

STATE OF WORKING COLORADO 2010



**COLORADO FISCAL
POLICY INSTITUTE**

Justice and Economic Security for *all* Coloradans

BY ALEC HARRIS



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The Colorado Fiscal Policy Institute (COFPI) is a nonprofit, nonpartisan project of the Colorado Center on Law and Policy, dedicated to justice and economic security for all Coloradans. COFPI works for changes in public policy through timely, credible and accessible fiscal policy analysis, education, advocacy and coalition-building.

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INTRODUCTION

The past 10 years have been ones of turmoil and contradiction for Colorado and its workers. The decade that began and ended with recession saw economic growth and above-average earnings — yet the prosperity was not spread evenly. At a time when education became increasingly paramount, Colorado held a highly educated workforce but saw troubling trends in how it educates its own kids. And while the recession at the end of the decade sent poverty and unemployment to historic highs, relative to the nation as a whole Colorado continued to be a leader.

The *State of Working Colorado* aims to unravel those contradictions as it explores the plight of workers in Colorado. The report examines jobs, unemployment, income, wages, poverty and health insurance from the beginning to the end of the decade. It looks both at long-term trends and recent developments. It adopts the long view and the close-up to assess how Colorado workers have fared in the past 10 years, where they stand and where they are headed. The results pose hard questions for workers and policymakers about the kind of jobs, economic security, and lifestyle the future Colorado will promote, and about the kind of investments needed to attain that future.

KEY FINDINGS

EMPLOYMENT

- At the end of 2010, Colorado had 40,000 fewer jobs than in 2000, despite having almost 900,000 more residents. The 2007 recession was largely behind that decline, eliminating 141,000 jobs, or 6 percent of the Colorado labor force. (Page 4)
- There have been winners and losers among Colorado industries the past decade. Of Colorado's big industries, education and health services saw the largest employment gains, while manufacturing and construction experienced the biggest job declines. (Pages 5-6)
- While the state boasts one of the most educated workforces in the country, Colorado kids have below-average rates of college attendance and completion. That "Colorado Paradox" means much of the state's highly educated workforce is imported from other parts of the country. (Page 7)
- Four out of five Coloradans with a college degree or more work or are looking for work, but only half of those without a high school degree do so. That means among the least educated Coloradans, half have essentially given up hope of employment — they are without a job and not looking. (Page 9)
- Part-time work has increased since the recession, and the share of involuntary part-time is on the rise. That may slow Colorado's jobs recovery. (Page 11)

UNEMPLOYMENT

- Colorado ended the decade with its highest unemployment rate in 28 years. However, Colorado's unemployment is on par with the rest of the country, and recent increases are partially a result of Coloradans resuming the job search. (Pages 13-14)
- A more inclusive measure, Colorado's underemployment rate is nearly twice as high as its unemployment rate. Long-term unemployment is also up in the state. (Pages 15-16)
- Unemployment insurance reciprocity and exhaustion are both up in Colorado. Compared to the nation as a whole, relatively fewer Coloradans receive unemployment insurance, but of those who do, a higher share exhaust the standard 26 weeks. (Pages 17-18)
- Racial and ethnic disparities in unemployment and underemployment are striking and persistent in Colorado. Blacks and Hispanics consistently experience roughly double the jobless rates of whites. Joblessness also varies powerfully by education. (Pages 19-20)

INCOME AND WAGES

- Colorado's median income is higher than the national average. However, income has been stagnant, and Coloradans end the decade with the same median household income they started the decade with, despite gains in productivity. (Pages 21-22)
- Income inequality is a growing problem in Colorado, where the gap between the middle and the rich is far larger than the gap between the middle and poor. During the decade, the rich saw sizeable wage gains, while the middle saw little gain and the bottom lost ground. (Pages 23-24)

- Education continues to be a key to higher earnings in Colorado. In 2009, the median wage for those with a bachelor's degree or higher was more than twice the wage for those without a high school diploma. (Page 25)
- Colorado has striking racial and ethnic disparities in earnings. Black and Hispanic households in Colorado make roughly \$20,000 less than the median household income. (Page 26)
- Though attenuated in the past two decades, wage inequality still exists between genders in Colorado. That inequality exists even between men and women working in the same industries. (Pages 27-28)

POVERTY

- Poverty in Colorado increased throughout the decade, though it remains less severe here than in the nation as a whole. In the wake of the recession, more than one-quarter of Coloradans live with incomes of less than 200 percent of the Federal Poverty Level — a cutoff many experts use as a realistic assessment of modern human needs. (Pages 31-33)
- From 2000 to 2009, Colorado experienced the fastest growth in child poverty in the country. As a result, nearly one in five kids in Colorado are in poor families, and more than one-third live in families with incomes of less than twice the Federal Poverty Level. (Page 34)
- As with income, poverty in the state is highly correlated with education level. And, as with income, large racial and ethnic disparities exist in poverty rates. Among families, households with disabilities and single parents — especially single mothers with young kids — experience higher poverty rates. (Pages 35-39)
- Food stamp (Supplemental Nutrition Assistance Program or SNAP) enrollment is up in Colorado. Minorities, single parents and people with disabilities all have higher rates of food stamp use. The Colorado Benefits Management System continues to be a barrier to access. (Pages 41-44)

HEALTH CARE

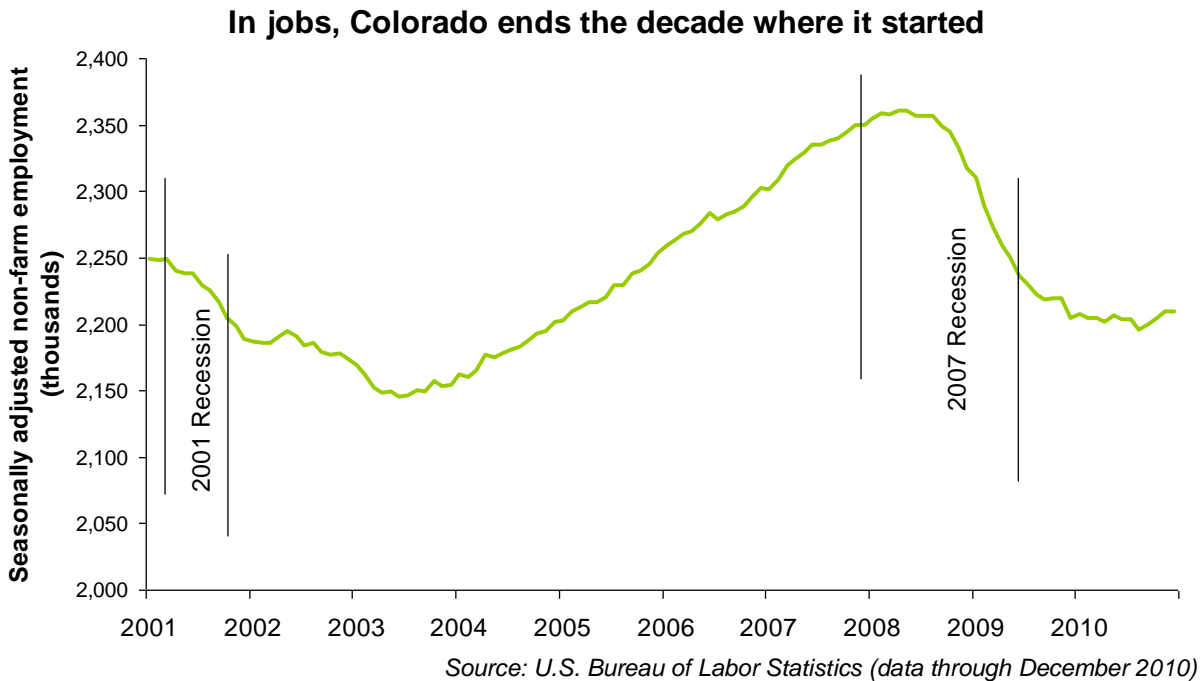
- A shrinking share of Coloradans is able to secure private health insurance, and 16 percent of residents are uninsured. However, during the recession the share of uninsured remained stable thanks to public health insurance programs. (Pages 46 and 48)
- The same health insurance coverage trends seen with the overall population are evident among children. However, with children the role of public health programs is even more prominent. (Page 49)
- Health insurance costs continue to rise in Colorado, where premiums increased almost 100 percent over the decade. At the same time, Coloradans are being asked to pay a larger share of premiums by their employers. (Page 47)
- As a result of the long-term trends in health insurance and the dramatic effects of the recession, Colorado's public health insurance programs have experienced enrollment growth roughly seven times greater than the state's population growth. The Colorado Benefits Management System continues to be a barrier to access. (Page 50)

CHAPTER ONE: EMPLOYMENT

Employment – Ending where we started

At the end of 2010, Colorado had 40,000 fewer jobs than in 2000, despite having almost 900,000 more residents.¹ From 2000 to 2010, the state experienced huge swings in employment driven by the 2001 and 2007 recessions. (Figure 1) Of the two, the more recent recession was by far the worst. Since the onset of that downturn (December 2007), Colorado has lost 140,900 jobs, or 6 percent of its non-farm labor force. That loss ranks 18th worst in the country.² Colorado has yet to recover.

Figure 1



¹ Analysis of U.S. Census Bureau and Colorado Legislative Council population estimates.

² Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

Industry employment – *Winners and losers*

While overall job growth in Colorado did not keep up with population growth during the decade, changes in employment varied widely by industry. (Figure 2)

Education and health services proved to be the strongest large state industries this decade. Combined, they have seen consistent, strong growth in employment that has continued since the economic downturn. (Figures 2 and 3) Government employment growth has also been strong. That was to be expected in a decade with two recessions—demand for government services is counter-cyclical, meaning demand increases during economic downturn. Both industries were large players in the state economy, employing 12 percent and 18 percent of Colorado’s workforce, respectively. (Figure 2)

Hardest hit in the state were manufacturing and construction, both of which experienced large declines in employment since 2000. Colorado’s construction sector saw most of its employment losses kicked off by the 2001 and 2007 recessions, whereas manufacturing has seen a more steady decline through the decade. (Figures 2 and 3)

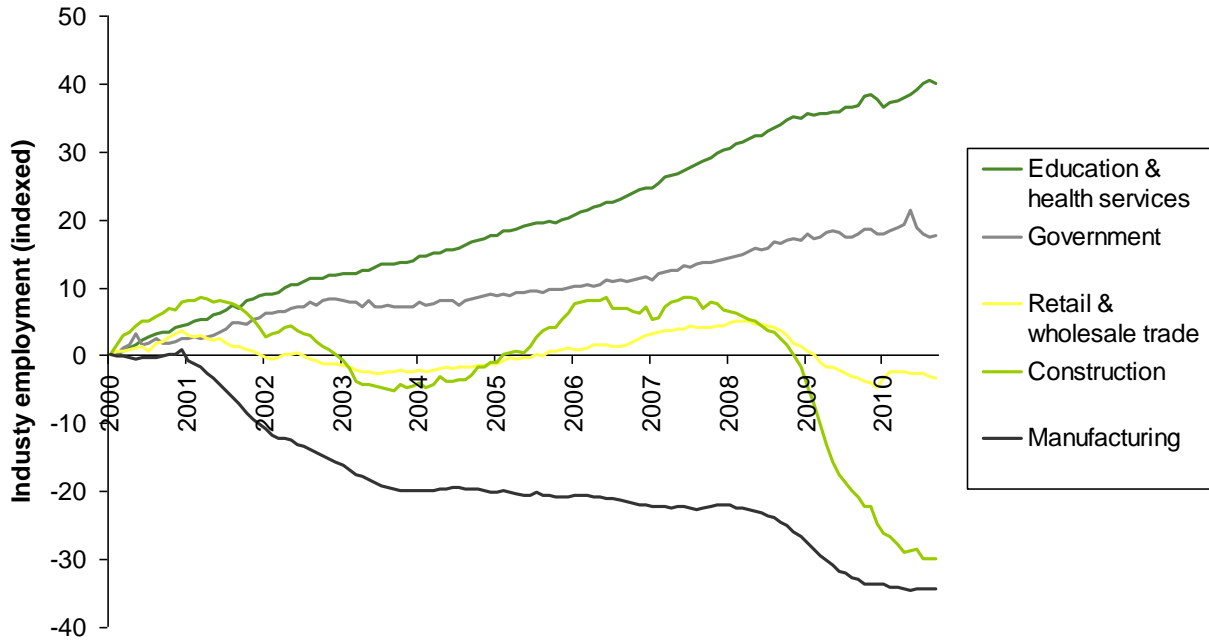
Figure 2

COLORADO INDUSTRY EMPLOYMENT CHANGES, BY CHANGE SINCE 2000				
	CHANGE SINCE 2000	CHANGE SINCE START OF 2007 RECESSION	CHANGE SINCE BEGINNING OF 2010	SHARE OF STATE NONFARM EMPLOYMENT
Total non-farm employment	1.1%	-6.5%	-0.5%	100.0%
Natural resources and mining	89.3%	-11.5%	1.8%	1.1%
Education and health services	40.0%	7.6%	2.6%	12.0%
Other services	18.7%	0.3%	-0.4%	4.3%
Government	17.5%	3.0%	-0.3%	17.7%
Leisure and hospitality	8.3%	-4.9%	-0.2%	11.8%
Professional and business services	3.9%	-7.7%	0.0%	14.8%
Financial activities	-3.0%	-9.5%	-2.2%	6.5%
Retail and wholesale trade	-3.3%	-7.3%	0.0%	14.9%
Transportation and utilities	-8.8%	-13.7%	-2.8%	3.0%
Construction	-30.1%	-34.4%	-5.2%	5.0%
Information	-31.6%	-9.7%	-4.8%	3.2%
Manufacturing	-34.5%	-15.8%	-1.3%	5.6%

Source: Economic Policy Institute analysis of Current Employment Statistics Survey Data are through September 2010, and employment shares are calculated using that month. The 2007 recession began in December 2007.

Figure 3

Colorado's winning and losing industries over the decade



Source: Analysis of Current Employment Statistics Survey
Data are through September 2010, and are indexed.³

³ Indexing compares employment relative to January 2000. For example, an indexed employment of “10” indicates employment is 10 percent greater than in January 2000.

Labor force composition – What does Colorado’s workforce look like?

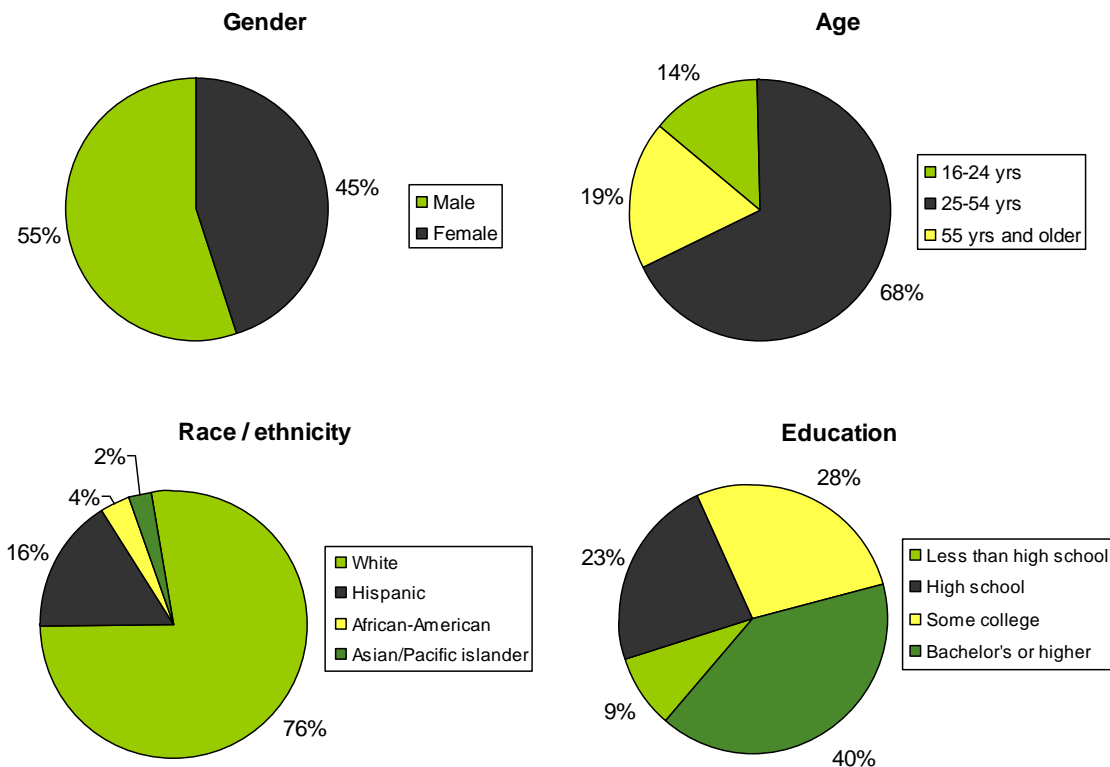
The labor force is defined as people with jobs and those looking for jobs. In December 2009 there were 2.6 million people in the Colorado labor force, out of a working-age population of 3.9 million and a total population of roughly 5 million.⁴ Of those in the labor force, 55 percent were men, 70 percent of workers were 24 to 55 years old, and three-quarters were white. (Figure 4) The largest minority group in the state’s labor force was Hispanics (16 percent), followed by blacks (4 percent) and Asian / Pacific Islanders (2 percent). (Figure 4)

Colorado is an educated state with an educated workforce. Compared to other states, Colorado ranks third in the number of bachelor’s degrees in the general population and ninth in the number of advanced degree holders.⁵ Nearly 70 percent of the labor force has attended at least some college, and 40 percent holds a college degree or advanced degree. Only 9 percent of Colorado’s labor force has not completed high school. (Figure 4)

While the state boasts one of the most educated workforces in the country, Colorado kids have below-average rates of college attendance and completion.⁶ That “Colorado Paradox” means much of the state’s highly-educated workforce comes from other parts of the country.

Figure 4

Colorado labor force composition (2009)



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

⁴ Bureau of Labor Statistics and U.S. Census Bureau.

⁵ U.S. Census Bureau American Community Survey, 2009. Rankings are based on the population over 25 years old.

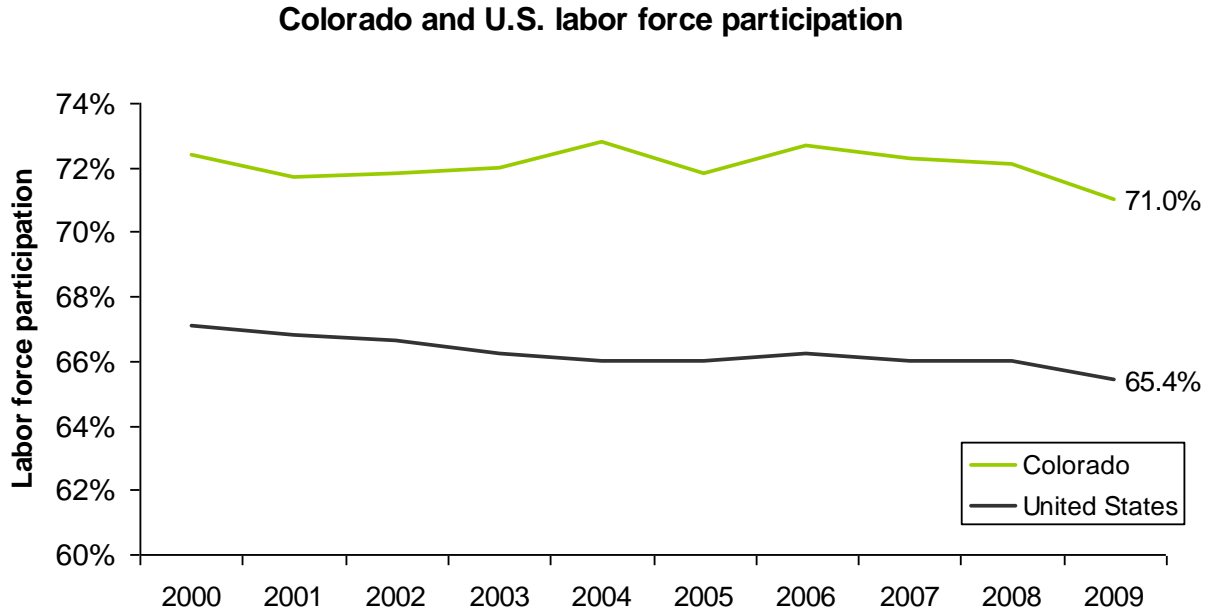
⁶ “Colorado’s 2008 Education Reforms: Will They Achieve the Colorado Promise?” *The Piton Foundation*, 2009.

Labor force participation – *Working or looking for work*

The labor force participation rate measures the share of the working-age population that has a job or is looking for one. It is calculated by dividing the number of people with jobs or looking for jobs by the total working-age population (age 16 and older).

Historically and in 2009, Colorado's labor force participation rate is higher than the regional or national average. In 2009, Colorado's labor force participation rate was 70.5 percent. (Figure 5) That ranks 16th highest in the nation.⁷

Figure 5



Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey
Data are for individuals 16 and older

⁷ U.S. Census Bureau American Community Survey, 2009

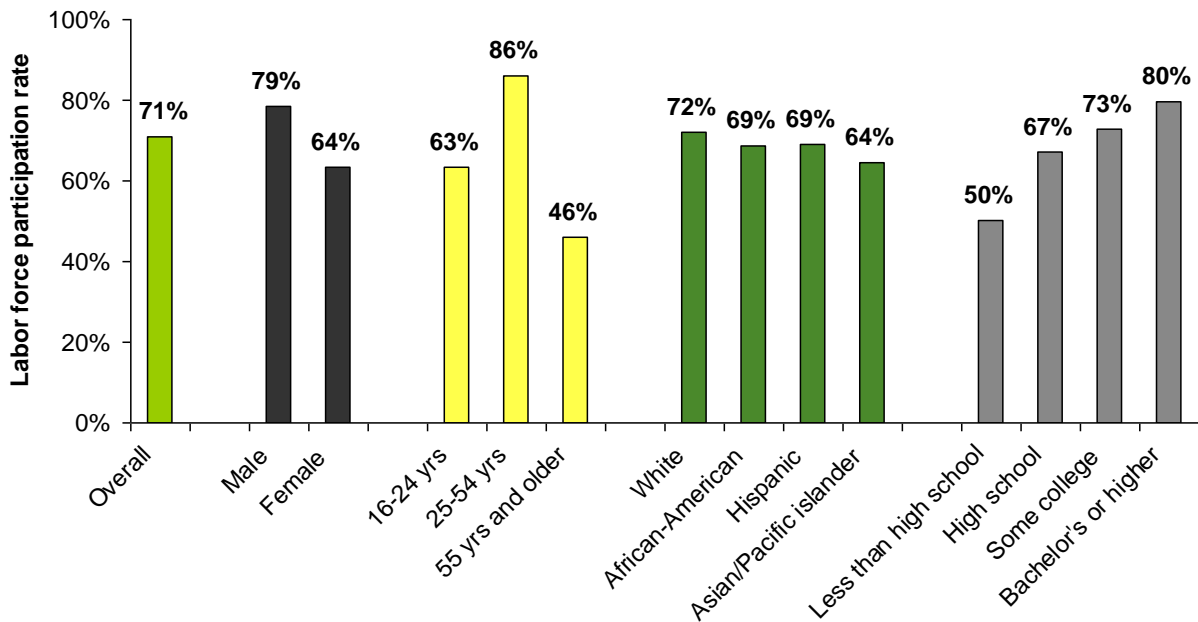
Labor force participation – *Who plays, and who stays on the sidelines?*

Different groups participate in the labor force at different rates. In Colorado, men participate more than women, 25 to 54 year-olds participate at a much higher rate than those younger or older, and differences between races are evident. (Figure 6)

The most pronounced difference in labor force participation is by education. While four out of five Coloradans with a college degree or higher participate in the labor force, only half of people without a high school diploma are working or looking for work. (Figure 6) That means among the least-educated Coloradans, half have essentially given up hope of working — they are without a job and not looking.

Figure 6

Colorado labor force participation by demographic (2009)

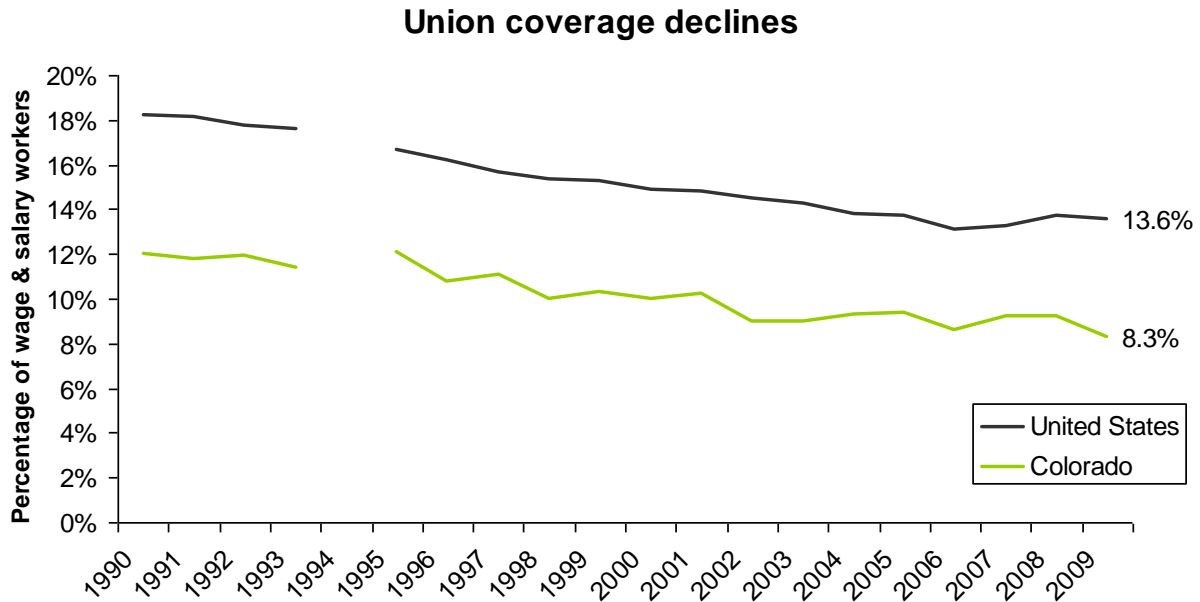


Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey
Data are for individuals 16 and older

Union coverage – A steady decline

In the past 20 years, union membership has experienced a steady decline in Colorado, and in the nation as a whole. (Figure 7) In Colorado, the percentage of wage and salary workers with union benefits (not just those paying union dues) declined from 12 percent in 1990 to 8 percent in 2009. (Figure 7) That decline leaves workers more exposed to an increasingly volatile labor market, and more subject to the demands of their employers.

Figure 7



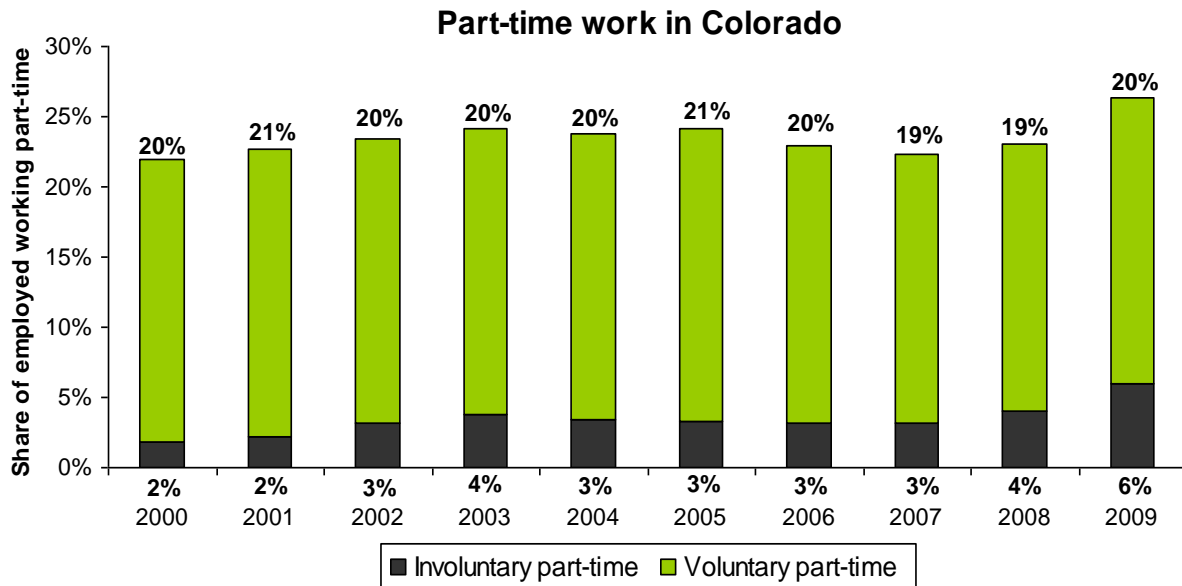
Source: EPI Analysis of U.S. Bureau of Labor Statistics union data
Data for 1994 are not available.

Part-time work – Are workers full time? Do they want to be?

When the economy suffers, the share of workers employed part time tends to rise. Some workers choose to work part time, driven by factors such as lower wages and more competition. Those are called “voluntary part-time.” Others would like to work full time, but can find only part-time work. Those are called “involuntary part-time.”

The recent economic downturn has increased the share of part-time workers in Colorado. (Figure 8) That increase has been almost exclusively driven by an expansion of Coloradans working part-time involuntarily. (Figures 8 and 9) The rise in involuntary part-time work might delay Colorado’s recovery, since firms will be inclined to bring part-time workers back to full time before making new hires.

Figure 8



Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey Category subtotals shown.

Figure 9

Share of part-time workers in Colorado who would like more work



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

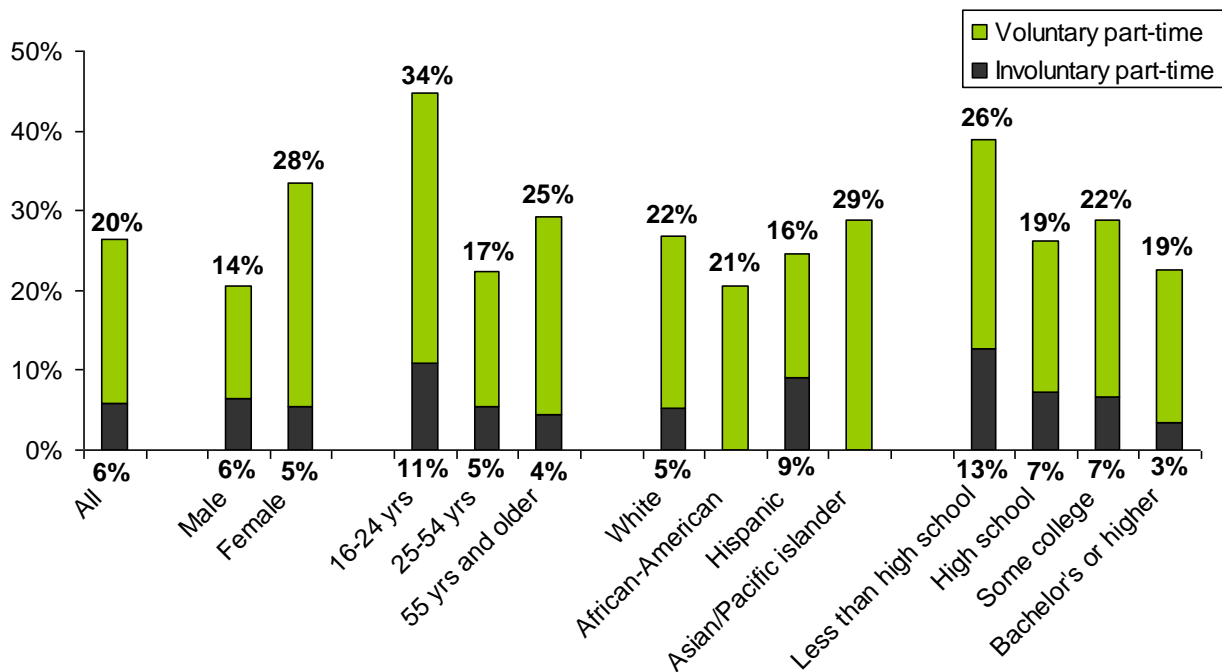
Part-time work by demographic group – Disparities in full employment

Part-time work in Colorado varies noticeably among demographic groups. As a general rule, a higher share of involuntary part-time workers indicates greater vulnerability in the work force, since it suggests workers are unable to work on their preferred terms.

In Colorado, more women than men work part time, but a greater share of men working part time do so involuntarily. Similarly, roughly the same share of white and Hispanic workers work part time, but a larger share of Hispanics works part time involuntarily. The share of involuntary and voluntary part-time workers decreases with workers’ education, leaving the least educated with the highest overall part time and involuntary part-time shares. (Figure 10)

Figure 10

Part-time work in Colorado, by demographic (2009)



Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey
 Data on involuntary part-time are not available for all race/ethnicities.
 Category subtotals shown.

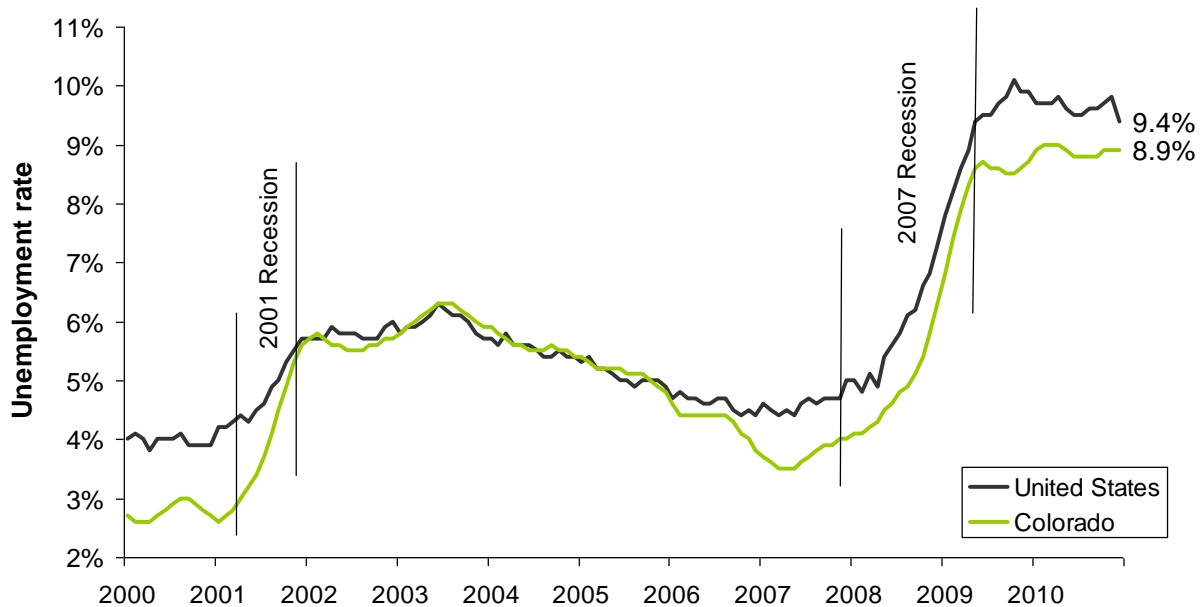
CHAPTER TWO: UNEMPLOYMENT

Unemployment – Without a job and looking

Unemployment is a measure of joblessness. It counts the number of people who do not have jobs and are actively looking for work. Colorado ends its decade with dramatically higher unemployment than it began with. In December 2010, Colorado's unemployment rate was 8.9 percent (Figure 11), the highest rate since the U.S. Bureau of Labor statistics began tracking state unemployment rates in 1976. That elevated level of unemployment has persisted more than a year after the official end of the 2007 recession in June 2009, and is likely to be a fixture of the state economy for some time to come. Colorado's unemployment rate is forecasted at 8.4 percent for 2011, and 8.2 percent for 2012.⁸

Relative to other states, Colorado's predicament is not unusual. At the end of 2010, the Colorado unemployment rate was 25th worst among states, and its increase in unemployment since the beginning of the downturn (December 2007) was 20th largest.⁹ Still, unemployment in Colorado has had dramatic effects on many areas of the state, from income and poverty to health care and food assistance.

Figure 11

Colorado ends the decade with persistently high unemployment

Source: U.S. Bureau of Labor Statistics (data through December 2010)

⁸ "Focus Colorado," *Colorado Legislative Council Staff*, Dec. 20, 2010.

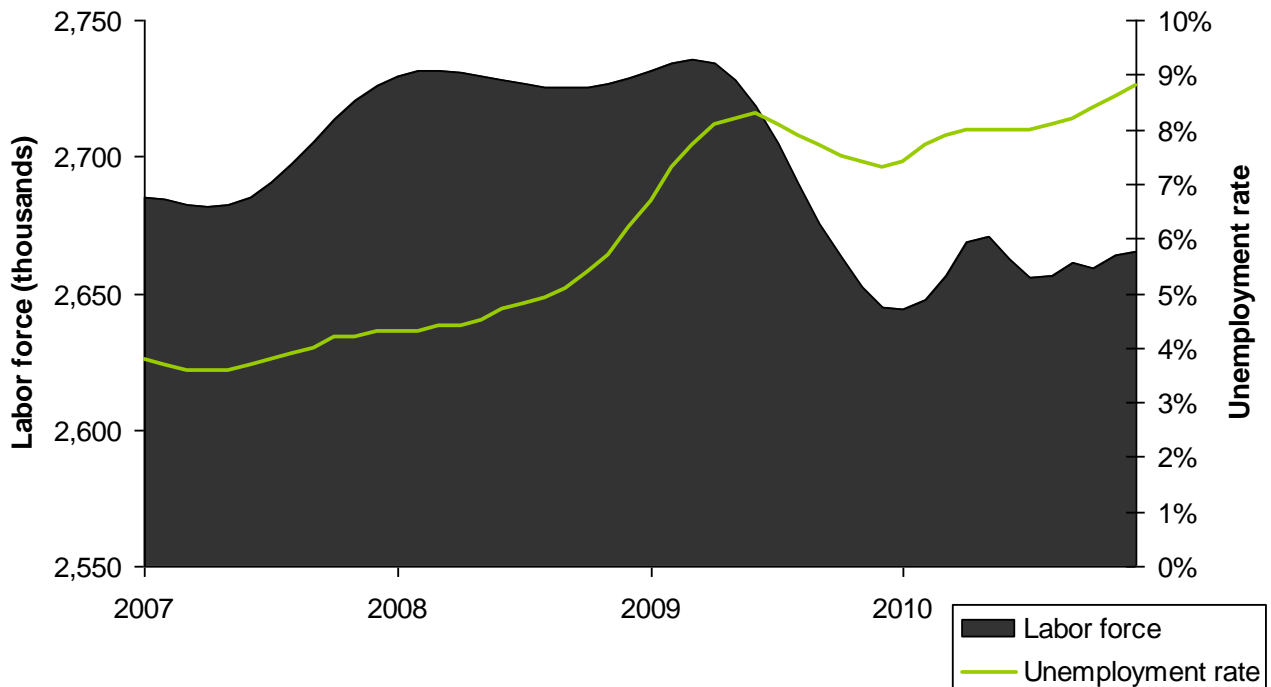
⁹ Economic Policy Institute analysis of U.S. Bureau of Labor Statistics Current Employment Survey data.

Unemployment rate and the labor force – *Coming back in*

Colorado's unemployment rate increase in 2010 was not all bad news. In fact, a look at the state's labor force alongside its unemployment rate reveals increased labor force participation was behind much of the recent unemployment rate increase. (Figure 12) Since laid-off workers are counted only as "in the labor force" and "unemployed" if they are actively looking for work, more workers resuming the job hunt can actually increase the unemployment rate. While the state's economy did not generate enough jobs for full employment in 2010, it did do well enough to bring workers back into the economy after they left *en masse* in 2009. (Figure 12) Colorado stands in contrast to the national economy, which saw a decrease in its unemployment rate at the end of 2010 as it shed workers from the labor force.¹⁰

Figure 12

Colorado unemployment rate and labor force (seasonally adjusted)



Source: U.S. Bureau of Labor Statistics (data through December 2010)¹¹

¹⁰ U.S. Bureau of Labor Statistics Current Population Survey, December 2010.

¹¹ Also, Colorado Legislative Council Staff for chart design.

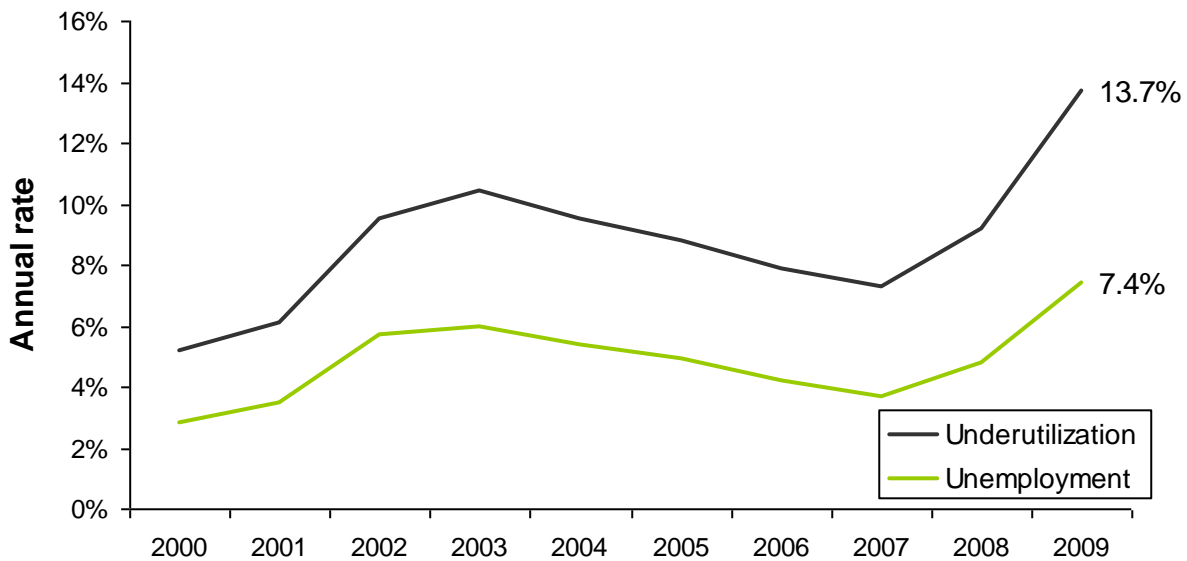
Underutilization rate – *A more complete measure*

While unemployment is the best-known measure of joblessness, it has some shortcomings. Most notably, unemployment does not include two groups of underutilized workers. Specifically, unemployment does not count “marginally attached workers” — those who want work but have not looked.¹² Nor does it count people working part time involuntarily — those who are working part time but would prefer full time. Counting those groups along with the unemployed gives more complete picture of joblessness. The measure that captures all these populations is called the labor underutilization rate.¹³

In 2009, Colorado’s underutilization rate was nearly twice as high as its unemployment rate. (Figure 13) That suggests the jobs climate in Colorado is substantially worse than the unemployment rate would indicate. While 2010 underutilization data are not available, since the Colorado unemployment rate in December 2010 was 8.8 percent compared to 7.4 percent the year before (figures 11 and 13), it is likely the underutilization rate in 2010 was proportionately higher as well.

Figure 13

Colorado unemployment and underutilization rates



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

¹² More specifically, marginally attached workers are people who are willing and able to work and have looked for work in the past 12 months, but who did not look for work during the four-week survey period.

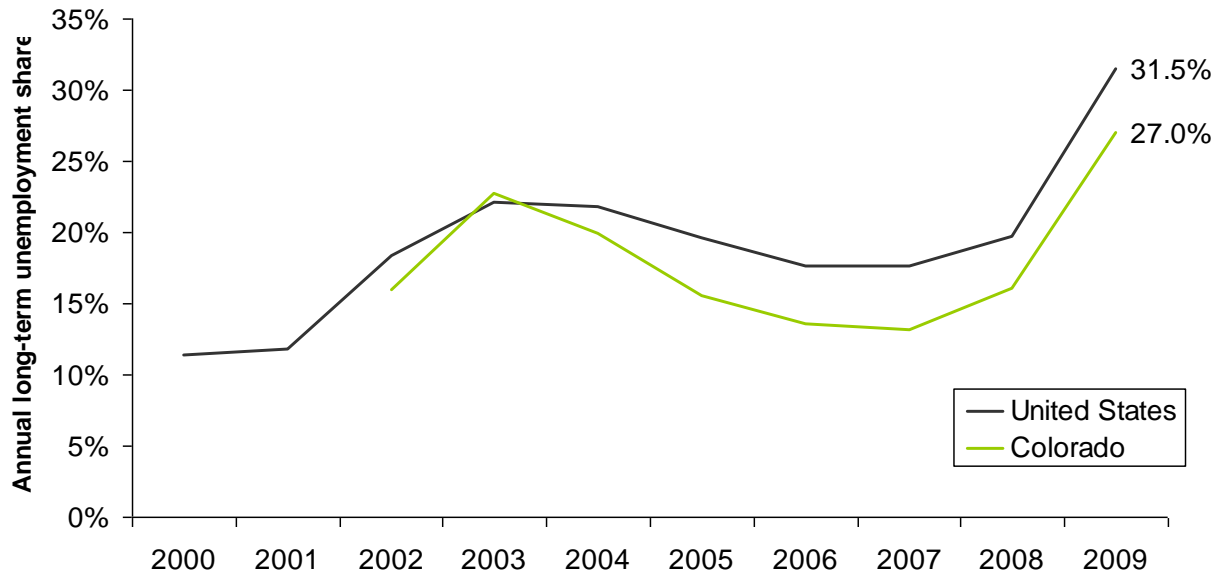
¹³ Numerically speaking, the underutilization rate is defined as (unemployed + marginally attached + involuntary part-time) / (labor force + marginally attached). The Bureau of Labor Statistics tracks to this measure as “U-6.”

Long-term unemployment – *Not the typical layoff*

When workers have been unemployed for longer than 26 weeks, they are classified as “long-term unemployed.” As the economy suffers, not only does the number of unemployed workers increase, but the share of unemployed people who are long-term unemployed increases as the downturn persists. During the recent economic downturn, the long-term unemployment share increased dramatically in Colorado and the nation as a whole. In 2009, more than one of every four unemployed Coloradans had been out of work for more than 26 weeks. (Figure 14) Even at that high rate, Colorado continues to do better than the national average. (Figure 14) Like unemployment insurance reciprocity and exhaustion rates, the long-term unemployment share is likely to show another increase in the 2010 data, given persistently high unemployment rates.

Figure 14

Long-term unemployment up in U.S. and Colorado



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

Unemployment insurance – *The primary safety net*

If a worker loses his or her job through no fault of his or her own, the worker may apply for unemployment insurance (UI) benefits. Under the program, unemployed workers receive payments in proportion to their past earnings while they look for new jobs. Those payments are funded by contributions to the state unemployment trust fund, made by employers on behalf of their workers. Thus a laid-off worker gets UI benefits paid for while he or she was still working. Unemployment insurance is the front-line safety net in times of economic hardship.

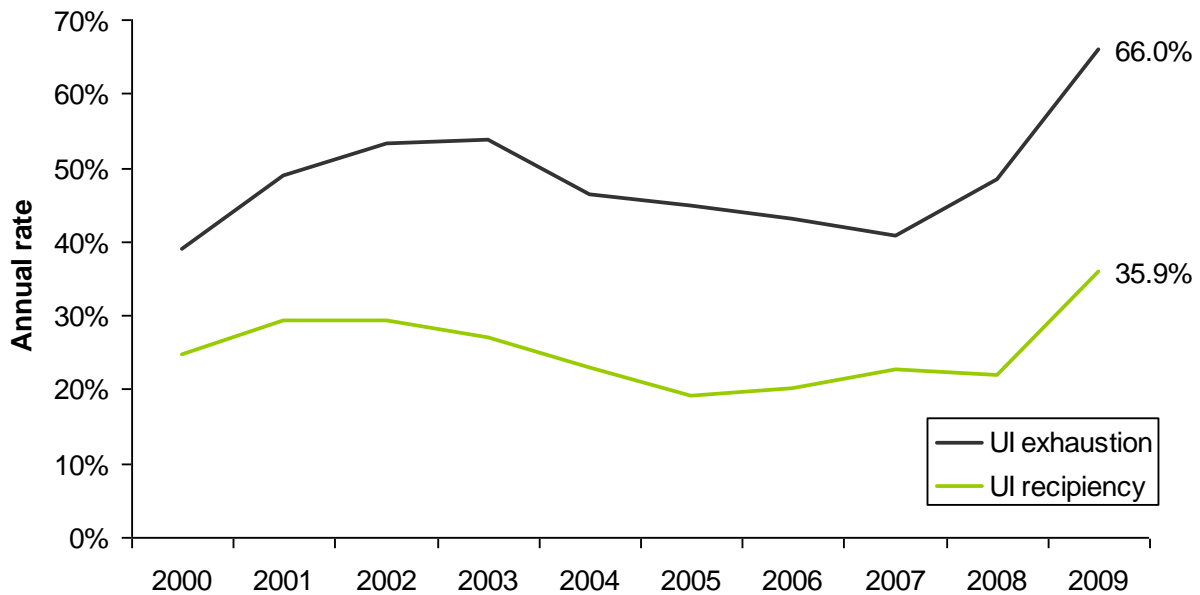
The state provides a maximum of 26 weeks of UI payments. However, beginning in 2008, the federal government began funding a number of extensions and supplements to unemployment insurance benefits because of the severity of the recession. Currently, laid-off Coloradans may receive up to 99 weeks of benefits.¹⁴

The unemployment insurance reciprocity rate is the percentage of the unemployed (those who are without work and looking for work) who are receiving benefits. The unemployment insurance exhaustion rate is the percentage of UI recipients who have expended their full 26 weeks of standard state benefits.

Colorado's UI reciprocity and exhaustion both increased dramatically as the economy worsened and jobs became harder to find. (Figure 15) Given the prolonged high unemployment (figure 11) these numbers will likely see another increase reflected in the 2010 data.

Figure 15

Colorado unemployment insurance reciprocity and exhaustion



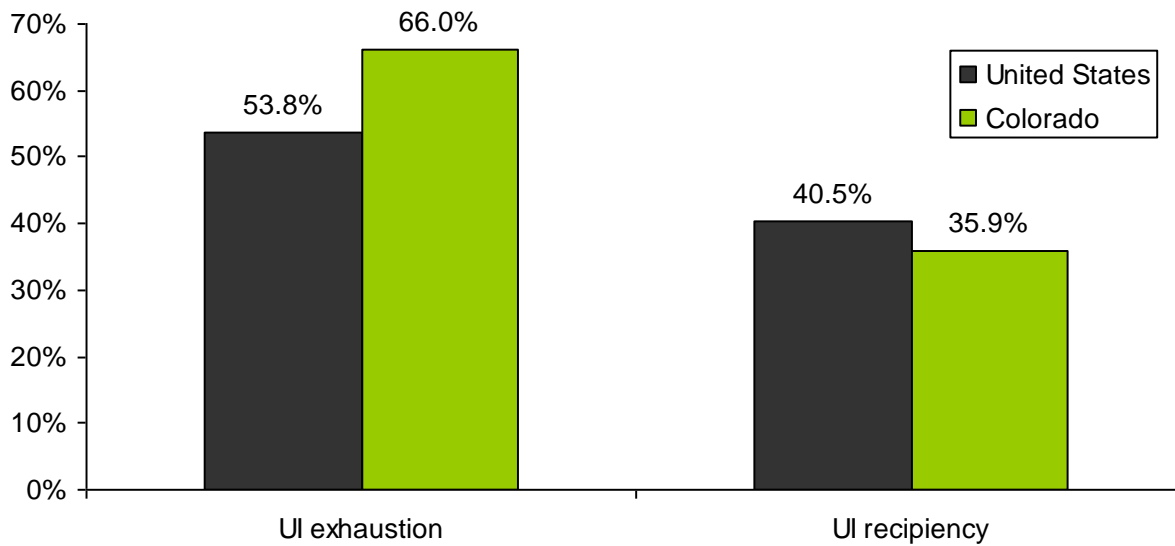
Source: Economic Policy Institute analysis of U.S. Census Current Population Survey

¹⁴ Colorado Department of Labor and Employment

Compared to the nation as a whole, fewer Coloradans receive unemployment insurance, but of those who do, a higher share exhaust the standard 26 weeks. (Figure 16)

Figure 16

Unemployment insurance recipiency and exhaustion (2009)



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

Disparities in joblessness – *More pain for some*

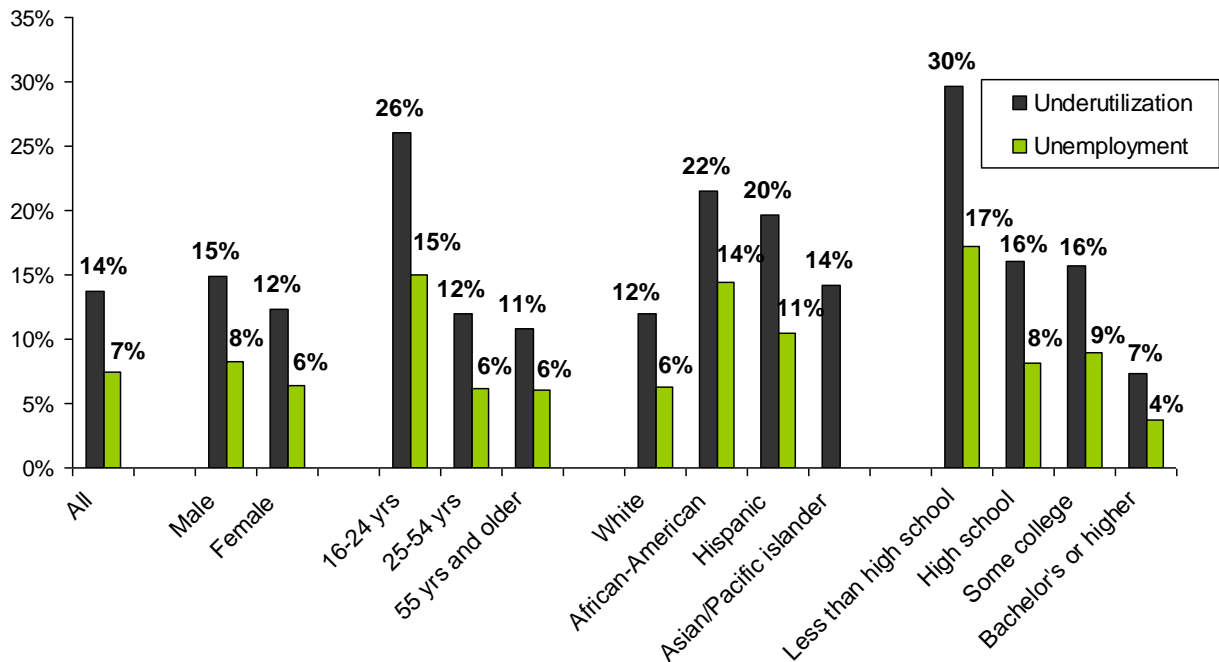
Colorado has pronounced disparities in unemployment and underutilization. Men, young workers, racial and ethnic minorities, and the less-educated all experienced higher rates of joblessness than their counterparts. (Figure 17)

Worst off among racial and ethnic groups are blacks, with an unemployment rate more than double their white counterparts; and Hispanics, with rates nearly double those of whites. (Figure 17) Troublingly, those differences are not just a product of the recession but have persisted for some time in Colorado. (Figure 18) Indeed, racial and ethnic disparities in unemployment are remarkably and disconcertingly prevalent in Colorado. Regardless of the economic climate, blacks and Hispanics experience substantially higher rates of unemployment than their white counterparts. (figures 17 and 18)

A familiar pattern emerges in jobless rates in the context of education. Unemployment and underutilization increase substantially among less-educated Coloradans. In 2009, high school dropouts in Colorado experienced four times the unemployment and underutilization rates of college graduates. (Figure 17) That pattern again underscores the value of education in today’s labor market and highlights the need for continued support of robust kindergarten through 12th-grade education, and affordable higher education.

Figure 17

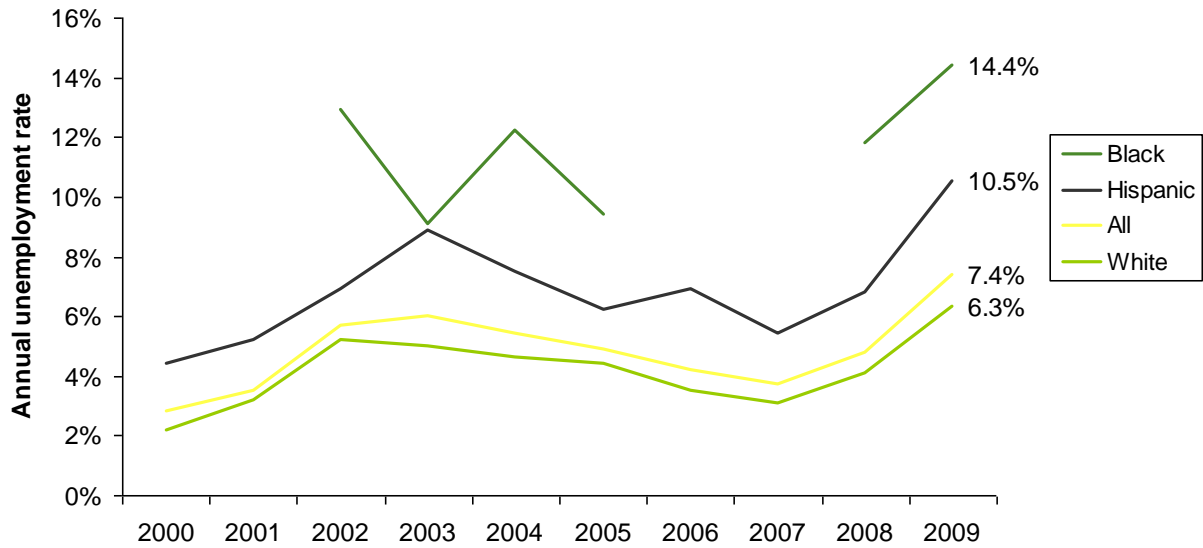
Colorado unemployment and underutilization rates by demographic (2009)



Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey
 Due to small sample sizes, unemployment data are not available for Asian/Pacific islanders

Figure 18

Racial/ethnic unemployment disparities persist in Colorado



Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey
 Due to small sample sizes, data are not available for all races and years

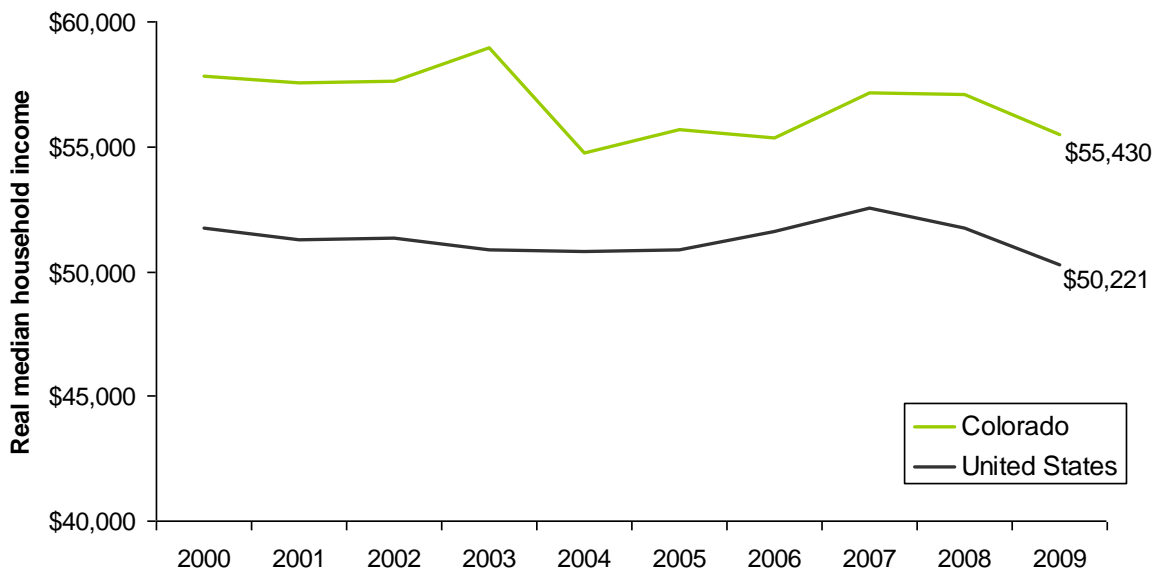
CHAPTER THREE: INCOME AND WAGES

Income – Better than average, but stagnant a decade later

If all households were lined up by income level, the median family 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 an average (mean) value, which can be skewed by extreme outliers (upward, in the case of income). Like many other measures of economic potential in the state, Colorado median household income is better relative to the rest of the country. Colorado has maintained its income advantage since the 1990s.¹⁵ In 2009, the median household income in Colorado was \$55,430, versus \$50,221 for the nation (Figure 19) That ranks 14th highest among states.¹⁶

Yet despite Colorado's relative wealth, changes in income during the past decade have been less positive. In 2009, the real median household income in Colorado was not statistically different from the median income in 2000. (Figure 19) In other words, earnings of the typical Colorado household had the same buying power at the end of decade as they did at the beginning.

Figure 19

Real incomes stagnant over the decade

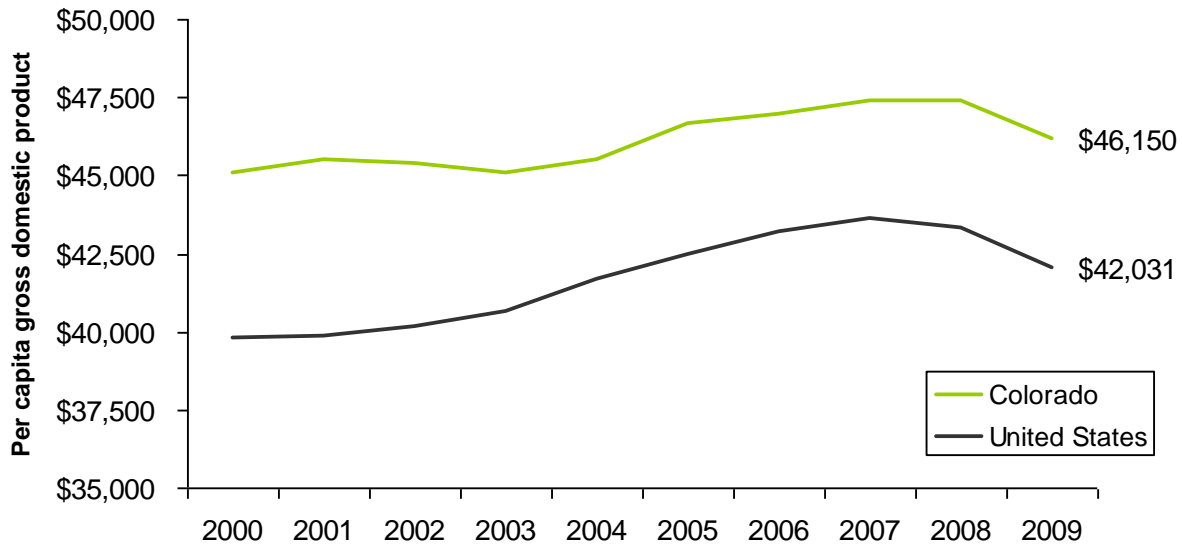
Source: Economic Policy Institute analysis of U.S. Census Bureau American Community Survey

¹⁵ Analysis of U.S. Census American Community Survey

¹⁶ U.S. Census American Community Survey, 2009.

Productivity – Working harder for the same reward

Colorado's decade of income stagnation occurred despite gains in productivity, as measured by state domestic product per capita. (Figure 20) That means even though Colorado workers produced more at the end of the decade, they earned the same.

Figure 20**Despite recessions, productivity rises over the decade**

Source: U.S. Bureau of Economic Analysis

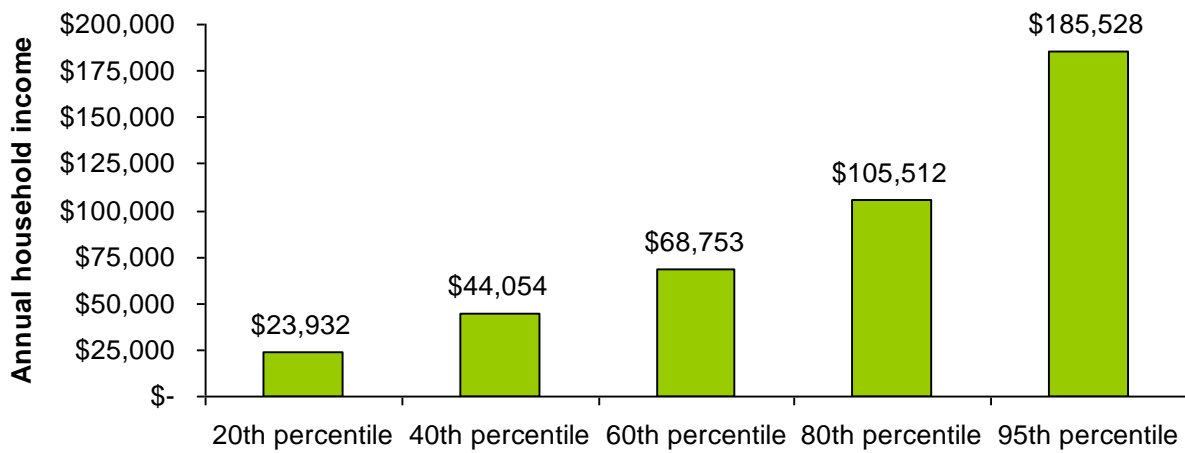
Income distribution – How is wealth spread?

One way to measure income distribution is to use percentiles. Percentiles communicate relative rankings. Income percentiles convey the share of the population with incomes less than the household in question. For example, a household in the 90th percentile of income has income greater than 90 percent of all other households.

Income inequality is striking in Colorado. Households and earners at the top of the pay scale make many multiples of the earnings for those at the bottom. (Figures 21 and 22) Like the nation as a whole, income inequality in Colorado is greatest at the top income levels. In other words, the gap between the middle and the top is much greater than the gap between the middle and the bottom. (Figures 21 and 22)

Figure 21

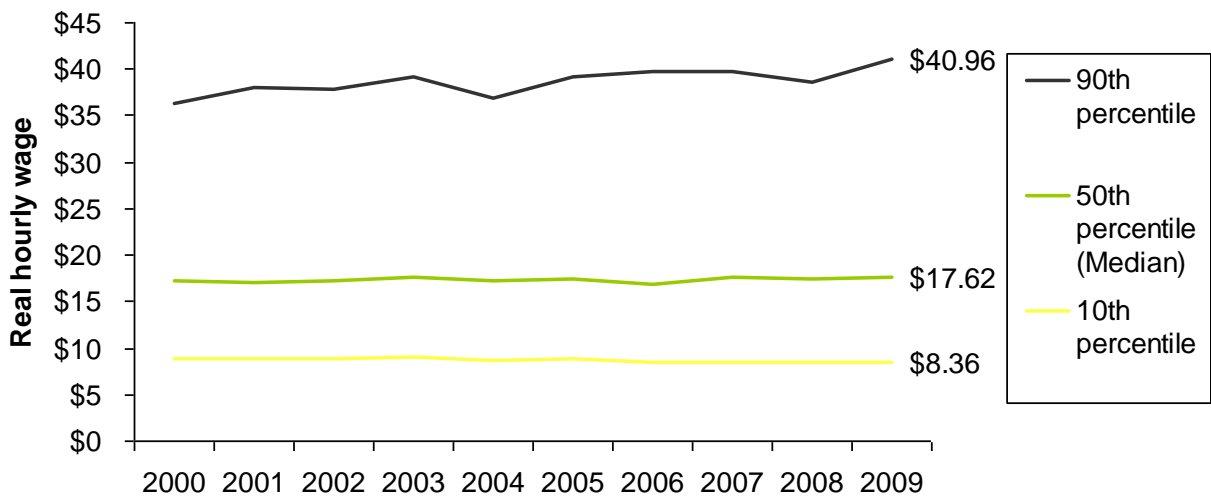
Colorado's income distribution (2009)



Source: U.S. Census American Community Survey

Figure 22

Gap in Colorado earnings is bigger and widening at the top



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

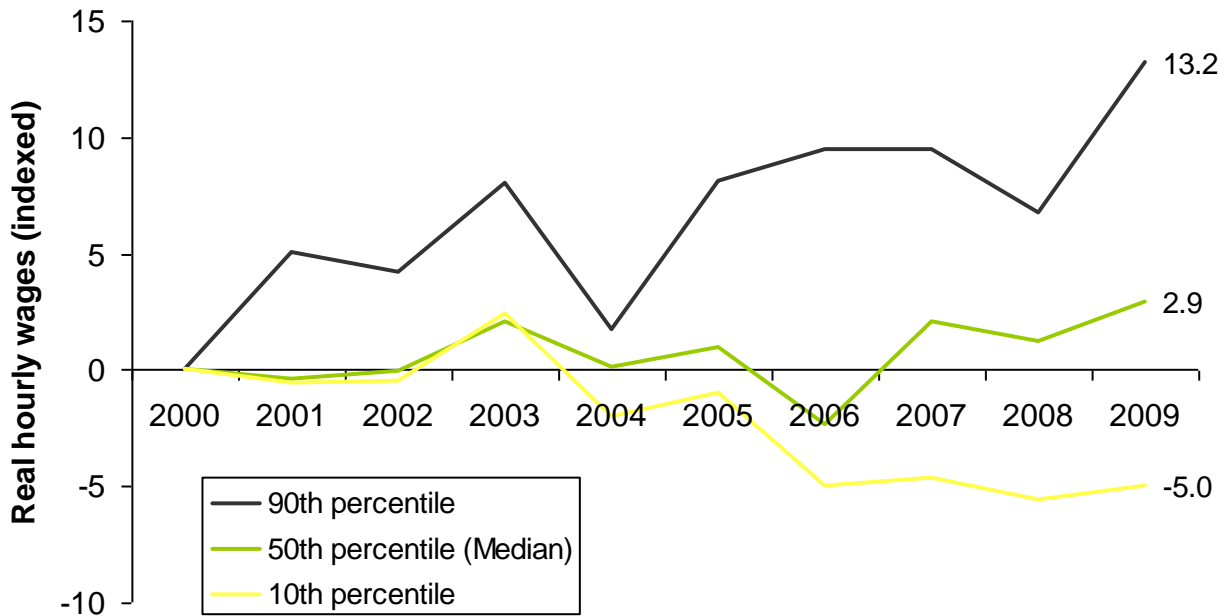
Income distribution – Growing inequality

The gap between the rich and the rest in Colorado has grown over the past decade. Coloradans in the 90th percentile of wages enjoyed more than four times the earnings gains of median earners. On the other end, those in the bottom 10 percent of earnings experienced a decline in wages. (Figure 23)

The growing wage gap in Colorado and the nation as a whole is a troubling trend. Increasingly, the American economy is serving the wealthy at the expense of the worse-off. Less and less does “a rising tide lift all boats” in Colorado.

Figure 23

Over-the-decade earnings gains go the the wealthy in Colorado



Source: Analysis of U.S. Census Bureau American Community Survey Data are through September 2010, and are indexed.¹⁷

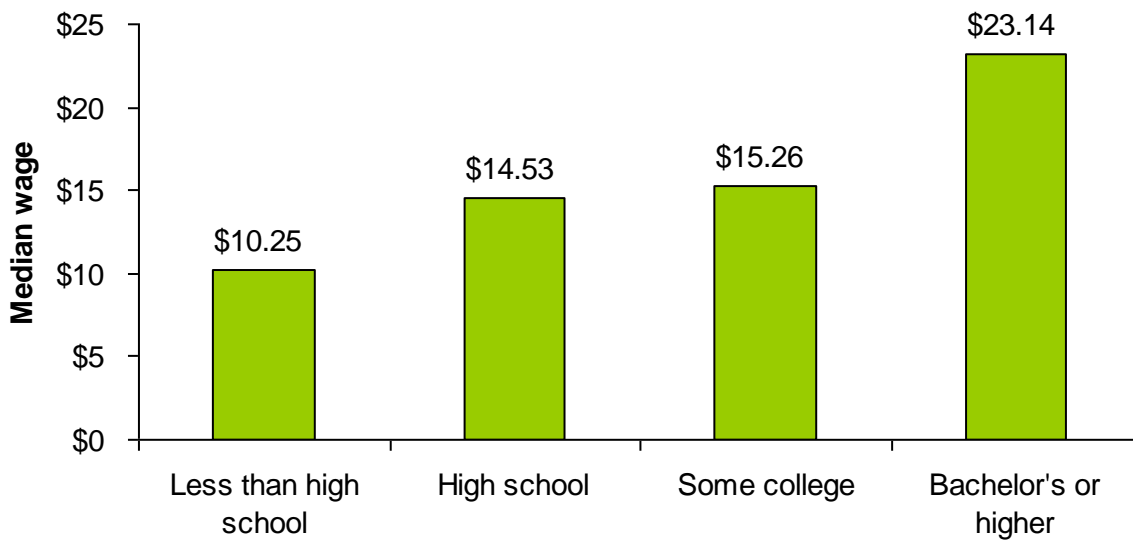
¹⁷ Indexing compares wages relative to January 2000. For example, an indexed wage of “10” on the chart indicates wages 10 percent higher than those in January 2000.

Median wage by education – *The value of school*

Wages vary widely by education in Colorado. In 2009, Coloradans with a bachelor's degree or higher earned more than twice what Coloradans with less than a high school diploma did. In the same year, completing high school translated into a 42 percent increase in wages, and completing college translated into a 50 to 60 percent increase in wages for those with just high school diplomas and those with some college.¹⁸ (Figure 24) These figures underscore the importance of educational opportunities for all Coloradans.

Figure 24

Colorado wages increase with education (2009)

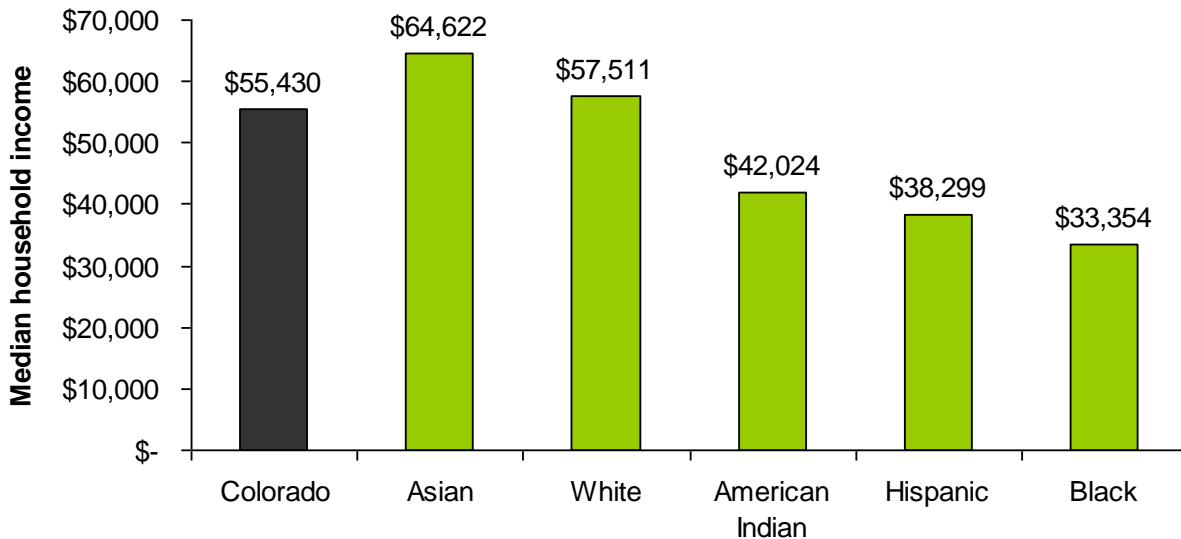


Source: U.S. Census American Community Survey

¹⁸ It is important to note that the relationships here are not purely causal. That is, it is unfair to say that completing college will cause a fifty-some percent increase in wages. While this may or may not be the case, strictly speaking the data show only that workers with a bachelor's degree or higher earned 50 to 60 percent more than those who only completed high school.

Income by race – *Earnings and heritage*

While Colorado boasts relatively high income levels overall (Figure 19), a closer look reveals deep disparities along racial and ethnic lines. Incomes for blacks, Hispanics, and American Indians substantially lag those for whites in Colorado. In 2009, the median household income for blacks was 58 percent of that for whites, income for Hispanics was 67 percent of whites', and income for American Indians was 73 percent of whites'. (Figure 25)

Figure 25**Colorado incomes vary substantially by race/ethnicity (2009)**

Source: U.S. Census American Community Survey

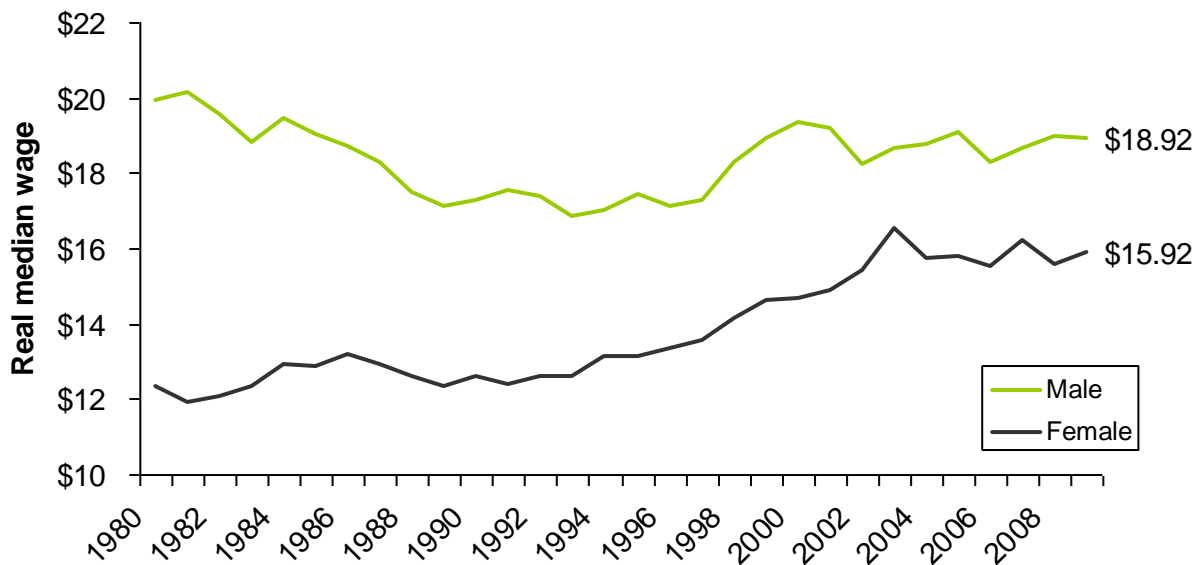
Wages by gender – *Closing the gap*

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 percent increase in real median wage. At the same time, men in Colorado have seen stagnation in real wages. (Figure 26)

Yet while substantial gains in wages have been made by women in the past 30 years, on average the real median wage for a woman in 2009 was still only 84 percent of that for a man in Colorado. (Figure 26)

Figure 26

Colorado inches toward gender pay-equity



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

Industry income by gender – Inequality varies by industry

Gender-inequality in income fluctuates enormously by industry. However, overall the picture is clear — even within the same industries, women earn less than men in Colorado. On average, women in Colorado earn 79 percent of the salary for men in the same industry. (Figure 27) Women working in the agricultural and legal industries face the largest income inequality, where they earn half of their male peers. Of Colorado’s industries, only in construction and related occupations do women out-earn their male colleagues. (Figure 27)

Figure 27

EARNINGS DIFFERENTIAL: MEDIAN ANNUAL INCOME BY GENDER IN COLORADO INDUSTRIES (2009)				
INDUSTRY	MALE INCOME	FEMALE INCOME	WAGE DIFFERENCE	FEMALE / MALE WAGE
OVERALL	\$ 48,216	\$38,152	\$ 10,064	0.79
Farming, fishing, and forestry	\$ 23,954	\$12,033	\$ 11,921	0.50
Legal	\$111,976	\$57,584	\$ 54,392	0.51
Building and grounds cleaning and maintenance	\$ 26,727	\$18,839	\$ 7,888	0.70
Sales	\$ 48,295	\$33,760	\$ 14,535	0.70
Health practitioners and other technical	\$ 84,644	\$61,021	\$ 23,623	0.72
Production, transportation, and material moving	\$ 35,455	\$25,846	\$ 9,609	0.73
Management	\$ 70,851	\$52,872	\$ 17,979	0.75
Architecture and engineering	\$ 79,889	\$61,065	\$ 18,824	0.76
Fire, police, and other protective service workers	\$ 52,429	\$40,971	\$ 11,458	0.78
Personal care and service occupations	\$ 28,732	\$23,121	\$ 5,611	0.80
Health technologists and technicians	\$ 41,016	\$33,280	\$ 7,736	0.81
Education, training, and library	\$ 48,472	\$39,693	\$ 8,779	0.82
Business and financial operations	\$ 63,041	\$52,434	\$ 10,607	0.83
Computer and mathematical	\$ 79,093	\$66,815	\$ 12,278	0.84
Healthcare support	\$ 31,628	\$26,689	\$ 4,939	0.84
Community and social services	\$ 44,713	\$38,658	\$ 6,055	0.86
Arts, design, entertainment, sports, and media	\$ 50,837	\$44,245	\$ 6,592	0.87
Food service	\$ 19,764	\$17,593	\$ 2,171	0.89
Office and administrative support	\$ 34,966	\$33,340	\$ 1,626	0.95
Construction, extraction, maintenance, and repair	\$ 39,778	\$47,147	\$ (7,369)	1.19

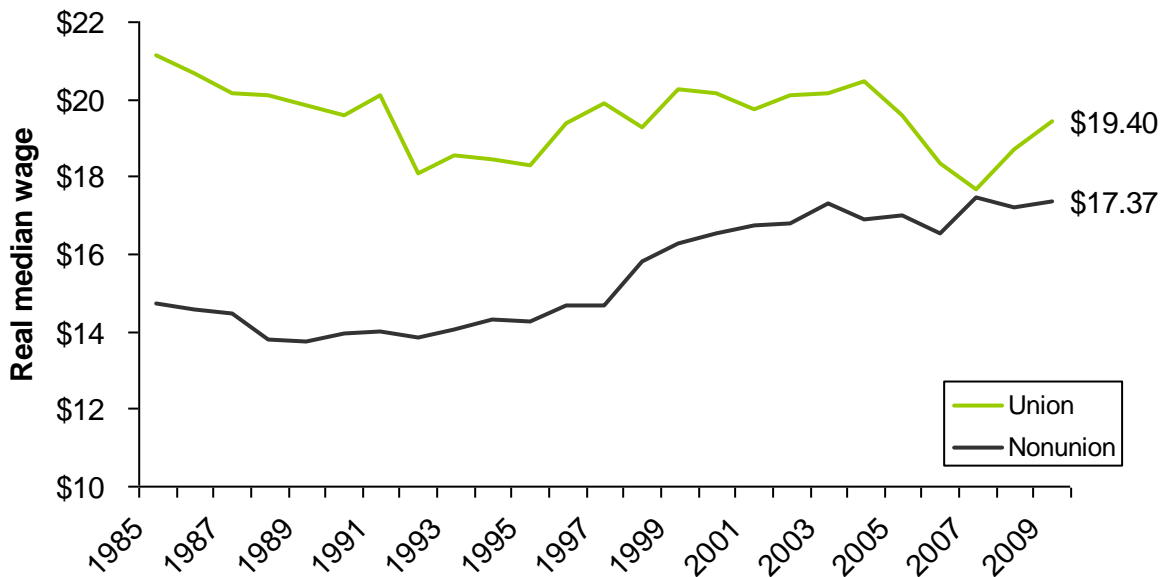
Source: U.S. Census American Community Survey

Wages and unions – Pay convergence

Union and nonunion wages saw a strong convergence in the past two decades. While real median union wages have fallen somewhat, nonunion wages in Colorado have risen more than 20 percent during the same period. In 2007, it appeared the convergence was complete, with union and nonunion wages within 25 cents of each other. However, the recession brought renewed separation. (Figure 28) The recent re-polarization in wages between union and nonunion wages underscores the benefits of union coverage.

Figure 28

Union wages converge in Colorado



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

County income distribution – *Where does the money go?*

Household income varies widely by county in Colorado. The wealthiest county in Colorado is Douglas County, with a median household income of \$99,522. The poorest county in Colorado is Costilla County, with a median household income of \$23,041. (Figure 29).

Figure 29

COLORADO COUNTY MEDIAN HOUSEHOLD INCOME, LISTED ALPHABETICALLY (2005 - 2009 AVERAGE)							
GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	GEOGRAPHY	MEDIAN HOUSEHOLD INCOME	GEOGRAPHY	MEDIAN HOUSEHOLD INCOME
COLORADO	\$ 56,222	Denver County	\$ 45,438	Kit Carson County	\$ 40,754	Phillips County	\$ 39,830
Adams County	\$ 55,258	Dolores County	\$ 41,961	Lake County	\$ 39,147	Pitkin County	\$ 62,318
Alamosa County	\$ 32,362	Douglas County	\$ 99,522	La Plata County	\$ 53,713	Prowers County	\$ 35,166
Arapahoe County	\$ 58,968	Eagle County	\$ 69,139	Larimer County	\$ 54,755	Pueblo County	\$ 40,805
Archuleta County	\$ 54,909	Elbert County	\$ 74,345	Las Animas County	\$ 37,587	Rio Blanco County	\$ 54,812
Baca County	\$ 33,504	El Paso County	\$ 56,570	Lincoln County	\$ 39,572	Rio Grande County	\$ 39,683
Bent County	\$ 35,647	Fremont County	\$ 37,852	Logan County	\$ 39,992	Routt County	\$ 64,046
Boulder County	\$ 65,040	Garfield County	\$ 64,837	Mesa County	\$ 50,611	Saguache County	\$ 29,523
Broomfield County	\$ 76,240	Gilpin County	\$ 55,455	Mineral County	\$ 52,153	San Juan County	\$ 44,336
Chaffee County	\$ 42,808	Grand County	\$ 58,981	Moffat County	\$ 53,723	San Miguel County	\$ 60,457
Cheyenne County	\$ 46,313	Gunnison County	\$ 44,577	Montezuma County	\$ 43,697	Sedgwick County	\$ 37,792
Clear Creek County	\$ 62,823	Hinsdale County	\$ 53,750	Montrose County	\$ 44,922	Summit County	\$ 67,329
Conejos County	\$ 33,141	Huerfano County	\$ 31,136	Morgan County	\$ 43,317	Teller County	\$ 56,686
Costilla County	\$ 23,041	Jackson County	\$ 32,788	Otero County	\$ 32,149	Washington County	\$ 38,818
Crowley County	\$ 35,494	Jefferson County	\$ 65,891	Ouray County	\$ 58,836	Weld County	\$ 55,795
Custer County	\$ 44,713	Kiowa County	\$ 42,422	Park County	\$ 60,186	Yuma County	\$ 39,945
Delta County	\$ 40,658						

Source: U.S. Census American Community Survey

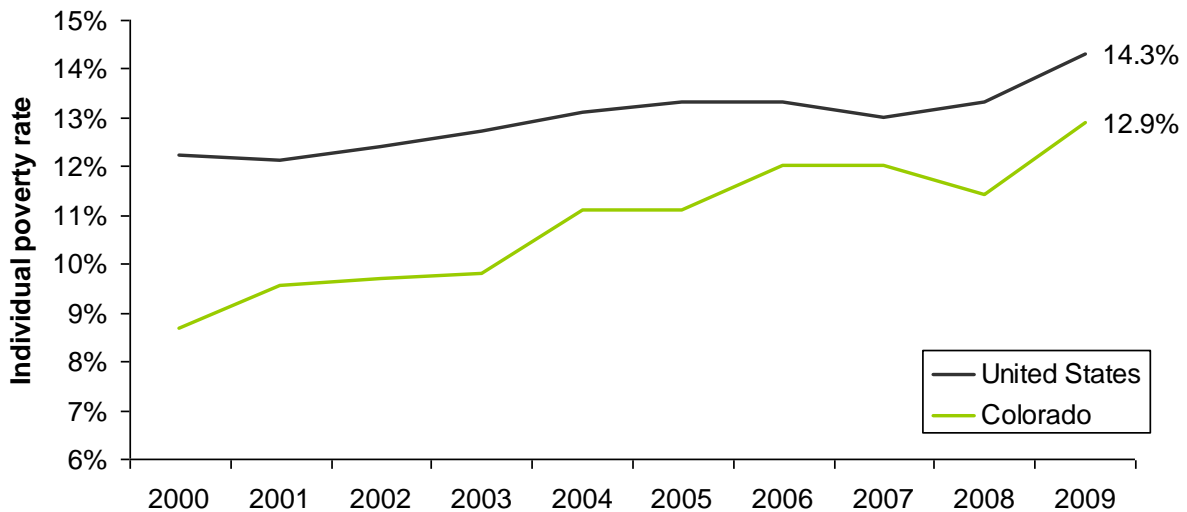
CHAPTER FOUR: POVERTY AND ECONOMIC SELF-SUFFICIENCY

Overall poverty – *Need on the rise*

The poverty rate is the percentage of households with income below Federal Poverty Level (FPL), annual income below which a family is considered poor by the federal government. The threshold varies with family size and is updated annually by the federal government. For an individual younger than 65 the FPL was \$11,369 in 2010. For a family of two adults and two children the FPL was \$22,162.¹⁹

Colorado's poverty rate has increased since 2000. In 2009, the Colorado poverty rate stood at 12.9 percent, up 1.5 percentage points since the year before, and up from 8.7 percent at the beginning of the decade. (Figure 30) Colorado's poverty rate ranks 29th highest among other states.²⁰

Figure 30

A decade of rising poverty

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

¹⁹ See the Appendix for 2010 Federal Poverty Levels.

²⁰ U.S. Census Bureau American Community Survey, 2009

The Self-Sufficiency Standard – *A better measure of need*

While most national data focus on the Federal Poverty Level, experts agree that measurement severely underestimates the cost of modern living.²¹ (Figure 31) To avoid that shortfall, alternative measures of family well-being have been developed.

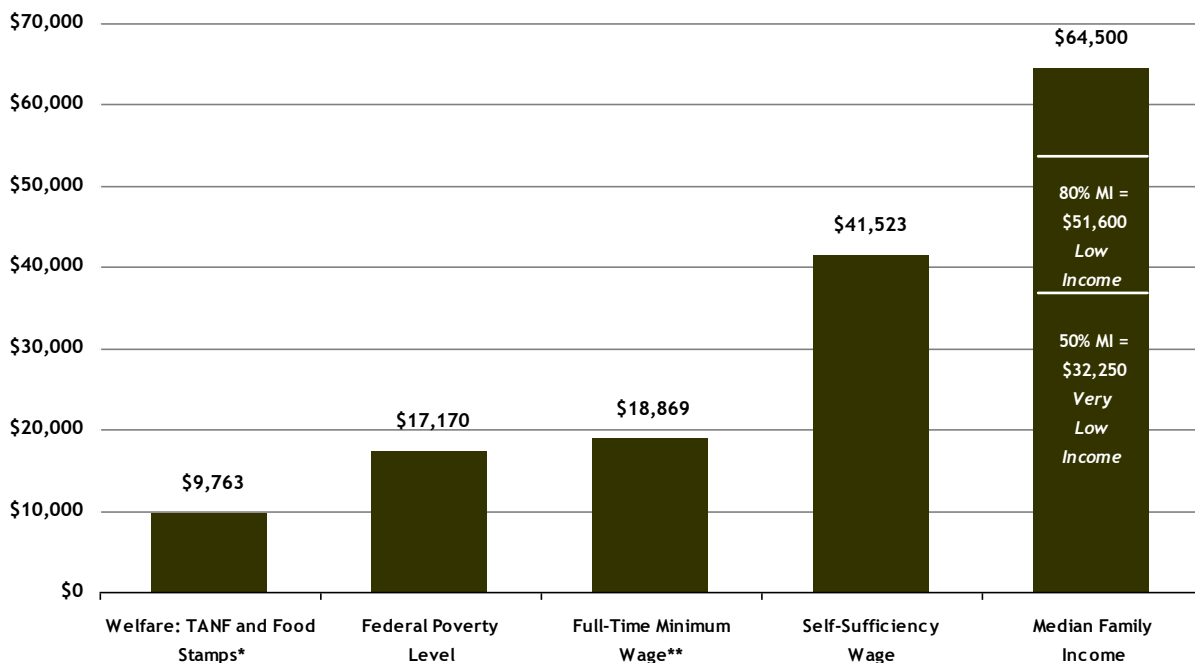
One such measure is the Self-Sufficiency Standard. The Standard measures how much income is needed for a family to adequately meet basic needs without public or private assistance. The Standard adjusts for family composition and geographic location, as well as accounting for modern costs of family living such as health care and child care.²² The Standard paints a more modern and dynamic picture of poverty in the United States. (Figure 31)

Figure 31

The Self-Sufficiency Standard compared to other benchmarks

One Parent, One Preschooler, and One Schoolage Child

Denver County, CO 2008



Source: *Self-Sufficiency Standard for Colorado, 2008*

²¹ See the Appendix for 2010 Federal Poverty Levels. The poverty level is roughly \$22,000 a year in income for a family of four.

²² 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.

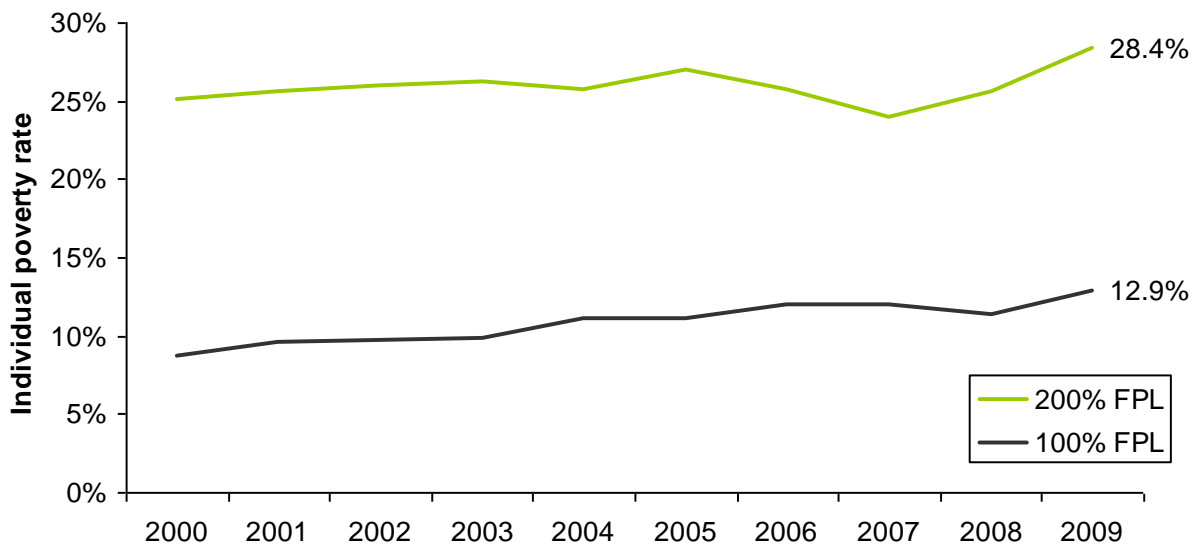
Twice the Federal Poverty Level – *A better count*

Many experts maintain the Federal Poverty Level can be improved simply by changing the definition of “poverty” to a multiple of the FPL. A common approach is 200 percent of FPL, which represents more realistic poverty cutoff. That compromise allows the most current poverty statistics (based on FPL) to be used, while adjusting for some shortcomings of the federal measure.

Twice the Federal Poverty Level shows a bleaker picture of recession and poverty in Colorado. While more than one in 10 Coloradans live with incomes of less than the Federal Poverty Level, more than one in four are poor under the adjusted standard. (Figure 32)

Figure 32

Poverty in Colorado by two definitions (2009)



Source: Economic Policy Institute analysis of U.S. Census Bureau American Community Survey and Current Population Survey²³

²³ 100 percent FPL figures come from the ACS. 200 percent FPL figures come from the CPS. These measures are not statistically comparable, but are worth examining together. Note also that the timeframes for these two surveys are slightly different. However, annual figures from the ACS and CPS both fairly represent the year.

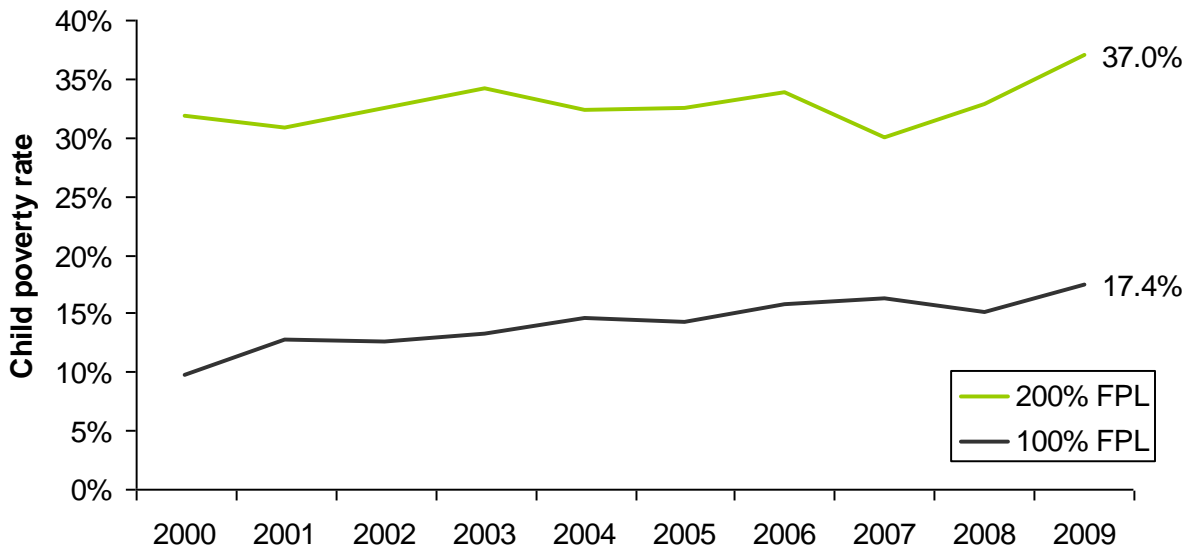
Child Poverty – Kids in need

The child poverty rate is the percentage of children younger than 18 living in a household earning less than the Federal Poverty Level. From 2000 to 2009, the number of Colorado kids in poverty increased from roughly 110,000 to 210,000.²⁴ That was the fastest growth in child poverty recorded in any state.²⁵

In 2009, that translated into child poverty rates of 17 percent; and 37 percent using twice the Federal Poverty Level. (Figure 33) Disturbingly, both poverty measures are notably higher for children in Colorado than the state as a whole. (figures 33 and 32) Despite the record-setting growth of child poverty in Colorado, the state's 2009 child poverty rate ranks only 30th worst among other states.²⁶

Figure 33

Child poverty in Colorado by two measures



Source: Economic Policy Institute analysis of U.S. Census Bureau American Community Survey and Current Population Survey²⁷

²⁴ U.S. Census Bureau American Community Survey, 2009

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

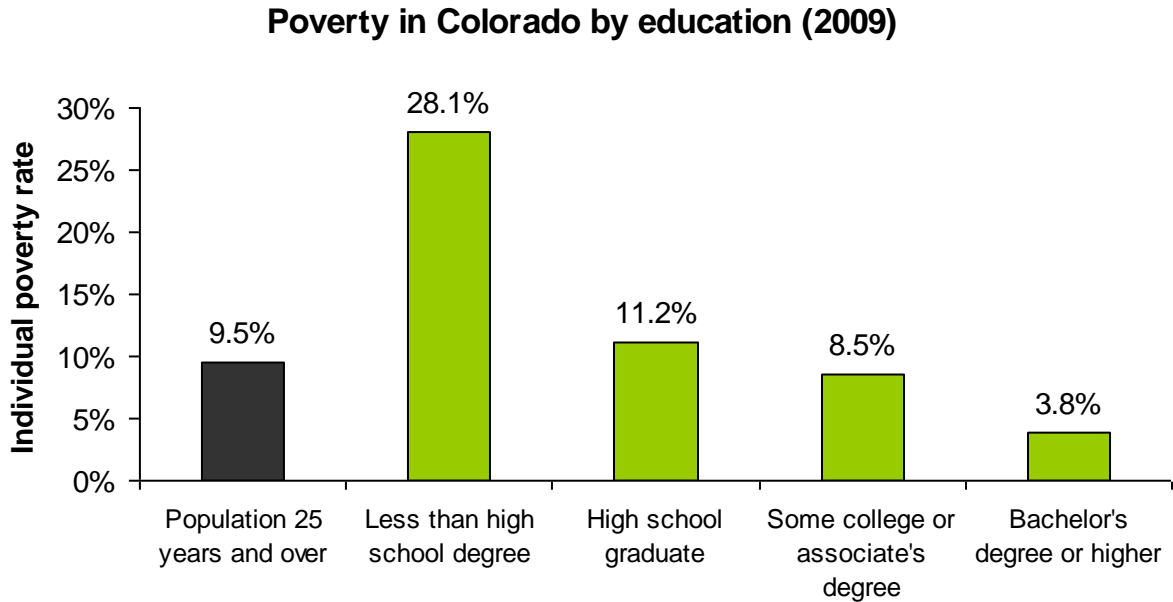
²⁶ U.S. Census Bureau American Community Survey, 2009

²⁷ 100 percent FPL figures come from the ACS. 200 percent FPL figures come from the CPS. These measures are not statistically comparable, but are worth examining together. Note also that the timeframes for these two surveys are slightly different. However, annual figures from the ACS and CPS both fairly represent the year.

Poverty and education – *Education is a key to self-sufficiency*

Education is becoming more and more important in our increasingly information-based economy. As a result, incomes and poverty rates are closely related to educational attainment. (figures 34 and 24) The less education a person has received, the less money he or she is likely to make, and the more likely he or she is to be living below the poverty line. In 2009, more than one quarter of Coloradans without a high school diploma were poor according to federal measures. (Figure 34) That trend again underscores the importance of providing access to quality education for all in the state.

Figure 34

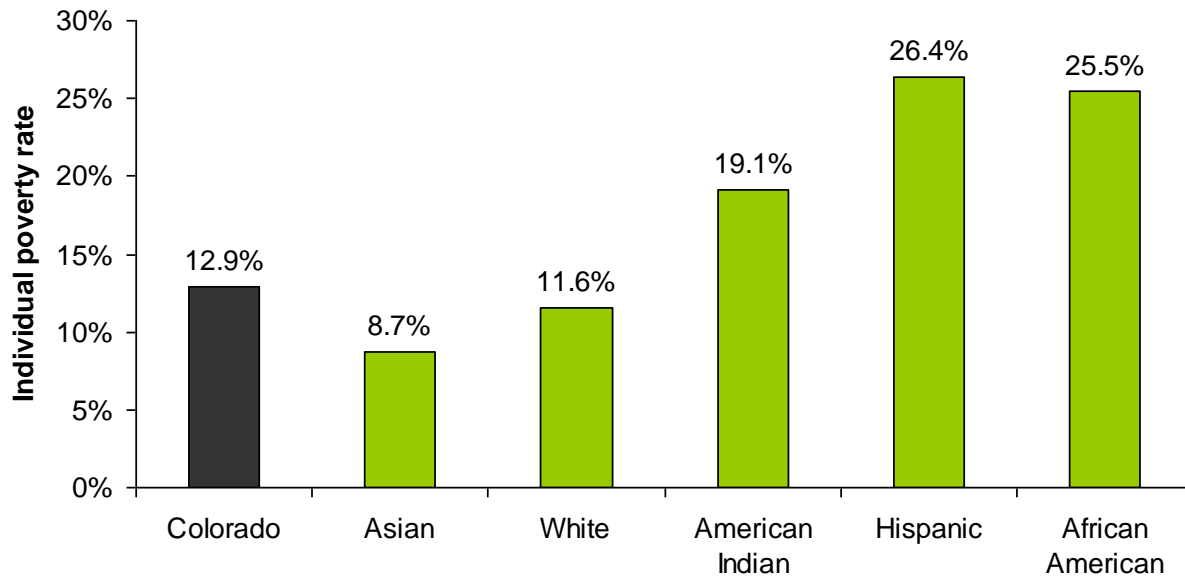


Source: U.S. Census Bureau American Community Survey
Rates based on 100 percent FPL

Poverty and race/ethnicity – Poverty hits some communities harder

Huge disparities in poverty exist in Colorado. In 2009, more than one in four Hispanic and black Coloradans lived below the poverty line, compared to roughly one in 10 whites. (Figure 35)

Those numbers echo the income inequalities in the state. (Figure 25)

Figure 35**Poverty in Colorado by race/ethnicity (2009)**

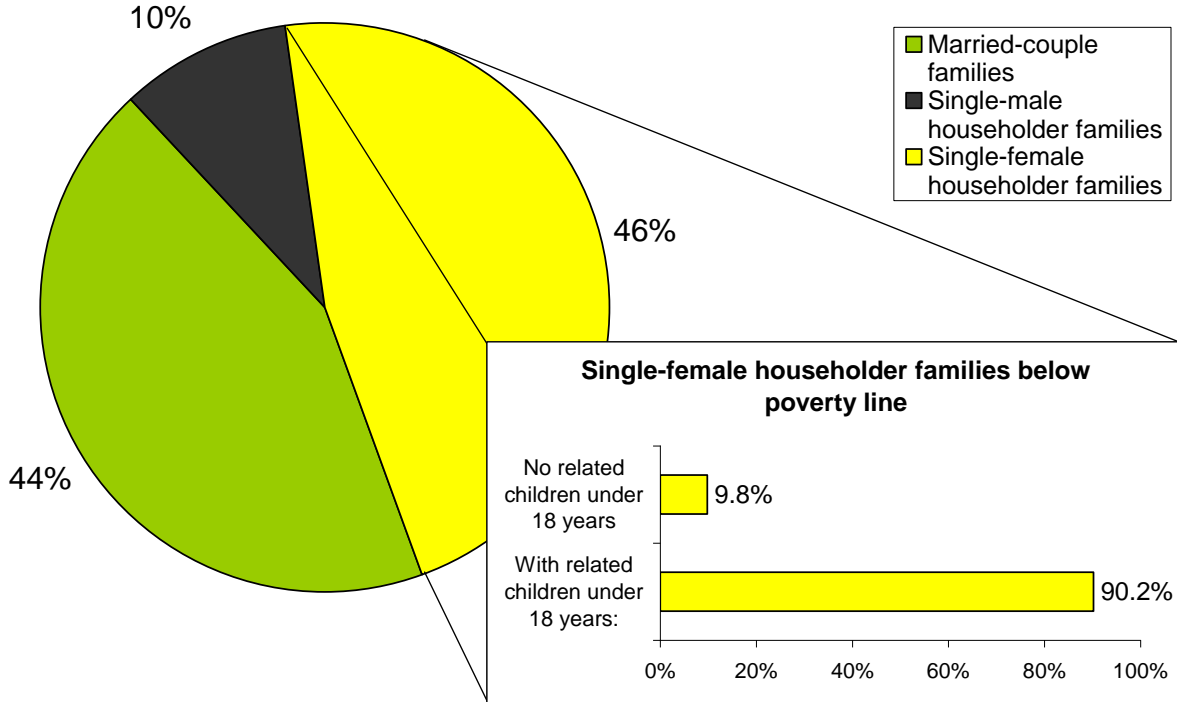
Source: U.S. Census Bureau American Community Survey
Rates based on 100 percent FPL

Poverty and household type – *Different kinds of families in poverty*

Poverty affects many different kinds of families in Colorado. Of Colorado households in poverty, just more than half have single-householders, and half are married couple families. Among Colorado’s poor single-householders, four out of five are women, and three out of four are single mothers. (Figure 36)

Figure 36

Colorado family types below Federal Poverty Level (2009)



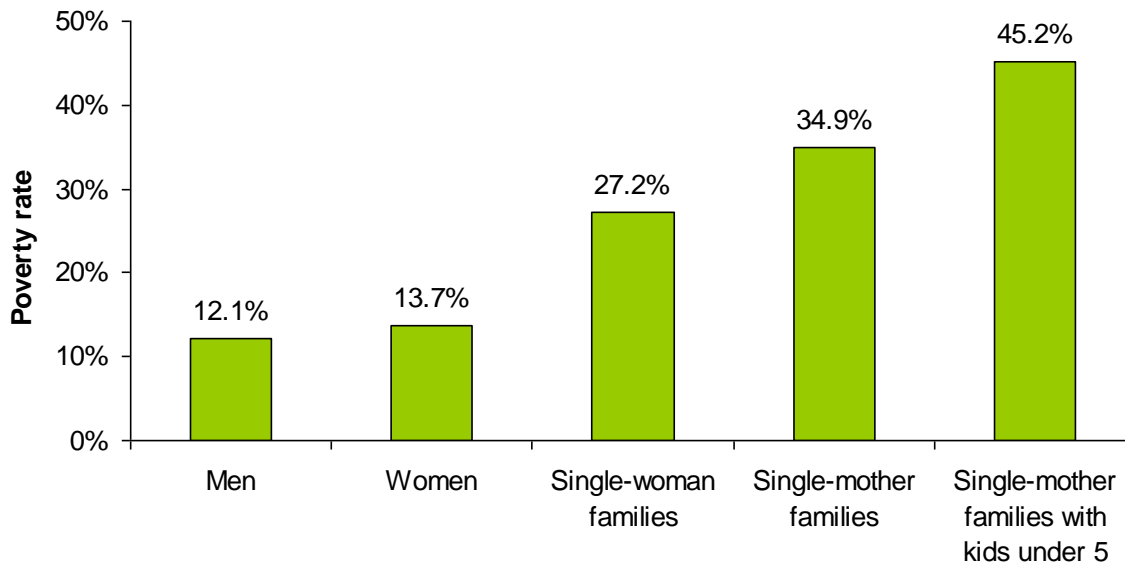
Source: U.S. Census Bureau American Community Survey

Women in poverty – *Young children increase the strain*

In Colorado, women experience higher rates of poverty than men, and single-mother families are especially hard-hit. (Figure 37) Disturbingly, close to half of single mothers with young children (kids under five) live below the poverty line in Colorado. (Figure 37) Given the vulnerability of young children, the large share of single mothers in poverty underscores a dire need for adequate systems of support for families with kids.

Figure 37

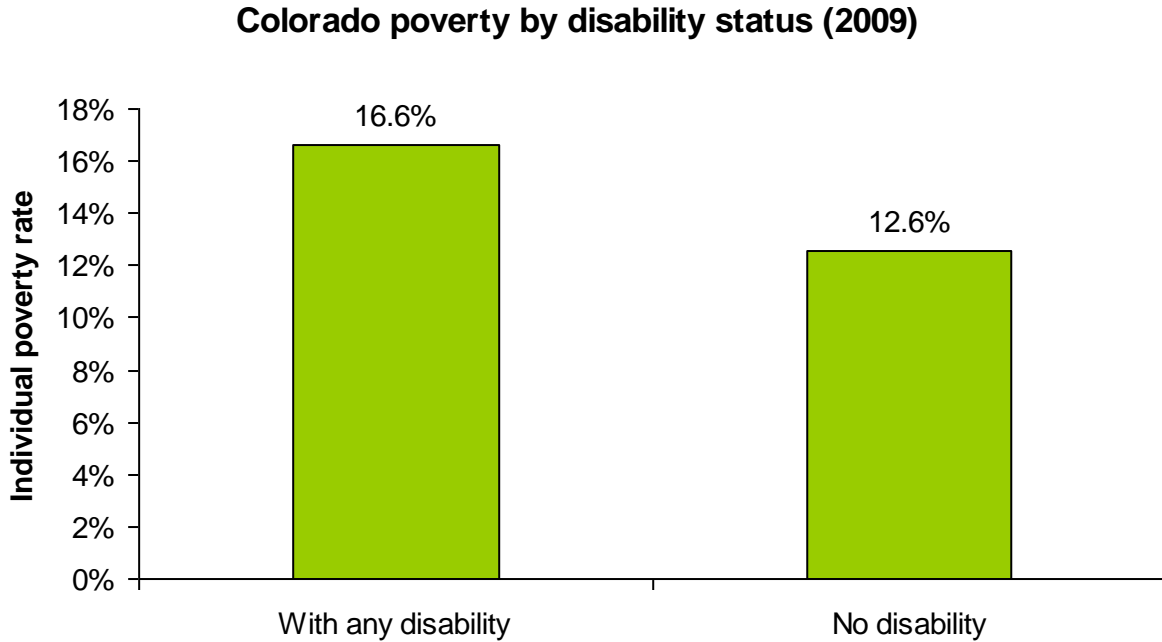
Poverty by gender and family type in Colorado (2009)



Source: U.S. Census Bureau American Community Survey
Rates based on 100 percent FPL

Poverty and disability – Greater need

People with disabilities²⁸ in Colorado experience a rate of poverty roughly one-third higher than their fellow Coloradans. Seventeen percent of Coloradans with a disability lived below the poverty line in 2009, compared to 13 percent of the population without disability. (Figure 38)

Figure 38

*Source: U.S. Census Bureau American Community Survey
Rates based on 100 percent FPL*

²⁸ The ACS defines disability as, “serious difficulty with four basic areas of functioning – hearing, vision, cognition, and ambulation.” For more on ACS disability status determination, see: “American Community Survey: 2009 Subject Definitions,” *U.S. Census Bureau*, p55.

Poverty wage – *Enough to get by?*

The poverty wage is the hourly wage equivalent of the Federal Poverty Level. This number is calculated by dividing the annual federal poverty income level by the number of hours worked a year to arrive at a dollar-per-hour amount. Using poverty level for a family of four, the 2009 poverty wage was \$10.55 per hour. In 2009, 22 percent of working-age Coloradans earned less than the poverty wage. (Figure 39) That means more than one in five Coloradans were not able to earn enough to stay out of poverty, even working full time.

Figure 39**Coloradans earning less than poverty wage**

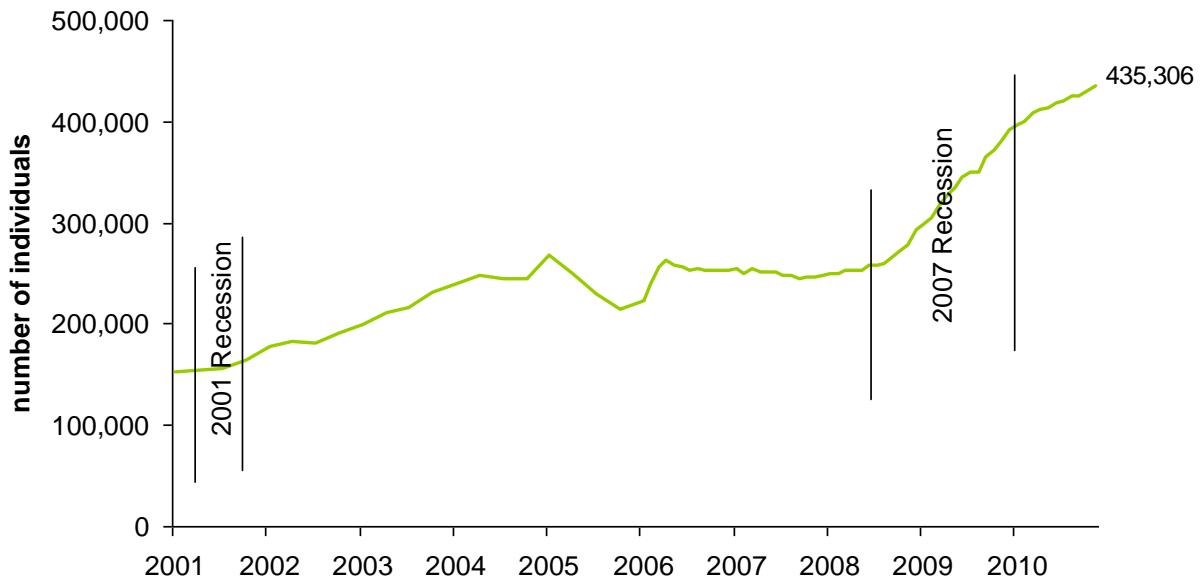
Source: *Economic Policy Institute Analysis of U.S. Census Bureau Current Population Survey*
The poverty wage was \$10.55 in 2009 (based on poverty threshold for a family of four).

Food assistance

The 2007 recession accelerated Coloradans increasing reliance on food assistance provided by the U.S. Department of Agriculture’s Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. Since 2001, food stamp use in Colorado has nearly doubled. (Figure 40) All told, state enrollment has increased 280,000 people, or 190 percent since January 2001.²⁹ In November 2010, 435,000 Coloradans were enrolled in SNAP. Coloradans’ increased reliance on food assistance highlights the continued pain of the recession.

Figure 40

Colorado food stamp enrollment increases dramatically over the decade



Source: Analysis of U.S. Department of Agriculture SNAP program data (through November 2010)

Food stamp enrollment does not fully reflect hunger in Colorado. The most recent count showed that only 52 percent of Coloradans eligible for SNAP were enrolled. That ranks 48th in the country among states.³⁰

Many in Colorado are not able to access the food assistance they need because of problems with the state’s system of administering the food assistance. Eligible clients are required to complete a 26 page application, show multiple forms of identification and lawful residence documents, and verify income every 3 to 6 months.

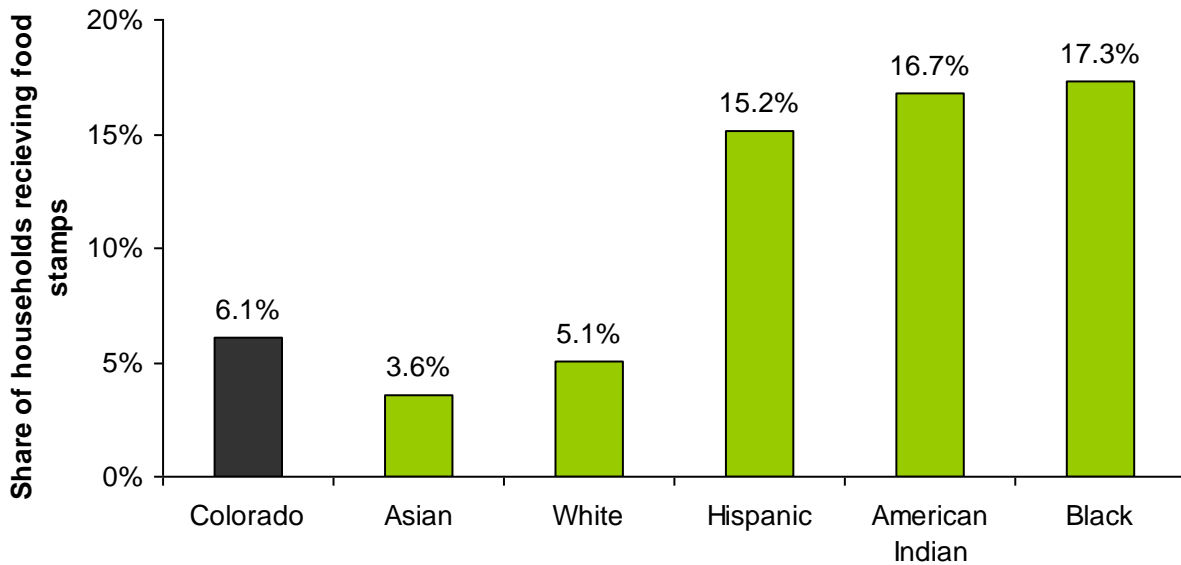
The Colorado Benefits Management System (CBMS) presents additional difficulties. CBMS is used to administer many of Colorado’s assistance programs, and problems with the system create barriers to access of benefits for families at poverty level. Introduced in the middle of the past decade, CBMS has consistently failed to deliver timely application processing, and has exhibited unreliable performance. Colorado needs to improve CBMS and its administration of assistance programs to ensure that eligible families get the help they need when they need it.

²⁹ Analysis of U.S. Department of Agriculture SNAP data, provided by The Food Research and Action Center.

³⁰ “State Supplemental Nutrition Assistance Program Participation Rates in 2008,” *U.S. Department of Agriculture: Food and Nutrition Service*, December 2010.

Food assistance and race/ethnicity – Varying need

Food stamp reciprocity varies enormously by race and ethnicity in Colorado. While 5 percent of white households received food stamps in 2009, Hispanic, American Indian, and black households relied on food stamps at more than three times that rate. (Figure 41)

Figure 41**Colorado food stamp reciprocity by race/ethnicity (2009)**

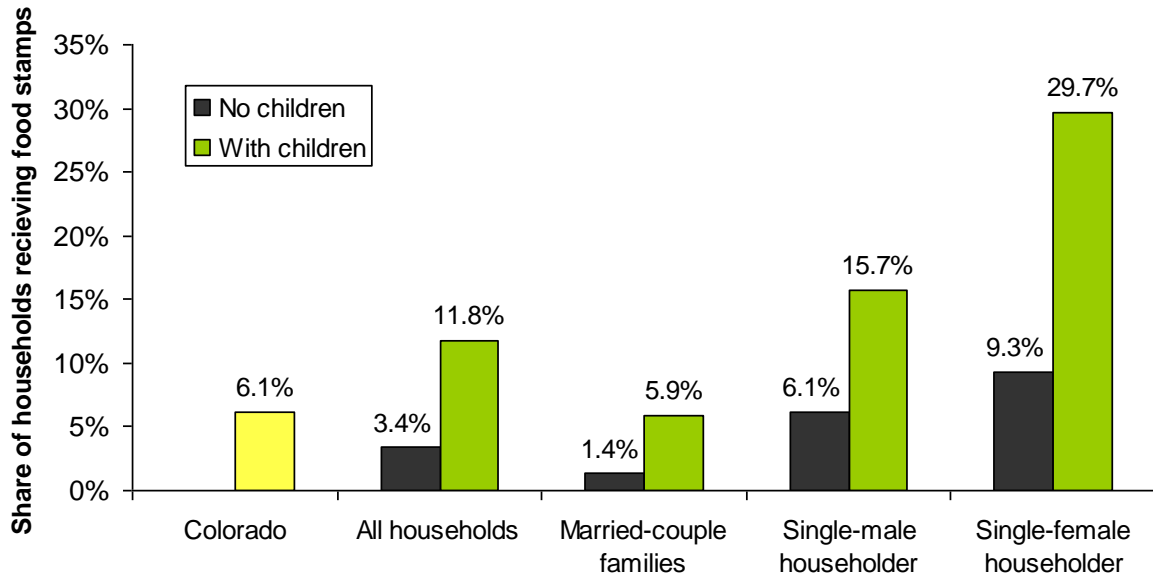
Source: U.S. Census Bureau American Community Survey

Families and food stamps – *Different needs for different families*

Among Colorado households three distinctions emerge with respect to food stamps. First, single-parent homes have higher food stamp reciprocity rates than married-couple homes. Second, among single-parent homes, single-mother households have higher rates than single-father homes. Finally, across the board households with children have dramatically higher rates of food stamp reciprocity than childless households. (Figure 42) In 2009, single-mother families in Colorado relied on food stamps at five times the rate of the state average. (Figure 42)

Figure 42

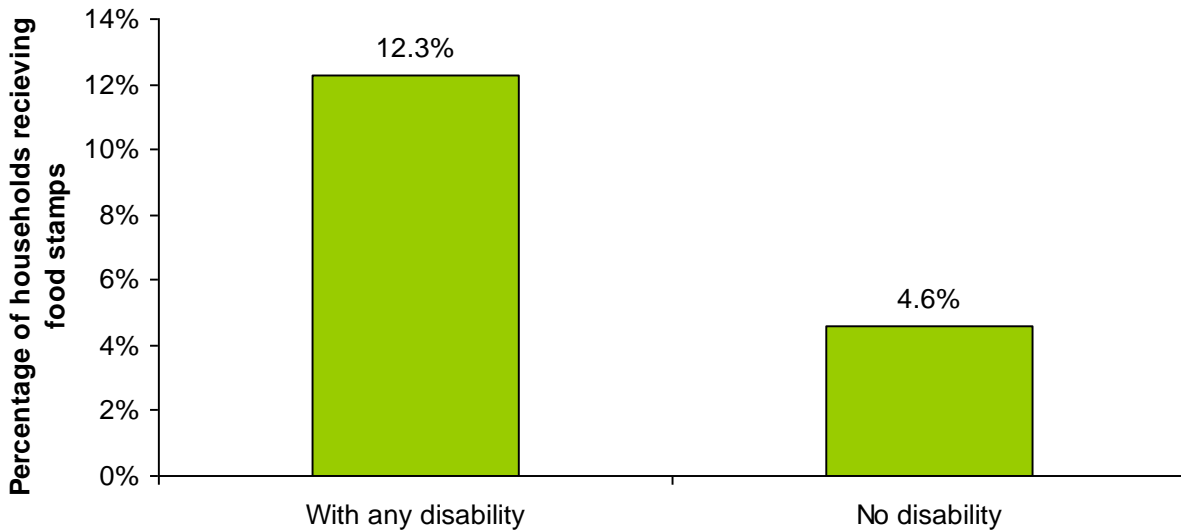
Colorado food stamp reciprocity by family type



Source: U.S. Census Bureau American Community Survey
With/without children refers to the presence of children under the age of 18 in the household.

Food assistance and disability – *Many households with disabilities need extra help*

Colorado households with disabilities³¹ rely on food stamps at a higher rate. In 2009, twelve percent households with one or more disabled persons received food stamps, compared to 5 percent of nondisabled households. (Figure 43)

Figure 43**Colorado food assistance by disability (2009)**

Source: U.S. Census Bureau American Community Survey
Households “with any disability” have one or more persons with a disability

31 The ACS defines disability as, “serious difficulty with four basic areas of functioning – hearing, vision, cognition, and ambulation.” For more on ACS disability status determination, see: “American Community Survey: 2009 Subject Definitions,” U.S. Census Bureau, p55.

County poverty and hunger – A mixed picture

There is great variation in poverty and hunger within the state, despite the fact that only 11 counties are large enough to be covered by the American Community Survey's (ACS) most current annual data.³² Among the 11 out of 64 counties included in the ACS data, poverty rates range from 19 percent in Denver County to 3 percent in Douglas County. Food stamp enrollment ranges from 14 percent of households in Pueblo County to 2 percent in Douglas County. (Figure 44) That is a good reminder that a state-level examination of poverty is only the starting point for understanding poverty and economic security in Colorado.

Figure 44

COLORADO POVERTY AND FOOD ASSISTANCE BY COUNTY (2009)				
	POVERTY RATE		FOOD STAMPS	
	Individual poverty rate	Individuals in poverty	Households receiving food stamps (rate)	Households receiving food stamps
Colorado	12.90%	634,387	6.1%	116,941
Denver County	19.06%	114,053	8.0%	20,017
Pueblo County	16.78%	25,185	14.1%	8,445
Weld County	16.34%	40,849	6.7%	5,770
Larimer County	15.59%	45,714	5.0%	5,897
Boulder County	13.94%	40,896	3.1%	3,599
Adams County	13.79%	60,313	6.5%	9,586
Arapahoe County	12.84%	71,889	4.6%	9,944
Mesa County	12.27%	17,530	6.1%	3,445
El Paso County	11.46%	67,199	6.8%	15,409
Jefferson County	8.23%	43,660	4.6%	9,945
Douglas County	3.23%	9,292	1.8%	1,737

Source: U.S. Census Bureau American Community Survey

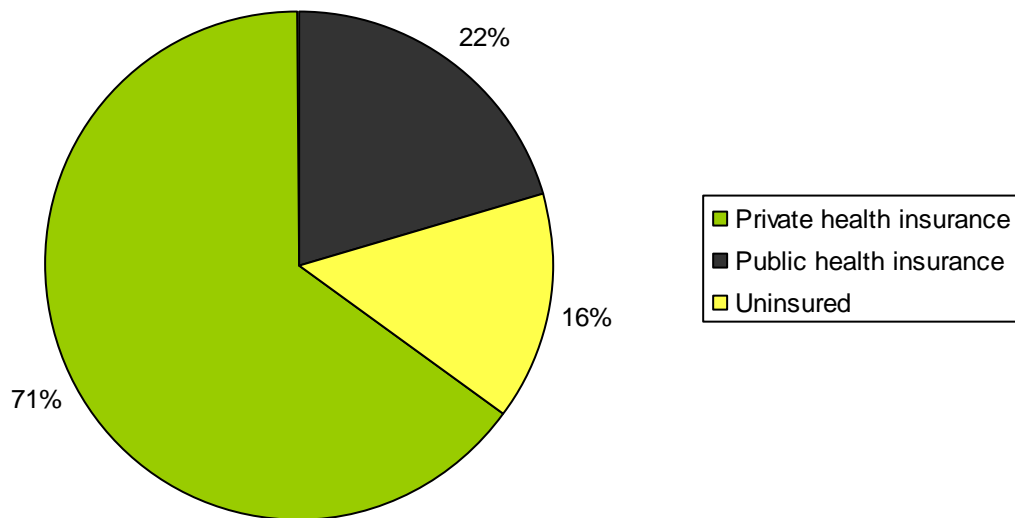
³² ACS one-year estimates are for localities with 65,000 or more residents.

CHAPTER FIVE: HEALTH CARE

Health insurance coverage – *Where do Coloradans get insurance?*

While a majority of Coloradans have health insurance, many continue to go without. In 2009, 16 percent of Colorado residents were uninsured. (Figure 45) Among states, that is the 18th highest rate of uninsurance in the nation.³³ Of insured Coloradans, most were covered under private health insurance, a growing segment was covered by government programs, and a small share was covered by both. (figures 45 and 47) The “both” category is not broken out separately, but is included as a part of the public and private shares. Overall, 84 percent reported having health insurance, and 16 percent reported no health insurance.

Figure 45

Colorado health insurance coverage (2009)

Source: U.S. Census Bureau American Community Survey

Private and government coverage are not mutually exclusive, and totals add to more than 100 percent. Overall, 84 percent reported having health insurance, and 16 percent reported no health insurance.

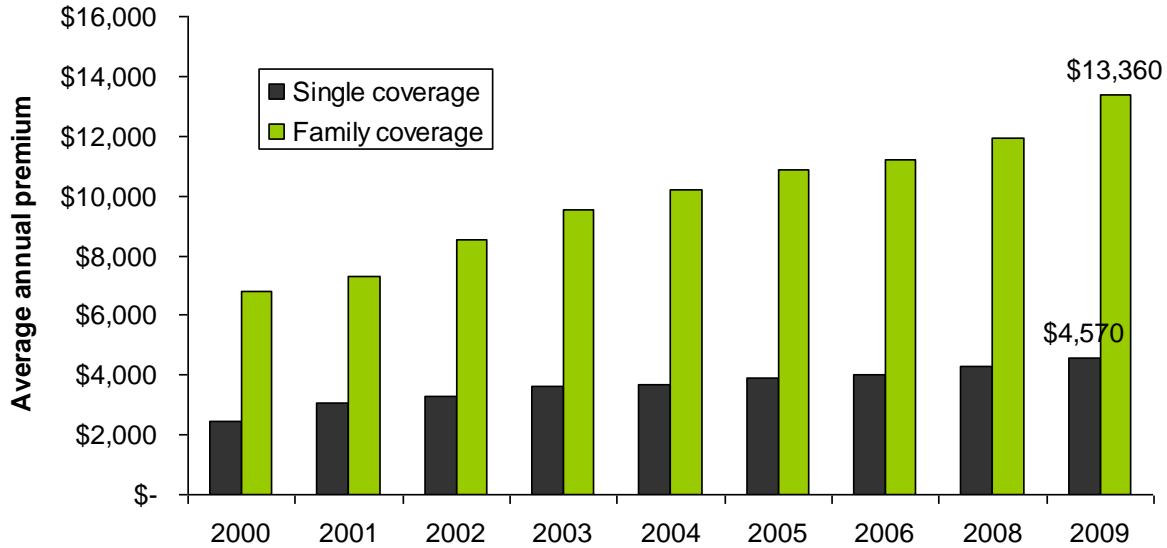
³³ U.S. Census Bureau American Community Survey, 2009

Health insurance coverage over time – Costs and cost burdens rise

Increased cost is a prominent trend in Colorado health insurance. In 2000, the average annual premium in Colorado was \$2,450 for single coverage and \$6,797 for family coverage. In 2009, those costs were \$4,570 and \$13,360 respectively. That represents a 94 percent increase in single coverage premiums, and a 97 percent increase in family coverage premiums.³⁴ (Figure 46)

Figure 46

Cost of Colorado health insurance premiums rises



Source: Colorado Department of Regulatory Agencies
Data are for employees of private-sector companies that offer health insurance

At the same time costs are rising, the burden of payment is falling increasingly on Coloradans. In 2000, Colorado employees were asked to pay 17 percent of premiums by their employers for individual coverage, and 23 percent of premiums for family coverage. In 2009 those shares increased to 22 percent for individuals and 25 percent for families. Growth in cost burden in Colorado outpaces growth for the U.S. as a whole.³⁵

³⁴ “Annual Report of the Commissioner of Insurance on 2010 Health Insurance Costs,” Colorado Department of Regulatory Agencies: Report to the Colorado General Assembly, Feb. 16, 2010.

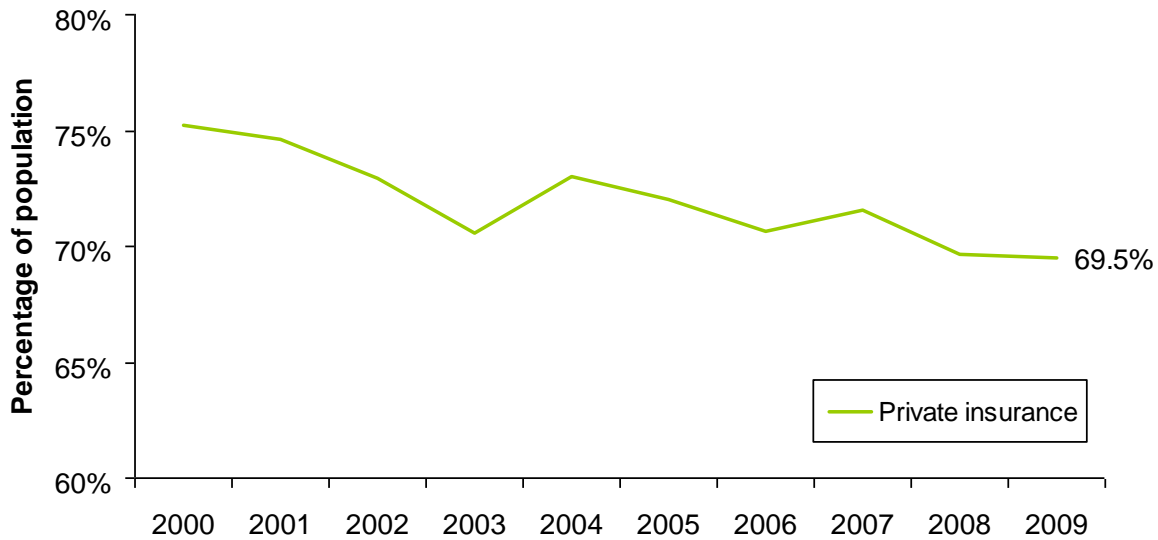
³⁵ Ibid

Health insurance coverage over time – Public insurance fills the gap

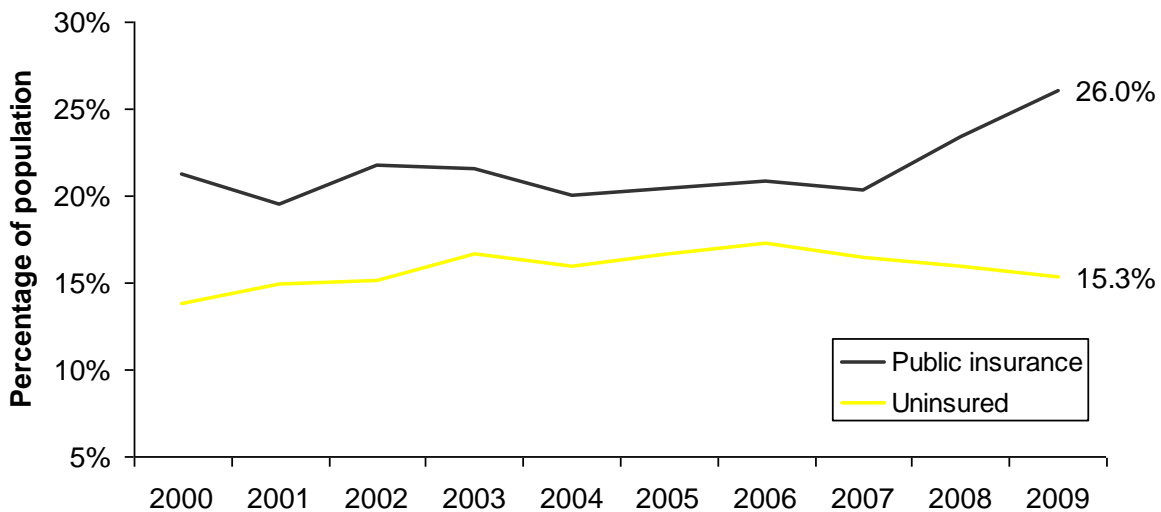
Private health insurance coverage in Colorado has declined over the decade. Yet, the overall uninsurance rate has remained fairly stable despite a massive recession beginning in late 2007. The key to that stability is public health insurance programs such as Medicaid and the Child Health Plan Plus (CHP+) program. Those programs have filled the gap created by declining private health insurance. (Figure 47) The fact that uninsurance rates in Colorado actually declined modestly amid the worst recession since the Great Depression is a testament to the effectiveness of our public insurance programs. As unemployment rates increased, more Coloradoans turned to public programs for health insurance.

Figure 47

Coloradans with private health insurance



Coloradans with public health insurance and no insurance



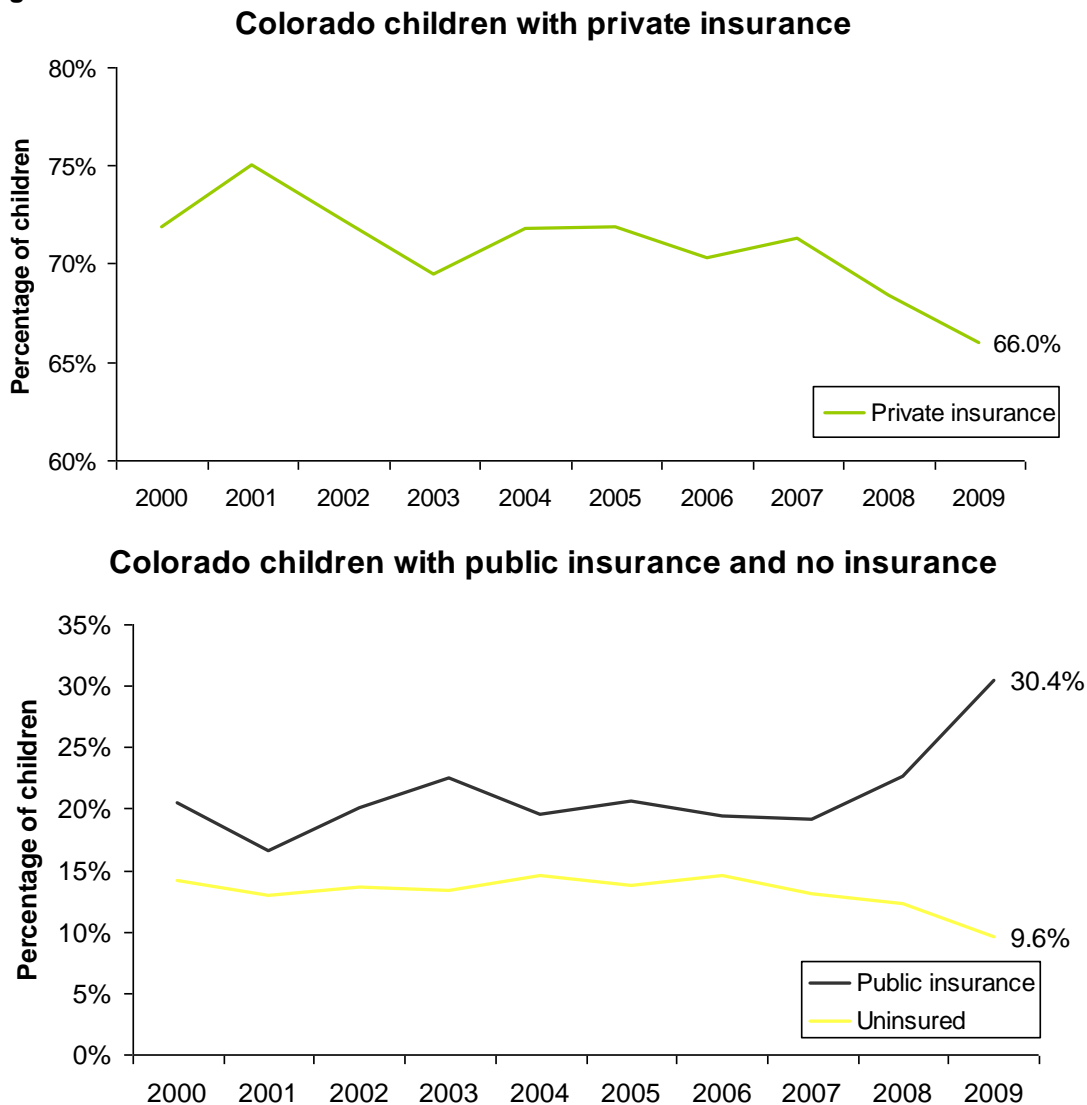
Source: EPI Analysis of U.S. Census Bureau Current Population Survey (Annual Social and Economic Supplement - Revised health insurance data)

Child health coverage – Success of the safety net

Health insurance 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 health care are significant indicators of overall child health and the ability of children to excel.

Consistent with overall coverage trends, a higher percentage of children are publically insured today than at the beginning of the decade. The recessionary surge in children covered by public programs has been dramatic — up from 19 percent of children covered by Medicaid and CHP+ in 2007 to 30 percent in 2009. (Figure 48) One in ten Colorado children were uninsured in 2009, the 14th highest rate of uninsurance among states.³⁶

Figure 48



Source: EPI Analysis of U.S. Census Bureau Current Population Survey (Annual Social and Economic Supplement - Revised health insurance data)

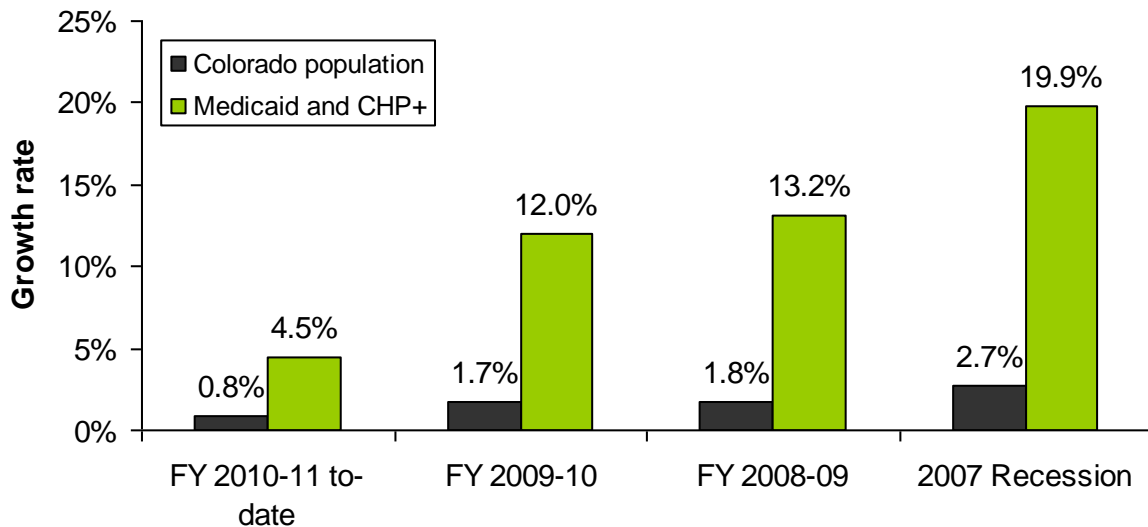
³⁶ U.S. Census Bureau American Community Survey, 2009

Medicaid and CHP+ – *Healthcare for the neediest*

In recent years, Colorado has seen consistent and substantial caseload growth in Medicaid and the Child Health Plan Plus (CHP+), public health insurance programs that cover low-income parents, pregnant women, children and persons with disabilities. Enrollment growth in those programs accelerated during the 2007 recession and continues to well-outpace population growth. (Figure 49) Half-way through fiscal year 2010-11, total Medicaid and CHP+ enrollment had grown by 27,000, with the programs serving a total of 624,000 Coloradans.³⁷ As the effects of the recession reverberate, those programs continue to be crucial in providing health and security for vulnerable Coloradans.

Figure 49

Colorado combined Medicaid and CHP+ caseload growth dramatically outpaces population growth



Source: Analysis of Department of Health Care Policy and Financing and Colorado Legislative Council data. The 2007 recession lasted from December 2007 to June 2009. Data are through December 2010.

In Colorado, Medicaid and CHP+ enrollment does not fully represent need. Many Coloradans are eligible but not enrolled (EBNE) in these programs. In 2008, 31 percent of eligible adults were not enrolled in Medicaid (26,000 EBNE adults). The same year, 29 percent of eligible children were not enrolled in either Medicaid or CHP+ (115,000 EBNE kids).³⁸

Colorado's sizeable eligible but not enrolled populations are partially a result of problems with the state's system of administering medical assistance programs. The Colorado Benefits Management System (CBMS), the computer system used to administer many of Colorado's assistance programs, is a major contributor to the problem. Introduced in the middle of the past decade, CBMS has consistently failed to deliver timely application processing, and has exhibited unreliable performance. Colorado needs to improve CBMS and its administration of assistance programs to ensure that eligible families get the help they need when they need it.

³⁷ Analysis of "Premiums, Expenditures and Caseload Report," *Colorado Department of Health Care Policy Financing*, October 2010 report.

³⁸ Health insurance and uninsurance data: Eligible but not enrolled, *Colorado Health Institute*, Accessed February 2011.

County-by-county health insurance – Spotty coverage?

There was considerable variation in public health insurance coverage rates among Colorado counties in 2009. In counties where data are available,³⁹ overall uninsured rates range from a low of 6 percent in Douglas County to 23 percent in Adams County. Adams and Douglas also represent the extremes of child uninsurance, with 15 percent of Adams County children uninsured and 3 percent of Douglas county children uninsured. Public insurance coverage ranged from a low of 11 percent in Douglas County to a high of 35 percent in Pueblo County. (Figure 50)

Figure 50

COLORADO INSURANCE COVERAGE BY COUNTY (2009)						
	UNINSURANCE		CHILD UNINSURANCE		PUBLIC HEALTH INSURANCE	
	Uninsurance rate (individuals younger than 65)	Uninsured individuals (younger than 65)	Child uninsurance rate	Uninsured kids	Percentage of individuals (all ages) with public health insurance	Individuals (all ages) with public health insurance
Colorado	17.5%	772,416	10.2%	124,366	22.4%	1,105,004
Adams County	22.5%	90,346	15.0%	18,666	22.4%	98,269
Denver County	21.8%	118,567	13.1%	18,250	26.7%	161,289
Mesa County	19.1%	23,617	11.6%	3,957	27.3%	39,171
Pueblo County	18.9%	24,774	7.4%	2,875	35.1%	53,948
Arapahoe County	18.0%	89,617	11.7%	17,052	22.1%	123,843
Weld County	17.3%	40,229	10.1%	7,184	20.1%	50,917
Larimer County	15.8%	41,396	7.7%	4,843	19.9%	58,900
El Paso County	14.9%	76,552	5.9%	9,258	23.1%	132,521
Boulder County	13.3%	36,358	7.6%	4,909	16.0%	47,932
Jefferson County	13.2%	61,806	6.6%	7,848	20.7%	109,869
Douglas County	5.7%	15,345	2.8%	2,328	10.5%	30,264

U.S. Census Bureau American Community Survey

³⁹ ACS one-year estimates are for localities with 65,000 or more residents.

POLICY CHANGES FOR WORKING FAMILIES

Government is equipped to take on problems the private sector and free market are unwilling or unable to solve. History shows bold public investments are a sound economic strategy for broader growth. Those lessons hold especially true during tough economic times. However, in the words of the Opportunity Agenda, “Policies that focus only generally on job creation are likely to allow existing disparities to persist and, if not addressed, potentially worsen. An economic recovery that leaves whole groups behind is not sustainable and violates the core American values of opportunity and mobility for all. American principles of equity have real-world consequences for us all – a recovery that doesn’t include middle-class families lacks long-term stability.”⁴⁰

What follows is a list of policy recommendations which moves Colorado toward achieving its economic goals and fulfilling its societal promises. While the menu of solutions below 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 progress and stagnation that dominated the past 10 years.

Reinforce the unemployment insurance safety net for workers

The unemployment insurance program assists workers in the event they are laid off through no fault of their own. Payments are limited in amount and duration, and are paid for by employers before the recipient is laid off.

- *Ensure the solvency of the unemployment trust fund while protecting Colorado’s unemployed.* Colorado’s unemployment trust fund is currently insolvent. The state must make changes to the fund to restore solvency. Colorado should do so without restricting access for the unemployed, or reducing benefits in this time of great need.
- *Protect the modernizations made in the Unemployment Insurance safety net.* Passed in 2009, Senate Bill 247 created an alternative base period for calculating eligibility and allows low-wage workers the same access to unemployment benefits that high-income earners receive. It also allows more workers who are forced to leave a job for compelling family reasons to receive unemployment insurance benefits as they look for suitable work. Colorado should not back down from its progress.

Improve working conditions in the state

Colorado can do more to improve the working conditions in the state:

- *Steward and enhance union presence in the state.* The presence of labor unions strengthens the position of all workers in the labor market — union and non-union alike. Collective bargaining arrangements are a powerful tool for improving working conditions, increasing pay, negotiating for stronger worker protections and other key steps. Colorado should support union presence, especially as the state moves to become a center for “green” manufacturing.
- *Require paid sick days or family leave for all jobs.* Low-paying jobs often do not allow workers to take paid sick days or family leave time. Colorado can improve working

⁴⁰ “Expanding Opportunity for All: Promoting Equitable and Sustainable Job Creation,” *The Opportunity Agenda*, Sept. 29, 2010.

conditions by making those benefits mandatory. Colorado should also press for alternative routes to benefits for part-time and temporary workers.⁴¹

Close the pay gap for women and people of color⁴²

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, and 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 such as:

- *Require EEO-1 reporting for all employers.* For decades, the U.S. Equal Employment Opportunity Commission (EEOC) has required large employers and mid-size federal contractors to file annual reports of the composition of each occupation and industry in their workforce by race, national origin and sex for each of the company’s locations. This report, the Employer Information Report or EEO-1, has assisted the EEOC in identifying and addressing systemic intentional employment discrimination by supplying a background record of an employer’s utilization of minorities and women workers compared to similarly situated companies. Requiring EEO-1 type reporting for all employers would not only provide the data necessary to better understand and detect intentional employment discrimination, but also to fairly process and adjudicate complaints of discrimination based on race, sex, color, religion and national origin.
- *Enforce pay equity laws, including allowing workers the right to share wage information.* Those laws require employers to compensate workers based on skills, effort, responsibility and working conditions, not on race, gender or age.
- *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 pay adequate wages and promote economic self-sufficiency.

Attenuate growing income inequality

Like the nation as a whole, Colorado suffers from increasing income inequality. While middle- and lower-class wages stagnate and decline, top earners in the state bring home ever-larger earnings. Colorado can make its tax system more responsive to those trends by adopting a more progressive income tax structure.

Currently, Colorado’s tax structure is regressive, meaning residents with lower incomes pay a higher share of their incomes in taxes.⁴³ To make the state income tax more progressive, Colorado could return to a graduated income tax system.

Under a graduated system, higher levels of income are taxed at higher rates. That graduation applies to income bands of an individual, so that different portions of an individual’s income are taxed at different rates. For example, someone making \$100,000 annually might pay 3 percent on

⁴¹ For more information on paid sick days, see www.9to5.org/resources/publications/paid-sick-days-colorado-factsheets

⁴² For more on this issue, see: “Fulfilling the Promise: Closing the Pay Gap for Women and Minorities in Colorado,” *Colorado Pay Equity Commission* (Presented to the Colorado Department of Labor and Employment), March 2008.

⁴³ “Who Pays? A Distributional Analysis of the Tax Systems in All 50 States,” *Institute on Taxation & Economic Policy* (Third Edition), November 2009.

the first \$25,000 of her income, 4 percent on the next \$25,000 of her income, 5 percent on the third \$25,000 of her income, and 6 percent on the last \$25,000. Colorado used to have a graduated income tax, but switched to a flat income tax rate in 1987. The federal income tax is a graduated tax.

A graduated income tax system is fairer, addresses exploding income inequality, and could raise additional revenue for key state services in a time of great need.

Sustain 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. Tax aid is another effective way to make the tax system less regressive.

- *Restore the state Earned Income Tax Credit (EITC) and make 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 less than roughly \$49,000 (2009). The credit is refundable, so 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 some families could receive from the federal credit. A state EITC, at 10 percent of the federal credit, would pump \$52 million into local economies across Colorado and help more than 268,000 households pay for vital, everyday needs like housing, health care and transportation.
- *Expand and make permanent the refundable federal tax provisions included in the American Recovery and Reinvestment Act of 2009.* The Earned Income Tax Credit, the refundable Child Tax Credit, and the American Opportunity Tax Credit for education were all expanded under the Recovery Act, and provisionally extended in late 2010. Those credits are an important part of a comprehensive poverty solution. They should be expanded and made permanent.

Remove barriers to vital services for families

Many vital programs assisting working families 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.

- *Conduct a functional assessment of the Colorado Benefits Management System.* The Colorado Benefits Management System (CBMS) is the computer system used to administer many of Colorado's assistance programs. Introduced in 2004, CBMS has consistently failed to deliver timely application processing and exhibited unreliable performance.
- *Identify and address technological and operational problems with CBMS.* To the extent that CBMS is 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, technological and operational issues must be resolved.
- *Continue work to reduce administrative barriers to programs through reduction of paperwork and implementation of efficiencies like data matching.* Data matching can simplify verification of certain eligibility requirements like income, citizenship and identity.

- *Institute auto-enrollment or express-lane enrollment.* Research shows administrative barriers are a key barrier for families seeking public assistance.⁴⁴ Programs that utilize eligibility information from current sources should be able to quickly and efficiently enroll and re-enroll families into programs, without excessive or redundant paperwork. That will help families focus on moving toward economic self-sufficiency, not administrative paperwork.

Reduce 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 might pay more for goods and services than they did before entering poverty. Indeed, studies show that on average, households living in poverty pay more for food, shelter, transportation, credit and financial services.⁴⁵ The phenomenon is often referred to as the high cost of poverty.

A number of factors are behind the high cost of poverty. One is that poverty has become a booming business for some industries, particularly in the area of credit and financial services. People with low incomes pay more to access credit for cars, housing, credit cards and goods through the rent-to-own industry.⁴⁶

The following policy goals would mitigate the high cost of being poor for Colorado households struggling to make ends meet:

- *Support low-income consumer access to affordable financial services.* Low-income populations in Colorado are underserved by the existing financial infrastructure. As a result, the average low-income full-time worker spends \$40,000 over a lifetime turning his or her salary into cash.⁴⁷ Programs like “Bank on Denver” provide affordable, accessible financial services and financial education for those who find themselves unable to access mainstream systems. Bank on Denver and other similar programs should be expanded.
- *Align Colorado policies with federal policies to promote more livable communities through sustainable surface transportation programs.* According to 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. More coordination between state and federal policies toward livable communities will lessen the financial burden for low-income families living in communities far from work, food and other needed services.
- *Push for reauthorized and expanded federal work support programs, such as Temporary Aid to Needy Families (TANF).* The TANF program, known locally as Colorado Works, is due for federal reauthorization in 2012. Block-grant funding allows states and counties to assist low-wage workers and their families with supplemental cash, child care and job training. Educational and skill-building components should be added to TANF as a part of reauthorization.

⁴⁴ Rosenbaum, Sara, “What Barriers Actually Affect the Decisions of Low-Income Families to Enroll in Medicaid?” *The George Washington University Center for Health Services Research and Policy School of Public Health and Health Services*, 2000.

⁴⁵ “Economic Opportunity Poverty Reduction Task Force Community Report.” *Colorado State Legislature*, 2009.

⁴⁶ *Ibid.*

⁴⁷ Clinton, William, and Schwarzenegger, Arnold, “Beyond Payday Loans,” *Wall Street Journal: Opinion*, January 24, 2008.

- *Ask congress to restore TANF allocations to funding levels passed in the Recovery Act.* Passed in February 2009, The American Recovery and Reinvestment Act raised federal funding for the TANF program for the first time since 1996. Additional funds supported subsidized job-creation programs such as “Hire Colorado.” Recovery Act funding for TANF expired in 2010. The need to support businesses in training and hiring low-skill workers persists.

Increase access to programs that serve low-income people

Colorado can fight poverty by improving access to state programs that serve low income residents:

- *Work to remove administrative barriers to child care assistance programs.* Child care assistance is a key component of full employment. Without affordable child care, Colorado’s parents are unable to work at their full capacity. The work/child care tradeoff is propagated by the fact that child care is the largest expense for most low-income families. Removing administrative barriers to child care assistance programs is a critical first step to improving employment and poverty. Doing so also increases 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 the Food Stamp Program, recently renamed the Supplemental Nutrition Assistance Program or SNAP.* In Colorado, 435,000 people receive SNAP every month. Yet Colorado ranks 49th in the number of eligible people who actually receive SNAP benefits, and just more than half of eligible Coloradans manage to receive SNAP benefits. That means 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 percent, it could mean an additional \$4.2 million in federal dollars flowing to Colorado each month.
- *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 with incomes of less than 200 percent of the Federal Poverty Level have little, if anything, to spend on health care after paying for other necessary expenses. Even families with incomes of up to 500 percent of poverty might need some level of subsidization to afford health insurance. When families spend more than 5 percent of income on health care, they begin making substantial tradeoffs on things like child care, housing and long-term savings.⁴⁸ 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.
- *Maximize insurance coverage by eliminating barriers to public program enrollment, and reach out to those who are eligible but not enrolled.* An example of a barrier to access is the current distinction made between children younger and older than 6 living in families with incomes of less than 133 percent of the Federal Poverty Level — those younger than 6 are eligible for Medicaid, while those older than 6 are eligible for Child Health Plan Plus. Colorado is considering making the eligibility level for all kids 133 percent. That would

⁴⁸ “The Cost of Care: Can Coloradans Afford Health Care?” *Colorado Center on Law and Policy*, 2009.

streamline eligibility for low-income families so their children are enrolled in the same program and may see the same providers.

Capitalize on opportunities presented by state and federal health reform.

Today, many policy decisions that will lead to greater access and affordability to quality health care coverage are being undertaken at the state and federal levels. For example, the recently passed Colorado Health Care Affordability Act allows the state to expand eligibility for children, pregnant women, parents, adults without dependent children and working people with disabilities.

Moreover, the federal Patient Protection and Affordable Care Act, which became law in March 2010, will make health coverage more affordable for families by creating a regulated marketplace for purchasing insurance, by further expanding the eligibility levels for Medicaid, and by providing tax credits and removing barriers for individuals and small businesses purchasing insurance. In 2010, the Affordable Care Act began providing tax credits to small businesses to help them maintain or add health insurance coverage for employees. Those changes will be particularly helpful for those who do not have employer-sponsored coverage, those who cannot afford employer coverage, and those who cannot afford coverage in the individual market or were excluded because of their medical histories.

Here are some policies Colorado should pursue as a part of health care reform:

- *Make Colorado's Health Insurance Exchange accessible, fair and efficient.* Colorado is about to begin the process of designing a regulated health insurance marketplace or Health Insurance Exchange. The exchange should provide people with accessible information about private health insurance options, match those eligible for private health insurance with subsidies, and seamlessly enroll people eligible for public health insurance into Medicaid and Child Health Plan Plus.
- *Allow families to stay with the same care provider(s) as their income changes.* Colorado's Health Insurance Exchange should make it possible for families to stay with the same care provider(s) as their income changes. Families whose income changes minimally should not have to shift back and forth between private and public health insurance and run the risk of losing their usual care providers.
- *Design a comprehensive Medicaid benefits package for those newly-eligible for Medicaid under the federal Affordable Care Act.* Beginning in 2014, the Affordable Care Act will expand Medicaid access to all citizens and legal residents with incomes of up to 133 percent of the Federal Poverty Level. Colorado is in the process of expanding Medicaid eligibility as a result of the 2009 Colorado Health Care Affordability Act. It is critical that Colorado consider what is required by the Affordable Care Act both now and in 2014 — including requirements related to income calculation and eligibility — as the state expands to new populations today.

CONCLUSION

The decade that began and ended in recession was one of great turmoil. The Great Recession has raised unemployment to historic heights, and with it poverty, enrollment in food programs, and reliance on public health coverage have increased dramatically. Pain has been widespread, but all have not been hurt equally. Amidst the crisis, minorities, women, and the less-educated have been hit disproportionately hard. More than ever, gains from the state's economic progress are going exclusively to the wealthiest. Yet the recent downturn only perpetuated and in some cases deepened troubling divisions among Colorado's workers.

Prompted by crisis, Colorado will need to chart its course for the decade to come, moving either to reinforce past divisions, or to forge ahead on new terms. The state has many advantages in this struggle. Throughout the recession, Colorado has managed lower levels of unemployment and poverty than the nation. It retains a highly-educated workforce, and promotes incomes well above the norm. And it supports better-than average uninsurance rates, and boasts continued productivity gains.

To build on these advantages, Colorado will need to renew its commitment to its workers and their prosperity. It will need to ask difficult questions about its wiliness to pay for roads, schools, and the public structures that move the state and its workers forward. And it will need to invest prudently to build a future that supports justice, economic security, and a bright future for *all* Coloradans.

APPENDIX

2010 POVERTY THRESHOLDS BY SIZE OF FAMILY AND NUMBER OF RELATED CHILDREN UNDER 18 YEARS

SIZE OF FAMILY UNIT	RELATED CHILDREN UNDER 18 YEARS								
	NONE	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT OR MORE
One person (unrelated individual)									
Under 65 years	\$11,369								
65 years and over	\$10,481								
Two people									
Householder under 65 years	\$14,634	\$15,063							
Householder 65 years and over	\$13,209	\$15,006							
Three people	\$17,094	\$17,590	\$17,607						
Four people	\$22,541	\$22,910	\$22,162	\$22,239					
Five people	\$27,183	\$27,579	\$26,734	\$26,080	\$25,681				
Six people	\$31,266	\$31,390	\$30,743	\$30,123	\$29,201	\$28,654			
Seven people	\$35,975	\$36,199	\$35,425	\$34,885	\$33,880	\$32,707	\$31,420		
Eight people	\$40,235	\$40,590	\$39,860	\$39,219	\$38,311	\$37,158	\$35,958	\$35,653	
Nine people or more	\$48,400	\$48,635	\$47,988	\$47,445	\$46,553	\$45,326	\$44,217	\$43,942	\$42,249

Source: U.S. Census Bureau

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The mission of the Economic Policy Institute is to provide high-quality research and education 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 such participation will result in economic policies that better reflect the public interest.