



The Bell Policy Center

Research · Advocacy · Opportunity

A nonprofit public policy organization committed to making Colorado a state of opportunity for all, regardless of race or economic background.

The Bell seeks to reinvigorate the debate on issues affecting the well-being of families and working adults.



Opportunity Lost



When Hard Work
Isn't Enough for
Colorado's Families



The Working Poor Families Project

- The Annie E. Casey and Ford Foundations supported the development of a framework of indicators that assess state efforts to aid the working poor in achieving economic self-sufficiency. To date, 15 states have been selected to participate in this project.
- Over 230 data-based, policy and performance indicators identified current conditions and evaluated related state policies and program efforts in each of four areas of concern.



Report Structure

- What is the status of Colorado's working families?

Chapter 1: Working Hard and Falling Behind

- How are we doing in helping Coloradans get the skills they need to succeed?

Chapter 2: Giving People the Skills to Succeed:
Education and Workforce Training

- Are there good jobs available for working families?

Chapter 3: Creating Job Opportunities Through
Private-Public Partnerships

- What kind of assistance helps families keep working and get ahead?

Chapter 4: Making Work Pay for Families



Message

1. Coloradoans work hard, but too many working families struggle to get by.
2. Education and skills are the best predictors of whether hard work pays off.
3. Colorado does not invest enough in services that help adults gain the skills to make work pay.
4. Colorado has the capacity to do more to help low-income working families achieve self-sufficiency.
5. We should do more—because families, businesses, and the state will all benefit.



Working Hard & Falling Behind

- Analysis of new Census data
- Coloradoans Work Hard

Indicator	CO	CO Rank	Grade
Labor Force Participation	71.7%	10 th Best	A

- Half of all poor families in Colorado are working

Indicator	CO	CO Rank	Grade
Poor Families that Work (2001)	32,124 (49.6%)	20 th Best	B
Poor Families that Work (2002)	32,052 (47.4%)	21 st Best	C



Working Hard & Falling Behind

- Thousands of working families live below 200% of the federal poverty level - an income that does not support self-sufficiency

Indicator	CO	CO Rank	Grade
Working Families Below 200% of Poverty (2001)	121,319 (21.8%)	11 th Best	B
Working Families Below 200% of Poverty (2002)	133,799 (23.4%)	11 th Best	B
Minority Working Families Below 200% of Poverty (2002)	73,563 (41.3%)	22 nd Best	C



Working Hard & Falling Behind

- CO has a very high rate of working poor families without health insurance

Indicator	CO	US	Range
Working Poor Families w/ at Least One Uninsured Parent (2001)	12,271 (59.7%)	48.1%	18.7%-67.7%
Working Families Below 200% of Poverty w/ at Least One Uninsured Parent (2002)	42,919 (39.3%)	36.7%	12.4%-53.1%

- Housing costs overburden working poor families

Indicator	CO	CO Rank	Grade
Working Poor Families Spending Over 1/3 of Their Income on Housing	25,695 (81.4%)	8 th Worst	F



Working Hard & Falling Behind

- Many working poor families lack job security

Indicator	CO	US	Range
Working Poor Families w/ at Least One Parent Self-Employed	4,583 (14.3%)	12.5%	4.1%-28.8%

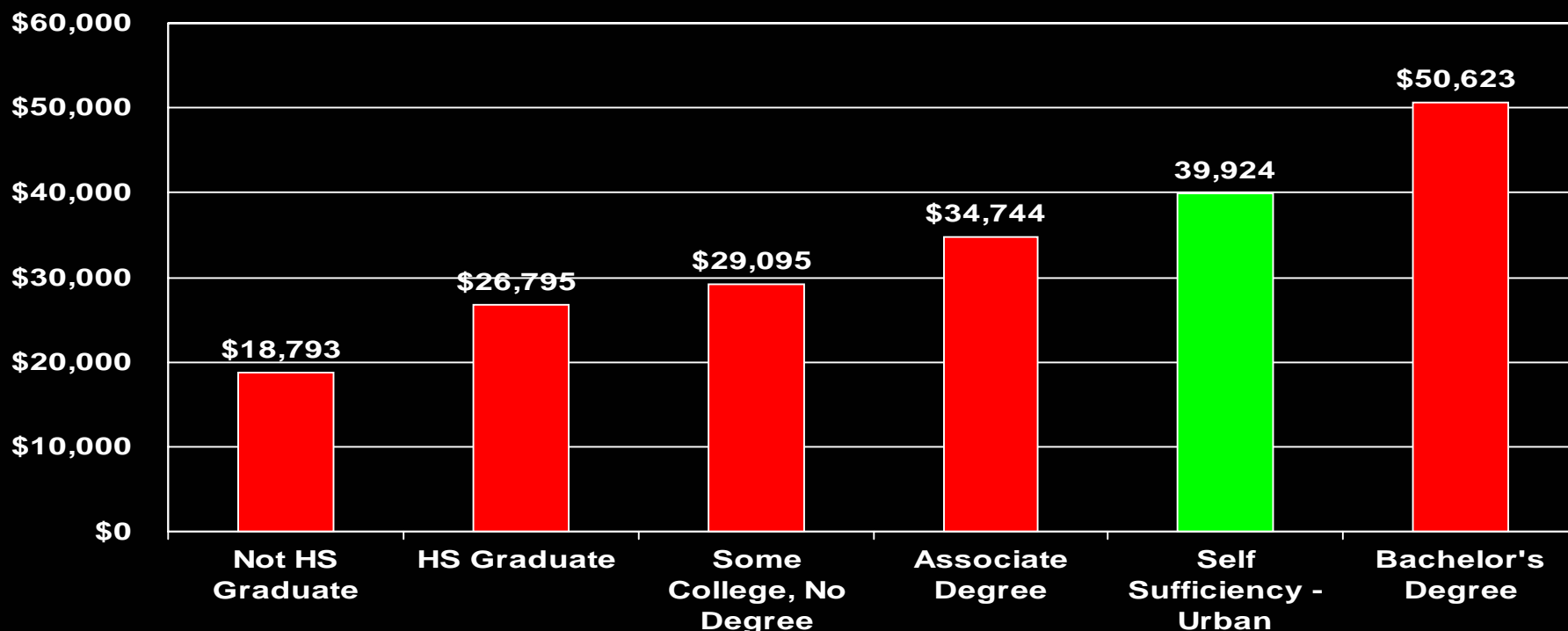
- Half of working poor families lack a basic education

Indicator	CO	CO Rank	Grade
Working Poor Families w/ a HS Dropout Parent (2001)	14,948 (46.5%)	9 th Worst	F
Working Poor Families Below 200% of Poverty w/ a HS Dropout Parent (2002)	53,836 (40.2%)	6 th Worst	F



Education & Training

Average Annual Earnings of Adult Workers
By Educational Attainment (2001)



■ In Colorado, Low Skills = Low Wages



Education & Training

■ Many Adults Lack a High School education

Indicator	CO	CO Rank	Grade
Adults 18-64 Without a HS Degree/GED (2001)	372,568 (13.6%)	24 th Worst	C
Adults 18-64 Without a HS Degree/GED (2002)	398,399 (14%)	24 th Worst	C
Minority Adults 18-64 Without a HS Degree/GED (2002)	241,774 (33.3%)	5 th Worst	F

- CO is the only state that does not invest any of its own General Fund in Adult Basic Ed (ABE) and English as a Second Language (ESL) services

❖ **Recommendation: Appropriate at least \$1 million to match federal funds for these critical services**



Education & Training

- CO has a dismal record of sending young adults to college - especially low-income & minority students

Indicator	CO	CO Rank	Grade
Postsecondary Enrollment of Young Adults, Age 18-24 (2001)	119,847 (31%)	25 th Worst	C
Postsecondary Enrollment of Young Adults, Age 18-24 (2002)	118,523 (29.3%)	15 th Worst	D
Postsecondary Enrollment of Minority Young Adults, Age 18-24 (2002)	20,890 (15.4%)	3 rd Worst	F
Low-Income Students Going to College by Age 24 (2001)	17.2%	6 th Worst	F



Education & Training

- However, CO has higher postsecondary enrollment rates for older white adults, but still a poor record for minority older adults

Indicator	CO	CO Rank	Grade
Postsecondary Enrollment of Adults Age 25-54 (2001)	135,841 (6.7%)	13 th Best	B
Postsecondary Enrollment of Adults Age 25-54 (2002)	147,323 (7.2%)	6 th Best	A
Postsecondary Enrollment of Minority Adults Age 25-54 (2002)	28,419 (5%)	3 rd Worst	F



Education & Training

- **Affordability is a major barrier for postsecondary access and success**

Indicator	CO	CO Rank	Grade
% of Family Income Needed to Pay for Community College for Poorest Families	42%	14 th Best	B
% of Family Income Needed to Pay for Public 4-Year for Poorest Families	44%	13 th Best	B
% of Family Income Needed to Pay for Private 4-Year College for Poorest Families	144%	15 th Worst	D

- ❖ **Recommendation: Dramatically increase state support for need-based financial aid**



Education & Training

- CO does not provide training services to a sufficient number of unemployed workers through the federally-funded Workforce Investment Act (WIA)

Indicator	CO	CO Rank	Grade
Percent of WIA Participants Who Received Training (2001)	1,322 (44.8%)	20 th Worst	D

❖ Recommendations:

- Require that all WIA providers report on how much money is spent on training and other services
- Set a minimum funding level to provide direct training services



Education & Training

- Only 9.4% of those receiving Temporary Aid for Need Families (TANF) are enrolled in education or training, although we know that 30% - 40% of adults on welfare do not have a High School diploma or GED.
- Less than 1% of CO's TANF expenditures were devoted to education and training.
- ❖ **Recommendations:**
 - Urge counties to take advantage of the new opportunities to provide vocational training beyond the time limits
 - Expand the state's capacity to provide Adult Basic Education (ABE) and English as a Second Language (ESL) instruction that is integrated with job training

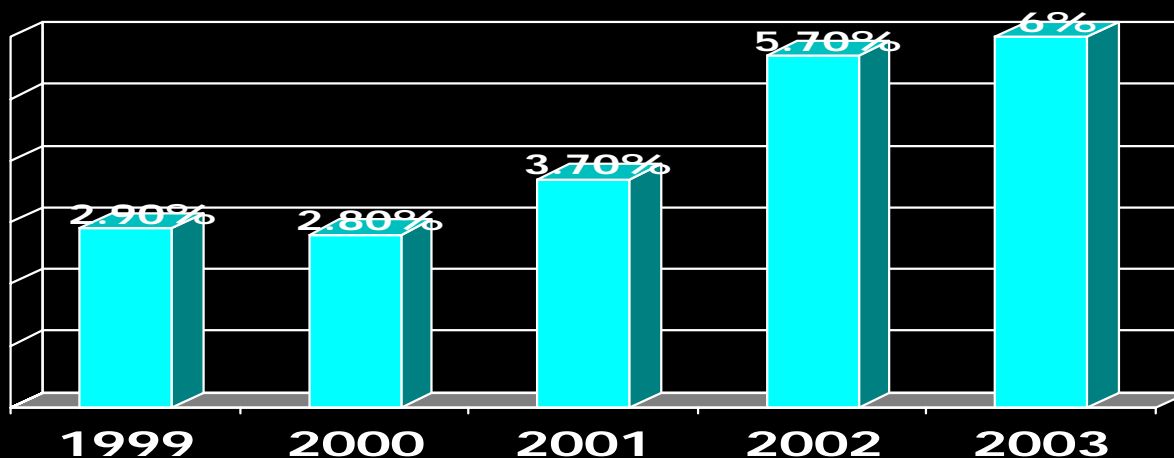


Creating Job Opportunities

- CO's Unemployment Rate has more than doubled since 2000

Indicator	CO	CO Rank	Grade
Unemployment Rate (2003)	6%	18 th Worst	D

Colorado's Average Annual Unemployment Rate





Creating Job Opportunities

- More Coloradoans cannot find permanent and full-time jobs, and more have to hold multiple jobs

Indicator	CO	CO Rank	Grade
Adults Who Hold Part-Time Jobs for Economic Reasons (2002)	65,499 (2.9%)	21 st Worst	C
Adults Who Hold Part-Time Jobs for Economic Reasons (2003)	85,946 (3.6%)	14 th Worst	D

Indicator	CO	CO Rank	Grade
Adult Workers Who Hold Contingent Jobs (2002)	48,738 (1.6%)	8 th Worst	F
Adult Workers Who Hold Multiple Jobs (2003)	143,057 (6.2%)	21 st Worst	C



Creating Job Opportunities

- More Coloradoans are either 1) unemployed, 2) hold part-time jobs because they cannot find full time jobs, or 3) have exited the labor market but want a job and are looking for one.

Indicator	CO	CO Rank	Grade
Adults 18-64 Who Are Unemployed, Work Part-Time or Have Exited the Labor Market & Want Full-Time Work (2002)	201,411 (9%)	24 th Worst	C
Adults 18-64 Who Are Unemployed, Work Part-Time or Have Exited the Labor Market & Want Full-Time Work (2003)	239,335 (10%)	18 th Worst	D



Creating Job Opportunities

- CO's economic development (ED) programs do not target the creation of entry-level jobs with career advancement potential, and its worker training programs are severely under-funded and do not target low-wage workers
- Business assistance programs and tax credits do not serve working poor families, and the state fails to collect information about their impact on those who would benefit the most from their impact
- ❖ **Recommendations:**
 - **Consolidate our economic development programs and provide additional resources**
 - **Make job creation, advancement and training for low-income workers a specific programmatic goal**



Making Work Pay for Families

- CO has relatively few low-wage jobs

Indicator	CO	CO Rank	Grade
Workers in Low-Wage Jobs (2002)	358,726 (19.%)	9 th Best	A

- But too many jobs do not offer a pension or health insurance

Indicator	CO	CO Rank	Grade
Adult Workers Without Employer-Provided Pensions (2001-03)	1,436,302 (59.2%)	13 th Worst	D
Adult Workers Without Health Insurance (2003)	430,596 (17.7%)	11 th Worst	D



Making Work Pay for Families

- Many workers in CO are long-term unemployed and are running out of Unemployment Insurance (UI)

Indicator	CO	CO Rank	Grade
% of Unemployed Workers Not Receiving UI Benefits (2 nd Q 2003)	69%	7 th Worst	F
% of UI Claimants Who Exhausted Their Benefits in the Past 12 Months (2 nd Q 2003)	54.4%	5 th Worst	F

❖ Recommendations:

- CO's UI program should be strengthened to provide better financial protection for low-income families
- Revise administrative practices for added flexibility and provide a supplemental UI payment to the base amount for unemployed workers with dependents



Making Work Pay for Families

- State does not provide wage replacement for parental leave
- Temporary disability insurance is not provided by the state
- Medicaid eligibility is very restricted
- CO does not provide a tax credit to businesses that offer health insurance to their employees

- ❖ **Recommendations:**
 - Create a public-private task force to overhaul CO's Medicaid program to cover the maximum number of low-income families with a basic benefit package
 - Use the cost savings to provide subsidies to small businesses so they can purchase employer-sponsored health insurance through a federal waiver



Making Work Pay for Families

- CO's Earned Income Tax Credit and child care tax credit are only available during "good" economic times, and are unavailable during economic downturns when they are most needed by working families
- Funding for child care is shrinking while waiting lists for assistance are growing
- ❖ **Recommendations:**
 - **Make the EITC and child care tax credit permanent**
 - **Provide sufficient state funding to draw down all available federal dollars for child care**



First Things First

- **Unless we fix TABOR, we won't be able to make these wise investments and our current family supports will continue to be squeezed out of the budget.**

PRINCIPLES FOR A SOLUTION

- **Continue to require voter approval for all tax increases.**
- **Continue to limit the growth of government.**
- **Develop a limit that links government growth and contraction to overall economic activity.**
- **State spending can be no bigger than it was in 2000.**



The Bell's Solution

- Linking state government to a constant percentage of economic activity will limit government growth while:
 - Eliminating the ratcheting effect.
 - Allowing services to better keep pace with need.
 - Allowing for innovation and investment in good times.

- Amendment 23
 - Sunset it in 2011
 - Suspend the 1% if economy goes bad again
 - Changes only go into effect if TABOR improvements are passed.



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Complete Database of Indicators Available:

www.thebell.org

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