



Denver Business Journal

Viewpoint

Businesses can help struggling families

The Denver Business Journal - May 11, 2007

by [Renee Raabe](#)

On March 10, the Colorado Fiscal Policy Institute released a groundbreaking study that tells a powerful tale about the challenges faced by working parents and low-income families today -- namely that one in five households can't afford basic everyday expenses.

The report, called "Overlooked and Undercounted: Struggling to Make Ends Meet in Colorado," compares household incomes to the Colorado Self Sufficiency Standard, which is a bare-bones budget of basic expenses such as food and housing. Health care and child care -- two of the most expensive basic needs -- also are included in the standard.

The report also provides a road map for business, nonprofit and government leaders to help strengthen our community and bolster our collective financial stability.

Why should this matter to business? The answer is threefold: prosperity, productivity and problem-solving.

First, if 20 percent of Colorado's households can't make ends meet, how can they afford dinner at our restaurants, new clothes at our stores or utilize everyday services that our businesses offer? Those who are scraping by daily aren't spending money, but are suffering greatly with everyday life.

This isn't a marginal group. According to the study, the 20 percent of households identified in the study include people of all racial, ethnic and educational backgrounds.

Second, if 20 percent of Colorado's households are struggling to get by with everyday costs, what kind of impact does that have on our productivity?

When an employee can't afford or get access to health care services for themselves or their family, are they missing work or even focused on their job? When a single mom in rural Colorado has to drive 75 miles to find child care, is her productivity suffering?

Without a doubt, the fact that basic services such as child care and health care are difficult to afford clearly has a negative impact on job performance. Which means it's not just a family issue -- it's a business issue.

Third, so long as businesses remain an integral part of our community -- which we obviously are -- we are also a part of the community's challenges. We in business also can be part of the solutions.

The study indicates that education makes a tremendous difference in people's income. Business decisions about location, expansion and new investment often hinge on things such as the quality of the work force.

If so many households struggle with access to job training and higher education, we must take some responsibility for finding the remedy, because it's in our own self-interest to have a quality work force 10 or 20 years from now.

Not one facet of our community can overcome these challenges by itself. It will take all of us: government, nonprofits and businesses. It will take innovative ideas and groundbreaking partnerships to surmount the systemic challenges, institutional breakdowns and policy failures.

The major failures center on a "policy gap," which refers to people who earn too much to qualify for public benefits and services -- meaning income exceeding the 40-year-old Federal Poverty Line -- yet not enough to afford basic everyday expenses.

But there are specific strategies that can be implemented to help struggling individuals and families increase their income and lead a more financially stable life.

- Increase take-home pay and expand flexibility.

The Earned Income Tax Credit has proven to be a very effective method for reducing poverty. Policymakers should bring back the state Earned Income Tax Credit to allow families here to keep more of the money they earn to cover basic needs. They also should address income inequities for women and people of color by instituting and enforcing programs that uncover and address race and gender-based discrimination in hiring and promotion.

- Increase education.

More than half of Colorado's households with less than a high school education are unable to make ends meet. Public, private and nonprofit groups must re-double efforts to increase high school graduation rates and expand access to post-secondary education.

Education, particularly quality early-childhood education, is a sure-win solution to the barriers to self-sufficiency.

- Reduce living expenses.

Closing the policy gap should include steps to ensure that hard work is rewarded. For instance, raising the eligibility level for the Colorado State Children's Health Insurance Program would mean that parents could climb a little closer to economic security before losing health care for their kids.

Developing public/private initiatives to increase the availability child care and affordable housing also would go a long way toward closing the gap.

These strategies to increase earning power while reducing living expenses can't be accomplished by the public sector alone. Indeed, it will take all of us working together to stop the cycle of poverty and strengthen our communities.

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