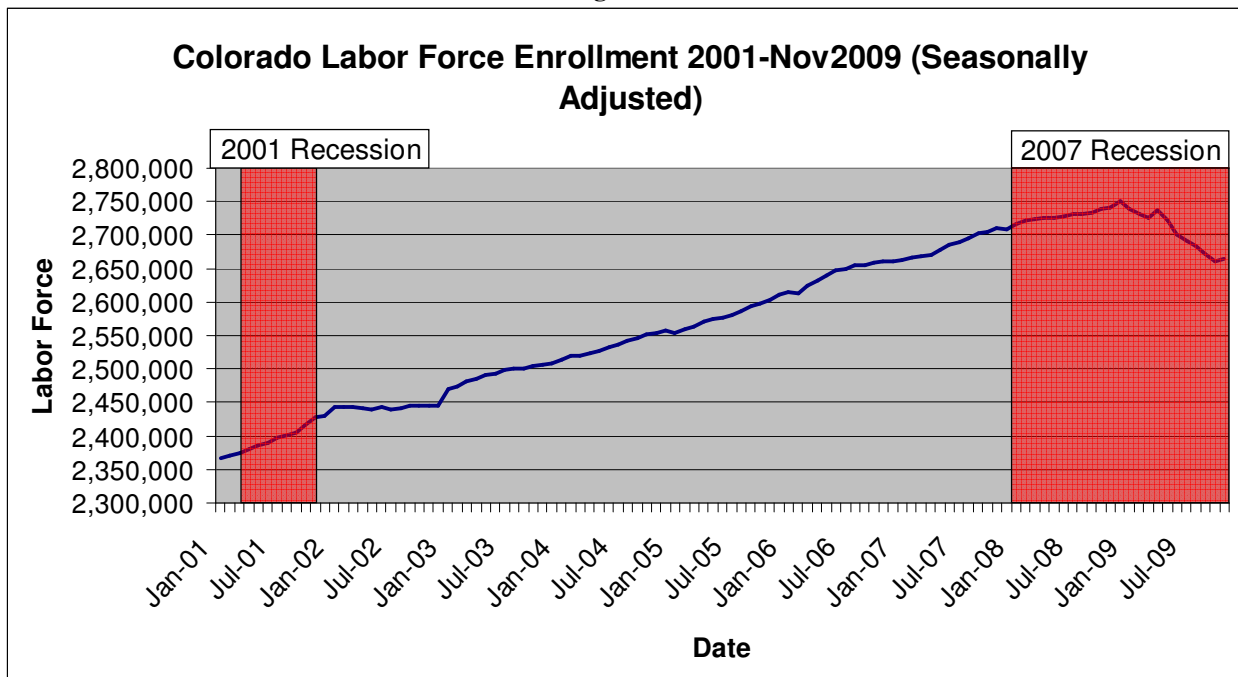
⁴ “Colorado’s 2008 Education Reforms: Will They Achieve the Colorado Promise?” The Piton Foundation, 2009.

Labor Force Enrollment & Participation

The number of workers in the labor force has grown fairly steadily throughout the decade in Colorado. (Fig. 10) This steady growth is primarily driven by population growth, which adds a fairly constant stream of workers into the labor force.

However, there are two notable exceptions to this trend of steady growth in labor force. The first occurred in 2003 when labor force enrollment stayed stagnant for a year amidst the “jobless recovery” following the 2001 recession (March – November 2001). During this time the Colorado and U.S. economies saw an extended period of economic stagnation despite the official end of the recession. The second exception occurred recently, when beginning in December 2008, labor force enrollment broke its upward trend and declined substantially for the first time this decade. Enrollment seemed to be leveling off as of November 2009. (Fig. 10)

Figure 10

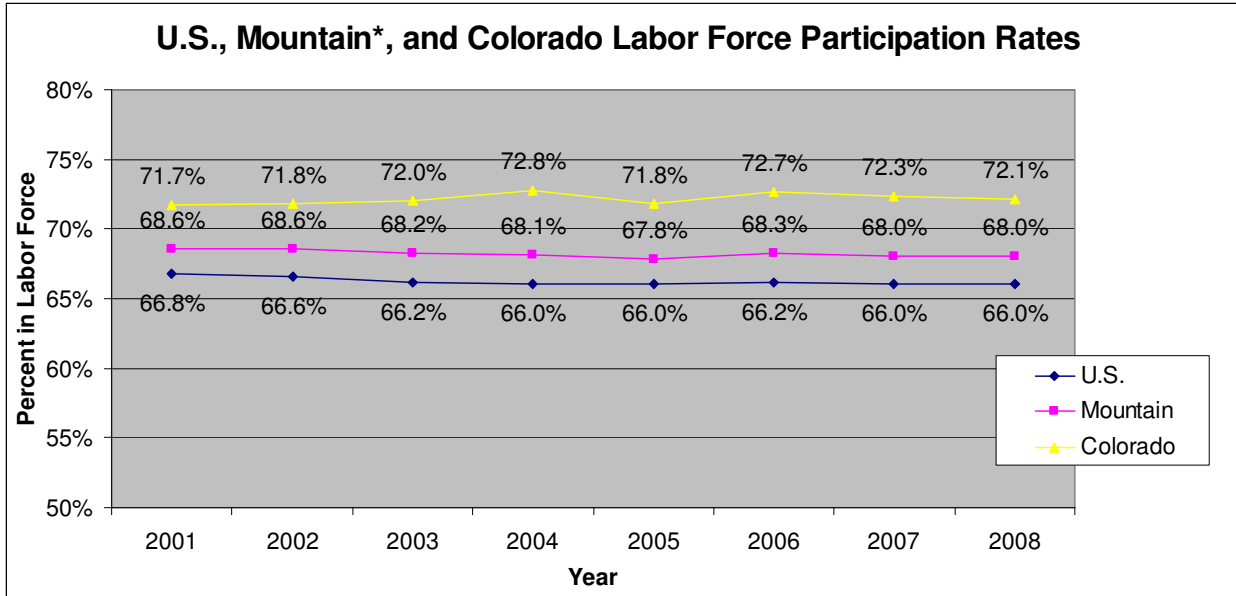


Source: Author's Analysis of Bureau of Labor Statistics State Employment data

Labor Force Participation

The labor force participation rate is the ratio of the number of workers in the labor force to the total population in the same age cohort (16 years and older). Thus the labor force participation rate is a measure of the proportion of the working-age population actively engaged in the labor force — either working or seeking work. **Colorado’s labor force participation rate, which is 72%, continues to be well above that of its regional and national peers.** (Fig. 11)

Figure 11



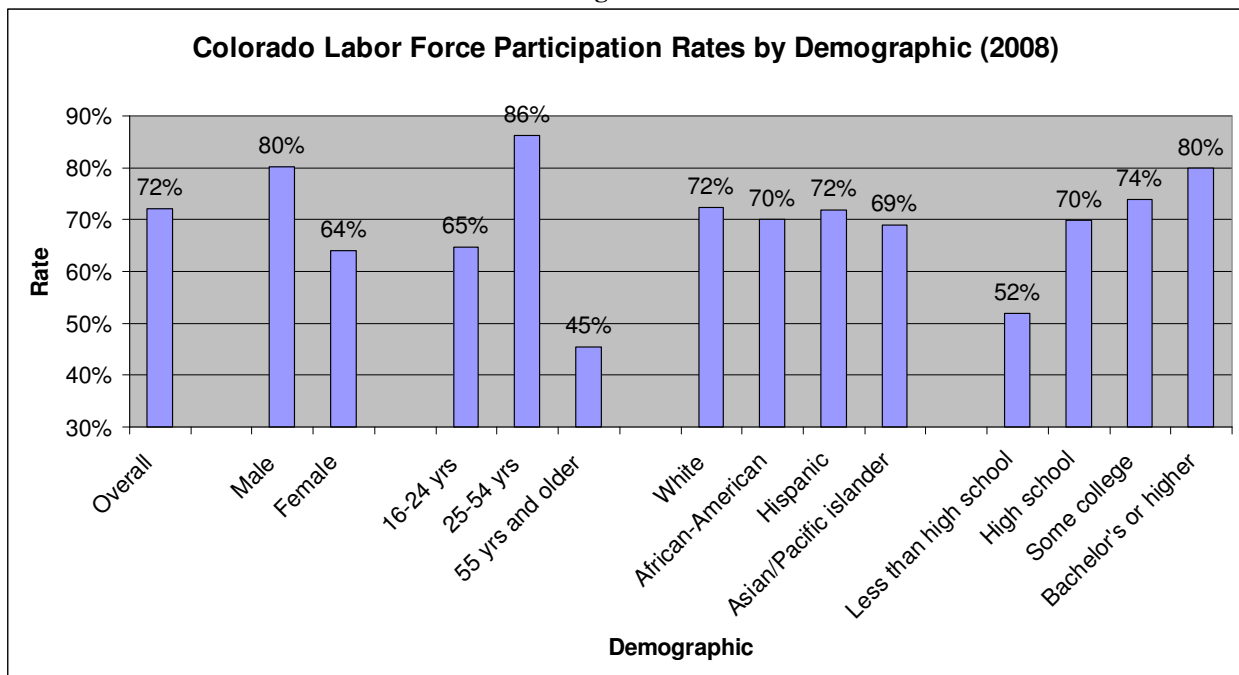
Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data
 * i.e. U.S. Census Mountain Division. See footnote 6 for more information.

Participation Rate Demographics⁵

Labor force participation rates in Colorado vary substantially by demographic but are constant within groups over time. In other words, **Colorado’s labor market is characterized by substantial and consistent differences in labor force participation among demographic groups.** Most notable among these are differences according to educational attainment and gender.

With regard to education, a strong correlation emerges between educational attainment and labor force participation rates. Only some 50% of those with less than a high school degree were in the labor force in 2008, while 80% of those with a bachelor’s degree or higher participated. Eighty percent of males were in the labor force, compared to 64% of females. (Fig. 12)

Figure 12



Data are for individuals 16 and older

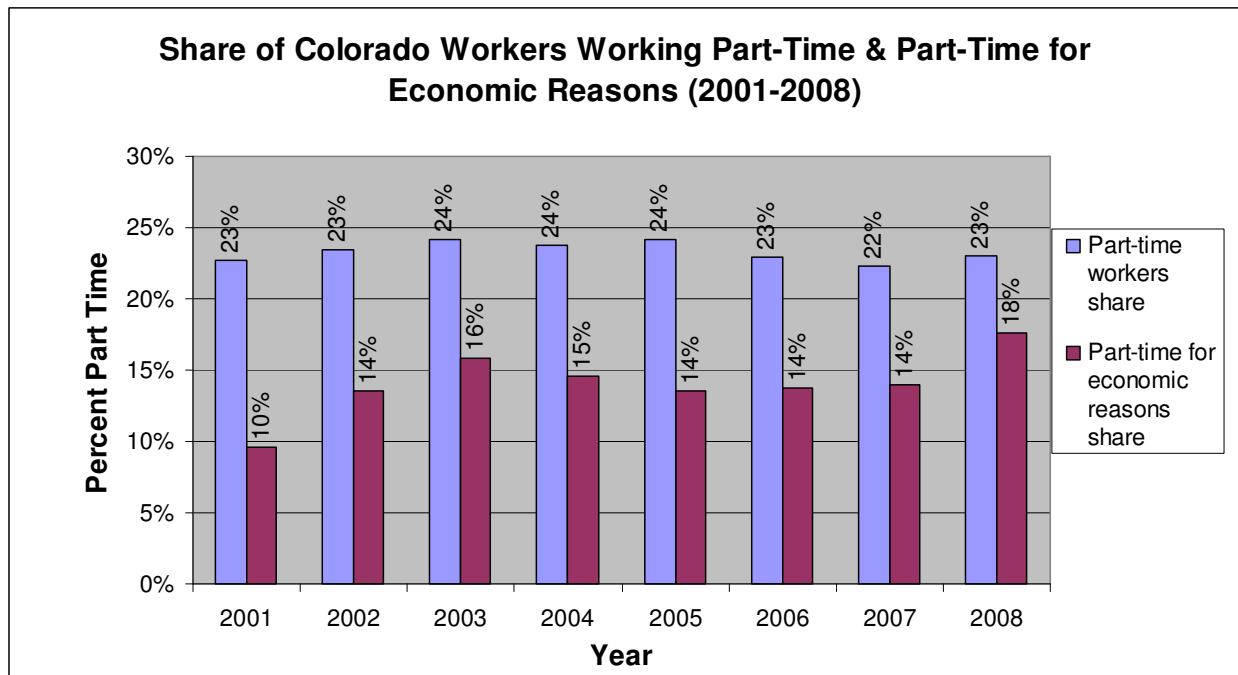
Source: Economic Policy Institute analysis of U.S. Census Current Population Survey data

⁵ Data are for individuals 16 and older.

Part-Time Work

The proportion of the labor force working part-time is a useful way to understand the status of Colorado workers. Workers that work part-time because they cannot find the full-time work they would like are known as “part-time for economic reasons” or “involuntary part-time workers.” The size of this subset of overall part-time workers is a significant measure of labor market strength.

Figure 13



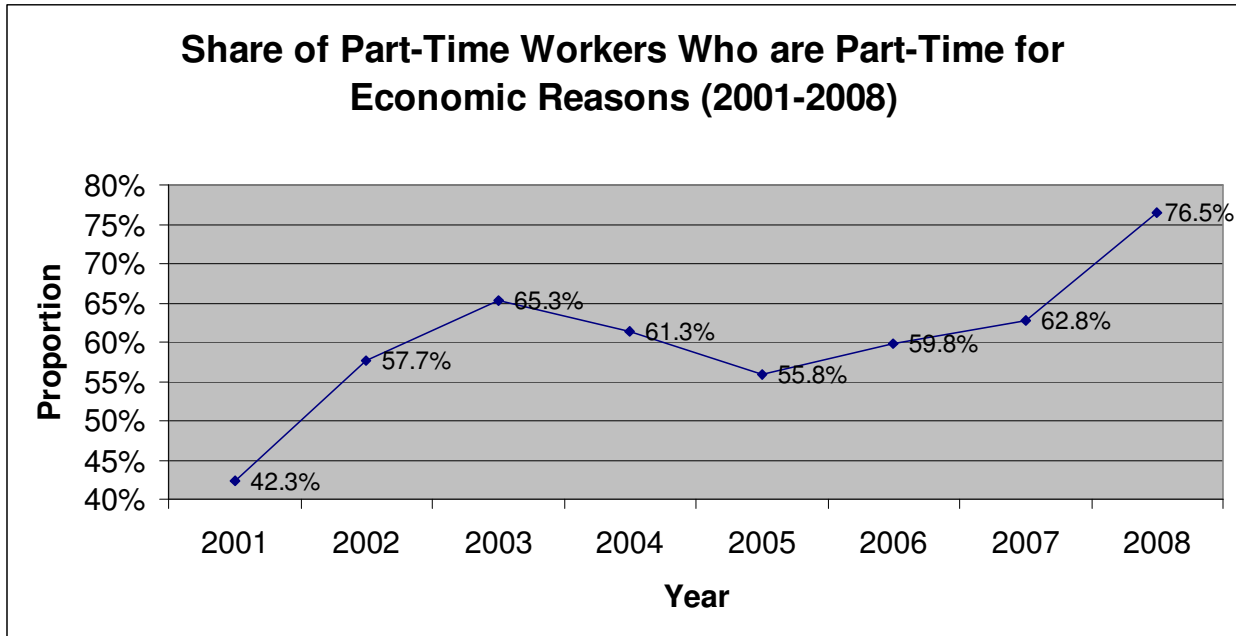
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Percentages shown represent the proportion of the total labor force that is part-time (part-time workers share) and the proportion of the total labor force that is involuntarily part-time (part-time for economic reasons).

Part-Time for Economic Reasons

The overall percentage of part-time workers in Colorado has remained fairly constant over time. (Fig. 13) However, the relative percentage of part-time workers for economic reasons has risen a whopping 35 percentage points from 2001 to 2008, when over three-quarters (76.5%) of part-time workers were involuntary part-time. (Fig. 14) **In other words, more workers are unable to work as much as they would like.** This limitation has serious implications in the realm of poverty and self-sufficiency (see Chapter 4).

Figure 14



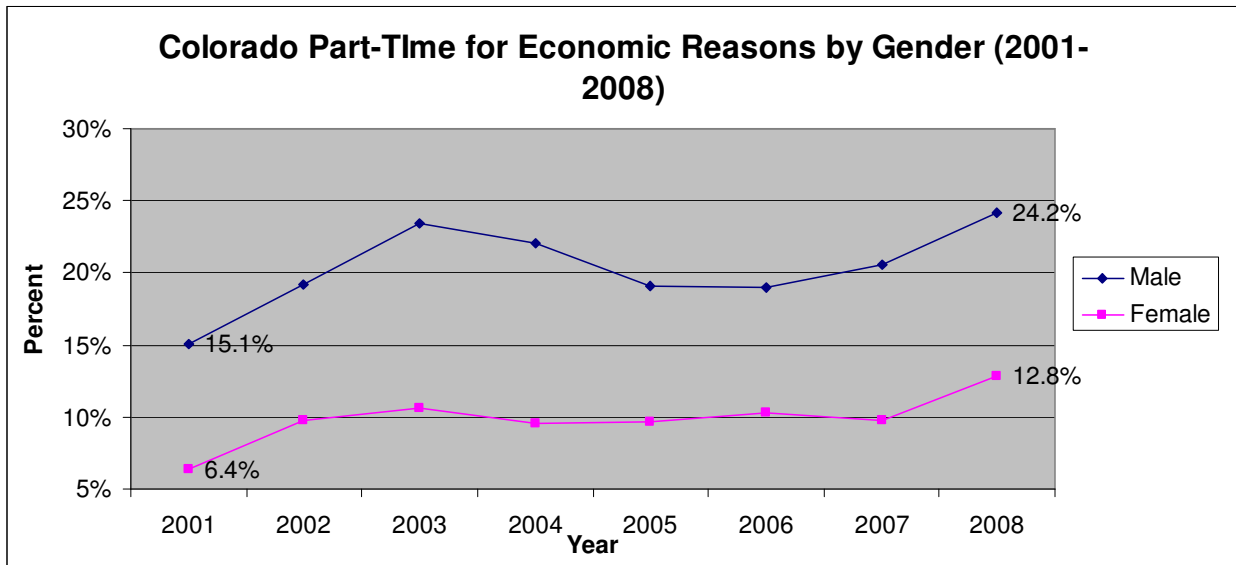
Source: Author's Analysis of U.S. Census Current Population Survey

Part-Time Demographics

Gender

Men in Colorado tend to report about double the rate of part-time work for economic reasons that their female counterparts in the workforce report. (Fig. 15) For both males and females involuntary part-time work rises during times of recession and falls during times of expansion—when times are good, firms seek to expand production and hire more full-time workers to meet demand; when times are bad, firms cut back production and employment, making full-time work harder to find.

Figure 15

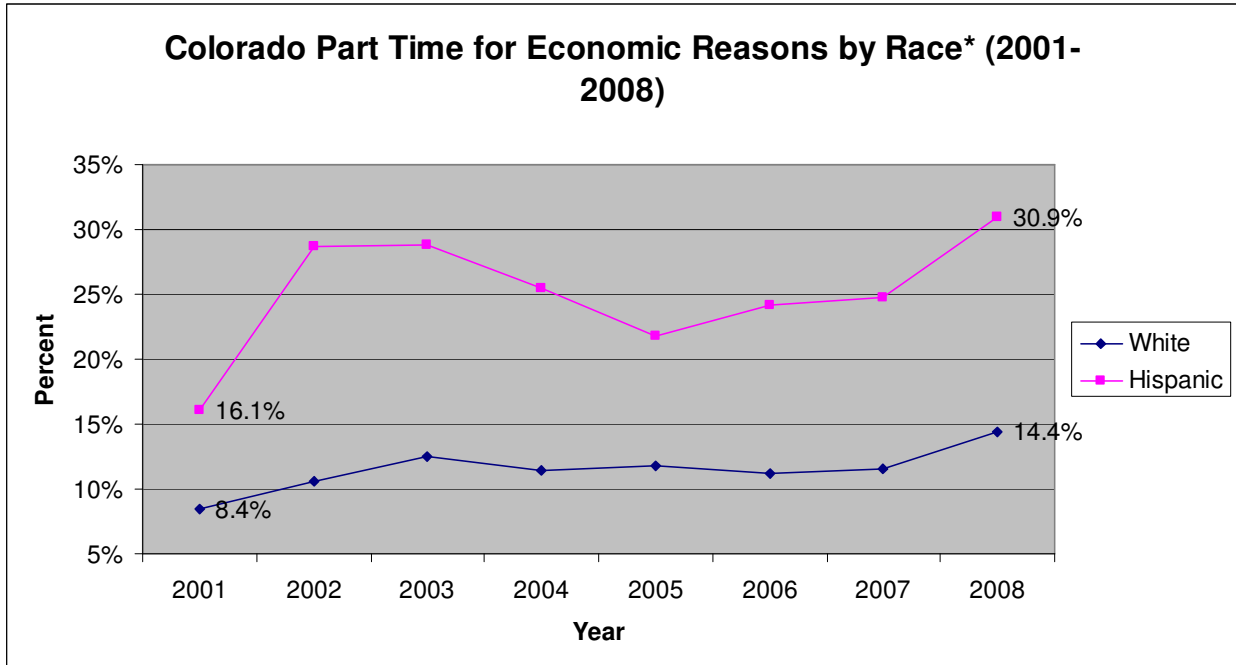


Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Race

While the recent upward trend in involuntary part-time work can be seen for whites and Hispanics, a disparity is immediately evident between the groups. **Hispanics consistently report rates of involuntary part-time work roughly double those of their white peers.** (Fig. 16) Furthermore, the Hispanic rate of involuntary part-time work exhibits noticeably greater volatility than the rate for whites, suggesting Hispanics tend to be on the “front line” of a downturn, the first to be forced into part-time work in hard times.

Figure 16



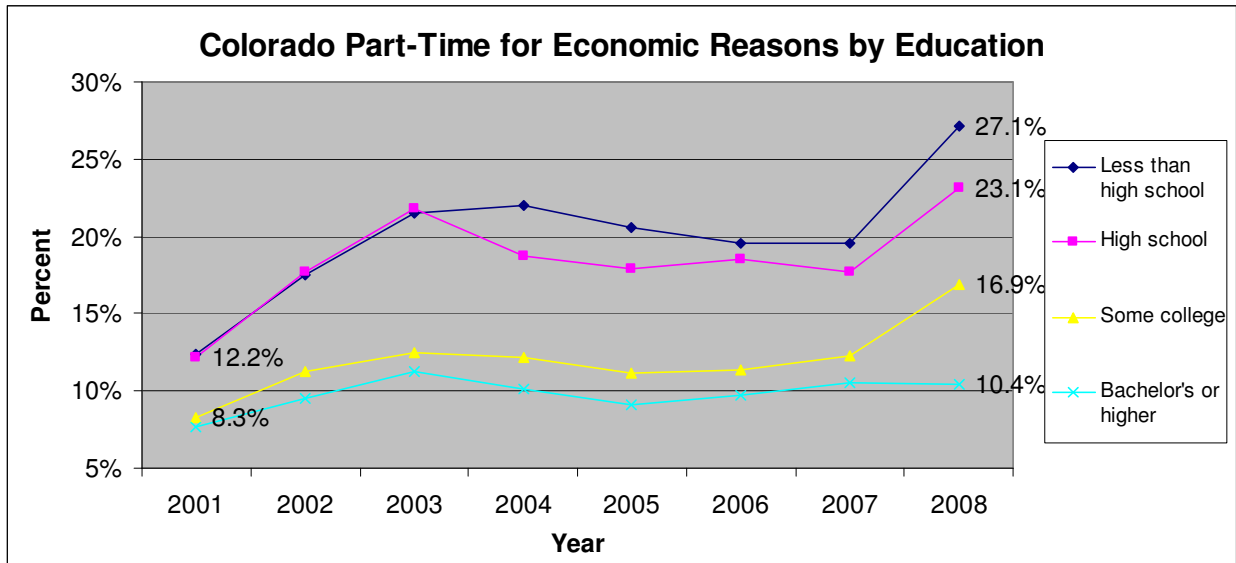
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

*Due to sample size limitations, data are only available for the two groups shown.

Education

In what is a dominant trend in this report, we see a pronounced striation in rates of involuntary part-time work for different levels of educational attainment. **More educated Coloradans are much less likely to be working part-time for economic reasons.** Furthermore, their rate of involuntary part-time employment has proved much less susceptible to the economic downturn. (Fig. 17) These trends suggest that highly educated workers tend to stay out of part-time work, either because they have stable full-time employment less vulnerable to economic downturns, or because they choose unemployment over part-time work.

Figure 17

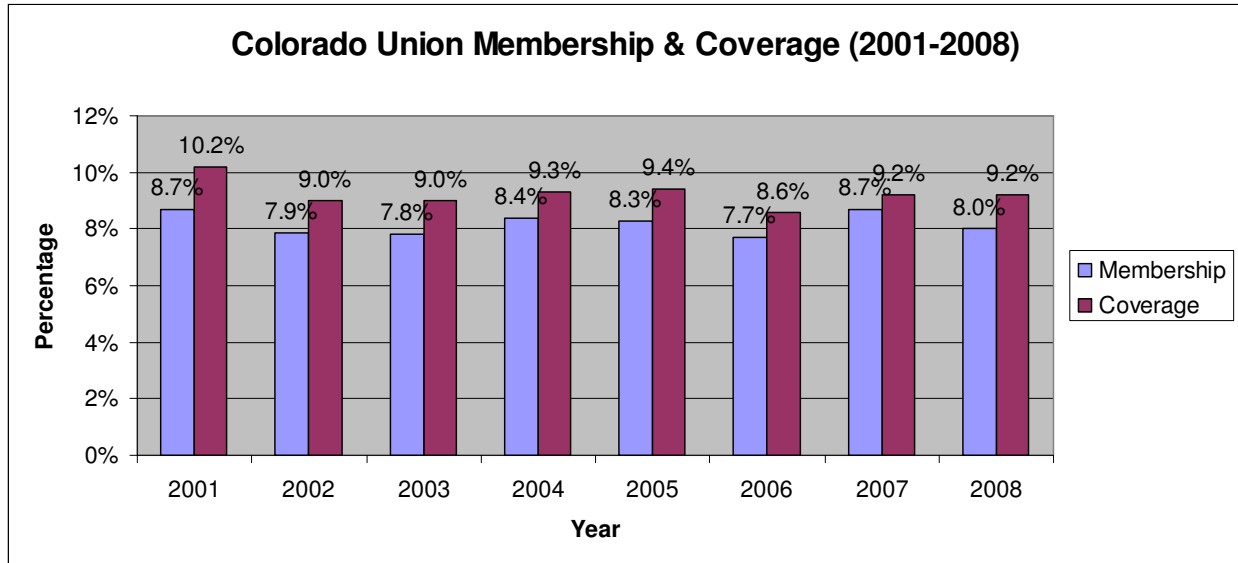


Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Union Coverage

Union coverage and membership⁶ both continue to erode in Colorado. In 2001, union coverage and membership stood at 10.2% and 8.7% respectively. In 2008, coverage had dropped to 9.2% and membership to 8.0%. (Fig. 18) This erosion means that fewer workers have access to the higher wages and better benefits that union members typically receive.

Figure 18



Source: Economic Policy Institute analysis of Bureau of Labor Statistics union data

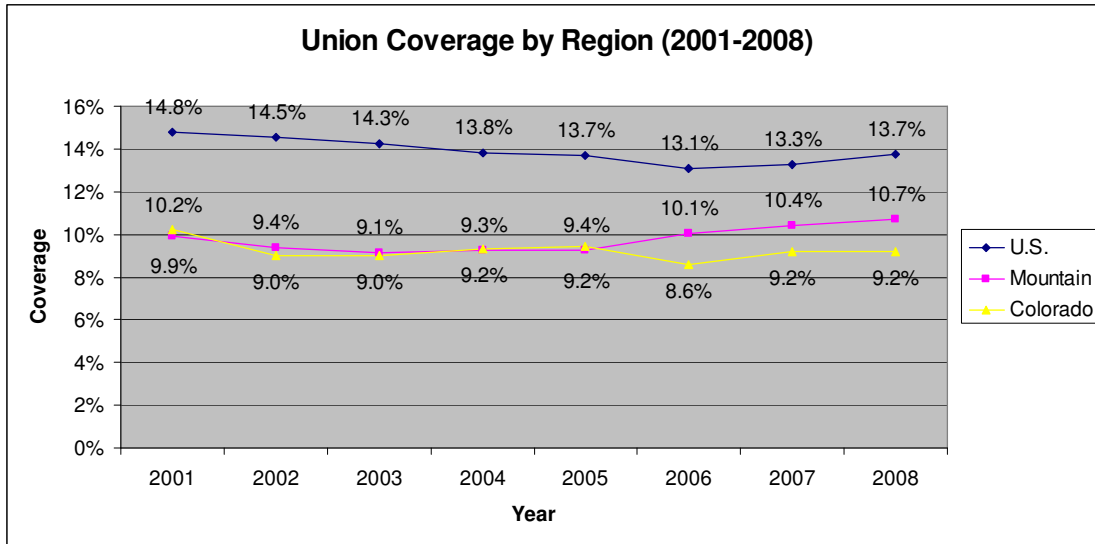
Union membership/coverage data for 2005 are not strictly statistically comparable with data for 2004 and earlier years because of the introduction in January 2005 of revised population controls used in the CPS. The effect of the revised population controls on the union estimates is unknown.

⁶ Union coverage represents the percentage of workers enjoying union benefits. Union membership is the percentage of workers paying membership dues. Membership is typically a percentage point or two below coverage since there are workers who are not union members but enjoy union benefits in virtue of their organization's union affiliation.

Unions in Colorado and the Nation

A regional comparison of union membership and coverage shows that **currently and historically Colorado’s union rates are well below the national average**. Recently, Colorado’s union coverage has been slightly below the mountain division⁷ average. (Figs. 19 & 20)

Figure 19

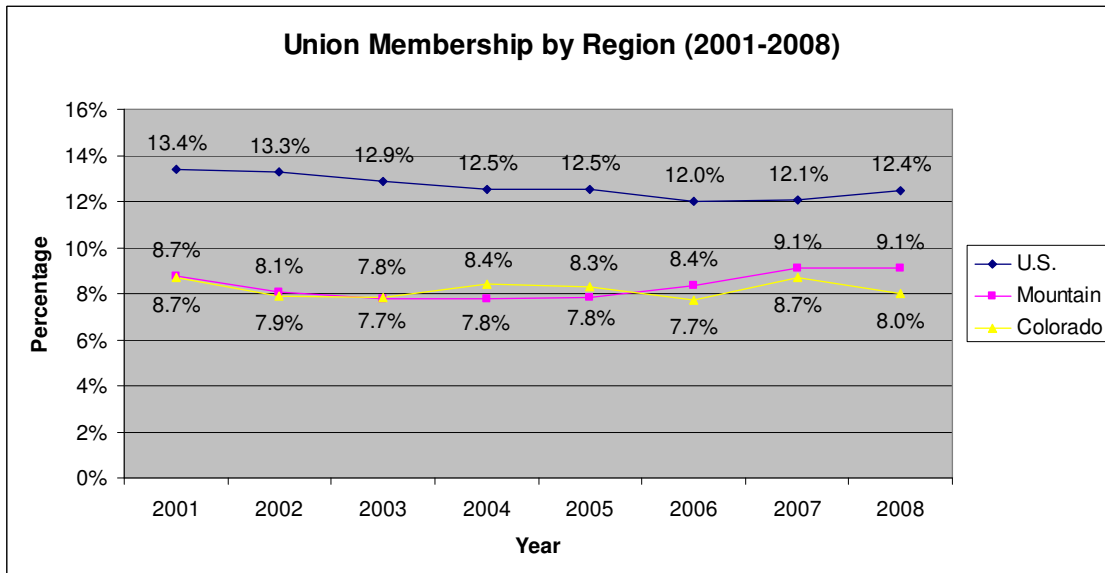


Source: Economic Policy Institute analysis of Bureau of Labor Statistics Union data

[For Fig. 19 & 20:] Union membership/coverage data for 2005 are not strictly statistically comparable with data for 2004 and earlier years because of the introduction in January 2005 of revised population controls used in the CPS.

The effect of the revised population controls on the union estimates is unknown.

Figure 20



Source: Economic Policy Institute analysis of Bureau of Labor Statistics Union data

⁷ The U.S. Census divides the U.S. into a number of regions and divisions (subsets of regions). Colorado belongs to the “West” region and the “Mountain” division. The other members of the Mountain West division are Montana, Idaho, Wyoming, New Mexico, Arizona, Utah, and Nevada.

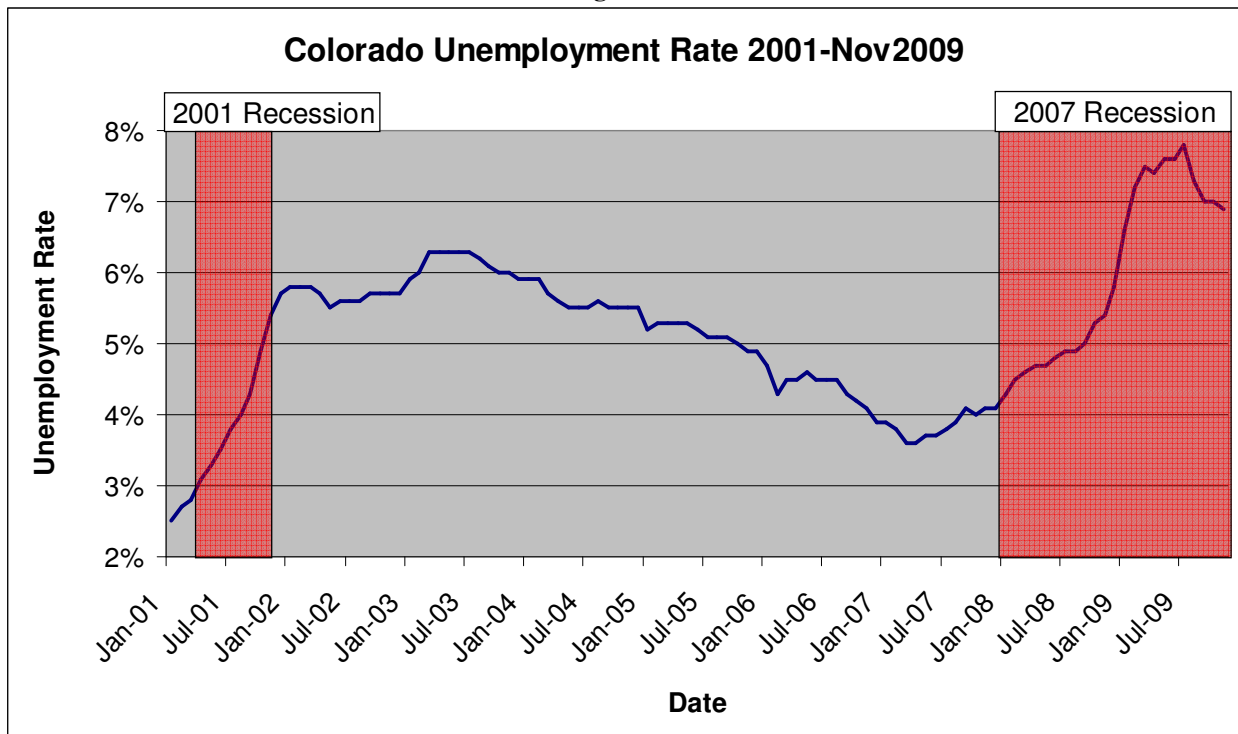
CHAPTER TWO: UNEMPLOYMENT

Unemployment

Unemployment rates in Colorado have increased dramatically since the onset of the recession in December 2007. After a “jobless recovery” following the 2001 recession, the state unemployment rate jumped again with the onset of the recession in December 2007, and peaked at 7.8% in July of 2009. In November 2009, unemployment stood at 6.9%, up 2.8% since the beginning of the recession. (Fig. 21) **Nationally this is the eleventh smallest recessionary increase in unemployment rate, and the twelfth lowest current unemployment rate.**⁸

It is worth noting that while the state unemployment rate fell 0.4 percentage points from August 2009 to November 2009, the Colorado economy still lost 2,900 jobs overall during this period. This discrepancy is likely explained by discouraged workers.⁹ The fact that the state still lost jobs on net at a time when the unemployment rate was improving is a troubling sign that recent improvements in Colorado’s unemployment rate belie the true condition of the state labor market.

Figure 21



Source: Author's Analysis of Bureau of Labor Statistics State Employment Data

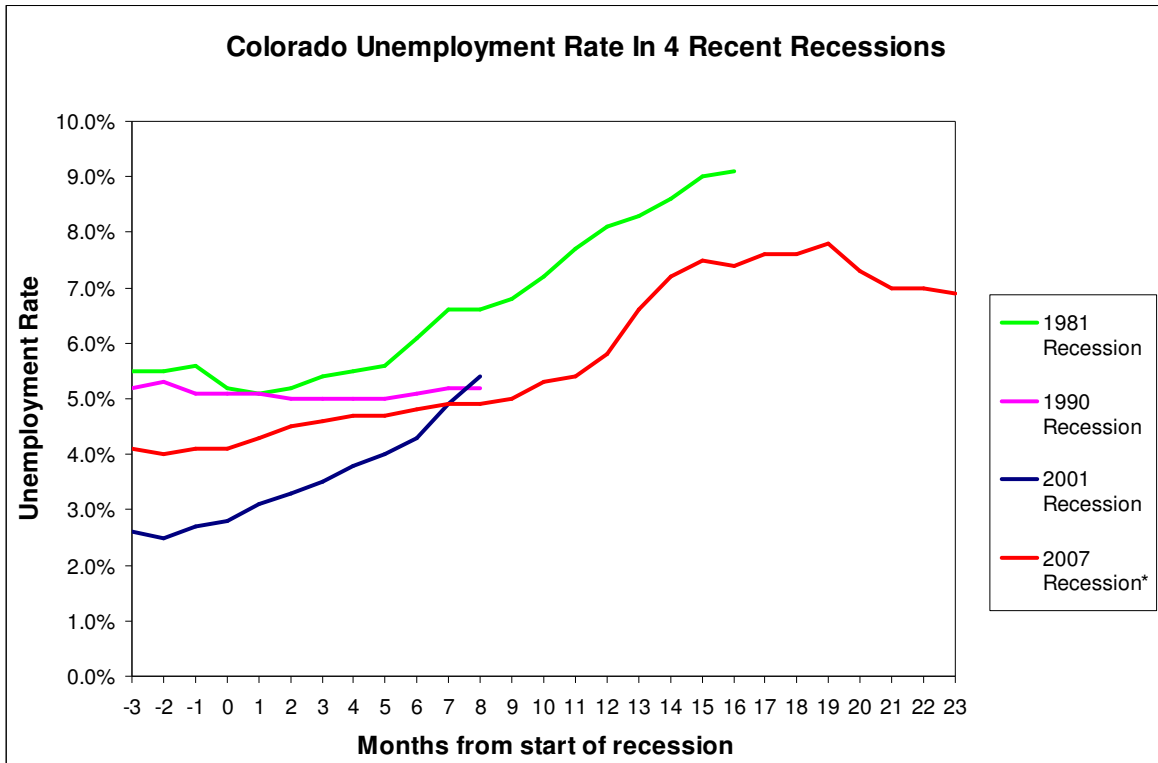
⁸ Source: EPI analysis of November 2009 BLS Current Employment Survey data

⁹ When workers stop actively looking for work, they are considered discouraged, and are no longer counted among the ranks of unemployed. Monthly data on discouraged workers are not available from the BLS, but the most recent discouraged worker figures support this claim. See <http://www.bls.gov/opub/ils/pdf/opbils74.pdf> for BLS 2008 Q1 underemployment figures and analysis.

Current versus Past Recessions

A look at the current recession alongside the three previous recessions reveals the unusual depth and duration of the current recession. (Fig. 22) Only one of the previous recessions — the 1981 recession — saw higher unemployment rates. While the overall rate was higher in 1981, the changes in unemployment rate from “peak to trough” were on par with what we have seen in the current decline. Furthermore, **no recession since the Great Depression has been as long as the current one, which had lasted 23 months as of November 2009.**¹⁰

Figure 22



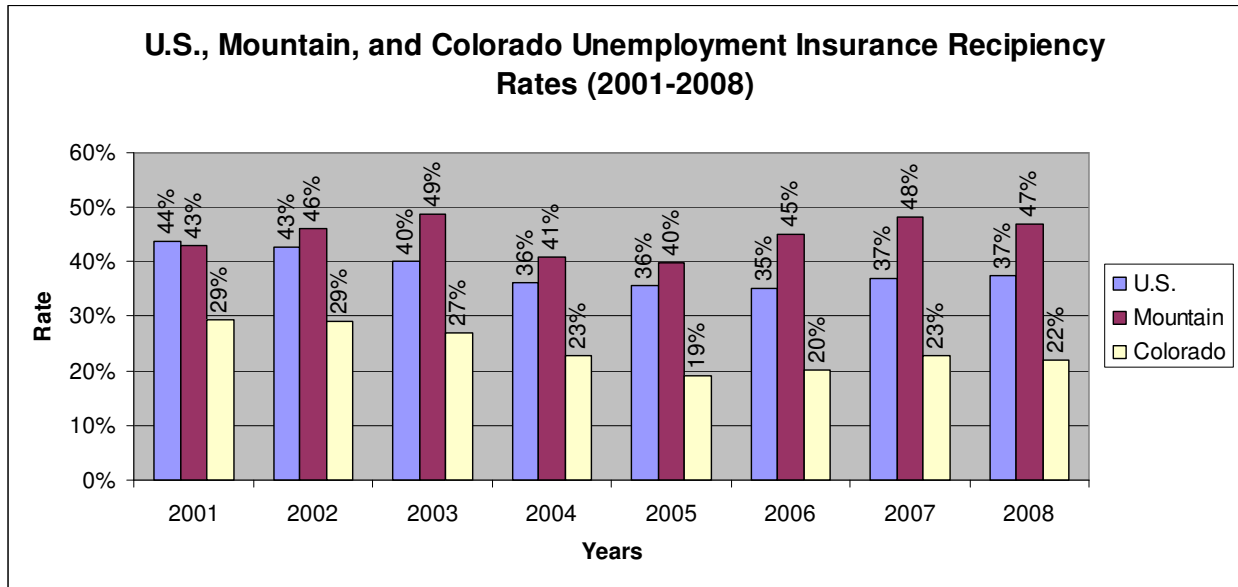
Source: EPI analysis of November 2009 Bureau of Labor Statistics Data
 *The 2007 recession has officially not yet ended

¹⁰ NBER reporting of business cycles and contractions. <http://www.nber.org/cycles.html>

Unemployment Insurance Reciprocity

Unemployment insurance reciprocity rates in Colorado are consistently and substantially lower than those in the U.S. and in the mountain region.¹¹ (Fig. 23) Colorado’s delayed entrance into the recent recession and the age of the data available (only through 2008) mean that the full force of the recession is not illustrated in the data shown. Reciprocity rates are likely substantially higher today.

Figure 23



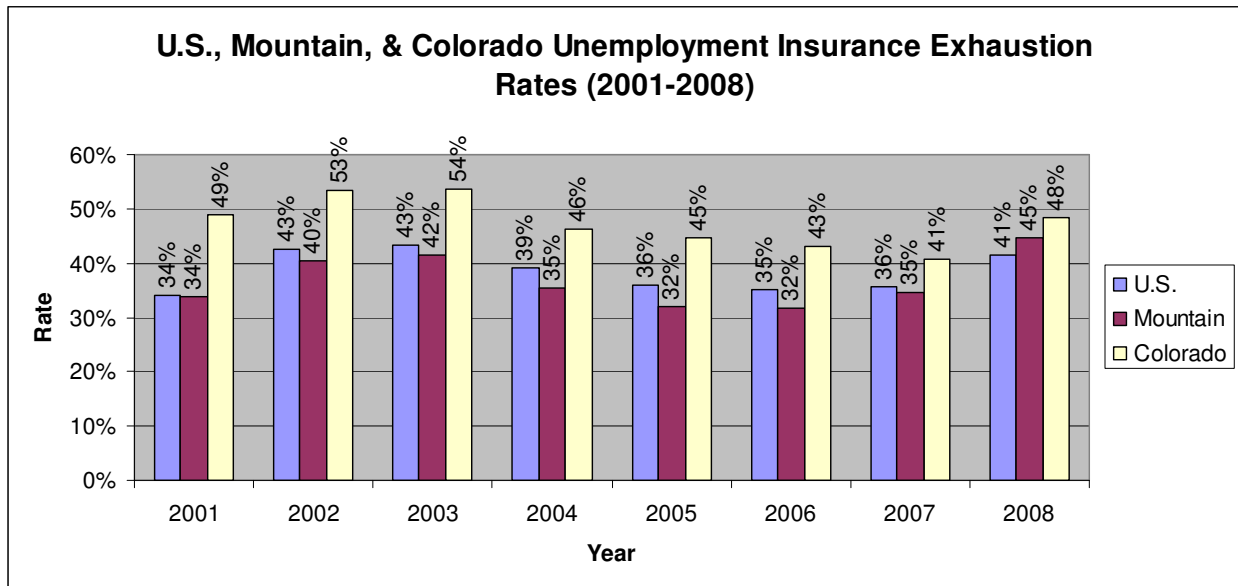
Source: Economic Policy Institute Analysis of U.S. Dept. of Labor data

¹¹ See note 7 for mountain division states

Unemployment Exhaustion

While unemployment reciprocity rates are lower in Colorado, the rate of unemployment insurance (UI) exhaustion trends consistently and substantially higher than the rates in the mountain region¹² and the U.S. as a whole. (Fig. 24) Unemployment exhaustion means that a person has exhausted his or her time on unemployment insurance without having found a job. This paints a picture of Colorado as a place where few are able to get the UI they need and many who do exhaust their benefits. Here again the full force of the current recession is not borne out in the data. It is safe to assume exhaustion rates have continued to rise as the recession has dragged on, despite provisions of the American Recovery and Reinvestment Act of 2009 which provided an additional 14 weeks of aid to unemployed workers.

Figure 24



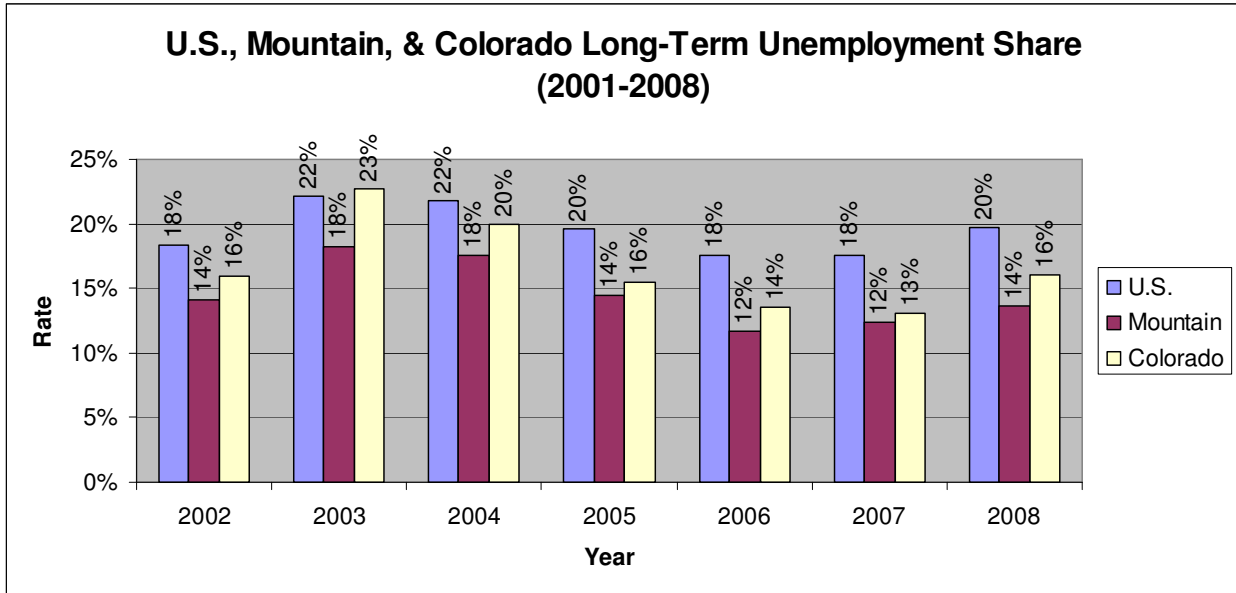
Source: Economic Policy Institute Analysis of U.S. Dept. of Labor Data

¹² See note 7 for mountain division states

Long-Term Unemployment

The long-term unemployment share is the percentage of unemployed workers who have been without work while actively pursuing employment for more than six months. In the 2008 data, we see this number creep up for Colorado, its peer states, and the nation as a whole. (Fig. 25) Like many other economic indicators, the long-term unemployment share is likely up substantially today from the 2008 annual figures.

Figure 25



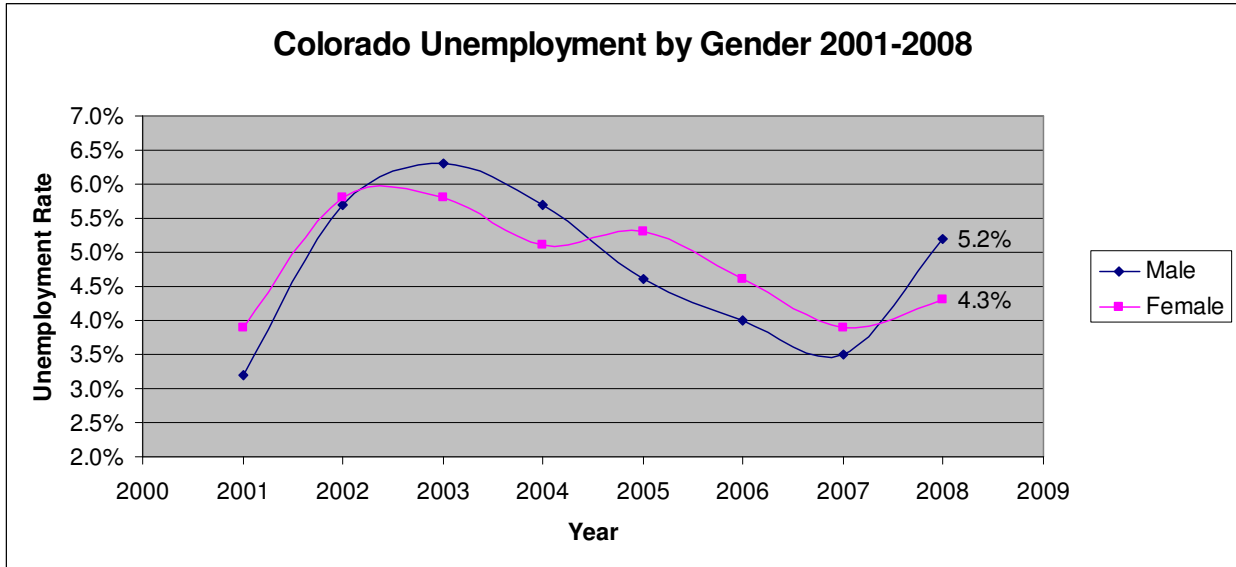
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Unemployment Demographics

Gender

While the unemployment rates for male and female workers track closely, differences do arise in the data over the past decade. In the aftermath of the 2001 recession we saw the unemployment rate for men rise above the rate for women, and then dip below the female rate in the recovery. This trend is repeated in the recent unemployment figures, where once again the male rate is above the female rate. (Fig. 26)

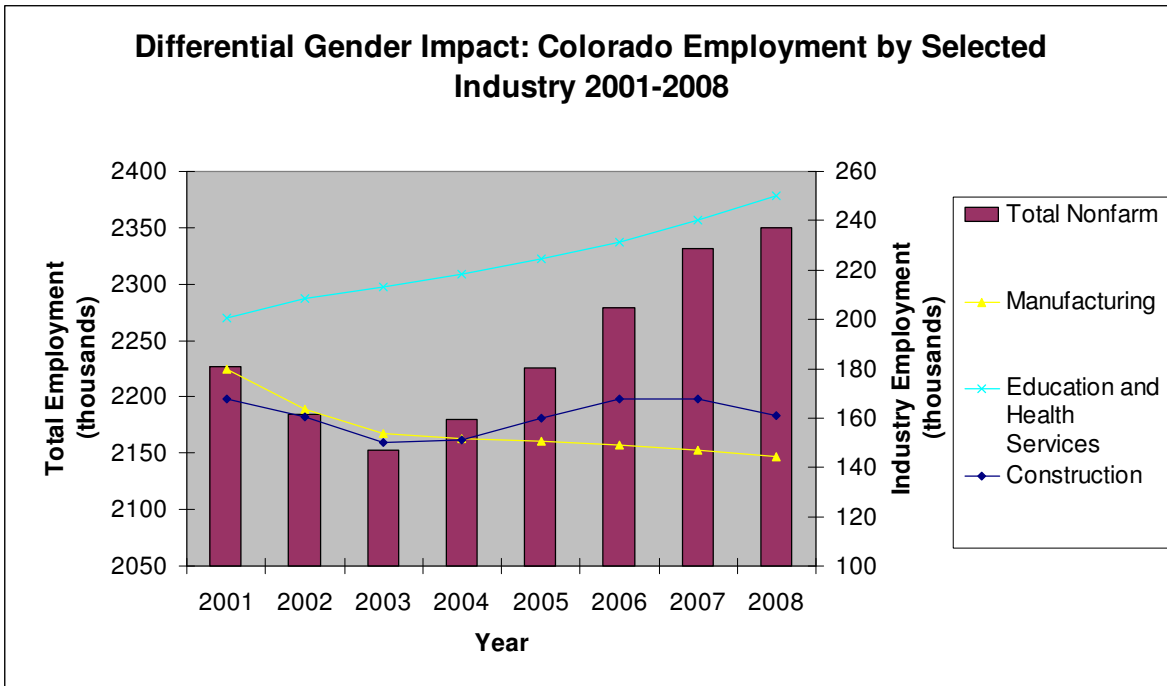
Figure 26



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Industry-specific employment trends may contribute to this trend. Manufacturing and construction are industries dominated by men, and employment here tends to be highly cyclical (i.e. subject to broader economic trends). On the other hand, the health and education services industries have seen fairly steady growth in the past decade, and are areas of high female employment. (Fig. 27) Thus, to the extent there are disproportionately gender-specific employment trends in these sectors, male unemployment rates may fluctuate more with the economic climate, while female unemployment may follow a steadier path.

Figure 27



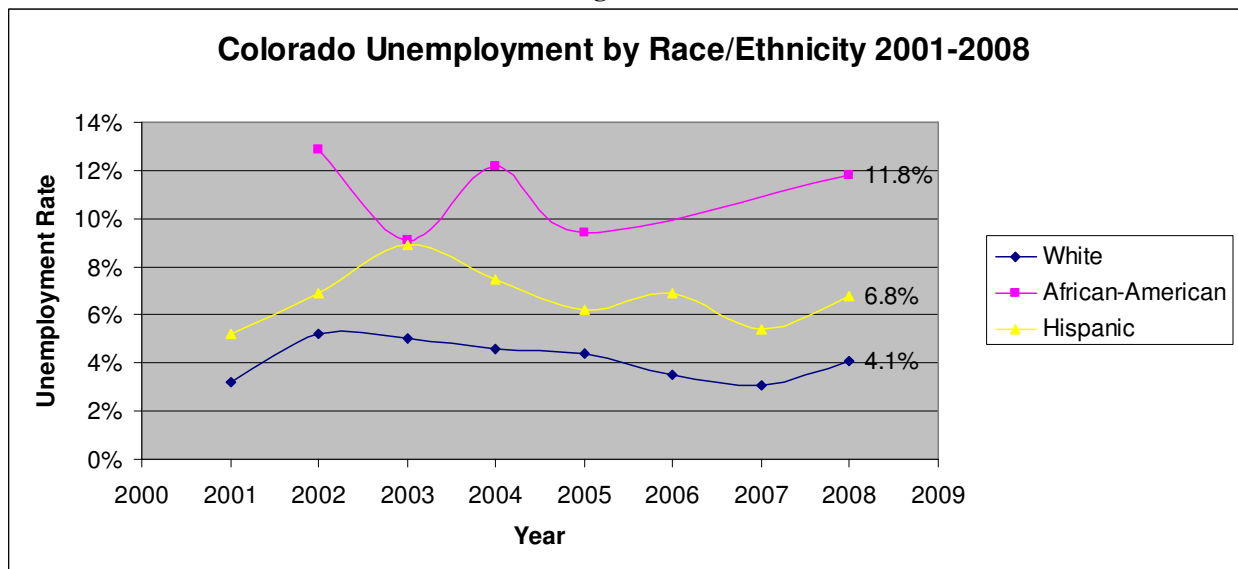
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Race/Ethnicity

Racial disparities in unemployment are remarkably and disconcertingly prevalent in Colorado. **Regardless of the economic climate, African-Americans and Hispanics experience substantially higher rates of unemployment than their white counterparts. Furthermore, it is likely that these minority groups also see greater volatility in unemployment.** (Fig. 28) However, this hypothesis is difficult to verify using the data shown, since small sample sizes for minority groups in Colorado contribute substantially to the volatility of the reported unemployment rates across time.

Regardless, it is clear that African-Americans and Hispanics are worse off than whites in the state in terms of unemployment. In 2008, the Hispanic unemployment rate was 2.7 percentage points higher than the white unemployment rate (4.1%), and the African-American rate (11.8%) was nearly three times the rate for whites. (Fig. 28) While more recent racially-specific unemployment data are not available, it is safe to postulate that these disparities are only amplified in the current recession, and that minorities in Colorado are being hit disproportionately hard by the downturn.

Figure 28

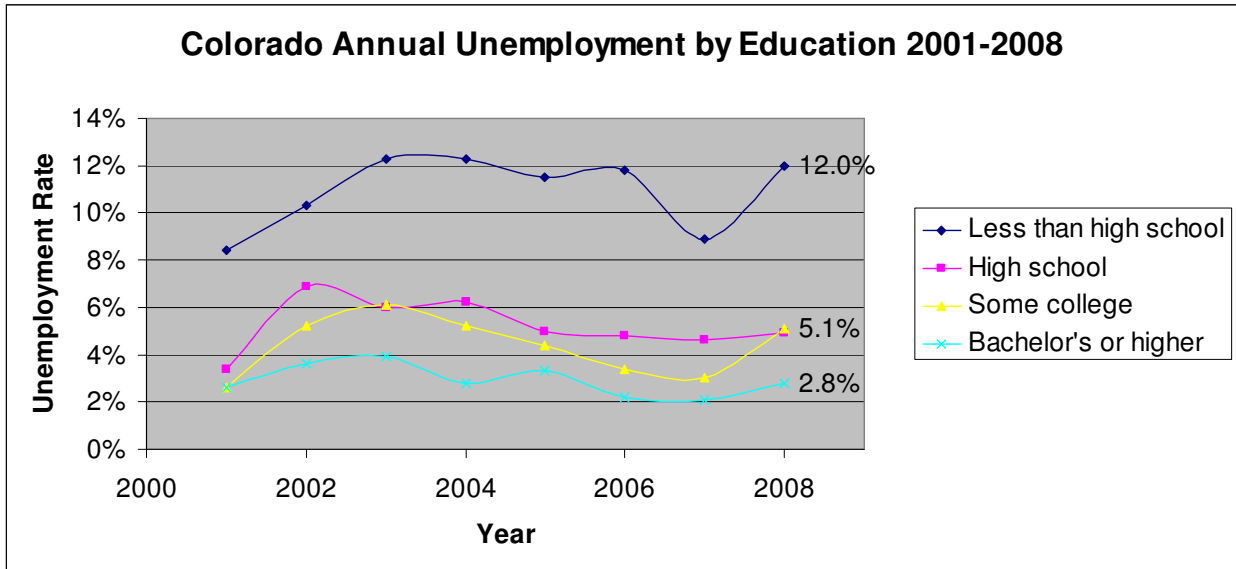


Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Education

We see pronounced variations in historical unemployment levels by educational attainment in Colorado. In 2008, those with a bachelor’s degree or higher had an unemployment rate of 2.8%, while those with less than a high school education had more than four times the unemployment with a rate of 12%. Those with high school or some college saw an unemployment rate of 5%. (Fig. 29) These distinct separations in unemployment rate by education underscore the value of education in today’s labor market, and highlight the need for continued support of robust K-12 education and affordable higher education.

Figure 29



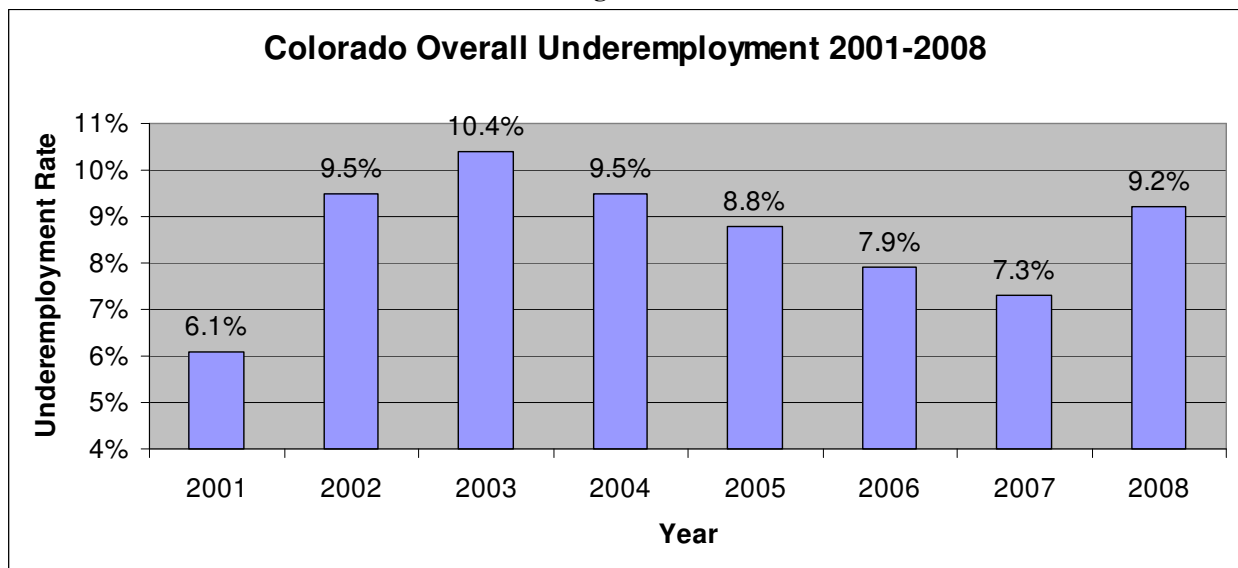
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Underemployment

Underemployment is a measure closely related to but more expansive than unemployment. Unemployment counts only those workers who are willing and able to work and have looked for work in the past four weeks. Underemployment includes these workers, along with involuntary part-time workers (those who are willing and able to work full time but can only find part time employment), discouraged workers (those willing and able to work who have not looked in the past 4 months), and those who are neither working nor looking for work but are willing and able and have looked in the past year. Thus underemployment does much more than unemployment to capture the state of those without and looking for work.

Overall, underemployment in Colorado follows the same general pattern as unemployment, but exhibits higher values because it includes more categories of workers. In 2008, we see underemployment headed back upward with the recession underway. (Fig. 30) It is worth noting here that while the annual CPS value for Colorado underemployment is 9.2% — still more than one percentage point below its 2003 peak after the 2001 recession — we can be sure that the current rate of underemployment, like unemployment, has risen substantially since these data were collected and reported. (See Fig. 21 for the recent unemployment trend.)

Figure 30



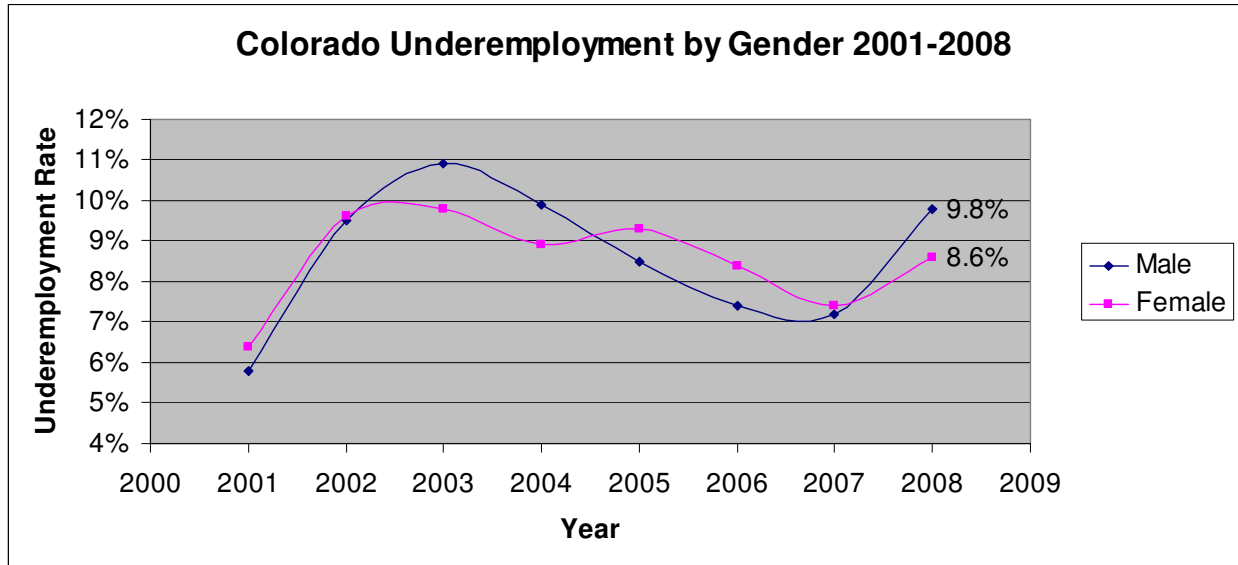
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Underemployment Demographics

Gender

Demographic analysis of underemployment tracks closely with the demographics of unemployment. As with unemployment, underemployment rates for women tend to be higher than men in times of expansion and lower in times of recession. (Fig. 31) See the unemployment by gender section (pp 26-27) for one possible contributing factor to this trend.

Figure 31

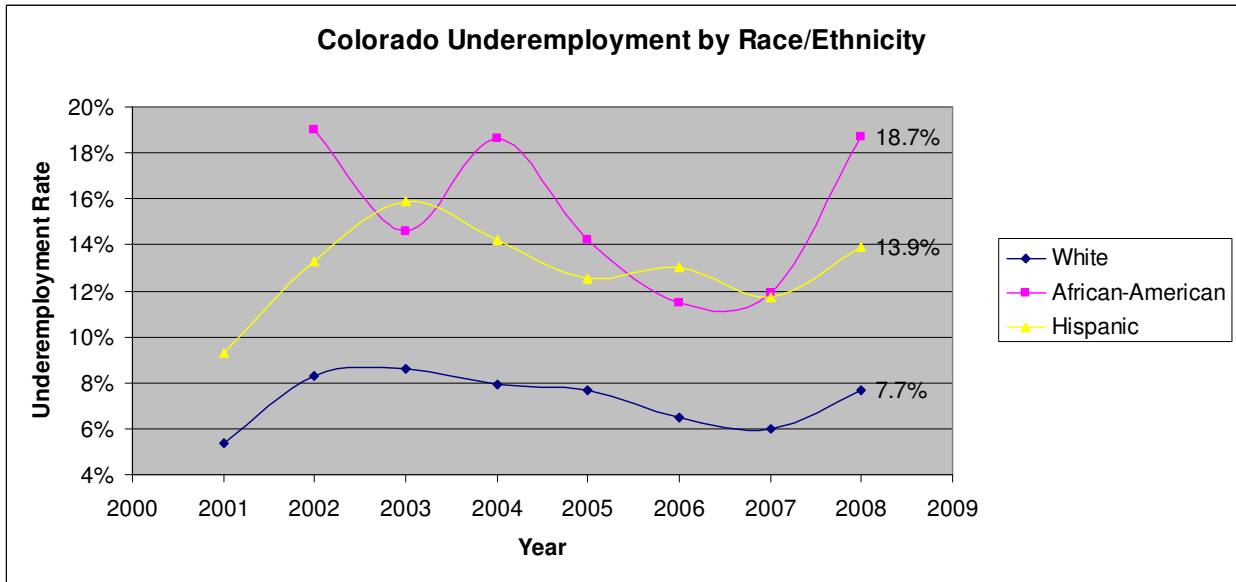


Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Race/Ethnicity

In a racial breakdown of underemployment, we see significant disparity, with African-American and Hispanic rates of underemployment substantially higher than those for whites. In 2008, the African American (18.7) and Hispanic (13.9%) underemployment rates were around double that for whites (7.7%). (Fig. 32) This means that minorities in Colorado find it substantially harder than their white counterparts to find work, in expansions and recessions.

Figure 32

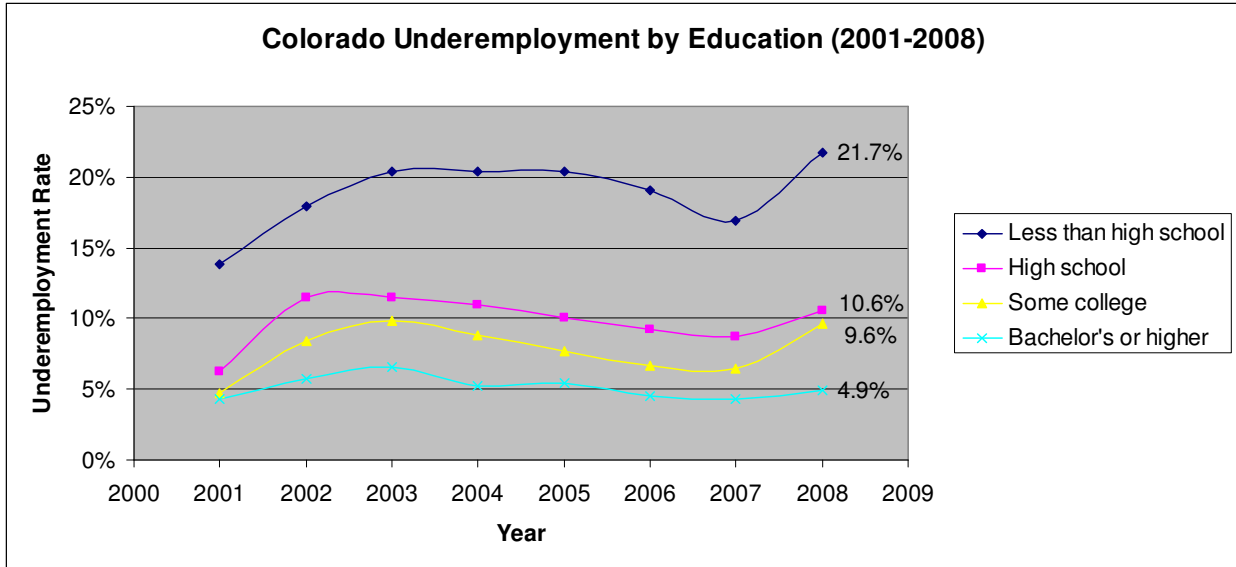


Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Education

In an educational breakdown of underemployment we again see the correlation between higher levels of education and lower levels of underemployment. Those with high school or some college are twice as likely to be underemployed than those with a bachelor's degree or more, and those with less than a high school education are four times as likely to be underemployed. (Fig. 33)

Figure 33



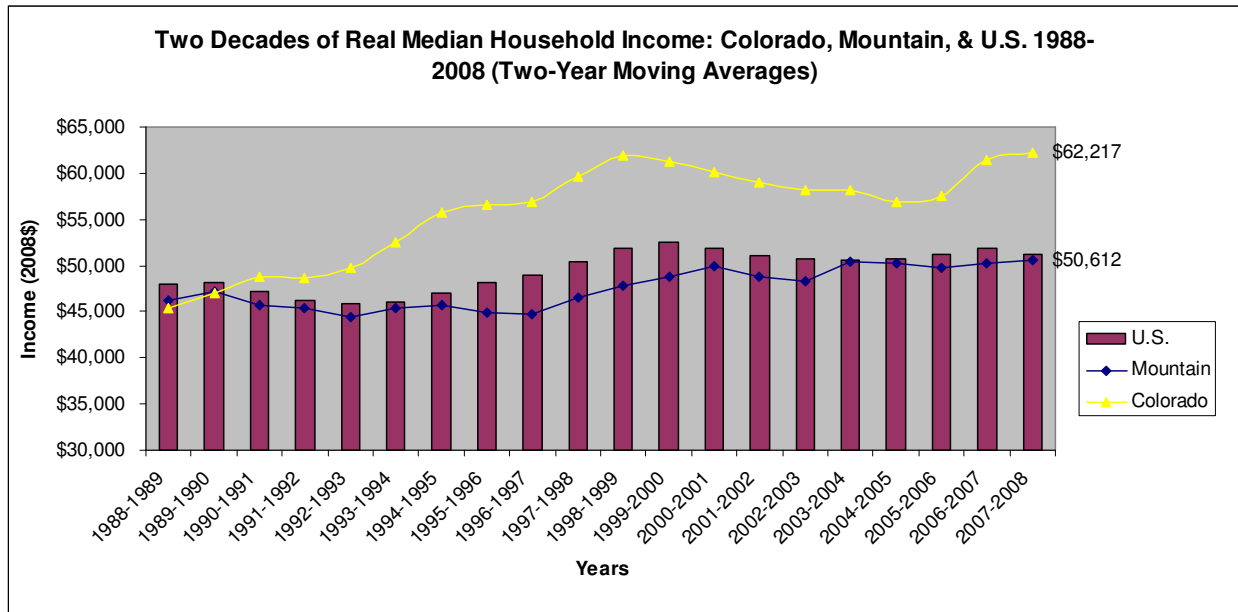
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

CHAPTER THREE: INCOME AND WAGES

Household Income

If all households were lined up by income level, the median household income of the group would be the amount earned by the household in the very middle of the pack. The median value is often more representative of the majority than a mean (average) value, which can be skewed (upward, in the case of income) by extreme outliers. Like many other measures of economic potential in the state, Colorado median household income is high relative to averages in the mountain division¹³ and U.S. Colorado has maintained this advantage over its peers for close to two decades now. (Fig. 34) In 2008, the median household income in Colorado was \$56,993, versus \$52,029 for the U.S. (Fig. 35)

Figure 34



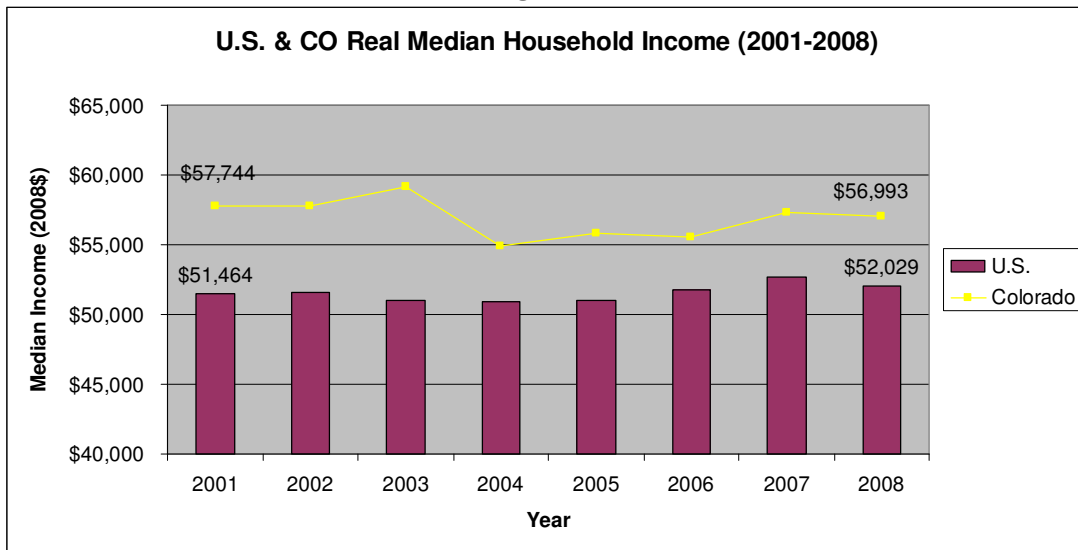
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

¹³ See note 7 for mountain division states

Income Stagnation

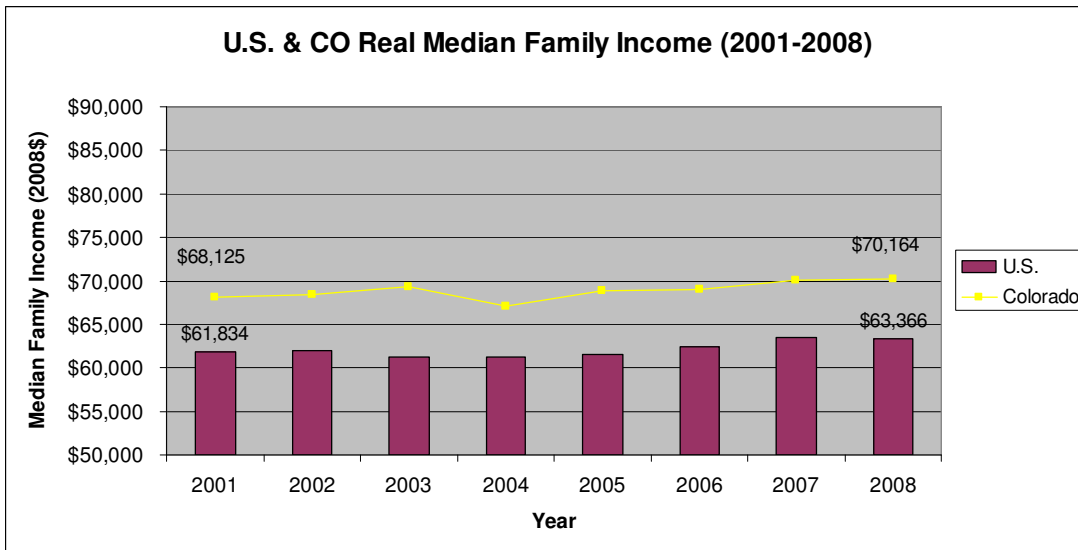
Colorado’s notably higher income is evident whether income is measured by family or household. (Figs. 35 & 36) What is less encouraging is the stagnation seen in state and national income levels. While Colorado maintains its advantage over the U.S. average, ranking nationally 14th in median household income, the state has seen no statistically significant changes in real median household income since 2001.¹⁴ This means that while on the whole productivity, profits, and domestic product have grown substantially over the past decade, the average Colorado worker enjoyed none of the benefits from these gains. The 2000s may well become known as the lost decade from Colorado income.

Figure 35



Source: Economic Policy Institute Analysis of U.S. Census American Community Survey

Figure 36



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

¹⁴ Author’s analysis of 2008 U.S. Census CPS income data.

Income Distribution

Household income varied substantially within the state, with the highest reported median income in Douglas County (\$98,871) and the lowest reported in Pueblo County (\$42,628). (Fig. 37) Also, while the average household in **the lowest quintile earned 23% of the Colorado median household income, on average the highest quintile earned 14 times or more than 300% of the median Colorado household income.** What’s more, the top five percent of households earned close to 600% of Colorado the median income, earning on average 25 times more than those in the lowest quintile.¹⁵ (Figs. 38 & 39)

Figure 37

Colorado Median Household Income by County (2008)

Region	Median Income (2008\$)
Colorado	\$56,993
Pueblo County	\$42,628
Denver County	\$45,831
Mesa County	\$55,738
Weld County	\$56,065
Larimer County	\$56,331
Adams County	\$56,529
Arapahoe County	\$58,334
El Paso County	\$59,216
Jefferson County	\$66,344
Boulder County	\$66,463
Douglas County	\$98,871

Source: Author’s Analysis of U.S. Census American Community Survey

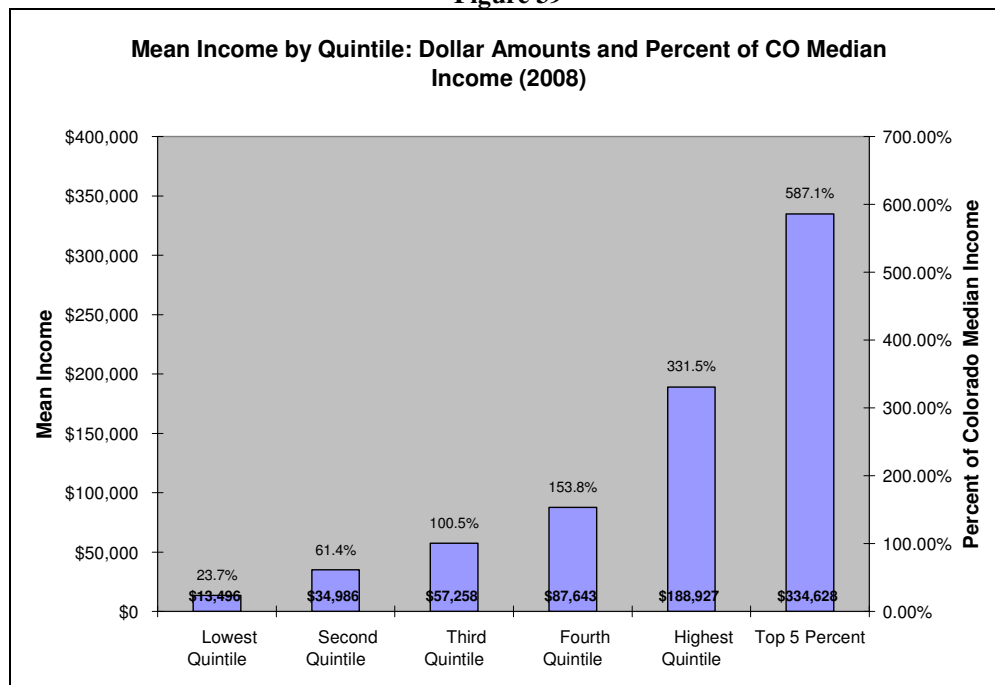
Figure 38

Colorado Household Income Distribution by Quintile vs. State Median Income (2008)

	Income	Percent of CO Median Income
Median Income	\$56,993	100.0%
Quintile Means:		
Lowest Quintile	\$13,496	23.70%
Second Quintile	\$34,986	61.40%
Third Quintile	\$57,258	100.50%
Fourth Quintile	\$87,643	153.80%
Highest Quintile	\$188,927	331.50%
Top 5 Percent	\$334,628	587.10%

Source: Author’s Analysis of U.S. Census American Community Survey

Figure 39



Source: Author’s Analysis of U.S. Census American Community Survey

¹⁵ “Quintile Mean” refers to the average income of those earning within a 20% band of the total income distribution

Income Demographics

Family Size

While household income represents, “the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not,” Family income is the sum of “incomes of all members 15 years old and over related to the householder,” whether or not those individuals live with the householder.¹⁶ Since many households include only one person, family income is typically greater than individual income.

At \$70,164 Colorado’s median family income is higher than the national median (\$63,366), and ranks 12th highest among states.¹⁷ A breakdown of income by family characteristics reveals the difficulties for large families, where resources are spread thinner and thinner with additional family members. (Fig. 40)

Figure 40
Colorado Median Family Income by Family Size & Number of Earners (2008)

	Median Income	
Colorado	\$70,164	
Size of Family		Income Per Family Member
2-person families	\$64,985	\$32,493
3-person families	\$69,977	\$23,326
4-person families	\$81,644	\$20,411
5-person families	\$73,105	\$14,621
6-person families	\$74,100	\$12,350
7-or-more-person families	\$74,289	\$10,613 or less

Source: U.S. Census American Community Survey, 2008

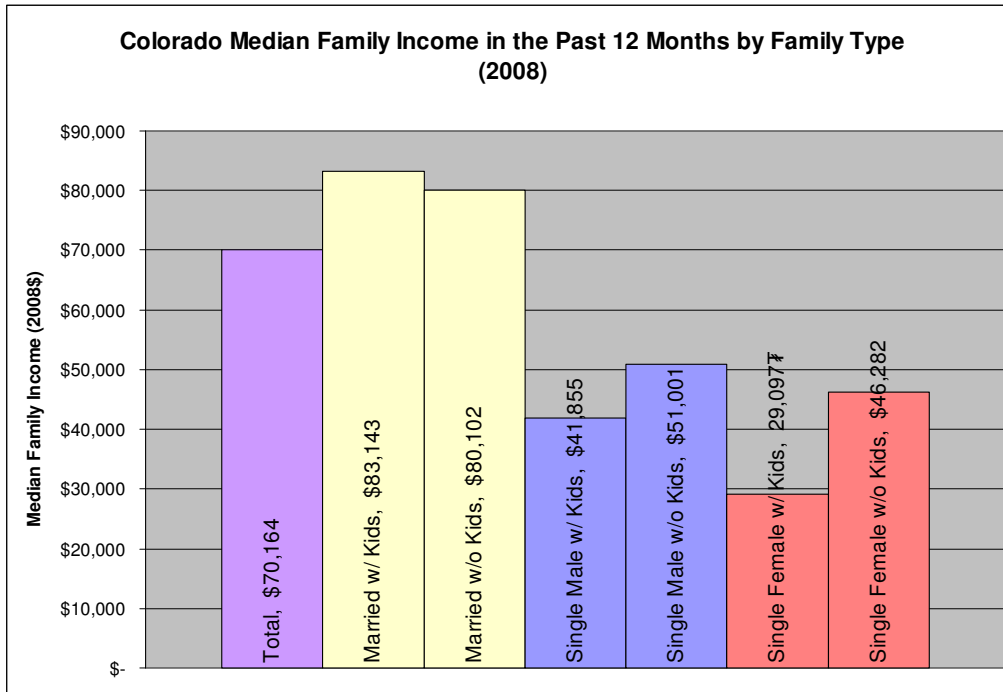
¹⁶ “American Community Survey 2008 Subject Definitions.” U.S. Census Bureau, p57.

¹⁷ Author’s analysis of 2008 U.S. Census American Community Survey Income Data

Family Type

Family characteristics also play a huge role in understanding family income levels. In 2008, Colorado married couple households made more than the median family income, with child-raising families making more than childless families. This trend is reversed for single-parent households, where families with children report significantly lower incomes than families without kids. Furthermore, single-mother families make significantly less than single-father families. (Fig. 41) These numbers are troubling and point to the huge strain placed on single parents —most especially single mothers.

Figure 41



Source: Author's Analysis of U.S. Census American Community Survey

Race

While Colorado boasts relatively high income levels overall, a closer look reveals deep disparities in economic well-being along racial lines. Whether examined by household or by earner, incomes for African Americans and Hispanics in Colorado substantially lag those for whites. **In 2008 Hispanics earned almost exactly half what whites earned per capita, and African Americans earned 36% less than their white counterparts.** (Fig. 42)

Figure 42
Colorado Individual & Household Income by Race 2008

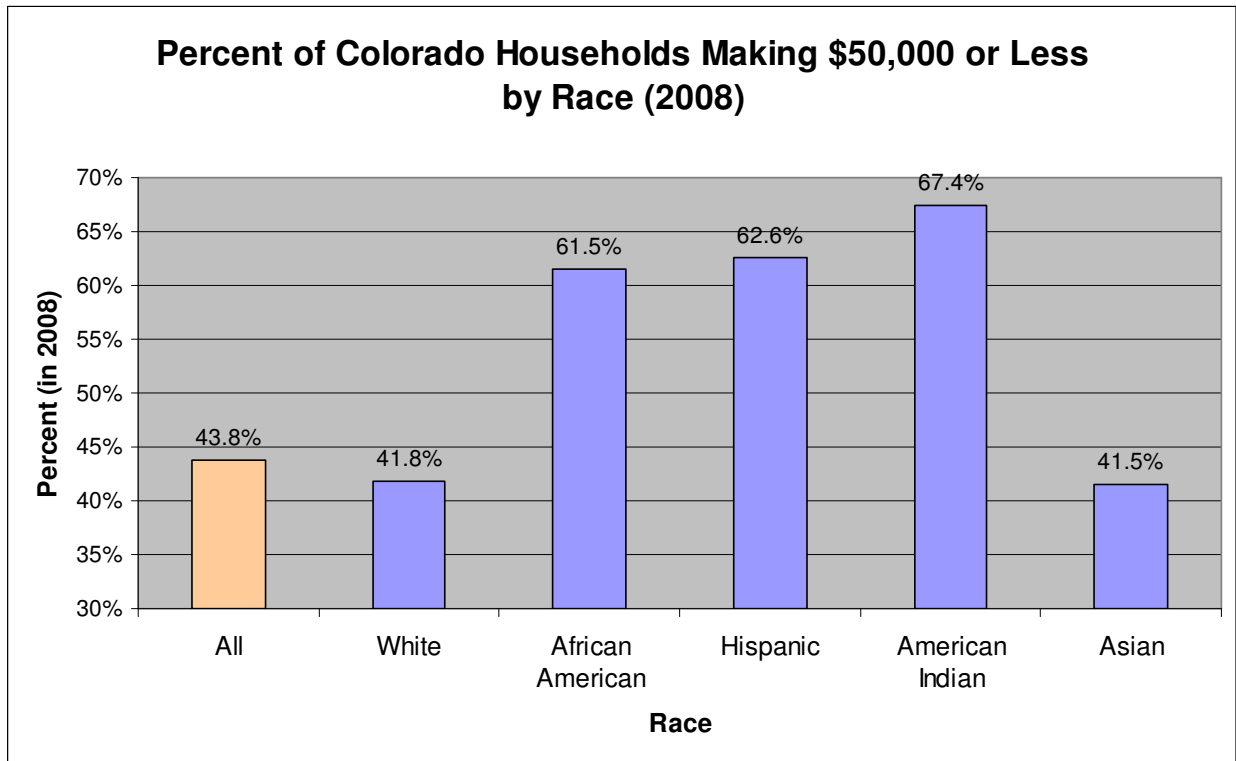
Race	2008 Colorado Median Household Income	% Difference from White (If Statistically Significant)	2008 Colorado Per Capita Income	% Difference from White (If Statistically Significant)
All	\$58,993		\$30,471	
White	\$59,822		\$32,458	
Black	\$35,834*	-40.10%	\$20,752*	-36.10%
Hispanic	\$37,683*	-37.00%	\$15,315*	-52.80%
Asian	\$60,948		\$29,873 *	-7.96%

* statistically significant from white level

Source: Author's Analysis of U.S. Census American Community Survey

Looking at wage bands of households we again see large racial disparities. While 43% of all Colorado households and 42% of white households earn less than \$50,000, **a whopping 62%, 63%, and 67%, of African American, Hispanic, and American Indian households make less than \$50,000 per year respectively.** (Fig. 43)

Figure 43

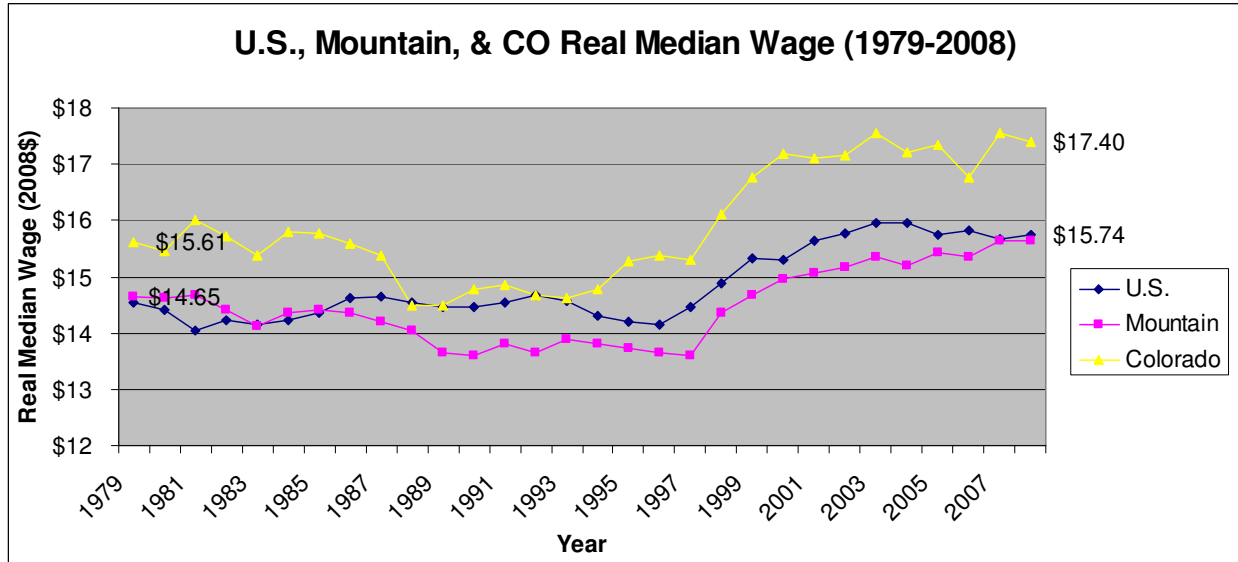


Source: Author's Analysis of U.S. Census American Community Survey

Wages

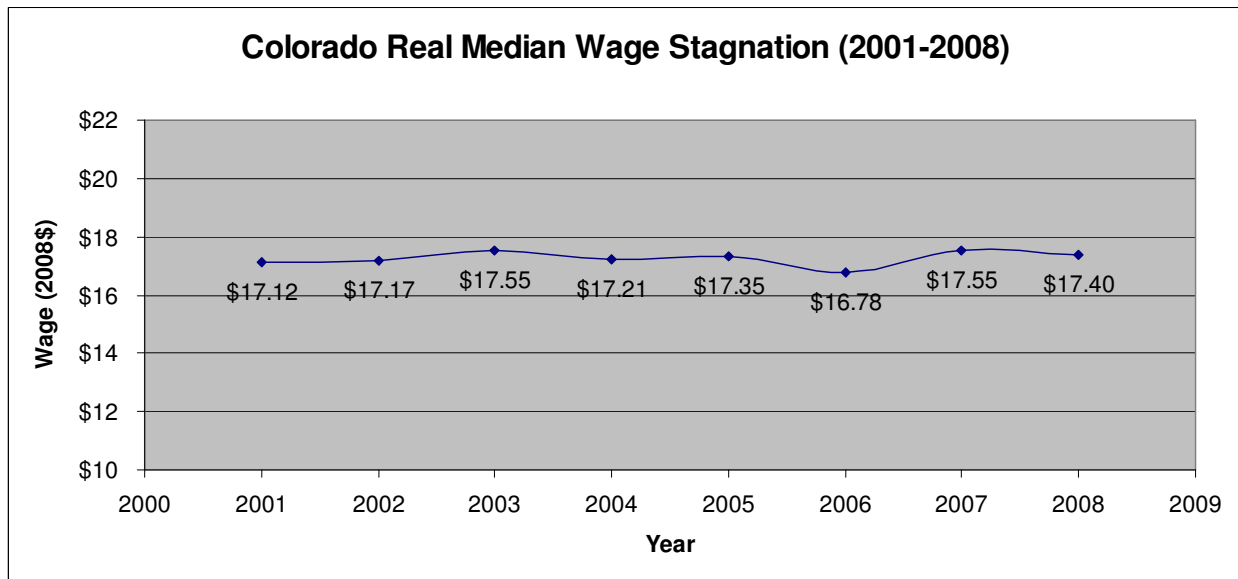
In 2008, the Colorado median hourly wage was \$17.40 — the 8th highest in the nation.¹⁸ As is the case for statistics of income, Colorado’s regional and national advantage in wages has been prominent across time. (Fig. 44) But also like income, wages in Colorado have stagnated since 2001 when the real median wage was \$17.10. Sadly, the average Colorado worker has seen little advancement in real earnings in the first decade of the 21st century, whether measured by income or wages. (Fig. 45)

Figure 44



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Figure 45



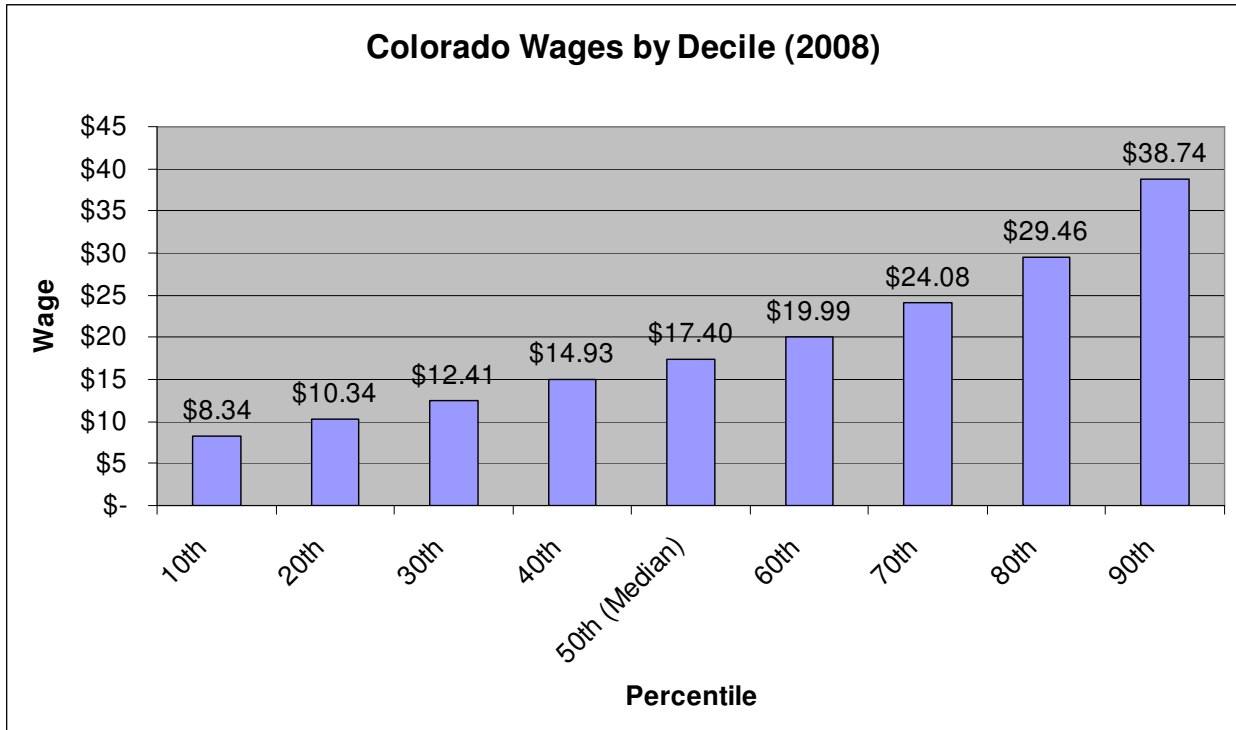
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

¹⁸ 2008 U.S. Census Current Population Survey

Wage Distribution

Like income (see Fig. 39), wages vary substantially between high and low earners. The average wage for the lowest-earning 10 percent of Colorado’s workforce is roughly half that of the state median wage. The average wage of earners in the 90th percentile is roughly double the median wage. The 90-10 wage ratio is approximately 4.5. (Fig. 46)

Figure 46



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

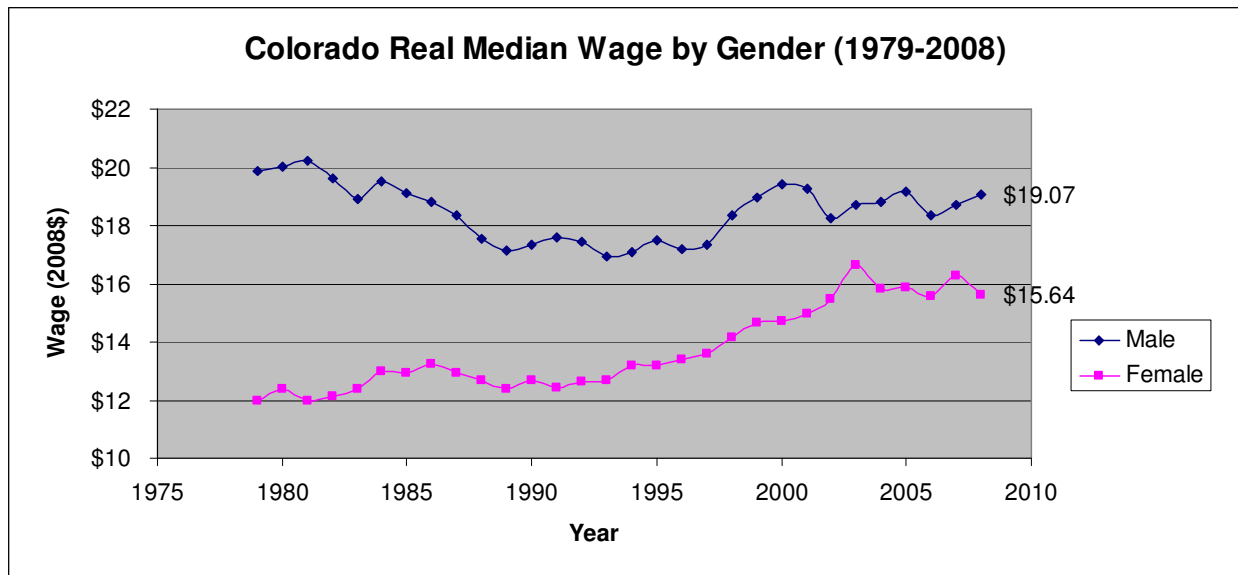
Wage Demographics

Gender - Overall

In 1980 the median wage for a woman in Colorado was almost half that for a man. Since that time women have made substantial gains in earnings relative to men in the state, with roughly a 30% increase in real median wage. At the same time, men in Colorado have seen stagnation in real wages, with the point estimate from the male real median wage in Colorado in 2008 actually below that in 1980. (Fig. 47)

However, while substantial gains in wages have been made by women recently, the real median wage for a woman in 2008 was still only 82% of that for a man. The existence and degree of gender discrimination in Colorado wages is unknowable at this level of analysis, but it is clear that wage inequality — though attenuated in the past two decades — still exists between genders in Colorado. (Fig. 47)

Figure 47



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Gender – Industry Breakdown

An industry-level comparison of average income by gender further reveals the extent and texture of earning inequality between genders in the state. Of the 20 aggregate industry categories used by the Census, only in two do women earn the same or more than their male peers on average. **On average, income for women is 77% that of men in the same industry.** Women working in enterprise management face the most inequality, where their average wage is less than half of their male colleagues. Women in agriculture, forestry, fishing and hunting do the best relative to men, making 3% more on average. (Fig. 48)

While this analysis alone still does not confirm the existence of gender decimation, it is highly suggestive, since factors that influence earning potential likely vary less severely when gender earning comparisons are made within industries.

Figure 48

2008 Colorado Industry Income by Gender (dollars)				
INDUSTRY	Male	Female	Difference	% Female/Male
Overall For Gender	47,561	36,693	10,868	77.15%
Management of companies and enterprises	100,000+	48,141	51,859+	48.14%
Finance and insurance	66,344	41,391	24,953	62.39%
Professional, scientific, and technical services	79,423	51,019	28,404	64.24%
Arts, entertainment, and recreation	40,713	27,188	13,525	66.78%
Health care and social assistance	51,627	35,044	16,583	67.88%
Utilities	64,912	47,169	17,743	72.67%
Public administration	62,360	47,654	14,706	76.42%
Retail trade	37,001	28,412	8,589	76.79%
Mining, quarrying, and oil and gas extraction	70,526	54,378	16,148	77.10%
Manufacturing	51,570	39,909	11,661	77.39%
Transportation and warehousing	46,646	36,408	10,238	78.05%
Information	61,782	48,958	12,824	79.24%
Real estate and rental and leasing	47,444	37,890	9,554	79.86%
Other services, except public administration	37,000	30,208	6,792	81.64%
Wholesale trade	50,095	41,093	9,002	82.03%
Educational services	46,142	39,177	6,965	84.91%
Accommodation and food services	25,237	22,110	3,127	87.61%
Administrative and support and waste management services	35,132	31,423	3,709	89.44%
Construction	40,516	40,657	(141)	100.35%
Agriculture, forestry, fishing and hunting	27,762	28,645	(883)	103.18%

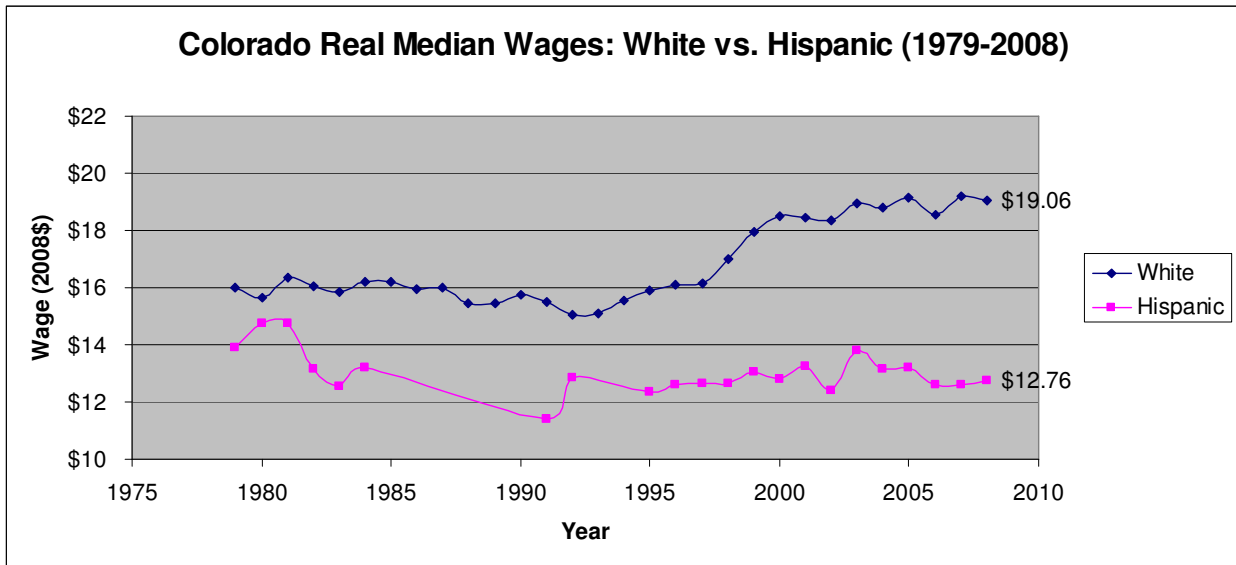
Source: Author's Analysis of U.S. Census American Community Survey

Race

Unfortunately comprehensive historical wage data for all races are not available for Colorado (in the data sets used for this report). Thus here we examine only the wages of whites and Hispanics, for which good data are available. The difference is striking.

Whites in the state have made substantial gains in wages — increasing roughly 25% since 1980 with most all the gains realized in the 1990s. **On the other hand, Hispanics largely missed out on the wage gains of the nineties**, experiencing dramatic wage stagnation during the same period. (Fig. 49)

Figure 49



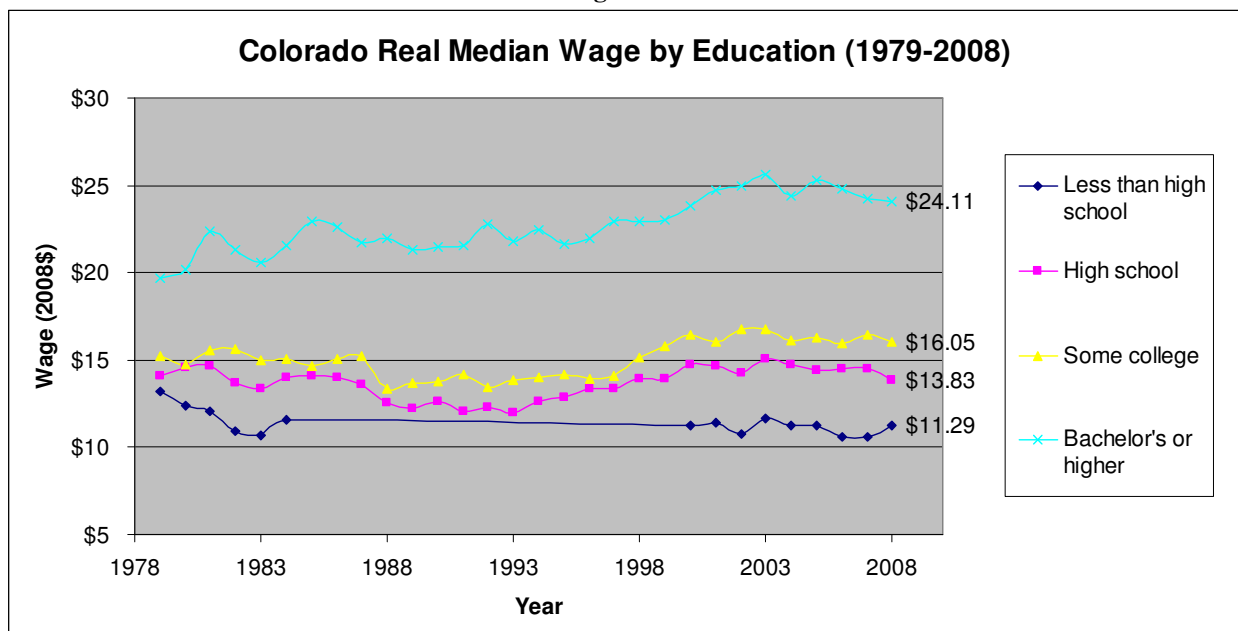
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Education

Two distinct trends emerge in a breakdown of Colorado wages by educational attainment. First, there exists a **marked striation in earning levels among different levels of education**. In any given year, citizens with more education earn more. In 2008, Coloradans with a bachelor's degree or higher earn more than twice what Coloradans with less than a high school degree do. In the same year, completing high school translated into a 22% increase in wages, having some college translated into 16% higher wages than only completing high school, and moving beyond a college degree meant 50% higher wages than just having some college experience.¹⁹ (Fig. 50)

The second notable trend is **a dramatic growth in the benefit of higher education in Colorado**. While real wages for those with a high school degree or less remained largely stagnant or decreased slightly over the past 20 years, wages for those with some college increased slightly, and earnings for the most educated increased dramatically. (Fig. 50) The 20% growth in real median wage for those with a college degree or more in Colorado speaks loudly to the need for continued investment in higher education and the K-12 system needed to prepare children college — especially in the context of wage stagnation for those with less education.

Figure 50



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

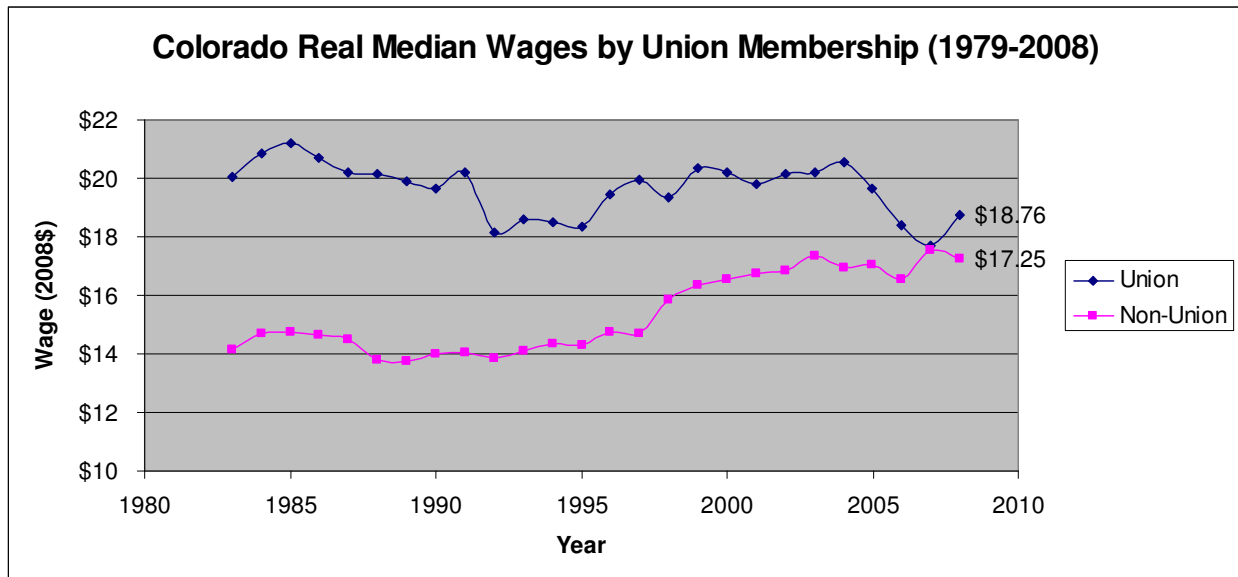
¹⁹ It is important to note that the relationships here are not purely causal. That is, it is unfair to say that completing high school will cause a twenty-some percent increase in wages. While this may or may not be the case, strictly speaking the data show only that workers with a high school degree as their maximum educational attainment earned 22% more than those who did not complete high school.

Unions

Union and non-union wages saw a strong convergence in the past two decades. While real median union wages have fallen somewhat, non-union wages in Colorado have risen substantially (over 20%) during the same period. In 2007, it appeared that this convergence was complete, with union and non-union wages within a quarter of each other (\$17.71 and \$17.53 respectively). However, 2008 and the beginning of the recession brought separation once more. (Fig. 51)

The recent re-polarization in wages between union and non-union wages underscores the benefits of union coverage. When economic conditions worsen union wages — which are set fairly rigidly by union contracts and “enforced” by union power — stay relatively stable. On the other hand, non-union wages are quite flexible in the short run and likely saw a drop as companies slashed compensation in search of cost savings.

Figure 51



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

CHAPTER FOUR: POVERTY AND ECONOMIC SELF-SUFFICIENCY

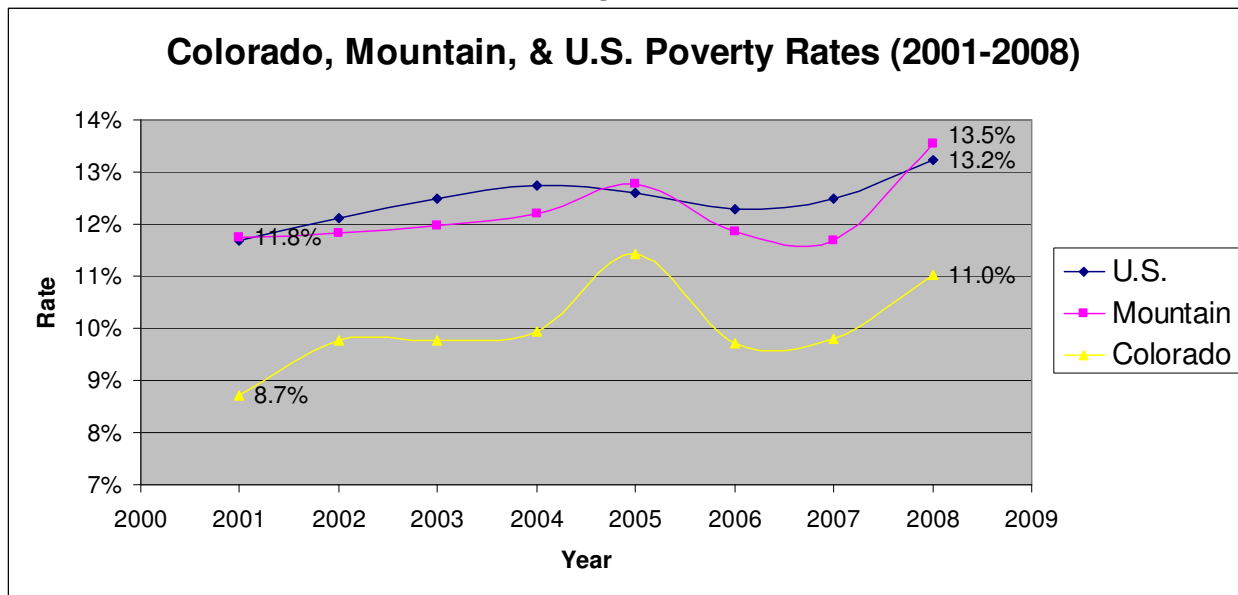
Overall Poverty

The overall poverty rate is defined as the percentage of Colorado households with income below federal poverty threshold. The Federal Poverty Level (FPL) is the amount of income earned in a year, below which a family is considered poor by the federal government. This threshold varies with family size, and is updated annually by the federal government. For a single individual the FPL was \$10,991 in 2008. For a family of 4 that year the FPL was \$22,025.²⁰

By this standard poverty in Colorado has increased since 2001. In 2008, the Colorado poverty rate stood at 11.4%, up from 8.7% in 2001. (Fig. 52) This change is statistically significant, and places Colorado 33rd nationally in overall poverty.²¹

As we examine the 2008 poverty figures for Colorado, we should again be mindful of the fact that while Colorado was clearly worse off in 2008 than in 2001, the worst of the recession has yet to be seen in the data.

Figure 52



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

²⁰ See the Appendix for 2009 Federal poverty levels. The poverty level is roughly \$22,000 a year in income for a family of four.

²¹ EPI analysis of U.S. Census American Community Survey data

Geographic Poverty Trends

There is great variation in poverty evident within the state, despite the fact that only 11 counties and 13 municipalities are large enough to be considered by the American Community Survey poverty data.²² **Among municipalities, poverty rates range from as low as 1.9% in Highlands Ranch to 21.7% in Greeley. Among the 11 out of 64 counties included in the ACS data, poverty rates range from 18.4% in Denver County to 4% in Douglas County.** (Fig. 53) Data for all counties, including smaller counties will be captured by the 2010 census and likely show similar variation. This is one reason why a state-level examination of poverty is only the starting point for understanding poverty and self-sufficiency in Colorado.

Figure 53
Percent of Households Below 100% of the Poverty Level (2008)

City	Poverty Rate	County	Poverty Rate
Greeley	21.7%	Denver	18.4%
Pueblo	20.4%	Pueblo	16.7%
Boulder	18.6%	Weld	12.6%
Fort Collins	16.0%	Adams	12.5%
Aurora	15.4%	Larimer	12.4%
Lakewood	13.0%	El Paso	10.8%
Colorado Springs	11.8%	Boulder	10.7%
Longmont	10.7%	Arapahoe	10.4%
Loveland	7.2%	Mesa	10.3%
Westminster	7.0%	Jefferson	8.0%
Centennial	4.4%	Douglas	4.0%
Arvada	4.0%	<i>Source: U.S. Census American Community Survey</i>	
Highlands Ranch	1.9%		

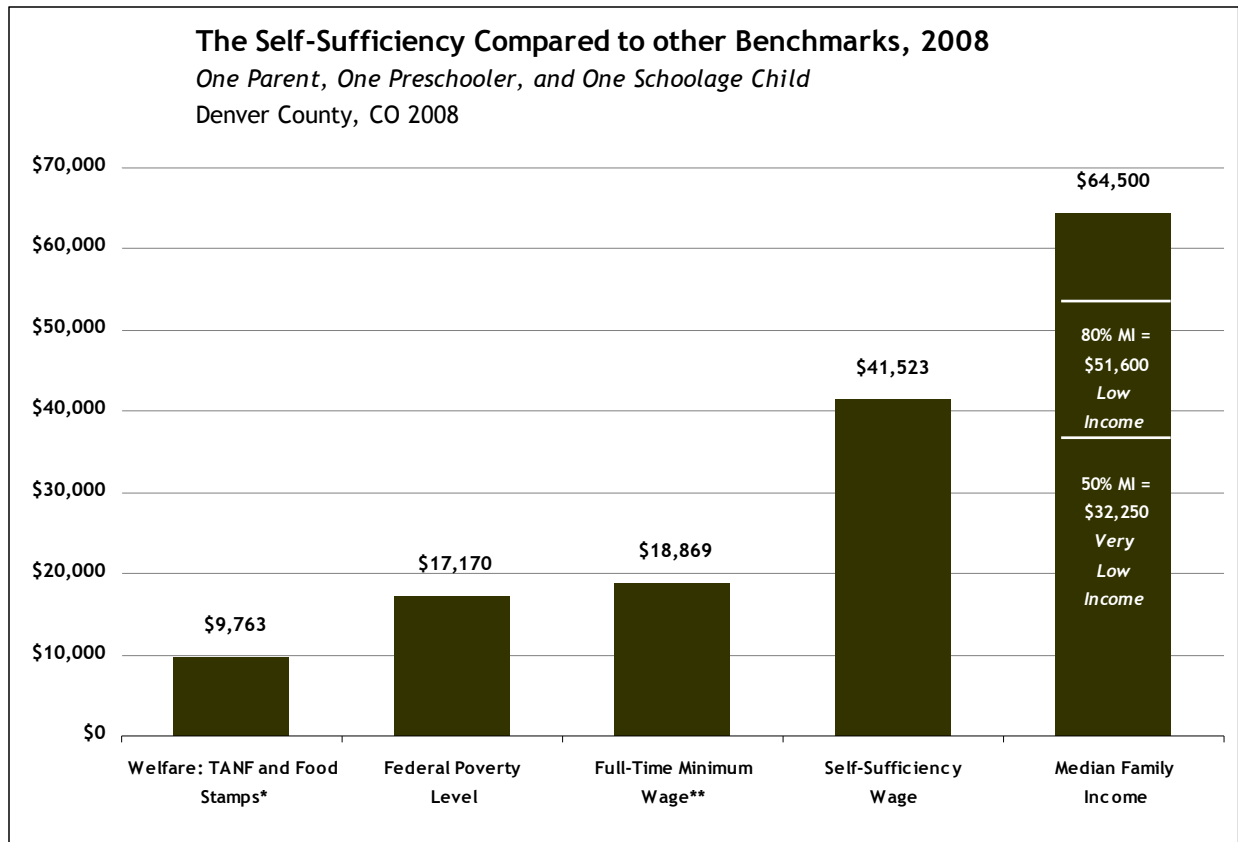
²² ACS one-year estimates are for localities with 65,000 or more residents.

The Self-Sufficiency Standard

While most federal data center on 100 percent of the poverty level²³, most experts agree that the federal poverty level — and thus the federal poverty rate — seriously underestimate the costs of modern living. As such, many have calculated alternative measures of family well-being, such as the Self-Sufficiency Standard. The Self Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs — without public assistance.²⁴

The Self-Sufficiency Standard and other evaluations of realistic needs demonstrate that 150, 200, and even 400 percent of the federal poverty level represent more realistic poverty “cutoffs.” (Fig. 54) Thus counts of families living with less income than these multiples of the FPL are a better indicator of the number of families struggling with poverty and economic hardship.

Figure 54



Source: Self-Sufficiency Standard for CO, 2008

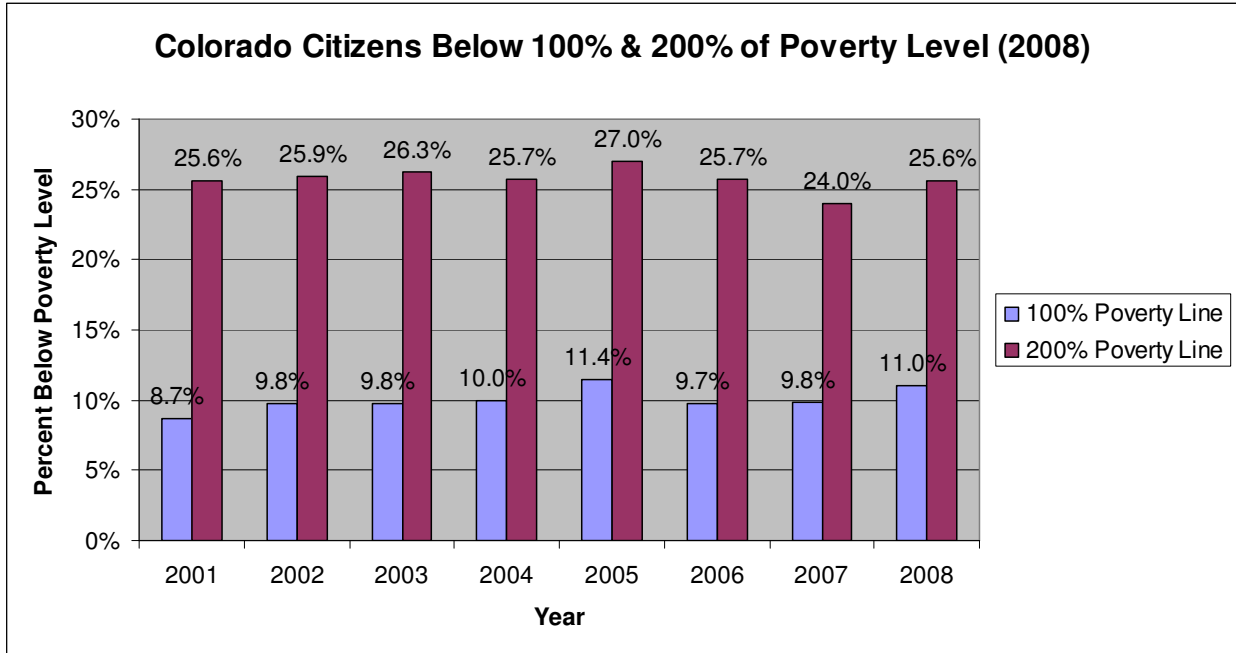
²³ See the Appendix for 2009 Federal poverty levels. The poverty level is roughly \$22,000 a year in income for a family of four.

²⁴ Pearce, Diana. “The Self-Sufficiency Standard for Colorado 2008: A Family Needs A Budget.” [University of Washington](#). Prepared for the Colorado Fiscal Policy Institute. 2008.

Living Below Twice the Federal Poverty Level

Applying this approach for overall poverty levels we can see that while about 10% of Coloradans were below the federal poverty level in 2008, **more than a quarter lived in the impoverished conditions represented by 200% of the level.** (Fig. 55)

Figure 55



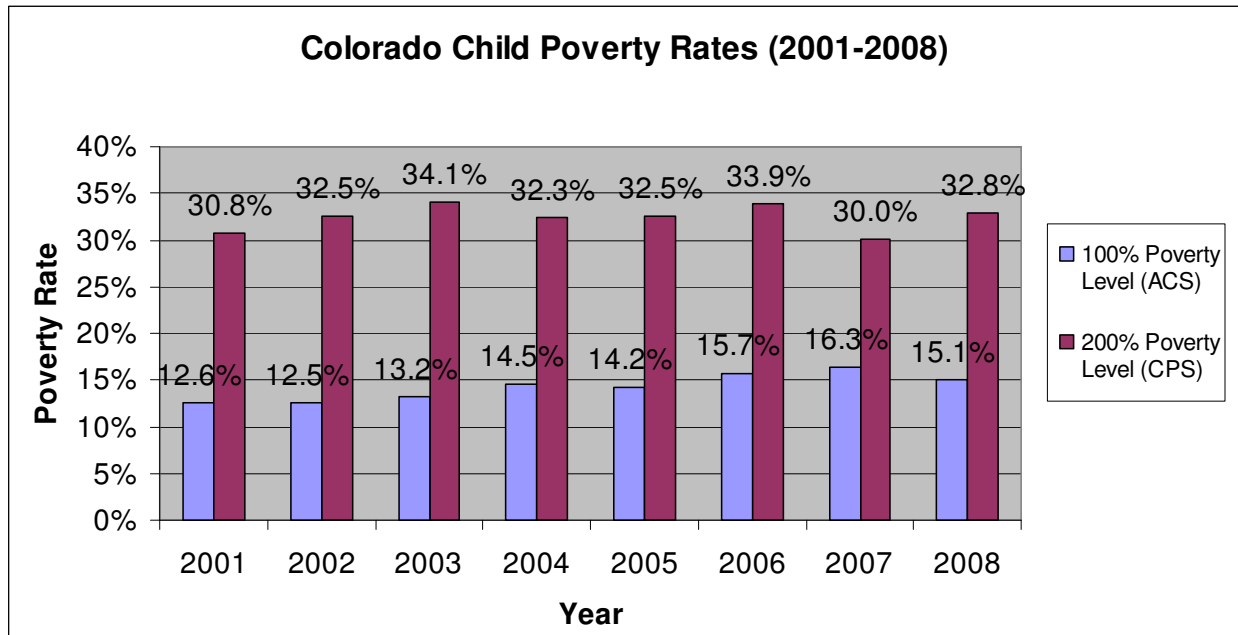
Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

Child Poverty

The child poverty rate is defined as the percentage of children under the age of 18 living in a household earning less than the federal poverty level. **From 2000 to 2006, Colorado had the fastest-growing child poverty rate in the nation. From 2000 to 2008, the number of children living in poverty increased by 72 percent, placing Colorado in the top five states with the biggest increases in poor children.**²⁵

In 2008, this translated into some 15%, or 179,000 kids living below 100 percent of the poverty level, and 33% living below 200 percent of the FPL. (Fig. 56) Disturbingly, both of these poverty metrics are notably higher for children than the state as a whole. (Fig. 57)

Figure 56



Source: U.S. Census Current Population Survey & American Community Survey
ACS & CPS figures are not strictly statistically comparable due to differing survey methodology.

Figure 57

Colorado Poverty Levels by Age (2008)

Age Group	Poverty Rate
Overall Rate	11.4%
Under 18 years	15.1%
Related children ²⁶ under 18 years	14.8%
18 to 64 years	10.5%
65 years and over	8.4%

Source: U.S. Census American Community Survey

²⁵ Colorado Children’s Campaign 2009 analysis of U.S. Census American Community Survey.

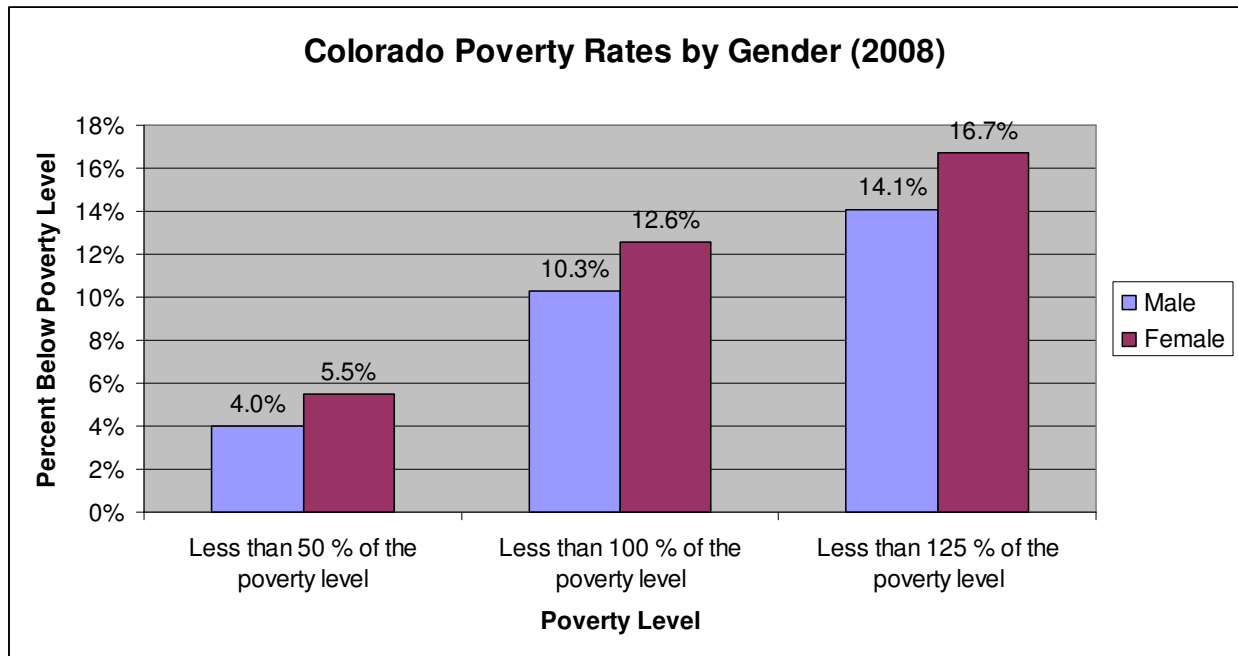
²⁶ The “related children” category includes only children related to the head of the household surveyed (ACS is a household-based survey).

Poverty Demographics

Gender

Poverty rates at 50%, 100%, and 125% levels are all higher for women than men within the state. (Fig. 58) This likely relates to lower wages for women in Colorado (see the wages gender section, pp42-43) and the greater likelihood of the financial burden of children (see Fig. 59).

Figure 58

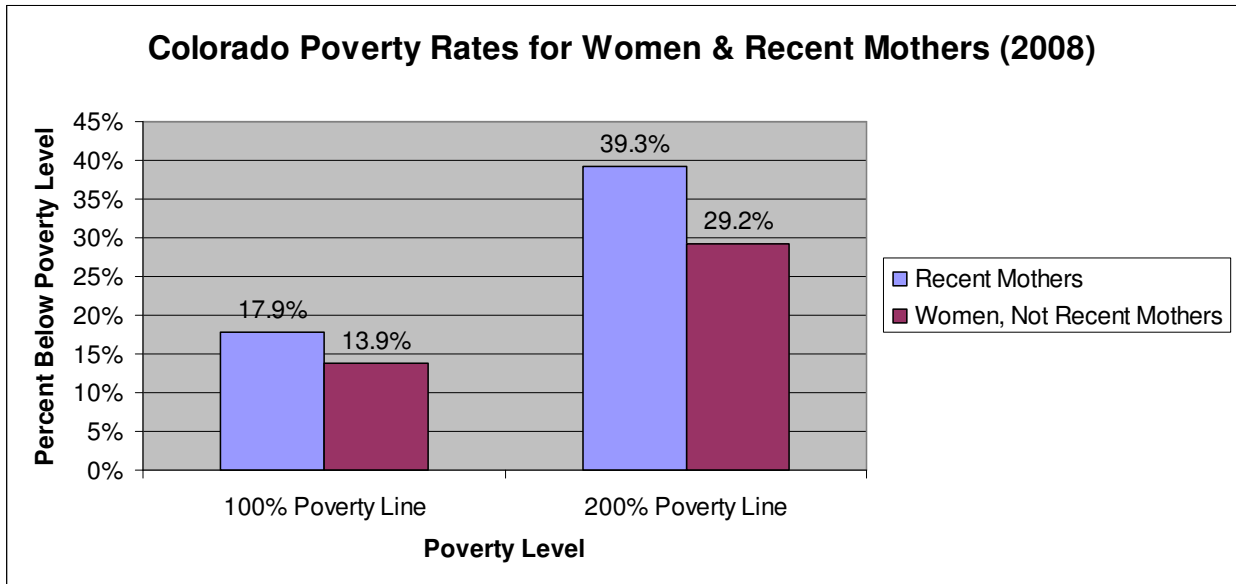


Source: Economic Policy Institute Analysis of U.S. Census American Community Survey
Differences between genders are statistically significant for all poverty levels shown.

Recent Mothers

While all women have higher rates of poverty than men, recent mothers²⁷ in Colorado experience substantially higher rates of poverty than their female peers. In 2008, a whopping 39.3% of new mothers in **Colorado earned less than 200 percent of poverty level sometime in the year prior to being surveyed, and 17.9 % of recent mothers earned less than 100 percent of the poverty level.** For comparison, 13.9% of similarly-aged women who had not given birth in the last year lived below 100 percent of the poverty line and 29.2% lived below 200 percent of the line. (Fig. 59)

Figure 59



Source: Author's Analysis of U.S. Census American Community Survey

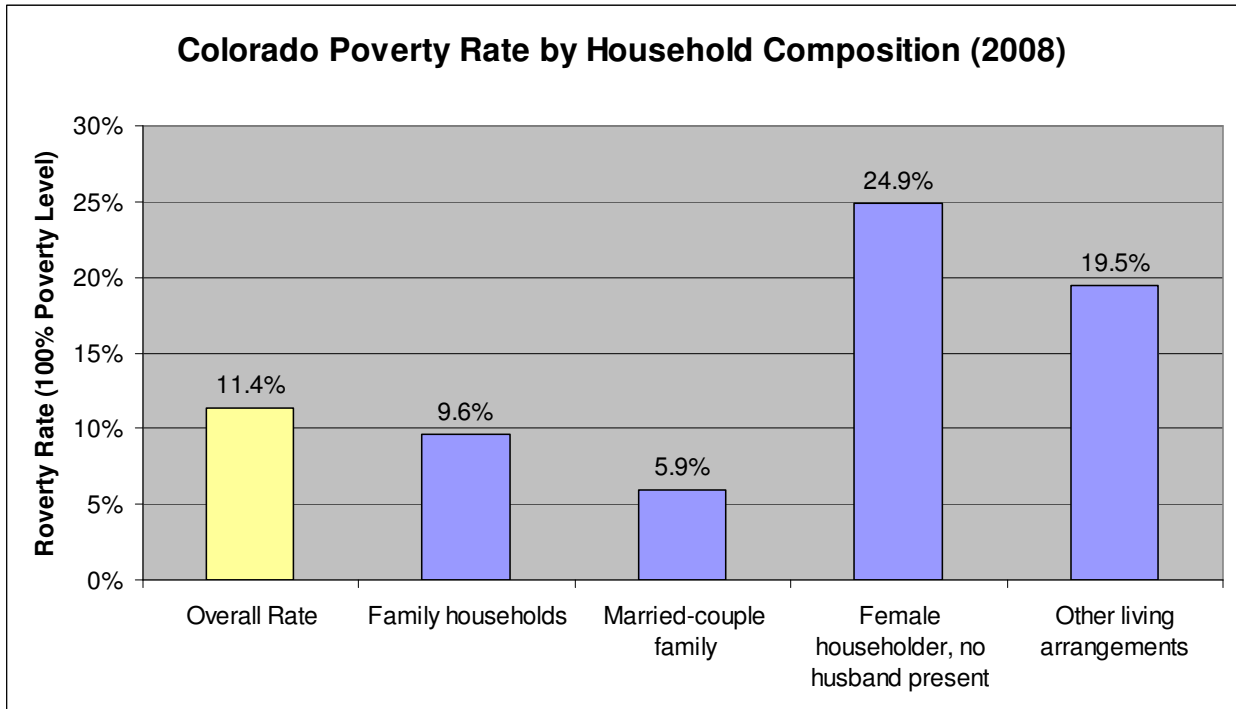
Universe = women 15-50 yrs old; "Recent mothers" are women having given birth in the past 12 months.

²⁷ i.e. Colorado women aged 15 to 50 who had given birth sometime in the year prior to being surveyed

Household Composition

Family composition also plays an important role in poverty rates. In 2008, the overall poverty rate for families (9.6%) was lower than the rate for Colorado as a whole (11.4%), as was the rate for married-couple families (5.9%). On the other hand, **nearly a quarter of all single female households live in poverty — over twice the poverty rate for the state as a whole.** (Fig. 60)

Figure 60

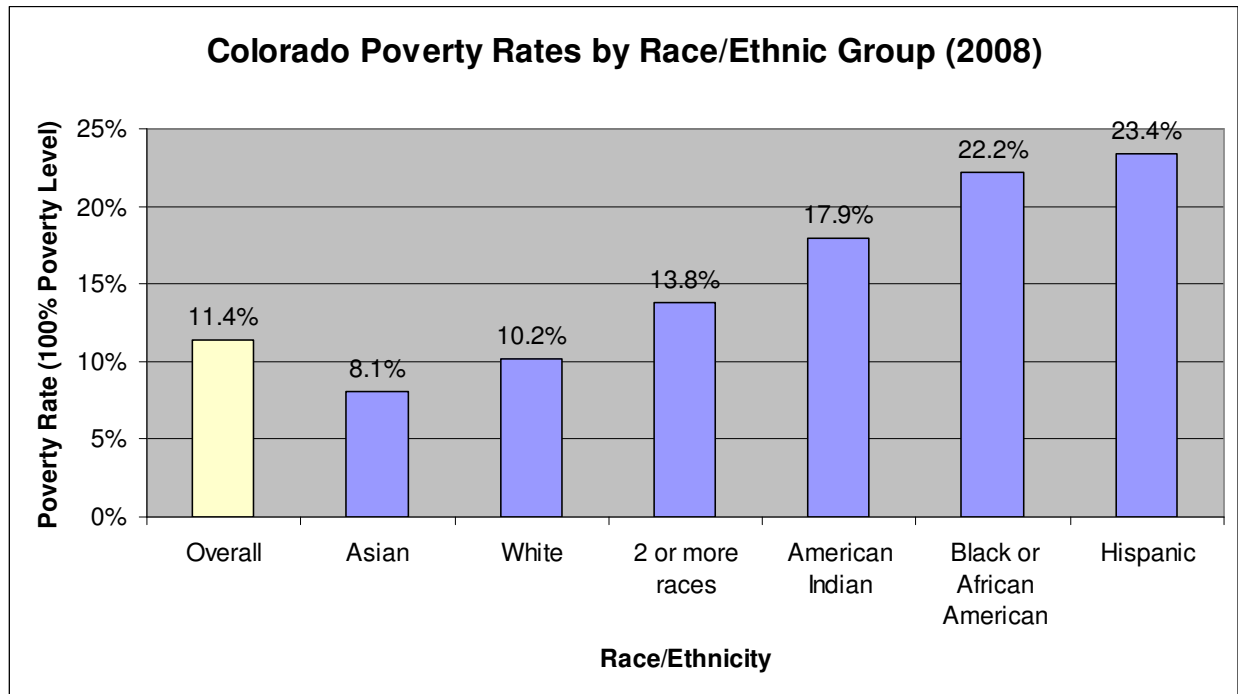


Source: Economic Policy Institute Analysis of U.S. Census American Community Survey

Race

Examining poverty rates by race we see a familiar trend. **While white and Asian populations come in under the overall rate for Colorado, American Indians, Hispanics, and African-American populations experience poverty rates far above the overall rate.** (Fig. 61)

Figure 61

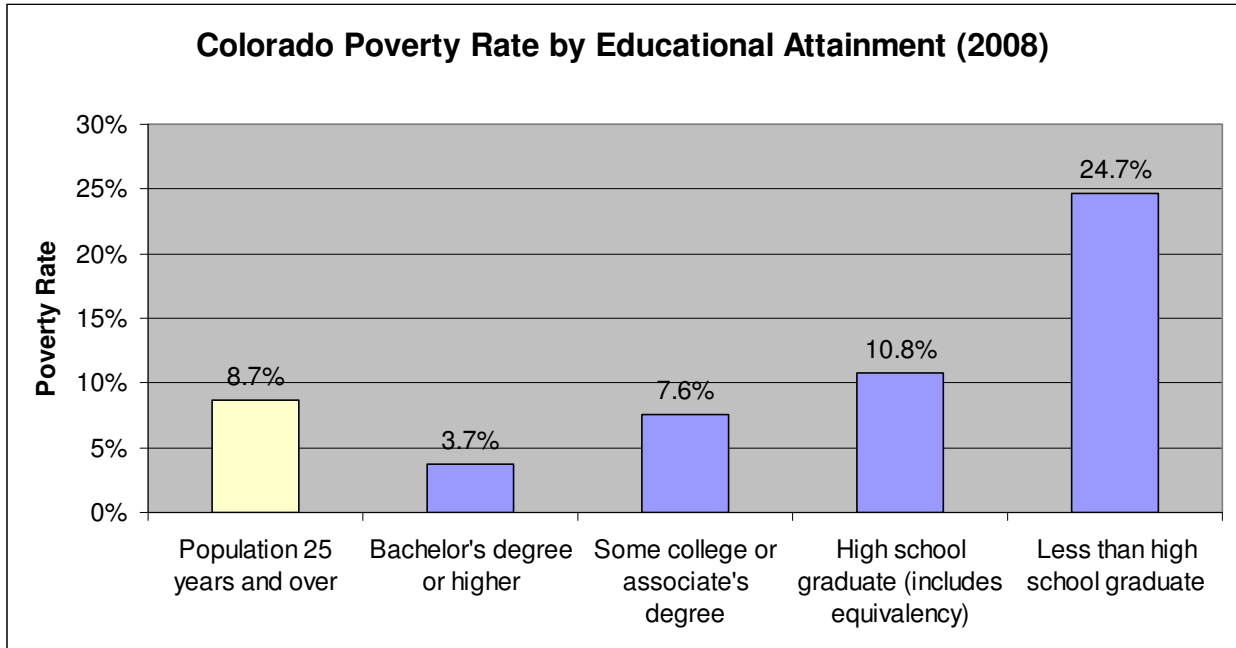


Source: Economic Policy Institute Analysis of U.S. Census American Community Survey

Education

Education is becoming more and more important in our increasingly information-based economy. As would be expected then, income and thus poverty rates are closely related to educational attainment. The less education a citizen has received, the less he or she is likely to make, and the more likely he or she is to be living below the poverty line. Bearing out this trend, **approximately one quarter of Coloradans without a high school degree lived below the poverty level in 2008.** (Fig. 62)

Figure 62

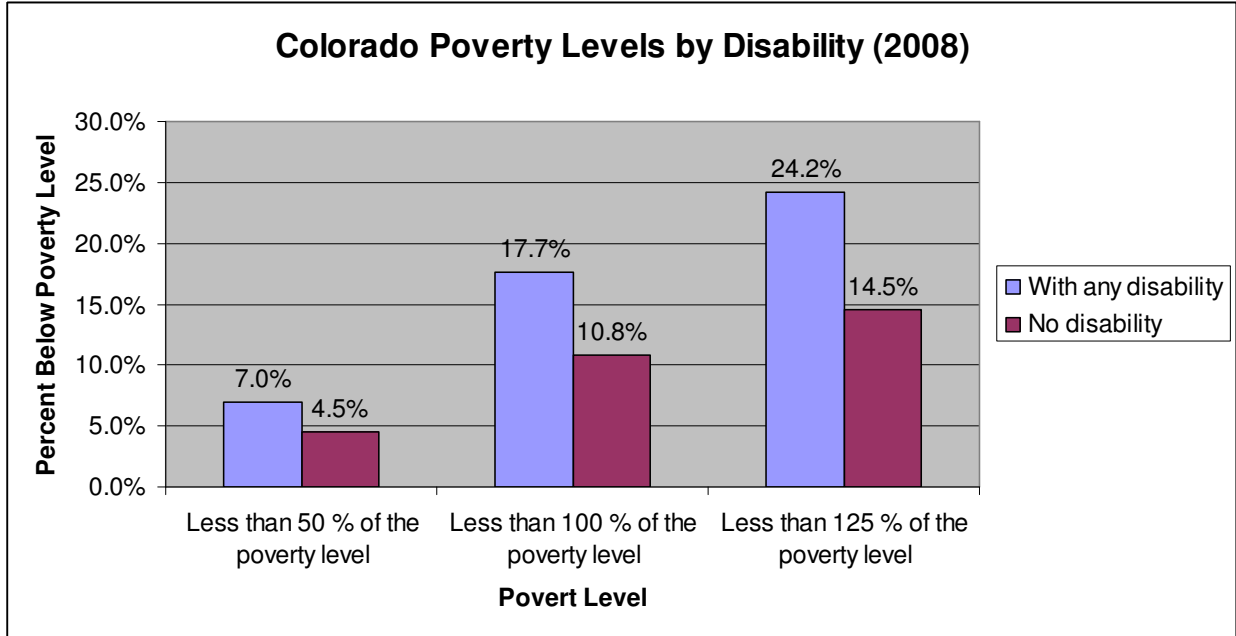


Source: Economic Policy Institute Analysis of U.S. Census American Community Survey

Disability²⁸

Coloradans with a disability have roughly 70% higher poverty rates across poverty levels. (Fig. 63)

Figure 63



Source: Economic Policy Institute Analysis of U.S. Census American Community Survey
Differences between disabled/non-disabled are statistically significant for all poverty levels shown.

Immigrants

Foreign-born Coloradans experienced nearly double the poverty rate of native Coloradans in 2008. Yet naturalized citizens exhibited a lower rate not statistically different than natives. (Fig. 64) These figures pose interesting questions for those debating immigration reform. However, whether citizenship leads to better poverty outcomes or whether the credentials required for citizenship equate to lower rates cannot be discerned from these data.

Figure 64

Colorado Poverty Rate by Citizenship Status (2008)

Citizenship Status	Poverty Rate
Native	10.30%
Foreign born	21.2%
Naturalized citizen	8.8%

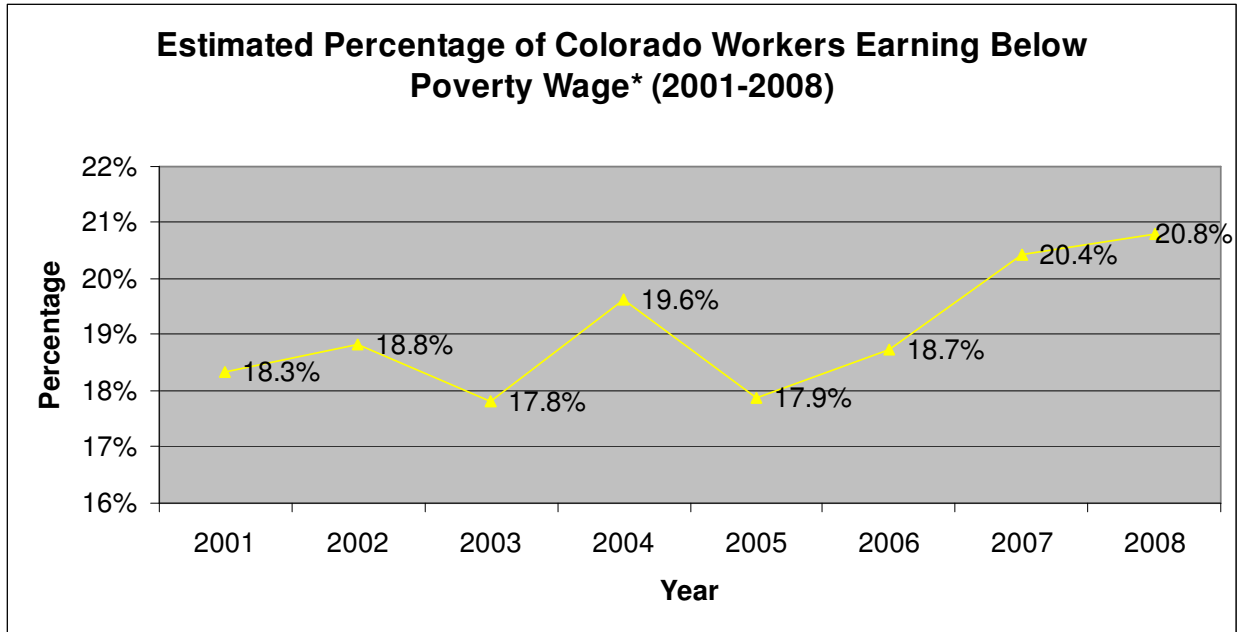
Source: U.S. Census American Community Survey

²⁸ Disability is defined as, “the restriction in participation that results from a lack of fit between the individual’s functional limitations and the characteristics of the physical and social environment.” For more on ACS disability status determination, see: “American Community Survey 2008 Subject Definitions.” U.S. Census Bureau, p38.

Poverty Wage

The “poverty wage” is the wage equivalent of the federal poverty income threshold. This number is calculated by dividing the annual federal poverty income level by the number of hours worked a year for a dollar-per-hour amount. Using the family of four poverty level, the 2008 poverty wage is \$10.59 per hour. **Since 2001, the percentage of Coloradans earning below the poverty wage increased from 18% to almost 21%.** (Fig. 65) This means that fewer Coloradans are able to earn enough to stay out of poverty, even working full time.

Figure 65



Source: Economic Policy Institute Analysis of U.S. Census Current Population Survey

*Poverty wage is \$10.59 in 2008 CPI-U-RS adjusted dollars--found using poverty threshold of family of four in 2008, divided by (52weeks*40hours/week)

Food Stamps

Recessionary Pressures

The recession has also created a substantial need for the nutritional assistance provided by the USDA's Supplemental Nutritional Assistance Program (SNAP). In September 2009, 363,738 Coloradans received food stamps. **This is up 4% from August 2009, tying Michigan for the largest state increase in participation that month.**²⁹ Furthermore, **SNAP participation in September 2009 was up 37% from September 2008, and 47% since the recession began.**³⁰ (Fig. 66)

Figure 66

COLORADO SNAP PARTICIPATION (September 2009)				
This Month	363,738			
Level and Percentage Change:				
Current Recession	115,963	46.8%	<i>Dec-07</i>	<i>to Sep-09</i>
Since Last Month	14,124	4.0%	<i>Aug-09</i>	<i>to Sep-09</i>
Last Year	98,289	37%	<i>Sep-08</i>	<i>to Sep-09</i>

Source: Author's analysis of USDA SNAP Program Data

²⁹ Food Research Action Coalition Analysis of USDA SNAP program data.

http://www.frac.org/html/federal_food_programs/programs/fsparticipation.html

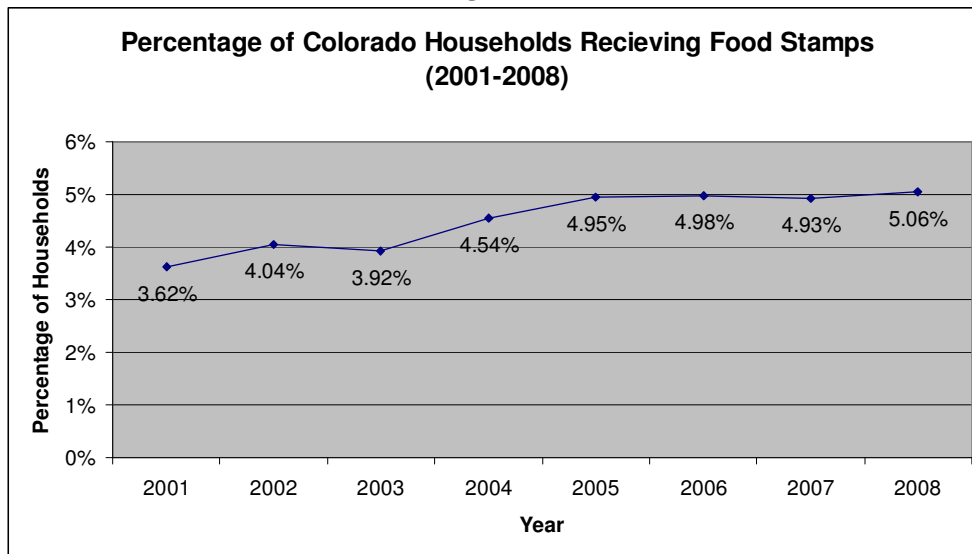
³⁰ Author's analysis of USDA SNAP Program Data. <http://www.fns.usda.gov/pd/snapmain.htm>

Long-Term Need

Since 2001, the number and percentage of Colorado households receiving food stamps has risen consistently. (Fig. 67) Furthermore, the median income of households receiving food stamps has increased dramatically in more recent years. (Fig. 68) These two trends illustrate an overall increased need for nutritional assistance in Colorado. More and more Coloradans need help feeding themselves and their children, including households that in the past made enough to get by without assistance.

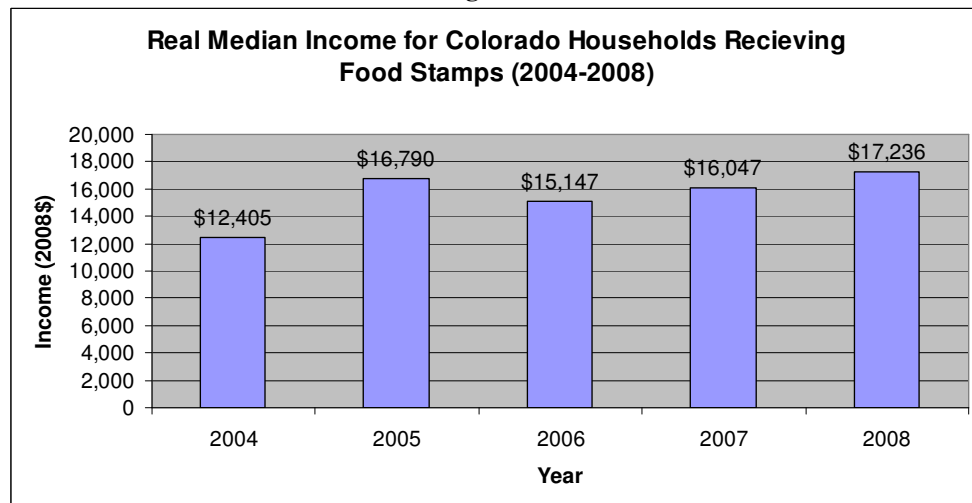
The increased need in the short- and long-term underscores the importance of an expansion of the federal Supplemental Nutritional Assistance Program (SNAP). It is also a call for improved processes, such as streamlined applications procedures and extensive improvements in the Colorado Benefits Management System, to ensure that eligible families get the help they need when they need it.

Figure 67



Source: Author's Analysis of U.S. Census American Community Survey

Figure 68



Source: Author's Analysis of U.S. Census American Community Survey

Geography

A family is eligible for SNAP if it falls below 130% of the federal poverty level. So, like poverty rates, food stamp reciprocity varies substantially within the state. Here again we are limited to localities with 65,000 people or more, but the variation is still striking. Among counties where data are available, food stamp reciprocity rates range from 15.6% in Pueblo County to 2.5% in Jefferson County. The mean reciprocity rate in Colorado is 5%. (Fig. 69)

Figure 69

Colorado County Food Stamp Reciprocity* (2008)	
Geography	% Households Receiving Food Stamps
Colorado	5.06%
Pueblo County	15.64%
Denver County	7.04%
Adams County	6.03%
Mesa County	5.87%
El Paso County	5.45%
Weld County	4.59%
Larimer County	4.30%
Arapahoe County	3.35%
Boulder County	2.74%
Jefferson County	2.52%

Source: U.S. Census American Community Survey

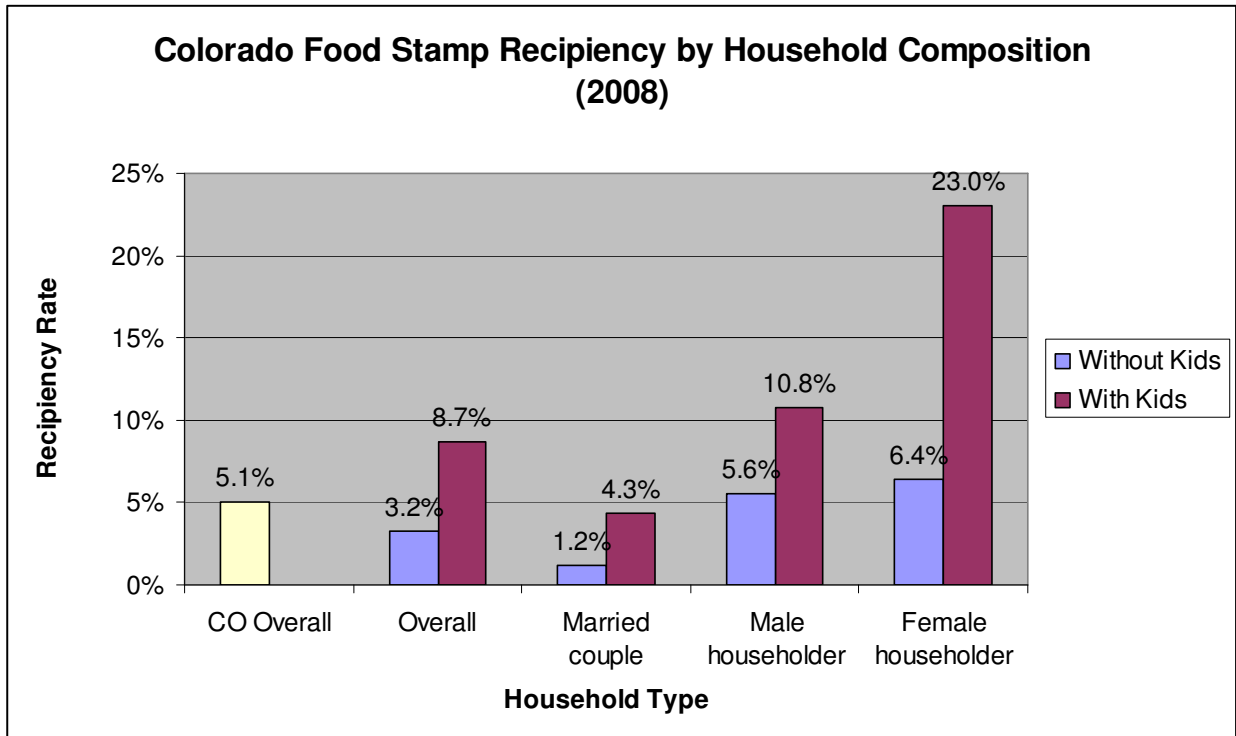
*For counties where data are available³¹

³¹ For an interactive map of county-level food stamp reciprocity by race and age, see “Food Stamp Usage Across the Country.” The New York Times, November 28, 2009. <http://www.nytimes.com/interactive/2009/11/28/us/20091128-foodstamps.html>

Household Composition

Household composition is a powerful driver in food stamp reciprocity rates. Among Colorado households in 2008 three distinctions emerge. First, **single-parent homes had higher reciprocity rates than married couple homes**. Second, **among single-parent homes, single-mother households had higher rates than single-father homes**. Finally, **across the board households with children had dramatically higher rates of food stamp reciprocity than childless households**. (Fig. 70) Data on income show that single-mother households are more likely living on the edge or working in low-wage jobs. Hence it is not surprising that Colorado single-mother households received food stamp assistance a higher rate than other households, nearly one in four in 2008.

Figure 70



Source: Author's Analysis of U.S. Census American Community Survey

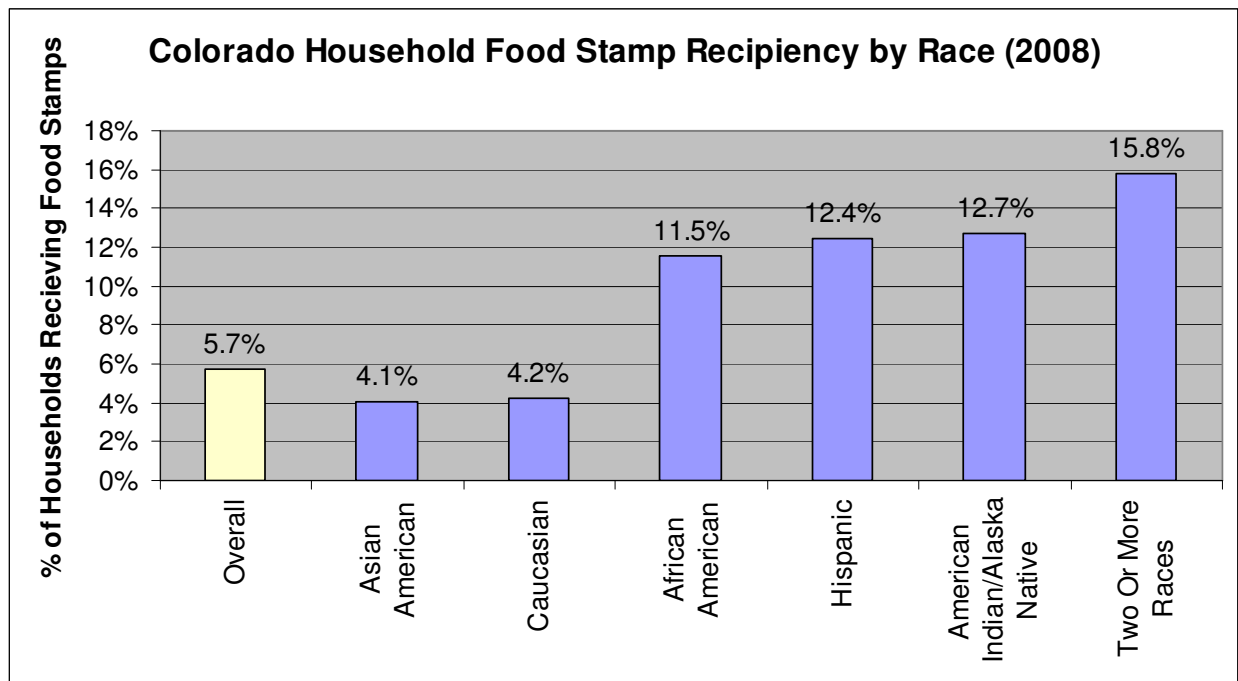
"Male/Female Householder" implies no wife/husband present.

"With/Without Kids" refers to the presence of children under the age of 18 in the household.

Race

Food stamp reciprocity also varies enormously by race in Colorado. While white and Asian households report food stamp usage rates were very near the overall rate, **in 2008 African American, Hispanic, and American Indian households reported more than double the overall rate, and mixed race households exhibited approximately three times the general usage rate.** (Fig. 71)

Figure 71

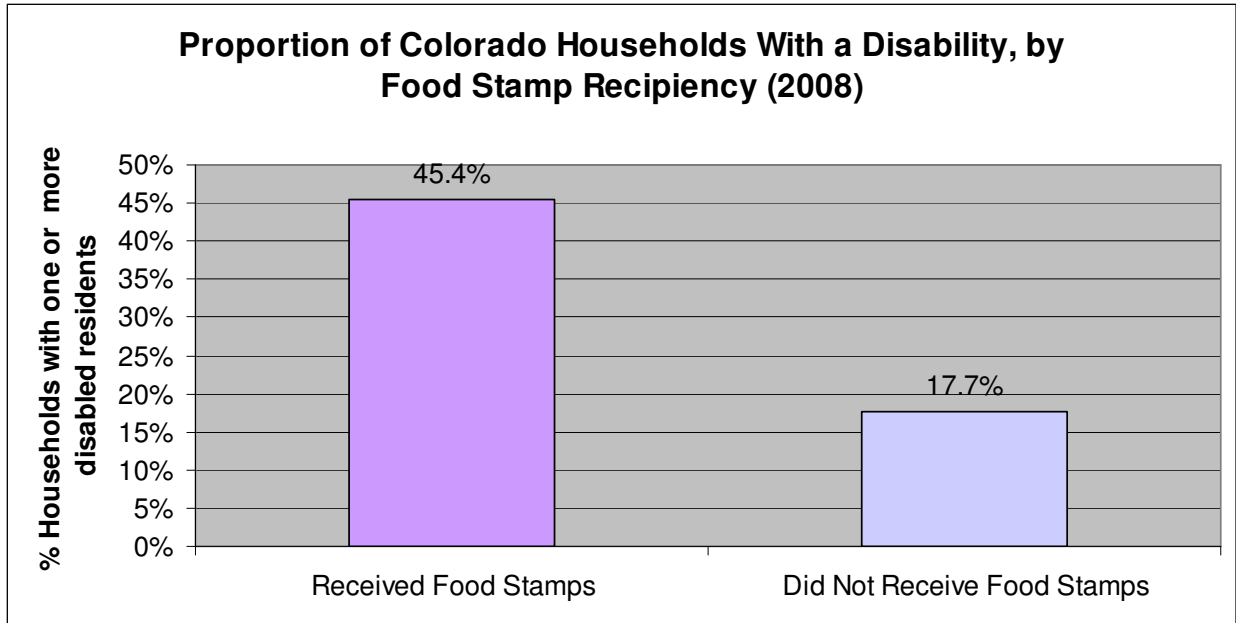


Source: Author's Analysis of U.S. Census American Community Survey

*Disability*³²

In 2008, nearly half (45%) of Colorado households receiving food stamps had one or more disabled residents. (Fig. 72) By contrast, only 18% of Colorado households not receiving food stamps had a disabled resident. Overall, 19% of Colorado households report a disability.³³ **In other words, disabled households made up a disproportionate share of Colorado food stamp recipients in 2008.** Like the aforementioned poverty rates, these figures illustrate the increased economic hardship which disabled Coloradans endure.

Figure 72



Source: Author's Analysis of U.S. Census American Community Survey

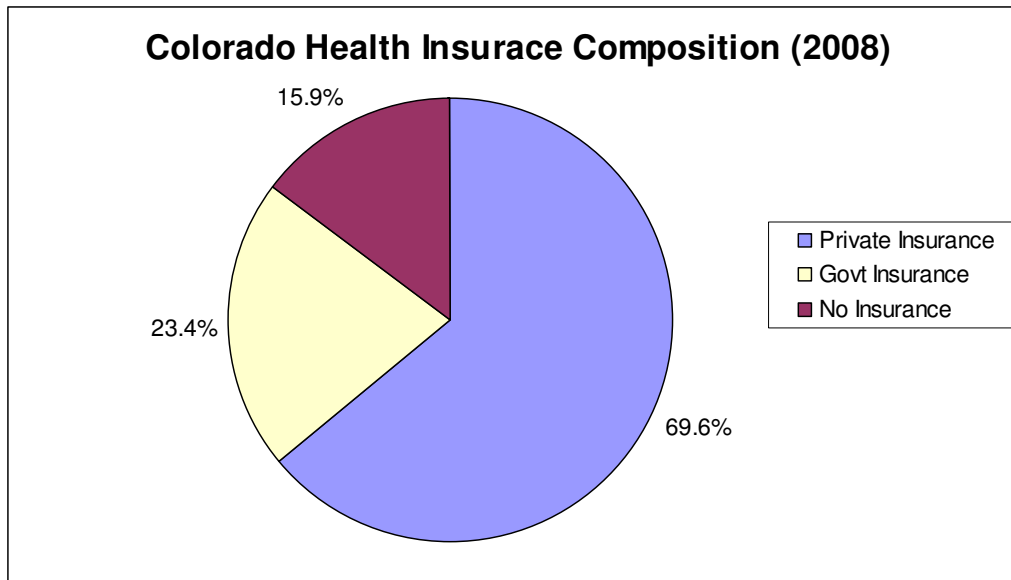
³² See note 28 for the ACS definition of disability.

³³ 2008 U.S. Census American Community Survey demographic data

CHAPTER FIVE: HEALTH CARE

The trend in overall health insurance coverage among Coloradans is away from private insurance and toward public coverage or no coverage at all. Since 2000, the proportion of Coloradans with private insurance has declined 5.6 percentage points, and the proportions of Coloradans with government insurance or no insurance have increased by 2.2 and 2.1 percentage points respectively. (Figs. 73-76) Changes in these coverage levels since 2007, while notable, likely do not capture the effect of the recent economic recession because of the timing of the data collection.

Figure 73



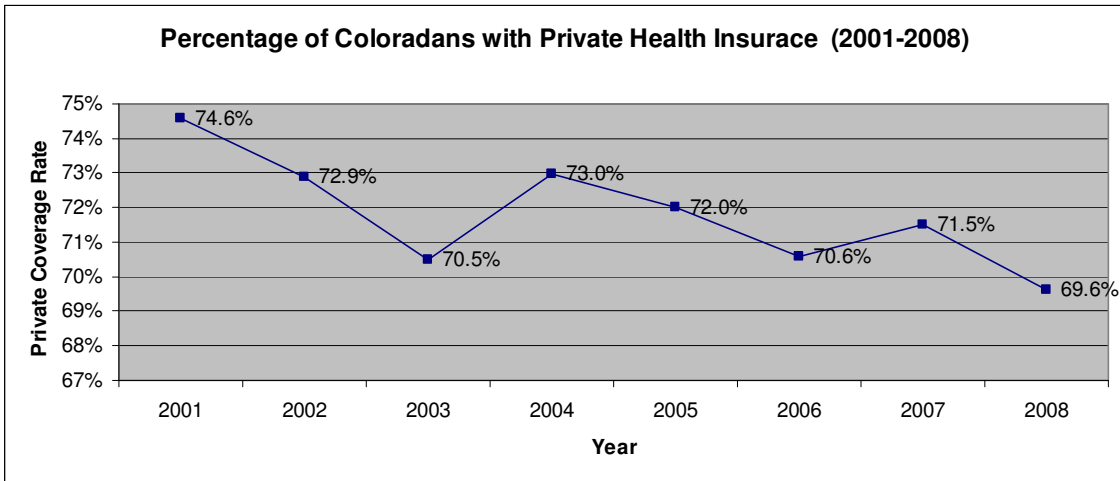
Source: *Economic Policy Institute Analysis of U.S. Census Current Population Survey (Annual Social & Economic Supplement)*

Note that private and government coverage are not mutually exclusive.

The following three charts show the trends across time for government insurance, private insurance, and uninsurance in the state. Since 2001, private insurance coverage has declined steadily, government coverage has increased, and uninsurance rates have risen overall, though decreased in recent years. (Figs. 74-76) Given Colorado's late entry into the current recession, the general lag between economic and insurance outcomes with programs like COBRA³⁴ and COBRA subsidies under the American Recovery and Reinvestment Act (ARRA), and the significant worsening of the economic climate since March 2008, it is very likely that the recent decline in Colorado uninsurance rates has reversed. Regardless, the overall picture is clear: today fewer and fewer Coloradans enjoy private insurance coverage, creating a greater strain on government programs like Medicaid and the Children's Basic Health Plan (CHP+), and leaving an increasing number of Coloradans without any insurance whatsoever.

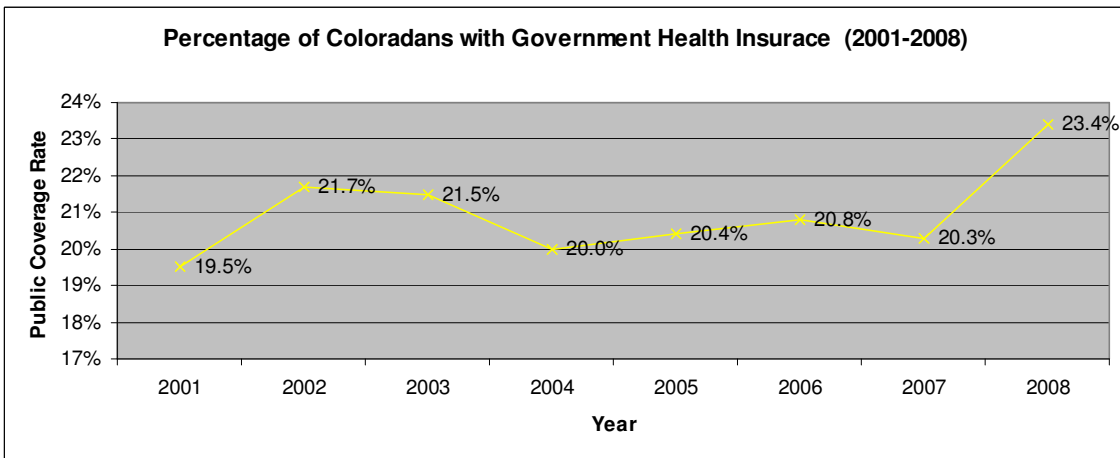
³⁴ "The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102 percent of the cost to the plan." (U.S. Department of Labor)

Figure 74



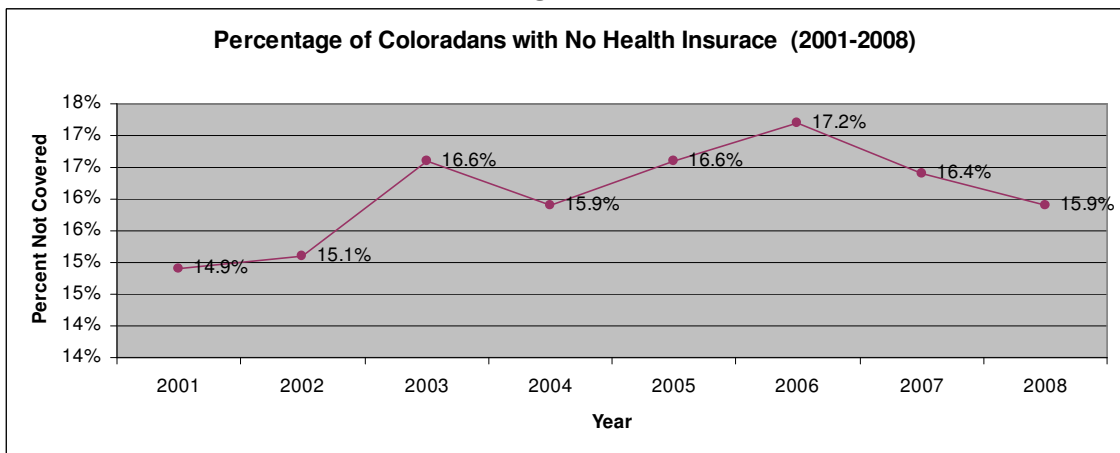
Source: Economic Policy Institute Analysis of U.S. Census CPS Annual Social & Economic Supplement

Figure 75



Source: Economic Policy Institute Analysis of U.S. Census CPS Annual Social & Economic Supplement

Figure 76



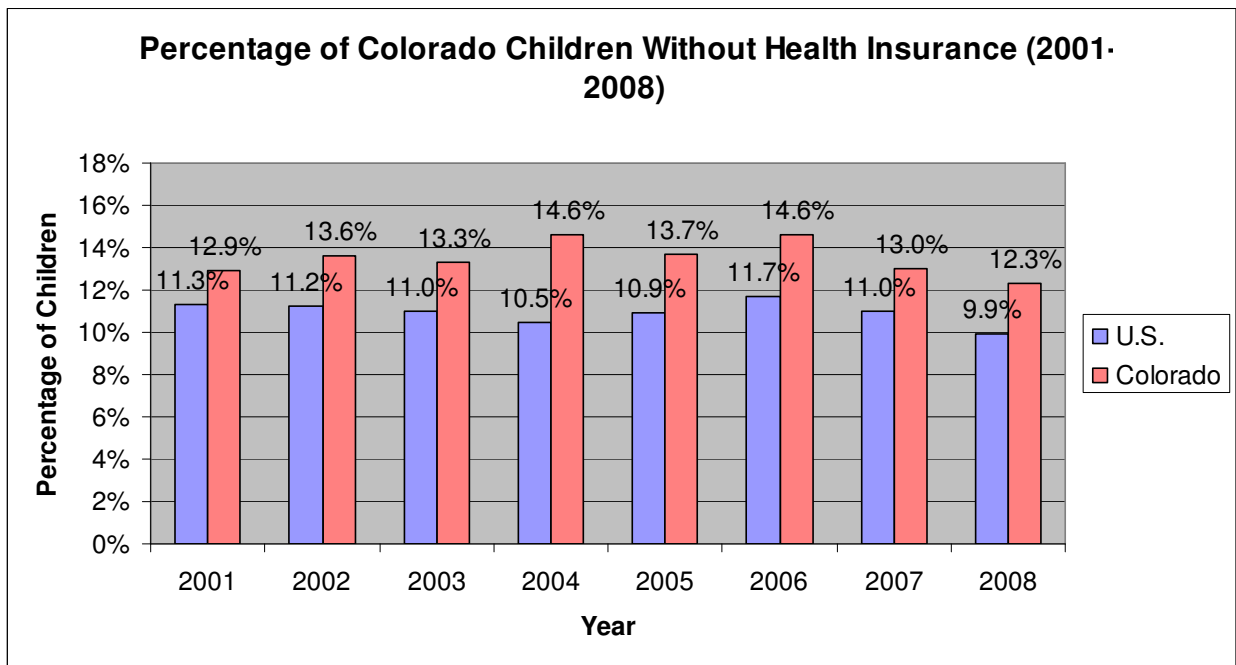
Source: Economic Policy Institute Analysis of U.S. Census CPS Annual Social & Economic Supplement

Child Uninsurance

Healthcare coverage for children is of particular concern. First, children are generally dependent on their parents or guardians for coverage. Second, the availability of consistent, high-quality coverage and consistent, high-quality health care are significant indicators of overall child health and the ability of children to prosper. As in the overall coverage trends, among children we see a move away from private and toward public coverage over the long run. Here again, Colorado does worse than the nation as a whole.

In Colorado, the nominal decrease in the under-18 uninsured rate from 2000 to 2008 is not statistically significant, so the 2000 and 2008 rates should be regarded as equivalent. This means that **Colorado began and ended the decade with more than one in ten children without health insurance of any kind.** (Fig. 77)

Figure 77

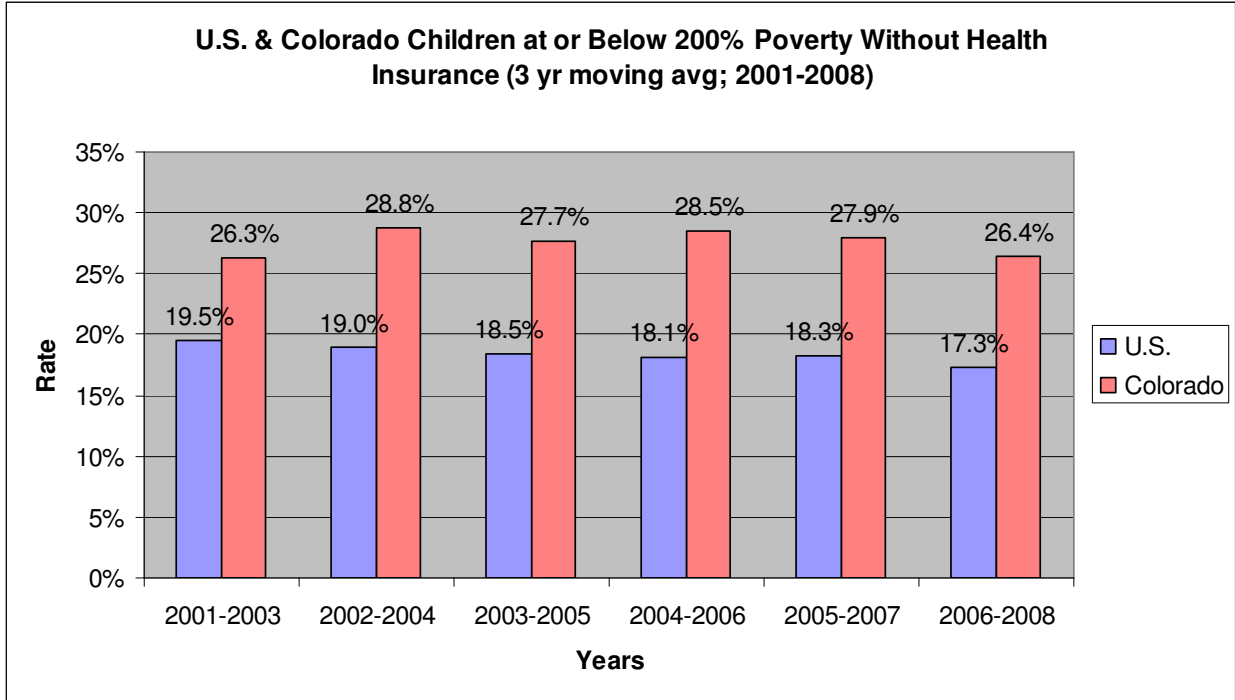


Source: Economic Policy Institute Analysis of U.S. Census CPS Annual Social & Economic Supplement

Low-Income Child Uninsurance

Colorado does particularly poorly in its health coverage of low-income children. **In a three-year average from 2006-2008, 26.8% of children living below 200% of the poverty level were without health insurance** — a rate much worse than the national average. (Fig. 78)

Figure 78



Source: Economic Policy Institute Analysis of U.S. Census CPS Annual Social & Economic Supplement

Medicaid and Children’s Basic Health Program (CHP+)

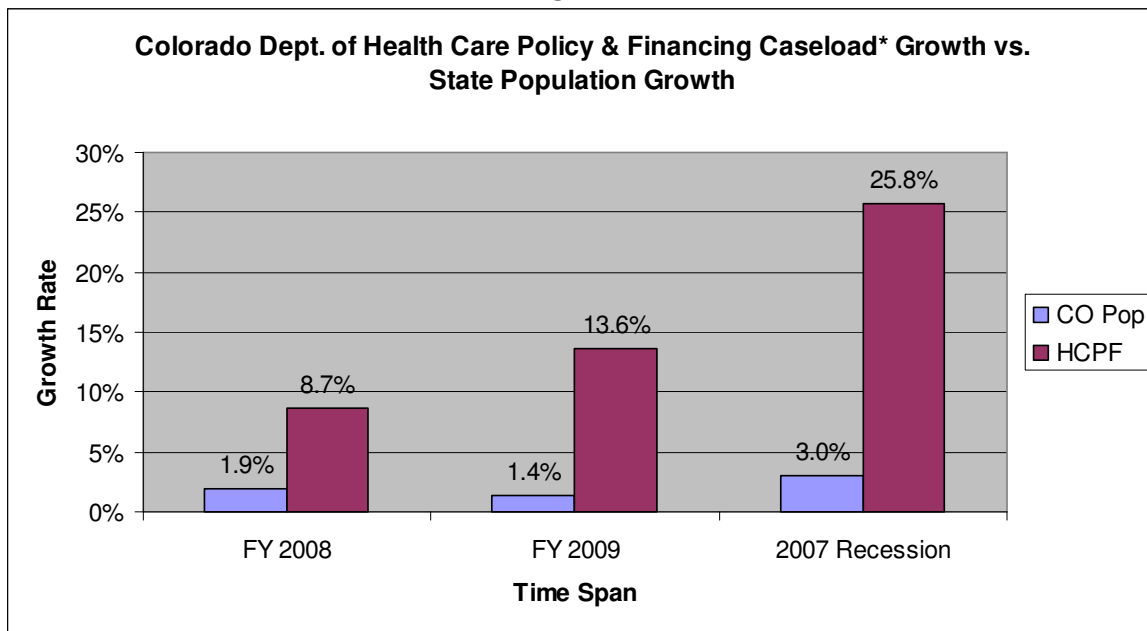
During the recession Colorado has also seen substantial caseload growth in Medicaid and the Children’s Basic Health Program (CHP+), which provide medical care for low-income residents and children, respectively. **Since the start of the recession, the total combined caseload of these two programs has increased by 26%.**³⁵ During this period, total state population grew by approximately 3.3%.³⁶ Thus, since the start of the recession **combined Medicaid and CHP+ caseload grew roughly eight times faster than the state population.** (Fig. 79) This explosive growth rate in caseload underscores the economic hardship for many Coloradans, who during the recession were forced to rely on the state for medical support in staggering numbers.

Figure 79

COLORADO MEDICAID & CHP+ ENROLLMENT (November 2009)					
This Month	560,176				
Level and Percentage Change:					
Current Recession	114,843	25.8%	Dec-07	to	Nov-09
Since Last Month	3,131	0.6%	Oct-09	to	Nov-09
Last Six Months	32,904	6.2%	May-09	to	Nov-09
Last Year	73,103	15.0%	Nov-08	to	Nov-09

Source: Author’s Analysis of HCPF Premiums, Expenditures and Caseload Reports

Figure 80



Source: Author's analysis of HCPF Premiums, Expenditures and Caseload Reports

*HCPF caseload is defined as the sum of Medicare and Children's Basic Health Plan caseloads

2007 Recession = December 2007 - November 2009

³⁵ Author’s analysis of HCPF “Premiums, Expenditures and Caseload Reports.”

<http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1209635766663>

³⁶ Author’s analysis of CO State Demography Office population figures.

http://www.dola.state.co.us/dlg/demog/pop_totals.html

Geography

Within the state we see a wide spectrum of coverage rates. In counties where data are available, overall uninsured rates range from a low of 9% in Douglas County to 26% in Adams County. Rates of non-coverage for those under the age of 18 range from 4% in Douglas County to 24% in Denver county, where over 34,000 children went without insurance for some period in 2008. (Fig. 81)

Figure 81
Colorado Health Insurance Coverage by Geography, Coverage Type, & Age (2008)

	Uninsured				Private Insurance				Public Insurance			
	Uninsured Under 18	Percent	Uninsured 18-64	Percent	Private Insurance Under 18	Percent	Private Insurance 18-64	Percent	Public Insurance Under 18	Percent	Public Insurance 18-64	Percent
State	172,954	14%	653,329	21%	818,188	68%	2,336,448	74%	228,428	19%	233,272	7%
Adams County	19,718	16%	69,614	26%	75,392	61%	187,875	69%	29,222	24%	18,964	7%
Arapahoe County	19,797	14%	70,241	20%	99,504	71%	268,107	76%	22,382	16%	22,439	6%
Boulder County	6,088	10%	33,448	16%	48,786	79%	166,322	81%	7,355	12%	8,061	4%
Denver County	34,876	24%	96,490	25%	75,140	51%	260,460	68%	39,397	27%	34,404	9%
Douglas County	3,035	4%	16,374	9%	74,579	93%	163,804	90%	3,123	4%	4,594	3%
El Paso County	14,649	10%	71,381	20%	114,697	75%	267,383	74%	25,975	17%	32,555	9%
Jefferson County	13,841	12%	54,925	16%	94,097	79%	284,329	81%	12,578	11%	17,555	5%
Larimer County	4,184	7%	29,141	15%	47,213	75%	156,605	80%	11,912	19%	12,974	7%
Mesa County	5,480	17%	20,956	24%	20,833	63%	60,667	69%	7,453	23%	10,222	12%
Pueblo County	4,654	13%	22,519	24%	16,886	45%	56,236	60%	16,197	44%	17,614	19%
Weld County	10,761	16%	35,713	22%	44,458	65%	116,367	73%	14,193	21%	10,877	7%
Denver-Aurora, CO Metro Area	92,410	15%	320,983	20%	437,977	69%	1,221,472	76%	110,086	17%	102,534	6%
Fort Collins, CO Urbanized Area	2,581	5%	22,451	15%	34,497	73%	116,261	79%	10,568	22%	11,314	8%
Grand Junction, CO Urbanized Area	4,476	17%	16,899	25%	15,400	59%	45,040	67%	6,847	26%	7,548	11%
Greeley, CO Urbanized Area	5,310	20%	19,741	27%	14,117	53%	48,962	66%	7,507	28%	6,228	8%
Longmont, CO Urbanized Area	3,059	15%	13,966	25%	14,619	71%	39,213	71%	3,006	15%	2,673	5%
Pueblo, CO Urbanized Area	3,525	11%	19,917	26%	12,895	42%	44,526	57%	14,692	48%	15,836	20%

Source: U.S. Census American Community Survey, 2008

Defined Benefit Coverage

Pension or defined benefit coverage³⁷ in Colorado mirrors the trends in overall health insurance coverage. Where once workers counted on employer-sponsored insurance and pensions, today Coloradans increasingly must purchase health insurance on their own, enroll in government plans, or go without. In fact, **employer-sponsored health care coverage has declined nearly seven percent since 2001 for workers in Colorado, and nearly six percent for children (as dependents).** (Figs. 82 & 83)

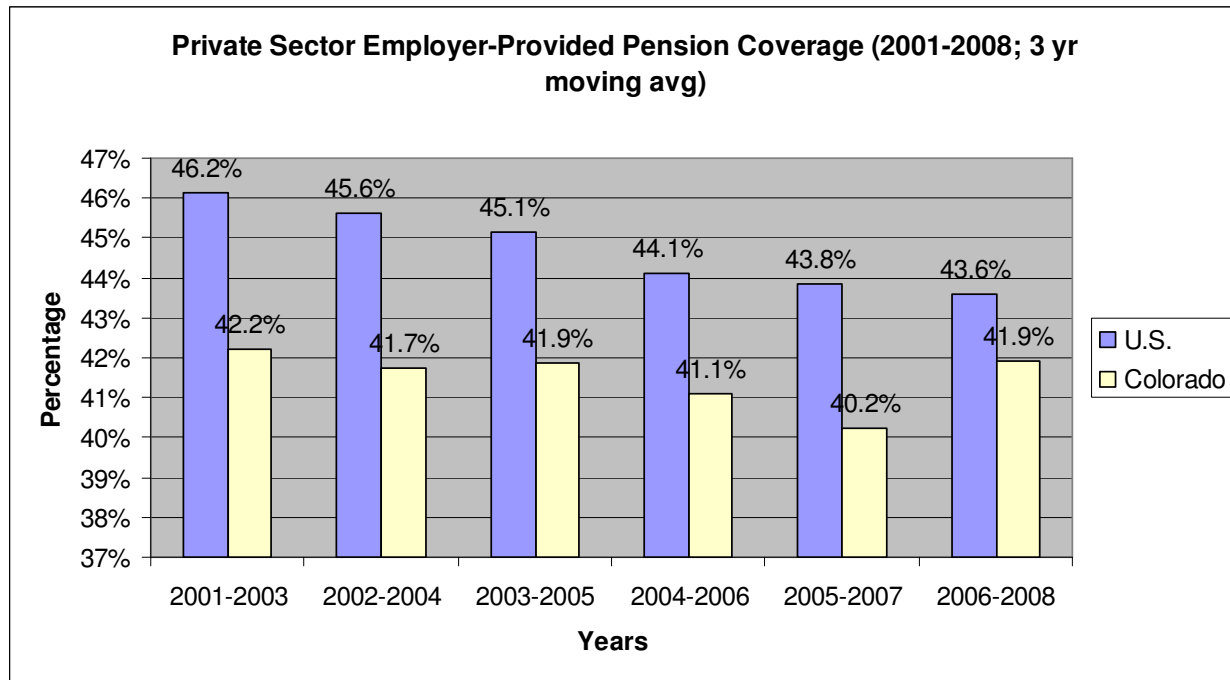
Figure 82
Benefit Coverage in Colorado: Employer Sponsored Health Insurance (2008)

Demographic	Employer-Sponsored Health Insurance		
	Coverage (%)		Percentage-Point Change
	2000-2001	2007-2008	
All Workers	75.0%	68.3%	-6.7
Population Under 65 Years Old	70.1%	63.7%	-6.5
Children Under 18	68.5%	62.8%	-5.8

Changes in bold are statistically significant at the 10% level

Source: U.S. Census Current Population Survey, 2008

Figure 83



Source: Economic Policy Institute analysis of Current Population Survey March supplement

Note: Universe is private-sector wage and salary workers age 18-64, who worked at least 20 hours per week and 26 weeks per year

³⁷ The numbers of Coloradans with benefit coverage differs from the numbers of Coloradans with private insurance because benefit coverage is a subset of private insurance representing the number of people receiving benefits through their employers. Private insurance might come through employers but could also be purchased individually

POLICY CHANGES FOR WORKING FAMILIES

Government is equipped to take on problems that the private sector and free market are unwilling or unable to take on themselves. History shows that bold public investments are a sound economic strategy for broader growth. These lessons hold especially true during tough economic times. While the menu of solutions above is not exhaustive, it does much to ensure Colorado leads its workers and families toward secure and prosperous futures. Without such action on the part of leaders and policymakers, the state may well start the new decade with the kind of tenuous and stagnant recovery that dominated the past ten years.

Indeed it is an exciting time for Colorado, whose challenges are great but whose prospects are greater. The times demand bold leadership from Colorado's policymakers and elected officials. Colorado's workers and families deserve nothing less.

What follows is a list of policy recommendations which guide Colorado toward achieving our economic goals and fulfilling our societal promises.

Tax Aid for Needy Families

The state and federal governments have increasingly turned to the tax code to provide support for families. The tax code can sometimes be a convenient method for achieving desirable policy goals, particularly if the policy changes are targeted and transparent.

- Restoring the state Earned Income Tax Credit (EITC) and making it permanent. The federal EITC is the single best policy for rewarding work and reducing poverty. The federal EITC goes to working families who make below roughly \$49,000 (2009). The credit is refundable so that working families without a tax liability still get a tax refund. Colorado has an EITC in statute, but it has not been funded since 2001. Restoring the state EITC could add an additional \$565 to the maximum \$5,657 that some families could receive from the federal credit. A state EITC, at 10% of the federal credit, would pump \$52 million into local economies across Colorado and help more than 268,000 households pay for vital every day needs like housing, health care, and transportation.
- Continuing the refundable federal tax provisions that were included in the American Recovery and Reinvestment Act of 2009, including the Make Work Pay Credit, the expansion of the Earned Income Tax Credit, the expanded refundable Child Tax Credit and the expanded American Opportunity Tax Credit for education. These types of refundable credits can be an important part of a comprehensive solution particularly if they are made available to the poorest families.

Closing the Pay Gap for Women and People of Color

As the State of Working Colorado data indicates, women, particularly women with children, and people of color continue to live and work closer to the edge. They are more likely to be in low-income work, more likely to be in part-time work, more likely to be in positions that do not offer benefits such as health insurance or pensions. Colorado can help close the gap by adopting policies that:

- Establish and enforce pay equity laws, including allowing workers the right to share wage information. These laws require employers to compensate persons based on skills, effort, responsibility, and working conditions, not on race, gender or age.

- Establish a permanent pay equity commission in Colorado that can help address problems and find workable solutions for employers and workers.
- Improve access to higher education and job training for low-wage workers. Job training and education is a crucial long-term strategy to helping workers find and keep jobs that that pay adequate wages and promote economic self-sufficiency.
- Make low-wage jobs better jobs by requiring paid sick days or family leave and providing alternative routes to benefits for part-time and temporary workers.

Remove Barriers to Vital Services for Families

Many vital programs to assist working families already exist in Colorado, but are underutilized. Administrative barriers and lack of outreach keep families from knowing what might be available and receiving the help they need, when they need it. Colorado can begin to remove these inefficient obstacles.

- Colorado should conduct a functional assessment of the Colorado Benefits Management System (CBMS). To the extent that CBMS acts as a barrier to determining eligibility and enrolling or re-enrolling in programs like Food Stamps, Medicaid and the state’s Children’s Basic Health Plan, and Temporary Assistance for Needy Families, it is essential that Colorado actively work to address any technological problems. Likewise, Colorado should continue its work to reduce administrative barriers to these programs through reduction of paperwork and implementation of efficiencies like data matching. Data matching can allow for more simplified verification of certain eligibility requirements like income, citizenship, and identity. Further, instituting auto-enrollment or express lane enrollment programs that utilize eligibility information gained from current sources can serve to quickly and efficiently enroll families into programs that can help them most effectively make use of their earned income and move toward self-sufficiency.

Increase Access to Programs that Serve Low-Income People

- Expand access to child care and early education. As one of the most expensive costs of working, Colorado should pursue increasing the availability of quality child care and early education opportunities for working families. This might include increasing provider rates, increasing funding for programs or greater financial assistance to families for child care and early education. One recent report found that the loss of affordable child care is the number one reason low-income mothers lose their jobs.³⁸ Thus, removing administrative barriers to child care assistance programs is a critical first step to keeping workers employed and increasing the likelihood that children will benefit from a continuity of care that leads to success in education and the opportunity to seek higher paying jobs.
- Expand access to affordable, quality health care. Colorado must continue to pursue policies that will help families at all levels of the income scale gain access to quality, affordable health care without sacrificing their economic security. Families below 200% of poverty have little, if anything, to spend on health care after paying for other necessary expenses and even families up to 500% of poverty may need some level of

³⁸ “The Economic Impact of Child Care in Colorado.” Colorado Children’s Campaign, 2003.

subsidization to afford health insurance. When families spend more than 5% of income on health care, they begin making substantial tradeoffs on things like child care, housing and long term savings.³⁹ Health care policy in Colorado should be aimed at reducing total health care costs (premiums and out of pocket costs) to families, ensuring adequate benefits packages, and reducing administrative, regulatory and market barriers to accessing health care.

Many policy decisions that will lead to greater access and affordability to quality health care coverage are currently being undertaken at the state and federal levels. Legislation passed in 2009 will allow Colorado to expand eligibility for children and pregnant women for the state Children's Basic Health Plan up to 250% of poverty, and for Medicaid up to 100% of poverty for parents and adults without dependent children. This legislation will also create a Medicaid buy-in program for people with disabilities with incomes up to 400% of poverty. These are crucial expansions that will help lower income working families who may not have access to employer sponsored insurance, do not have access to dependent coverage through their employers, or cannot afford employer sponsored insurance.

Colorado can maximize access to its existing programs and maximize the effectiveness of its program expansions through thoughtful outreach to the eligible but un-enrolled, and by reducing and eliminating eligibility and enrollment barriers.

Additionally, federal health insurance reform will help make health coverage more affordable for low and middle income families by creating a regulated marketplace for purchasing insurance, expanding the eligibility levels for Medicaid, and by providing subsidies and removing barriers for individuals and small businesses purchasing insurance. These changes will be particularly helpful for those who do not have employer sponsored coverage, those who cannot afford employer coverage, and those who have been priced out of the individual market or excluded for health reasons. Colorado should continue to explore ways to increase affordability of health coverage for consumers and to ensure that consumers who are purchasing coverage have access to adequate benefits packages. No Colorado family should see their near term or long term financial security placed at risk due to unaffordable or inadequate coverage.

- Expand access to the Food Stamp Program, recently renamed the Supplemental Nutrition Assistance Program or SNAP. In Colorado, roughly 320,000 people receive SNAP every month and another 226,000 households are considered "food insecure."⁴⁰ That is, those households are on the threshold of going hungry at any given time. Unfortunately, Colorado ranks 49th in the number of eligible people who actually receive SNAP benefits. Just over half of all eligible people manage to receive SNAP benefits in Colorado, which means that not only do Colorado families go hungry, but the state also leaves millions of federal dollars on the table every year. If Colorado were to increase its SNAP participation by just 10%, it could mean an additional \$4.2 million in federal dollars flowing to every part of Colorado each month.

³⁹ "The Cost of Care: Can Coloradans Afford Health Care?" Colorado Center on Law and Policy, 2009.

⁴⁰ "Household Food Security in the United States." United States Department of Agriculture, Food and Nutrition Services, 2008. <http://www.ers.usda.gov/Publications/ERR83/ERR83b.pdf>

Strengthen the Unemployment Insurance Safety Net for Workers

These policies assist workers in the event of a job loss or other economic hardship until they can rebound.

- The American Recovery and Reinvestment Act provided funds for a substantial expansion of unemployment benefits for unemployed Coloradans, including a \$25 increase in the weekly benefit amount, an extension of the maximum length of time a worker could receive benefits, a tax exemption for all unemployment benefits up to \$2,400 per worker and a health care continuation (COBRA) subsidy that allows some unemployed workers to maintain their health insurance while looking for a new job. Some of these provisions were extended in December of 2009. However, as the recession persists another round of assistance may be needed. One possibility is an additional package of zero interest loans to states that are unable to meet the growing demand for their services.
- Protect the modernizations made in the Unemployment Insurance safety net by Colorado SB09-247 in 2009. SB09-247 created an alternative base period for calculating eligibility and will allow low-wage workers the same access to unemployment benefits that high-income earners receive. It will also allow more workers who are forced to leave a job for compelling family reasons to receive unemployment insurance benefits as they look for suitable work.

Reducing the High Cost of Being Poor:

As Colorado workers and their families fall prey to stagnant wages, loss of health insurance, and financial instability, they may discover that they are now paying more for goods and services than they did in the past. This phenomenon is more obvious as households fall below economic self-sufficiency and into low-income or poverty. It also affects metro and rural alike, although sometimes in different ways. Households living in poverty pay more for food, shelter, transportation, credit and financial services.⁴¹ There are a number of causes leading to the high cost of poverty. One happens to be that poverty has become a booming business for some industries, particularly in the area of credit, and financial services.⁴² People with low incomes pay more to access credit for cars, housing, credit cards, and goods through the rent-to-own industry. The following policy goals are designed to mitigate the high cost of being poor for Colorado households struggling to make ends meet.

- **Consumer Financial Protection:** Institute a loan interest cap on the pay day lending institutions that will allow consumers an opportunity to move out of a cycle of debt. Support low-income consumer access to institutions and products that encourage financial education and low use costs for consumers who find themselves unable to access mainstream systems.
- **Livable Communities:** Per the U.S. Department of Transportation, “The average working American family spends nearly 60 percent of its budget on housing and transportation costs, making these two areas the largest expenses for American families.” In Colorado a significant number of rural workers travel two or three hours a day for employment. Aligning Colorado policies with federal policies to promote more livable communities

⁴¹ “Economic Opportunity Poverty Reduction Task Force Community Report.” [Colorado State Legislature](#). 2009.

⁴²Ibid.

through sustainable surface transportation programs will lessen the financial burden for low-income families living in communities far from work, food, and other needed services.

CONCLUSION

The picture emerging from all the charts and figures is one of contradiction, crisis, and opportunity. The recession has hit Colorado hard, and its effects are being felt in every corner of the state. As the data roll in and the full impact of the recession begins to register on the charts, Colorado workers have reason to be proud of their resilience in these times, which helped keep Colorado's economic performance above average.

However, Coloradans also have reason for grave concern. The recession has only exacerbated deep and troubling trends in state economic outcomes. For the last decade, middle-class wages have stagnated, private health insurance coverage has receded, child poverty has skyrocketed, and striking inequalities have continued.

In this time of great peril and opportunity for Colorado workers, policymakers must take decisive action to steer the state toward a robust recovery which serves all citizens. They must reinforce Colorado's economic excellence with sound investments in the roads, schools, and other public goods, which pave the way to a sound economic future. And they must fill the cracks and correct the distortions that have plagued the state in the past with a commitment to medical care, nutritional assistance, unemployment insurance, and other programs which solidify our promise of a just society.

APPENDIX

Poverty Thresholds for 2008 by Size of Family and Number of Related Children Under 18 Years
(in dollars)

Size of family unit	Weighted average thresholds	Related children under 18 years								
		None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual)	10,991									
Under 65 years	11,201	11,201								
65 years and over	10,326	10,326								
Two people	14,051									
Householder under 65 years	14,489	14,417	14,840							
Householder 65 years and over	13,030	13,014	14,784							
Three people	17,163	16,841	17,330	17,346						
Four people	22,025	22,207	22,570	21,834	21,910					
Five people	26,049	26,781	27,170	26,338	25,694	25,301				
Six people	29,456	30,803	30,925	30,288	29,677	28,769	28,230			
Seven people	33,529	35,442	35,664	34,901	34,369	33,379	32,223	30,955		
Eight people	37,220	39,640	39,990	39,270	38,639	37,744	36,608	35,426	35,125	
Nine people or more	44,346	47,684	47,915	47,278	46,743	45,864	44,656	43,563	43,292	41,624

SOURCE: U.S. Census Bureau.

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The mission of the Economic Policy Institute is to provide high-quality research and education in order to promote a prosperous, fair and sustainable economy. The Institute stresses real world analysis and a concern for the living standards of working people and it makes its findings accessible to the general public, the media, and policy makers.

EPI works to strengthen democracy by providing people with the tools to participate in the public discussion on the economy, believing that such participation will result in economic policies that better reflect the public interest.