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(NOTE: Scroll down to see Colorado press release on national report)

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MILLIONS OF FAMILIES WORK HARD BUT STRUGGLE TO MAKE ENDS MEET

New Report Finds That One in Four Working Families Are Low Income

WASHINGTON, D.C. - More than one in four American working families now earn wages so low that they have difficulty surviving financially, a new report concludes.

The report finds that too many jobs pay poor wages and provide no benefits, and that American workers are poorly prepared and supported to move into better paying jobs.

“Those who work should be able to support a family with confidence that continued hard work will lead to a brighter future,” the report states. “For far too many American families, that notion remains appealing but remote. In this exceedingly prosperous society, we can and must do better.”

The report provides a unique and in-depth look at conditions affecting working families in the U.S. as a whole and across the 50 states. In doing so the report finds that too many working families are insufficiently served by federal and state policies in such areas as education, training, health care and tax and wage policies.

The report was conducted as part of the Working Poor Families Project. Supported by the Annie E. Casey, Ford, and Rockefeller Foundations, the Project spotlights issues confronting low-income working families and makes several recommendations to improve their economic standing.

Entitled *Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security*, the report concludes that greater national and state-level attention is needed to address the problems confronting low-income working families, including access to need-based college scholarships, job training and subsidized child care.

Working Hard, Falling Short stresses that the prevalence of low-income, low-skill workers is particularly alarming given the increasing demands the nation's economy is putting on higher-skilled workers.

“As a country, we must act now to ensure that our investments generate enough skilled workers to keep the economy thriving. Doing so will lead to an increased tax base, in effect a return on our investment, and reduce the costs imposed by low wages and poverty,” the report notes. Among the key findings in the report:

- Millions of working families are struggling to make ends meet. More than one-fourth of working families can be classified as low-income. To be considered low-income, a family of four earned less than \$36,488 in 2002, significantly less than the median U.S. income of \$62,732 for a family of four.
- The education and workforce development systems inadequately prepare many workers for today's economy. Low-income workers are almost three times more likely not to have finished high school than those who earn more; nationally, 27 million adults do not have a high school degree. Current



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federal and state education skills training efforts do not meet workers' needs and fall short of businesses' growing demands for skilled labor.

- The economy has too many jobs with low wages and insufficient benefits. One in five jobs in the U.S. are in an occupation that pays less than a poverty-level wage for a family of four. These jobs often do not meet workers' needs and fall short of business' growing demand for skilled labor.

- Conditions for low-income working families varies significantly from state to state. The percentage of working families with low incomes varies significantly among the states, from 15 percent in two states, to more than 35 percent in seven others. Similarly, while some states have enacted policies that benefit low-income working families, many have not.

Addressing these issues will require a concerted response from federal and state policy-makers, as well as businesses, labor, and other concerned groups. In its recommendations, the report calls for:

- Greater investments in education and training programs to benefit low-income working families.
- The improvement of income, benefits and supports for low-income working families, and for the creation of more family-supporting jobs.
- A nonpartisan national commission to examine why so many families struggle financially and to evaluate how government policies and private-sector practices can better aid low-wage families.

The new report builds on ongoing work by the Working Poor Families Project in 15 states. To date, the Project has released reports on low-income working families in nine states and will issue six more this year. Information on the Project and copies of the state reports are available at www.aecf.org/initiatives/jobsinitiative/workingpoor.htm. The views expressed in *Working Hard, Falling Short* are those of the authors and do not necessarily reflect those of the supporting foundations.

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ECONOMIC RECOVERY NO BOON TO COLORADO'S LOW-INCOME WORKING FAMILIES

New national report finds that Colorado falls short in many efforts to assist low-income working families

DENVER, CO.... Even as Colorado's economy starts to show signs of recovery, the state's more than 133,000 low-income working families and their 280,000 children continue to struggle to make ends meet, according to a national report issued today. In addition, the state lags behind in key areas that impact families' ability to become self-sufficient, such as the availability of affordable housing, the ability to access adult education and training programs, and the attainment of a high school diploma or GED.

The report, *Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security*, was issued as part of the Working Poor Families Project, supported by the Annie E. Casey, Ford, and Rockefeller foundations. Among its findings are that Colorado does far less than other states in these and other areas:

- Among Colorado's low-income working families, more than 53,000 have at least one parent who has dropped out of high school, ranking the state 45th in the nation. Nationwide in the last 30 years, real wages for workers who do not have a high school degree declined 19 percent, while wages for those with a college degree increased 16 percent.
- Despite the large number of high school dropouts, Colorado allocates few resources to adult education programs, spending only \$5.54 per adult without a high school diploma or GED. In fact, only two states spend less on these programs than Colorado (rank: 48th). In addition, over 240,000 minority adults have not completed a high school education, ranking the state 46th.
- The state also has a dismal record of providing access to postsecondary education for minorities.



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Colorado ranks 48th in postsecondary enrollment of minority young adults (ages 18-24) as well as for enrollment of minority working-age adults (ages 25-54)

- The lack of affordable health insurance is also a major challenge for families --40% of low-income working families has at least one parent without health insurance, which ranks Colorado 38th. In the meantime the state's Medicaid eligibility excludes Coloradans earning more than 50% of the federal poverty level - the 14th most restrictive income requirement in the nation.

- The escalating costs of housing in Colorado continue to be a major barrier for working families struggling to get by. 67% of low-income families spend more than one-third of their income for housing, ranking Colorado 45th in the nation.
- Although Colorado has been hard-hit by the recession in the last three years, the state is not offering adequate unemployment insurance benefits to provide short-term relief for these families. Almost 100,000 unemployed workers (71%) are not receiving any benefits, ranking the state 47th in the nation. In addition, the Colorado Earned Income Tax Credit is not available during an economic downturn, when low-income workers need it the most.

“The combination of the recent economic downturn with overly restrictive spending limits imposed by The Taxpayer's Bill of Rights (TABOR) has made the lives of low-income working families particularly difficult in Colorado,” said Spiros Protopsaltis, policy and research associate at the nonprofit Bell Policy Center. “Although Colorado remains a relatively affluent state, we're not using our resources to help hardworking families move from the Cycle of Dependency to a Cycle of Opportunity, and that failure ultimately impacts both the state's economy and the quality of life here.”

In addition to offering a unique and in-depth look at conditions affecting working families across the U.S., *Working Hard, Falling Short* documents federal and state policies that fall short in such areas as education, training, health care and tax and wage policies. Major recommendations include changes in state and federal programs that will increase investment in education and training; improve income, benefits and supports for low-income working families; and increase the number of good jobs. State policy-makers must also improve such initiatives as need-based college financial aid, enhanced job training for unemployed and underemployed workers, and subsidized child care to help low-income workers advance.

The findings of the national report dovetail with those in the Bell's 2003 report, *Opportunity Lost: When Hard Work Isn't Enough for Colorado's Families*, which was also a part of the Working Poor Families Project. To date, the Project has released reports on low-income working families in nine other states and will issue six more this year. More information on the Project and copies of the state reports are available at www.aecf.org/initiatives/jobsinitiative/workingpoor.htm.