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# MEASURING OPPORTUNITIES FOR WORKING FAMILIES

*Working families benefit from an improving economy but still face major challenges*



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## **Acknowledgement**

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## OVERVIEW

In our [2004](#)<sup>1</sup> and [2010](#)<sup>2</sup> “Opportunity Lost” reports we examined the status of Colorado’s low-income working families and found that *“Coloradans work hard, but many families still struggle to get by.”*

In this report, we looked at the same measures of achievement, self-sufficiency and well-being, this time against the backdrop of the Great Recession.

We found that many of the indicators measuring the economic well-being of working families in Colorado have improved along with the state’s economy, albeit many only marginally. However, indicators measuring investments in adult education, affordability of post-secondary education, job quality and access to workplace benefits such as retirement accounts show that these families still face major challenges.

As we look at the indicators, four major trends stand out:

- **Colorado has more families living in poverty in our 2012 report than in our 2010 report and fewer of them are employed.**
- **Due to economic barriers, low-skilled and low-income adults have limited access to the post-secondary education or skills-training programs necessary to gain employment in quality jobs that lead to self-sufficiency and family-sustaining wages.**
- **Both the number of adults who hold part-time jobs for economic reasons and the number of workers aged 18 and older who hold low-wage jobs increased between our 2010 and 2012 reports.**
- **Nearly 60 percent of all Colorado workers do not have employer-provided pensions, which are effective ways to save for retirement while working.**

Addressing these trends is critical to helping working families reach self-sufficiency and realize their full economic, social and personal potential over the long term.

This update was developed by analyzing the [Working Poor Families Project's](#) 2012 package of data (WFPF 2012)<sup>3</sup>, a compilation of indicators of state economic health and the status of Colorado’s working poor families<sup>i</sup> drawn primarily from recent data available through the U.S. Census Bureau – the [2010 American Community Survey](#) and [2011 Current Population Survey](#)<sup>ii</sup>. This methodology is consistent, and therefore comparable, with our previous reports. Please note, however, that when this update refers to the years 2004, 2010 and 2012, we are referencing the information presented in our 2004 and 2010 “Opportunity Lost” reports or the WFPF 2012 dataset rather than data collected directly in those years.

<sup>i</sup> A glossary of all relevant terms can be found on p. 11.

<sup>ii</sup> For some measures, it was necessary to use a three-year average (2009-2011) to achieve statistical significance.

**This update offers a summary of where Colorado stood in 2012 compared to previous years and highlights the key issue areas - education and skills development, quality jobs, health and economic security - that we see as critical to Colorado becoming a state of opportunity for all.**

**Many of the indicators measuring the economic well-being of working families in Colorado have improved along with the state's economy, albeit many only marginally.**

**However, indicators measuring investments in adult education, affordability of post-secondary education, job quality and access to workplace benefits such as retirement accounts show these families face major challenges moving forward.**

This update is divided into three parts.

Part one presents data showing how Colorado's economy fared during the Great Recession and the extent to which it is bouncing back. This data is important for putting the experiences of working families into context and helping to explain how these families were affected by the recession.

Part two contains a report card on the status of working families that presents data on 20 indicators measuring economic well-being as illustrated by the 2012 WFPF dataset. The report card shows how Colorado ranks compared to other states, the national average and the best- and worst-performing state on each indicator. It also compares the indicators to the same ones detailed in our 2004 and 2010 reports.

Part three describes in more detail the indicators measuring the status of working families and the working poor, education and skills development and job quality and workplace benefits.

Since our 2004 report, the percentage of working families that are low-income and living in poverty has grown both in number and as a percentage of all Colorado working families. Between 2004 and 2012, the number of working families in poverty grew by roughly 16,000 families, an increase of nearly 50%.

It has become significantly more difficult for individuals in those families to afford post-secondary education and find full-time jobs that pay self-sufficiency wages. Our lack of investment in adult education makes it harder for those without a high school diploma or GED to get even the most basic education needed to succeed in the workforce.

Additionally, it remains difficult for all working families to save for retirement because of the lack of access to employer-provided retirement accounts.

These are the key areas where we can enact change to unleash the potential of all Coloradans and provide greater opportunities for Colorado's families to advance toward economic independence and security.

## PART ONE

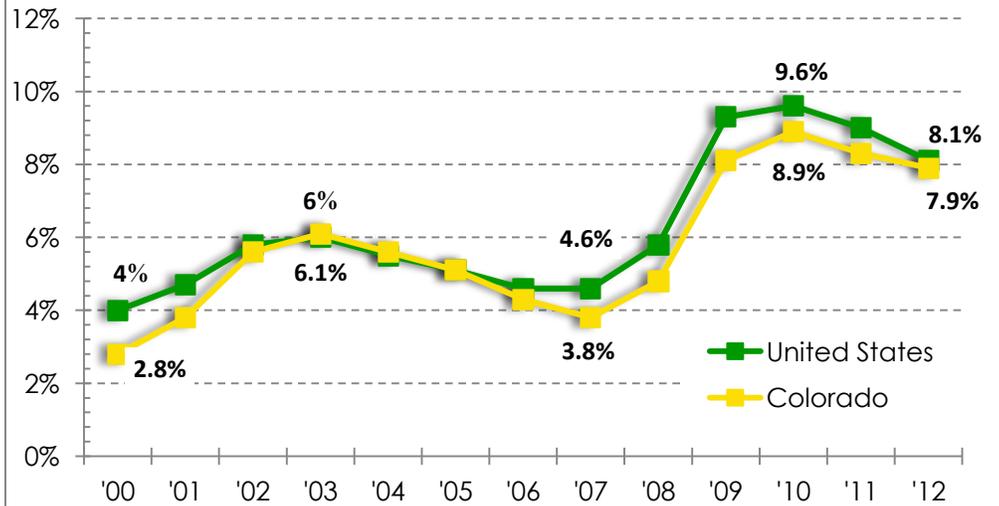
### Economic context: Colorado is climbing out of the Great Recession

#### Unemployment rate

After months of steady increases, Colorado's unemployment rate has finally begun to fall.

The state's unemployment rate peaked at 9 percent in Nov. 2010 and then fell steadily until April 2012 when it slowly began rising. In Aug. 2012 Colorado's unemployment rate began to fall again. The drop continued through Dec., bringing the state's 2012 average unemployment rate to 7.9 percent, around four percentage points higher than when the recession began.<sup>4</sup>

**Table 1: U.S. and Colorado unemployment rate**  
(Full-year average)

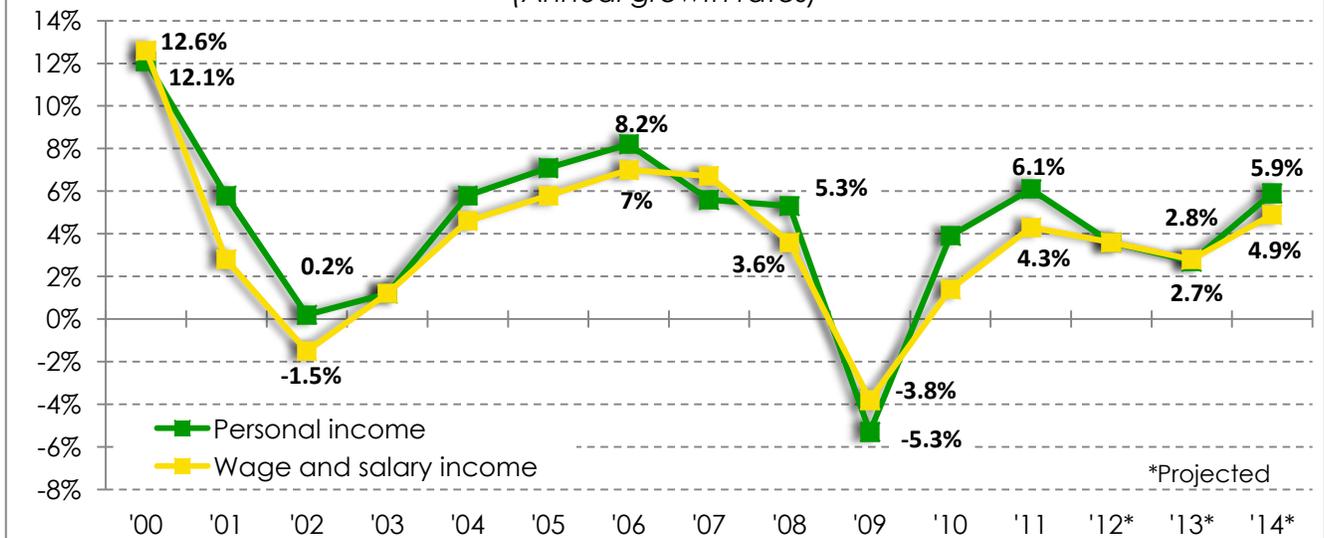


The national rate is also on the decline, falling from 8.1 percent in Aug. to 7.8 percent in Dec. 2012, averaging 8.1 percent for that year.<sup>5</sup> These decreases are for all the right reasons, caused generally by an increase in employment rather than a decrease in the labor force.

#### Personal income, wage and salary growth

Table 2 shows the annual growth rates in total state personal income and wage and salary income, which is another measure used to gauge the health of Colorado's economy.

**Table 2: Colorado personal income, wage and salary growth**  
(Annual growth rates)



After contracting 5.3 percent in 2009, Colorado's total personal income grew 3.9 percent in 2010 and 6.1 percent in 2011.

The Colorado Legislative Council Staff's "[Focus Colorado: Economic and Revenue Forecast](#)" for Dec. 2012 projected continued growth in both personal income and wage and salary income over the next three years, with expected increases of 5.9 percent in personal income and 4.9 percent in wage and salary income by 2014.<sup>6</sup>

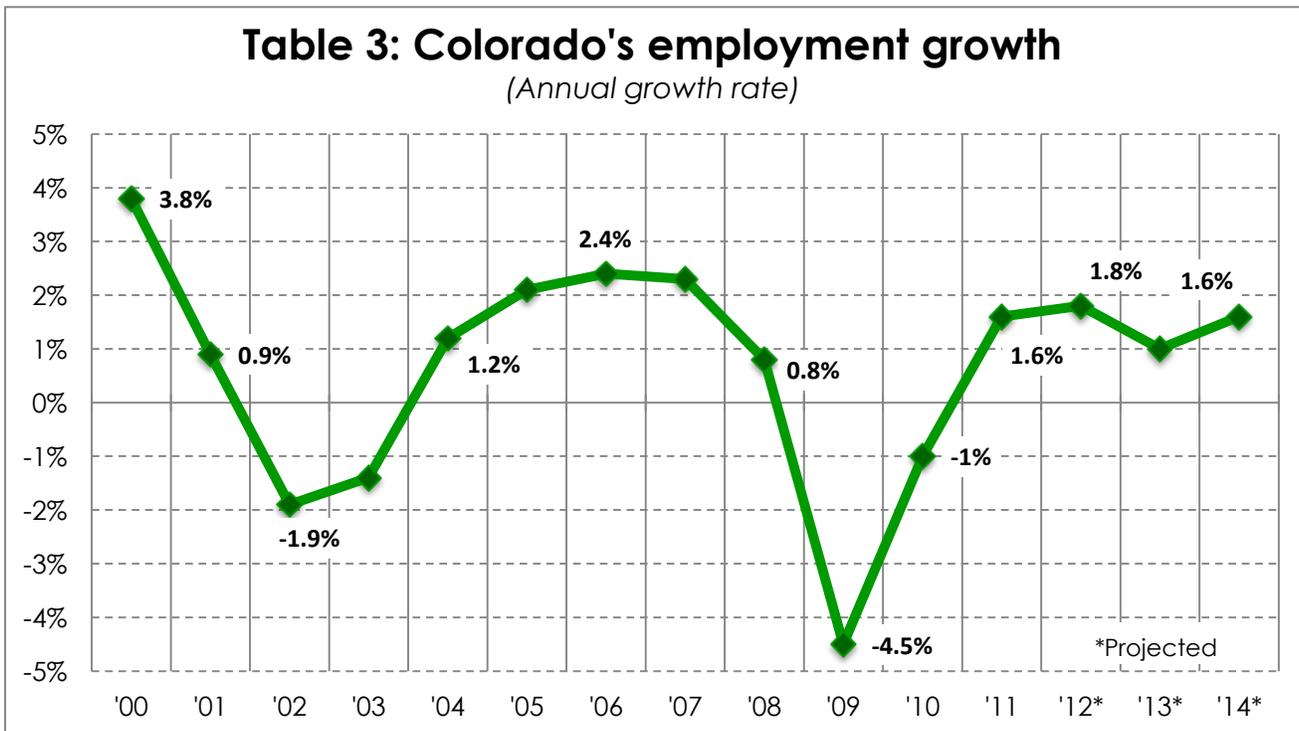
### Employment growth rate

Colorado lost 6.4 percent of its job base, roughly 151,600 jobs, between its pre-recession peak in April 2008 and cyclical low in Jan. 2010.

Since hitting that trough, however, Colorado's labor market has shown consistent improvement and is predicted to continue gaining momentum.

From Jan. through Oct. 2012, Colorado added approximately 4,400 jobs per month, a growth rate of 2.2 percent when compared to the same time period in 2011<sup>7</sup> (Table 3).

**As the state and the nation continue to climb out of the Great Recession, conditions are projected to improve slowly. The gradual rate of improvement is indicative of a healthier economy but also shows that the recovery from the recession will continue to be a slow one.**

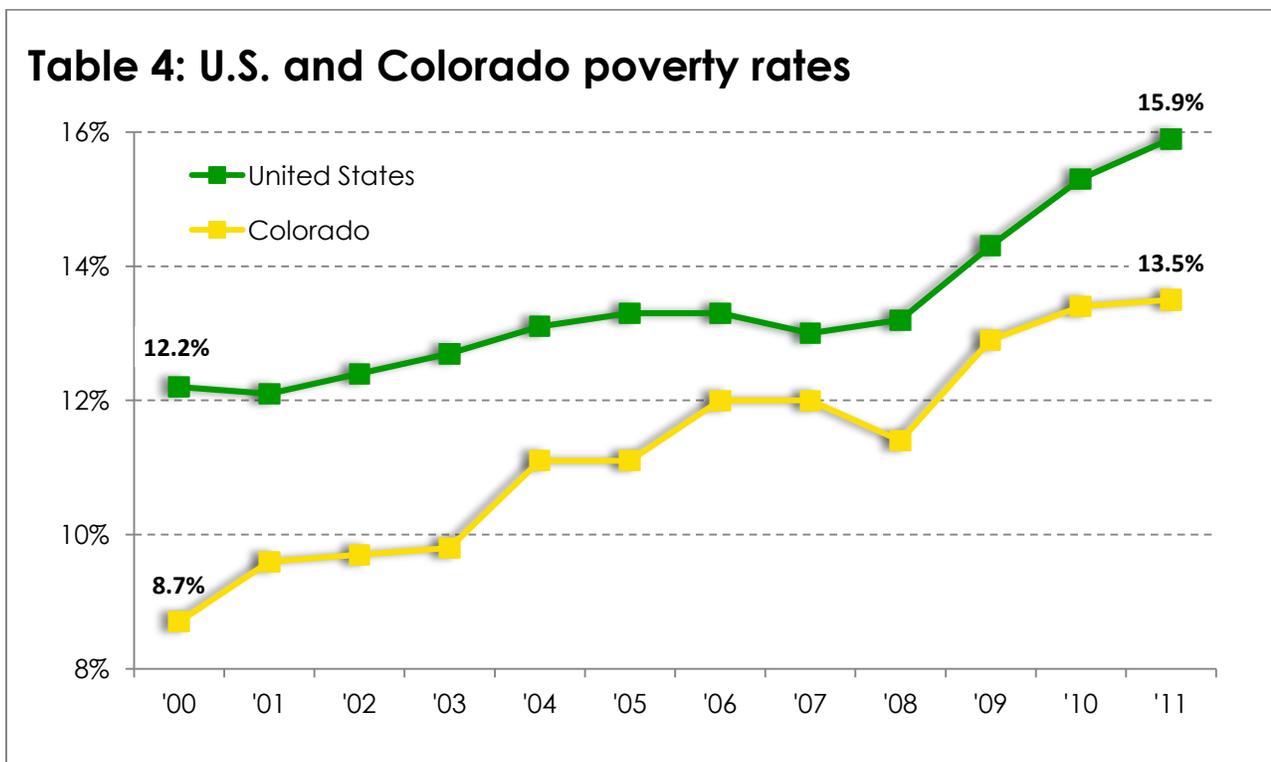


## Poverty rate

The number of Coloradans living in poverty has increased significantly in the past decade, growing from 8.7 percent in 2000 to 13.5 percent in 2011.

In 2000, Colorado's poverty rate was 3.5 percentage points lower than the national average of 12.2 percent. By 2011, that gap narrowed to 2.4 points. Although the state poverty rate has remained at least one full percentage point below the national rate, Colorado's poverty rate grew by 55 percent between 2000 and 2011, while the national rate increased by only 30 percent over the same time period<sup>8</sup> (Table 4).

As the state and the nation continue to climb out of the Great Recession, conditions are projected to improve slowly. The gradual rate of improvement is indicative of a healthier economy but also shows that the recovery from the recession will continue to be a slow one.



## PART TWO

### Report card on the status of working families

Issue	2004 Report		2010 Report			2012 Report			2012 Nat'l Numbers		
	CO's numbers	CO's Nat'l rank	CO's numbers	CO's Nat'l rank	Trend	CO's numbers	CO's Nat'l rank	Trend	Nat'l Avg.	High State	Low State
<b>Working Families</b>											
In poverty	32,124 (5.8%)	13th best	48,410 (8.3%)	25th best	↓	48,030 (8.5%)	18th best	↓	10.1%	MS 16%	NH 3.6%
With income less than 200% of poverty	121,319 (21.8%)	11th best	151,875 (26.2%)	18th best	↓	154,085 (27.2%)	17th best	↓	31.2%	AR 41.7%	NH 17%
<b>Poor Working Families</b>											
With a parent without GED or high school diploma	14,948 (46.5%)	9th worst	22,705 (46.9%)	5th worst	↓	18,350 (38.2%)	8th worst	↑	37.4%	CA 57.5%	WY 10.2%
With at least one parent without health insurance	12,271 (59.7%)	NR	25,399 (60.6%)	4th worst	↓	26,547 (56%)	8th worst	↑	48%	TX 72%	MA 12%
Spend more than one third of income on housing	25,695 (81.4%)	8th worst	39,705 (83.4%)	13th worst	↓	38,555 (82.8%)	14th worst	↑	81%	NJ 90.8%	WV 58.8%
<b>Education and Skill Development</b>											
Adults 18-64 without GED or high school diploma	372,568 (13.5%)	24th worst	362,605 (11.3%)	25th best	↑	340,360 (10.4%)	20th best	↑	13.2%	TX/CA 18.2%	ND 5.8%
Adults 25-54 with only GED or high school diploma	425,124 (21%)	2nd best	473,165 (21.5%)	2nd best	↓	464,930 (21.4%)	2nd best	↑	26.7%	WV 40.5%	CA 20.6%
Adults 18-24 enrolled in post-secondary institutions	119,847 (31%)	25th best	184,170 (39.2%)	25th worst	↑	208,635 (42.4%)	23rd best	↑	42.9%	RI 57.3%	AK 27.5%
Minority adults 18-24 enrolled in post-secondary institutions	30,023 (23.4%)	19th worst	42,780 (28%)	8th worst	↑	56,990 (32.4%)	13th worst	↑	37%	RI 49.8%	SD 23.5%
Adults 25-54 enrolled in post-secondary institutions	135,841 (6.7%)	13th best	149,540 (6.8%)	13th best	↑	161,705 (7.4%)	18th best	↑	7.4%	UT 9.8%	NH 5.6%
Percent of net family income from the lowest quintile needed to pay for public two-year colleges*	---			---		<b>2007</b> 39.2%	17th worst		42.8%	NY 55.9%	WY 24.9%
	---			---		<b>2009</b> 42.9%	23rd worst	↓	46.4%	NY 62.7%	WY 25.5%

Percent of net family income from the lowest quintile needed to pay for public four-year colleges/universities*	---		---			<b>2007</b>	23rd worst		54.2%	OH	WY	76.8%	23.4%
	---		---			49.4%							
	---		---			<b>2009</b>	25th best	↓	60.7%	IL	WY	77.4%	25.8%
	---		---			57.4%							
Percent of TANF participants enrolled in education or training	9.4%	NR	11.7%	8th best	↑	17.1%	5th best	↑	8.5%	PA	IN	25.6%	0.7%
Percent of eligible Workforce Investment Act participants receiving training services	44.8%	20th worst	54.5%	15th best	↑	53.6%	22nd best	↓	48.8%	FL	OR	83.9%	13.5%
<b>Employment Opportunities, Workplace Benefits</b>													
Adults who hold part-time jobs for economic reasons	65,499 (2.9%)	21st worst	147,189 (5.6%)	22nd worst	↓	151,527 (5.7%)	16th worst	↓	5.6%	CA	ND	7.8%	2.4%
Unemployment rate	6%	18th worst	8.6%	25th best	↓	7.6%**	18th worst	↑	8.7%	NV	ND	12.5%	3.5%
Workers age 18 and over in low-wage jobs	358,726 (19.7%)	9th best	461,171 (22.4%)	20th best	↓	516,050 (24.3%)	25th best	↓	27.2%	HI	ND	36.5%	15.2%
Workers who hold more than one job	125,075 (5.8%)	23rd best	152,107 (6.1%)	18th worst	↓	144,913 (5.8%)	---	↑	4.9%	---	---	---	---
Workers 18-64 without health insurance	424,114 (17.6%)	17th worst	482,046 (18%)	24th worst	↓	386,697 (15%)	14th best	↑	20%	TX	MA	29%	7%
Workers without employer-provided pensions***	1,377,653 (57.9%)	13th worst	1,651,614 (60%)	16th worst	↓	1,602,397 (59%)	23rd worst	↑	59%	FL	AK/WV	67%	52%

**Note:** Arrows indicate whether Colorado's percentages have improved or worsened since the preceding report.

Except where noted, the data cited in this report card is from our 2004 and 2010 "Opportunity Lost" reports and the WFPF 2012 dataset.<sup>9</sup> Therefore, unless otherwise indicated, these numbers are not representative of data collected directly in the years listed.

\* In our 2004 and 2010 "Opportunity Lost" reports, this information came from biennial *Measuring Up* report cards published by the National Center for Public Policy and Higher Education.<sup>10</sup> In 2012, however, that data was not available. The information presented here is provided by the National Center for Higher Education Management Systems (NCHEMS), from the years 2007 and 2009.<sup>11</sup> Because of differences in data collection methods, NCHEMS and *Measuring Up* numbers should not be compared.

\*\* Colorado's seasonally adjusted unemployment rate for Dec. 2012 from the [Bureau of Labor Statistics](#).

\*\*\* Includes both traditional defined-benefit pensions as well as 401(k)-style defined-contribution plans.

## PART THREE

### The status of working families

Although our state's economy is generally performing above the national average, Colorado's poor and low-income working families are struggling as we recover. Working poor families in Colorado are still missing out on opportunities that are instrumental in gaining entrance to what the Bell calls the [Cycle of Opportunity](#).<sup>12</sup> This is a series of experiences and events – such as getting a good education and acquiring job skills – that build on one another over the course of a lifetime to make it possible for an individual to reach self-sufficiency, which is the first step in realizing full economic, social and personal potential.

This update offers a summary of where Colorado stood in 2012 compared to previous years' reports and highlights several key issue areas – education and skills development, health and economic security – that we see as critical to Colorado becoming a state of opportunity for all.

### Working families and working poor

Since our 2010 report, Colorado has seen positive trends in most of the 20 indicators highlighted in the report card (pp.8-9); 13 indicators have improved, albeit some only marginally, while seven have worsened. Addressing the areas where Colorado continues to struggle is absolutely critical to helping more working families meet their basic needs and become self-sufficient.

**The bottom line is that Colorado has more families living in poverty in 2012 than in 2010, and fewer of them are employed.**

The state's widest improvements are apparent in the increased enrollment of young adults (18-24) in post-secondary education and in the increased percentage of Coloradans who have health insurance. Additionally, Colorado moved from being ranked eighth-best nationally in 2010 to fifth-best in 2012 in percentage of TANF participants enrolled in education or training programs. Yet even with these improvements a growing number of Colorado's working families are finding it difficult to rise above poverty.

The number of working families in poverty decreased from 48,410 in 2010 to 48,030 in 2012.

However, this change is deceptively positive. In 2010, the total number of families living below the poverty line was 75,405. That number increased to 94,290 in 2012, and while 64.2 percent of poor families were working in 2010, by 2012 the same was true for only 50.9 percent.<sup>13</sup>

The numbers indicate that the decrease of working families in poverty is not due to families rising above the poverty line, but rather a significant number of impoverished families experiencing unemployment. The bottom line is that Colorado has more families living in poverty in 2012 than in 2010, and fewer of them are employed.

The difficulties that Colorado's working families face in attempting to rise above poverty are best highlighted by looking time back to our first "Opportunity Lost" report in 2004. Since then, the number of working families living in poverty increased by almost 16,000, or about 50 percent. Over this same period of time the portion of all Colorado working families living in poverty increased from 5.8 percent to 8.5 percent, an increase of 47 percent.

The longer term trend clearly shows that a growing number of working families are living in poverty and that they represent a larger overall share of all working families in Colorado.

The areas in which Colorado has suffered the most since our 2010 report are critical and deeply impact already vulnerable low-income and minority populations. As changes in the job market have made some level of post-secondary education and training more essential, higher education has become significantly less affordable and less accessible to low-income families. And despite the surge in post-secondary enrollment by young adults, enrollment among minority young adults is alarmingly low.

## Education and skills development

In 2012, 38.2 percent of poor working families had a parent without a GED or high school diploma. Although this is an improvement from nearly 47 percent in 2010, Colorado ranks eighth-worst nationally on this measure.

Additionally, 340,360 individuals, or 10.4 percent of all Coloradans between the age of 18 and 64, did not have a GED or high school diploma in 2012.

**Despite improvements, we are not doing enough in terms of the resources we provide for adult education and the number of people who gain access to those resources.**

...

**There remains a portion of our population that has not been able to acquire the skills and knowledge necessary for a financially secure and self-sufficient future.**

This number represents a slight improvement from 2010, but it is still indicative of too many people who are unprepared or underprepared for the 21<sup>st</sup> century workforce.

Colorado ranks 41<sup>st</sup> in the nation on the measure of state resources allocated for adult education and literacy per adult without a high school degree or GED, averaging \$8.70 per person.<sup>14</sup>

We are not doing enough in terms of the resources we provide for adult education and ensuring that those resources are accessible to everyone. Only 14,298 individuals, roughly one out of every 25 eligible adults in Colorado, are enrolled in the programs that would provide them the basic literacy skills and training needed to participate more productively in the state's workforce.<sup>15</sup>

Additionally, Colorado still does not provide any state appropriations for adult education. Instead, the required state match for federal adult education and family literacy funds comes primarily from gifts, grants and donations from private, non-profit and community organizations.

The number of Coloradans aged 25-54 who hold only a high school diploma or GED is essentially unchanged, falling from 21.5 percent in 2010 to 21.4 percent in 2012.

Colorado is performing relatively well on this measure, but there remains room and need for improvement. Individuals without any post-secondary education or training face significant challenges both in finding jobs that pay self-sufficiency wages and in reaching important milestones along the Cycle of Opportunity, such as owning a home and saving money for retirement.

While the overall trend here is positive, it indicates that a portion of our population remains that has been unable to acquire the skills and knowledge likely to lead to a financially secure and self-sufficient future. We need to focus on policies that will help more of these adults access and complete the post-secondary education and training that they need.

Colorado has increased the number of young adults (18-24) enrolled in post-secondary institutions by 3.2 percentage points, or 24,465 students, since 2010.

Participation is up to 42.4 percent, just above the national average of 42.35 percent, meaning that Colorado is doing better than before and other states have improved as well.

The increase in students seeking to continue their education, both in Colorado and nationwide, is likely a result of the recession. During times of economic distress, post-secondary enrollments often increase. Additionally, young adults are likely motivated by the increasing number of jobs that require higher levels of education and training.

Since 2004, Colorado's growth in the percentage of individuals aged 18-24 enrolled in post-secondary education has been very positive. Still, the state has room to improve, especially in the enrollment of minority students.

The number of minority students enrolled in post-secondary education grew by 14,210, or one-third, between 2010 and 2012. This is a dramatic increase that exceeds the overall growth of Colorado's minority population in this age group.

The increased enrollment can be partly explained by the efforts of higher education institutions to reach out to minority students and also by the effects of the recession that encouraged unemployed workers to enroll in post-secondary education and training programs.

When compared to other states, however, the 32.4 percent of Colorado minority students aged 18-24 enrolled in post-secondary institutions makes Colorado 13<sup>th</sup> worst in the nation, falling 4.6 percentage points below the national average of 37 percent.<sup>16</sup> Given our rapidly increasing minority population, these numbers point to a clear need for Colorado to ensure that post-secondary education is affordable and accessible to all Coloradans.

In addition to expanding access, we need to ensure that all students, and minority students in particular, are able to complete their studies and earn the degrees, certificates and credentials needed to advance in the 21<sup>st</sup> century workplace.

**The high costs of enrollment and comparatively low number of minority adults in post-secondary institutions highlight a serious weakness in Colorado's educational system and are indicative of the institutional barriers and competitive disadvantages low-income and minority Coloradans face in attempting to achieve self-sufficiency and upward economic mobility.**

Even in light of rising enrollment numbers, it remains increasingly difficult for Colorado's poorest families to afford a post-secondary education.

Families in the lowest income quintile have to pay an increasing portion of their annual income in order to cover post-secondary costs. In 2007, the net cost of attending a public two-year college required 39.2 percent of Colorado's poorest families' annual income; in 2009, the same education consumed 42.9 percent. Costs of four-year public colleges and universities have also increased, jumping from 49.4 percent of net income for Colorado's poorest families in 2007 to 57.4 percent in 2009<sup>17</sup> – a 16 percent increase.

The high costs of enrollment and comparatively low number of minority adults in post-secondary institutions highlight a serious weakness in Colorado's educational system and are indicative of the institutional barriers and competitive disadvantages low-income and minority Coloradans face in attempting to achieve self-sufficiency and upward economic mobility.

A recent [report](#)<sup>18</sup> by the Pew Center on the States showed that despite an increase in income, many Americans have experienced static or downward economic mobility when compared to their parents. The same study reported that post-secondary education was a key factor for individuals who were able to move out of poverty. Ninety percent of Americans raised in the poorest families who received a post-secondary education moved out of the lowest income level. Of those individuals, 53 percent moved into the middle class or above.

Rising costs create significant barriers to accessing and completing post-secondary education, which is a crucial factor in attaining upward economic mobility and finding employment that leads to self-sufficiency.

## Quality jobs, workplace benefits

Both the number of adults who held part-time jobs for economic reasons and the number of workers aged 18 and older who held low-wage jobs increased between 2010 and 2012. In 2010, 147,189 adults were working part-time jobs for economic reasons. In 2012, that number rose to 151,527, an increase of 3 percent.

Since 2004, the number of Coloradans over 18 working in low-wage jobs has increased by 157,000 and the portion of low-wage workers in our workforce has grown by 23 percent. In 2012, the number of workers over 18 in low-wage jobs increased by almost 55,000 individuals, representing about one out of every four Colorado workers aged 18 and over. This is a 12 percent increase since 2010.<sup>19</sup>

The glaring increases in these trends over the past decade spell bad news for Colorado workers as a growing portion of the population is finding it necessary to seek work in low-wage jobs.

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...

**Individuals in low-wage jobs often have to take financial and personal risks, such as going without health insurance and being unable to save money to prepare for retirement.**

In 2012, 5.7 percent of Colorado workers held more than one job. This is an improvement from 2010 but still an indicator of the difficulty of finding full-time work.<sup>20</sup>

Earning a self-sufficiency wage is a crucial factor in building wealth and generating upward economic mobility. Additionally, individuals in low-wage jobs often have to take financial and personal risks, such as going without health insurance and being unable to save money to prepare for retirement.

The percentage of poor working families with at least one parent without health insurance decreased from 60.6 percent in 2010 to 56 percent in 2012. This level is almost 10 percentage points above the national average, making Colorado eighth-worst in the country.<sup>21</sup>

**The bottom line remains that more Coloradans are working in low-wage jobs, many do not have health insurance and nearly six of every 10 workers do not have employer-provided pensions, which are effective ways to save for retirement while working.**

**These are crucial benefits that increase the likelihood that more workers will be financially secure in retirement, more families will be able to pass assets on to future generations and more individuals will have access to health care for themselves and their families.**

Even though there has been some positive impact from the Affordable Care Act, access to health insurance continues to be a concern for many Coloradans.

The number of working poor families with children grew by almost 5,500 between 2010 and 2012. About 1,150 of these new families, or 21 percent, had at least one parent without health insurance. Stated another way, about 80 percent of the *additional* working poor families with children between 2010 and 2012 had parents with health insurance.

As a result, the portion of working poor families with at least one parent without health insurance dropped, but the total number of families in this status increased.

On the bright side, more individuals in the state's *overall* workforce have health insurance in 2012 than in 2010. In 2010, 18 percent of workers aged 18-64 did not have health insurance. In 2012 that number dropped to 15 percent, five percentage points lower than the national average.<sup>22</sup>

This is an area where the state has shown real improvement; Colorado had significantly fewer workers between the ages of 18-64 without health insurance in 2012 than it did in 2010, and ranks 14<sup>th</sup> best in the nation.

The increase in coverage might be explained by the Affordable Care Act's expansion of coverage for young adults up to age 26 under their parents' policies, or by Medicaid expansions under Colorado's Health Care Affordability Act (SB09-1293). A smaller portion of the increase might be attributed to tax credit incentives for small businesses to offer coverage to their employees, or expansions in high-risk pools for people with pre-existing conditions.

Colorado has seen a slight improvement in the decrease of workers without employer-provided pensions, but nearly 60% of the workforce still does not have access to these benefits.

In 2010, more than 1.65 million workers, or 60 percent of the workforce, did not have employer-provided pensions. In 2012 that number dropped to around 1.6 million, 59 percent of the workforce. These numbers include both defined-benefit and defined-contribution plans. Although Colorado is improving, the state still ranks 23<sup>rd</sup> worst in the nation on this measure.<sup>23</sup> Workers who do not have employer-provided pensions are at a greater risk of having to delay their retirements or rely on assistance from the public sector in order to meet their financial needs in old age.

The bottom line remains that more Coloradans are working in low-wage jobs, many do not have health insurance and nearly six out of every 10 workers do not have employer-provided pensions, which are effective ways to save for retirement while working. These are crucial benefits that increase the likelihood that more workers will be financially secure in retirement, more families will be able to pass assets on to future generations and more individuals will have access to health care for themselves and their families.

## In Conclusion

The rising cost of education and the residual effects of the Great Recession are barriers that, while not impossible to overcome, continue to exacerbate the factors that hold back the poorest of Colorado's working families and restrict their access to opportunity and economic independence.

The increase in the portion of Coloradans working in low-wage jobs makes it harder for many of these workers to make ends meet and put money away for future needs.

With so many Coloradans facing economic hardship, now is a crucial time for our state to focus on attainment of post-secondary credentials that will increase access to quality jobs and help people along the path to self-sufficiency. It is also time for us to promote jobs that have good health and retirement benefits and help low-wage workers keep more of their pay.

By taking these actions we can help secure the positions of more of Colorado's working poor families along the path to self-sufficiency and greater opportunity.

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## GLOSSARY<sup>3</sup>

**Family:** Married-couple or single-parent family with at least one child under age 18.

**Income:** Money income only, non-cash benefits not included.

**Working Family:** A family where all family members aged 15 and over have a combined work effort of 39 or more weeks in the last 12 months, or all family members aged 15 and over have a combined work effort of 26 or more weeks in the last 12 months and one currently unemployed parent looked for work in the previous four weeks. The federal government defines family income as based on all family members age 15 and over.

**Working Poor Family:** A working family with an income below the threshold for poverty as defined by the U.S. Census Bureau (\$23,021 for a family of four in 2011).

**Low-Income Family:** A family with an income below 200 percent or double the threshold for poverty as defined by the U.S. Census Bureau. Double the poverty threshold is used as a proxy for economic “self-sufficiency” or “family living standard,” the income a family requires to address basic needs, including housing, food, clothing, health care, transportation, and child care. In 2011, the poverty threshold averaged \$23,021 for a family of four and thus the low-income threshold for a family of four averaged \$46,042.

**Employed Part-Time for Economic Reasons:** Persons currently working a part-time job who would prefer, but cannot find, a full-time job.

**Low-Wage:** A wage below the full-time, full-year wage required to keep a family of four out of poverty. In 2011, a family of four required \$23,021 to stay out of poverty (at least \$11.07/hr. on a full-time, full-year basis). For the Percent of Workers in Low Wage Jobs measure, the national low wage figure is adjusted by the state's cost of living index from 2005–2009, as published in the “Research Spotlight: Regional Price Parities by Expenditure Class for 2005–2009,” by Bettina H. Aten, Eric B. Figueroa and Troy M. Martin (Survey of Current Business, May 2011): Table 1.

**Minority:** A person who does not classify himself or herself as white, non-Hispanic.

**Labor Force:** Persons with a job or without a job and actively seeking one.

## Endnotes:

- <sup>1</sup> The Bell Policy Center, [\*Opportunity Lost: When Hard Work Isn't Enough for Colorado Families\*](#), 2004.
- <sup>2</sup> The Bell Policy Center, [\*Opportunity Lost: 2010 Update\*](#), 2010.
- <sup>3</sup> The Working Poor Families Project, [\*Framework of Indicators and Source Data for WPPF 2012\*](#), 2012.
- <sup>4</sup> Colorado Legislative Council Staff, [\*Focus Colorado: Economic and Revenue Forecast\*](#), Dec. 20, 2012.
- <sup>5</sup> United States Department of Labor, Bureau of Labor Statistics: [\*Labor Force Statistics from the Current Population Survey\*](#), 2012.
- <sup>6</sup> Colorado Legislative Council Staff, *Focus Colorado: Economic and Revenue Forecast* for the years [\*June 20, 2007\*](#), [\*June 22, 2009\*](#), [\*June 20, 2011\*](#) and [\*Dec. 20, 2012\*](#).
- <sup>7</sup> *Ibid.*
- <sup>8</sup> U.S. Census Bureau, *2009 American Community Survey* for 2000-2009; U.S. Census Bureau, *2010 and 2011 American Community Survey* for 2010-2011.
- <sup>9</sup> The [\*Working Poor Families Project\*](#), data generated by Population Reference Bureau from the *2010 American Community Survey* and *2011 Current Population Survey*, 2012.
- <sup>10</sup> National Center for Public Policy and Higher Education, *Measuring Up 2008*.
- <sup>11</sup> National Center for Higher Education Management Systems, [\*Generate Your Own Data\*](#): Percent of Family Income Needed to Pay for College by Type of Institution - all Years – all Submeasures. Exported Aug. 1 2012.
- <sup>12</sup> The Bell Policy Center [\*Gateways to Opportunity\*](#), accessed Aug. 1, 2012.
- <sup>13</sup> The Working Poor Families Project, [\*Chapter 1: Conditions of Low-Income Working Families\*](#), Table 1.A.2b, *2010 American Community Survey* Microdata.
- <sup>14</sup> The Working Poor Families Project, WPPF 50 State Data: Chapter 2 (11-5-2012), Table IIBd(13), U.S. Department of Education 2009-10, *2009 American Community Survey*.
- <sup>15</sup> The Working Poor Families Project, Adult Ed FY 2009 State \$ and Rank, U.S. Department of Education Office of Adult and Vocational Education (OVAE).
- <sup>16</sup> The Working Poor Families Project, [\*Chapter 2: Education and Skills Status of Adults\*](#), Table 2.A.11a and 2.A.11c, Population Reference Bureau, analysis of *2010 American Community Survey*.
- <sup>17</sup> See footnote 11.
- <sup>18</sup> The Pew Charitable Trusts, Economic Mobility Project, [\*Pursuing the American Dream: Economic Mobility Across Generations\*](#), July 2012.
- <sup>19</sup> The Working Poor Families Project, [\*Chapter 4: Conditions of Employment\*](#), Table 4.A.1, Population Reference Bureau analysis of *2011 Monthly Basic Current Population Survey*.
- <sup>20</sup> The Working Poor Families Project, [\*Chapter 3: Economic Conditions in States\*](#), Table 3.A.4, Population Reference Bureau analysis of *2011 Basic Monthly Current Population Survey*.
- <sup>21</sup> The Working Poor Families Project, [\*Chapter 1: Conditions of Low-Income Working Families\*](#), Table 1.A.12b, Population Reference Bureau analysis of *March 2009-2011 Current Population Survey Supplement*.
- <sup>22</sup> The Working Poor Families Project, [\*Chapter 4: Conditions of Employment\*](#), Table 4.A.3, Population Reference Bureau analysis of *March 2011 Current Population Survey Supplement*.
- <sup>23</sup> *Ibid.*