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Perspective

The numbers don't lie

Colorado families are struggling financially

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The earning power of Colorado's working families is vital to the state's economic health, so it's no small matter when one out of every five households in our state can't make ends meet. Like a small cut left to fester, ignoring this least fortunate fifth can be deadly to Colorado's fiscal well-being.

The eye-opening reality that 20 percent of Colorado households cannot afford basic expenses is part of a study released this month by the Colorado Fiscal Policy Institute. The report, called "Overlooked and Undercounted: Struggling to Make Ends Meet," tells a compelling story about the challenges working families face by comparing household incomes to the Colorado Self Sufficiency Standard - a bare-bones budget of basic expenses like food, housing, transportation, health care, child care and taxes.

The study reveals that the people who struggle to get by every day are not a small or marginal group. Nor are they, as some might suggest, struggling to make ends meet because they are too lazy or don't want to work.

Instead, these are hard-working people, some with multiple incomes in their households, trying to make a life for themselves and their families. They are people who are getting left behind because of a lack of opportunity and access to better education, structural barriers like the rising cost of health care and child care, and the failed policies that put these families at a perpetual disadvantage.



Children play in the waiting room at the Clinica Campesina in Thornton, one of three metro-area medical/dental clinics that provides health care for the working poor and uninsured in Boulder, Broomfield and Adams Counties, in September 2005. (Post / Helen H. Richardson)

The major failures center on a policy gap. These are people who earn too much to qualify for public benefits and services - meaning income exceeding the federal poverty line - yet not enough to afford basic everyday expenses. Of the 20 percent of Colorado households that cannot make ends meet, only one-third of those are actually considered "poor" by government standards. So you have families living long-term in this gulf of economic uncertainty and struggle.

Ignoring these families is not just morally reprehensible, it's also economically dangerous.

When 20 percent of the Colorado consumer base cannot even afford basic everyday necessities, to say nothing of the variety of goods and services that Colorado businesses offer, our economy stumbles.

Productivity suffers when a parent misses work while having to drive long distances to find affordable child care.

Health care insurance premiums and fees skyrocket when families who cannot afford health insurance rely on emergency-room services instead of preventive care.

Our schools are affected when kids don't have access to early childhood learning opportunities and start off behind, struggling to keep up, limiting their own earning potential when they become adults.

Finally, our collective future is at stake when thousands of kids are denied the opportunity to get a college education or vocational training because of rising tuition.

What kind of a state do we want to be? One where one in five households struggle to get by everyday, or one where we have a community willing to do what it takes to ensure that all of our families have the opportunity to thrive?

There is no miracle cure. A Band-Aid here or there will not suffice. Rather, it will take everyone in our communities: businesses, non- profits and the public sector. It will take a collective will, innovative ideas and strong partnerships to overcome systemic challenges, institutional breakdowns and policy failures.

The report lays out a roadmap that will help us find our way towards strengthening our community and bolstering our collective economic stability.

One such example is the Earned Income Tax Credit. The EITC is a very effective tool proven to reduce poverty. Colorado 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.

In addition, policymakers and employers should address income inequalities for women and people of color. This could be done by instituting and enforcing programs that uncover and address race- and gender-based discrimination in hiring and promotion.

The report found that education plays a critical role in a family's income. More than half of the households in Colorado with less than a high school education are unable to make ends meet. Increased education lowers that rate and reduces the income disparities between genders and ethnic backgrounds.

Education is a sure-fire way to tear down the barriers to economic security. Public, private and nonprofit groups are already focused on increasing high school graduation rates and expanding access to post-secondary education. Our civic leaders must devote more resources to increase access to quality early childhood education, ensure that at-risk youth graduate from high school, and guarantee that the higher education tax credits and other assistance that is offered reach the poorest families.

Lastly, closing the policy gap should take priority with policymakers. A sound remedy demands initiatives to ensure that work is rewarded, not penalized. For instance, raising the eligibility level for the Colorado State Children's Health Insurance Program would mean that parents could climb a little higher up the wage ladder without the fear of losing health care for their kids. Increasing access to child care and developing more affordable housing options would also go a long way. Solutions are there, waiting only to be backed by will.

The numbers don't lie, and neither should we. The more honest we are about the hardship that too many of our families experience, the more effectively we can start to build an economy that works for us all.

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