



The Bell Policy Center

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Working poor need a hand up the ladder Colorado does too little to promote self-sufficiency

By Andy Hartman and Spiros Protopsaltis

***The Boulder Daily Camera* • April 25, 2004**

Next month, Jackie Trainer will receive her master's degree. When she walks up to that podium at graduation, she will have come a long way from the shelter she first called home in Denver.

Jackie came to Colorado in the mid-1990s, fleeing domestic violence and searching for a new beginning. While living in a shelter for battered women, she started working as a waitress and telemarketer.

"I knew I needed to go to college if I ever wanted to get anywhere," she said. "When I started working on my associate's degree at Community College of Denver, I'd leave the house at 5:30 a.m., take several buses, go to school all morning, and then work from 2 to 10 p.m. I'd get home at 11 and start all over the next day."

"I was afraid of everything. But I was also determined to take control of my own life." Today, Jackie's determination has landed her a job as the director of a local nonprofit organization.

Jackie's story is one we all want to believe in — the one about hard work paying off. And Colorado is a hard-working state. Our work force participation rate, 72 percent, is the 10th highest in the nation. But for Jackie and the more than 120,000 families headed by working adults who struggle to make ends meet, that dream remains elusive. For nearly one out of five families in our state, effort is not enough.

Who are these individuals and families? Why are they not able to make work pay? And is there more we can do to help them help themselves?

In an attempt to answer these and other questions, the Bell Policy Center spent nine months looking at the lives of the working poor in Colorado. Our research was part of a multistate project supported by the Annie E. Casey and Ford Foundations to take a closer look at the plight of low-income working families and state programs designed to help them. While we believe that hard work and personal responsibility are critical to success, we concluded that the state of Colorado could and should be a stronger partner in helping families become self-sufficient. It will benefit all of us.

Our research provides a look into the day-to-day struggles that characterize low-income working families. In 60 percent of these families, an adult does not have health insurance. Eighty percent of these families spend more than one-third of their income on housing, a warning sign that housing costs are eating up too much of a family's budget. Almost one-half of poor working families are headed by an adult who lacks a high school diploma.

In all three areas — housing, health care, and education — it is harder to be low-income and working in Colorado than in most other states in the country.



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While there are many reasons why some individuals and families work hard but continue to struggle, our research points to the lack of education and skills as the most important cause. Colorado's high school graduation rate, 68 percent, ranks us 35th in the nation. There are nearly 400,000 adults who are out of school and lack a high school degree. This connects directly to the fact that nearly half of low-income working families are headed by an adult without a high school diploma, the ninth highest rate in the country.

We also have a serious problem with access to higher education. The data is quite clear: it takes at least a certificate or associate's degree from a community college in order to qualify for a job that pays self-sufficiency wages. Our research found that Colorado ranks in the middle of all the states in terms of giving young adults a chance for college and is one of the worst states in providing opportunity for higher education to minority students.

So, what did the report, "Opportunity Lost," find when it examined state efforts to help working families move ahead economically? The bottom line is: not enough. And, in a state as prosperous as ours, we can and should be doing more. We need to invest more in the education and training of working adults.

For example, Colorado is the only state that puts none of its own money into helping adults earn a GED or high school diploma and improve their English language skills. "Opportunity Lost" calls for an investment of \$1 million in state dollars to stretch the federal dollars we already receive.

The report identifies several other strategic investments that would help more individuals and families achieve self-sufficiency, create a better-trained workforce, and provide returns to the state in tax revenue. Some of the additional ways that the state could help make work pay include need-based financial aid, subsidies for child care and affordable health insurance. In the case of health care and child care, every dollar of state money would be matched by a federal contribution.

Of course, it will be impossible for the state to make these wise investments, let alone head off dismantling our current lean set of services, if we don't do something about our current fiscal crisis. And at the heart of that problem is TABOR, which is strangling opportunity out of the state's budget and stopping Colorado from being a partner in helping low-income workers. The Bell is working with a citizen's coalition to amend TABOR and put Colorado back on a stronger fiscal path. Specifically, we believe that we need to change the revenue limit in TABOR so that it reflects the true cost of providing adequate services.

"Opportunity Lost" has a simple message: Coloradans work hard, but too many working folks struggle to get by; education and skills are the best predictors of whether hard work pays off; and Colorado does not invest enough in services that help adults improve their job skills. Most important, we have the capacity to do more to help and we should—because families, businesses, and the state will all benefit.