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Bell updates report on working poor families: Colorado bottoms out in national ranking on gap between income and housing costs

Using new U.S. Census Bureau data available through a multi-state project on working poor families, the Bell Policy Center is releasing a one-year update on its 2004 *Opportunity Lost* report.

The update offers both good and bad news.

The new data shows the recent improvement in the state's economy put thousands of unemployed and under-employed Colorado workers back to work, and lifted thousands of minority working families and children out of poverty. That's the good news.

But Colorado's overall numbers of working poor and low income families remains about the same. And for those families, the cost of housing and health insurance continues to rise beyond reach.

"The recovery should leave no one behind," said Wade Buchanan, president of the Bell Policy Center, a nonprofit, nonpartisan, statewide think tank based in Denver. "Life in Colorado is getting harder for working poor and low-income families. More people are struggling in unsustainable circumstances as the cost of living outstrips their income.

"That's a bad thing for a state that wants to provide opportunity for all. At the Bell Policy Center, we believe in building every family's ability to support themselves," Buchanan said.

As a member of the multi-state Working Poor Families Project of the Annie E. Casey, Ford and Rockefeller foundations, the Bell is publishing new data on indicators that assess how well Colorado helps working families achieve self-sufficiency.

The new data now ranks Colorado at the bottom of the country for the number of working poor and low-income families who must spend more than one-third of their income on housing costs. (Working poor families earn wages up to the official federal poverty level; working low-income families earn wages up to twice the federal poverty level, including the working poor.)

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Among Colorado's estimated 32,500 working poor families, 93 percent, or 29,500, spent more than one third of their income on housing in 2003. Colorado now places 50th nationwide for this indicator, falling from 38th place in 2002.

For Colorado's estimated 132,000 working low-income families, 71 percent, or 92,350, spent more than a third of their income on housing. Again, Colorado now places 50th for this indicator, falling from 45th in 2002.

Part of the state's employment gains came in low-wage occupations, forcing more people to work part-time jobs, multiple jobs and odd jobs. That also means more Colorado workers are not covered by health insurance, putting more households at risk of financial catastrophe in the event of a serious illness or injury.

Among all Colorado workers ages 18-64, 18.8 percent did not have health insurance in 2004. The 458,500 workers not covered last year marks an increase of nearly 28,000 over 2003.

The proportion of uncovered working families rises dramatically among the low-income and poor. For this indicator, the data compares two overlapping three-year periods, 2001-03 and 2002-04.

Among Colorado's working poor families, the number that did not have health insurance climbed from 12,060 in 2001-03, to 14,800 in 2002-04. Among Colorado's working low-income families, those without health insurance rose from 43,000, or 39 percent, in 2001-03, to 51,000, or 40 percent, in 2002-04.

"This new data proves that while Colorado is generally a state where a person can work and earn a good income, it is a very hard place to live if you have a low income," said Spiros Protopsaltis, a Bell policy analyst and author of the issue brief.

The one-year update spotlights other positive and negative trends, and offers new data on immigrant working poor and low-income families.

The good news

- As the economy has improved, fewer Colorado workers are unemployed or under-employed.
- Thousands of minority families are moving out of working poor and low-income categories.
- Fewer poor and low-income families include a parent who was a high school dropout, increasing their chances for improving their education and skills and earning a better income in the future.
- Fewer children now live in working poor and low-income families.

The bad news

- More families are burdened with the high cost of housing.
- Thousands more families do not have health insurance coverage.
- Part of Colorado's economic recovery has come in the low-wage job sector. More workers are employed in low-wage, part-time or multiple jobs or are self-employed without benefits.
- More low-income families have at least one self-employed parent, who likely lacks access to health insurance, unemployment insurance and worker's compensation for an on-the-job injury or illness.

New data on immigrant families

- Nearly one-third of working low-income families and one-quarter of working poor families have at least one parent who is an immigrant to the U.S.