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Recession May Be Past, But Low-Wage Jobs Still Define Landscape in Colorado

State Ranks 9th Overall in Financial Security of Residents; Households of Color Face Huge Uphill Climb

WASHINGTON, D.C. – Even though the national unemployment rate has dropped to five percent in recent months, the underemployment rate in Colorado remains high with a growing number of state residents stuck in low-wage jobs, according to a new report from the Corporation for Enterprise Development (CFED).

Indeed, 39% of Colorado’s households are locked into a “new normal” of perpetual financial insecurity, unable to build the savings needed to last even three months in the event of an emergency. The research, reflected in CFED’s 2016 *Assets & Opportunity Scorecard*, also found that state policies are doing little to improve the financial security of Coloradans.

The situation is most dire for households of color. African-American and Latino households in Colorado are significantly more likely to live below the federal poverty line compared to white households. Even more startling, new data show that businesses owned by whites in Colorado are valued more than four times higher than businesses owned by African-American and Latino residents.

Published annually, the *Assets & Opportunity Scorecard* offers the most comprehensive look available at Americans’ ability to save and build wealth, stay out of poverty and create a more prosperous future. This year’s *Scorecard* assesses all 50 states and the District of Columbia on 61 outcome measures spanning five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education. It also ranks the states on 69 policies that promote financial security. When it comes to outcomes, Vermont ranks at the top of the country overall, while Mississippi ranks last.

Colorado’s 9th-place outcome ranking improved from last year’s 13th-place ranking. The state received an “A” in Education, driven in part by having the third-highest rate of degree attainment from two- and four-year colleges (46.6% and 38.3%, respectively). Colorado’s low underemployment rate (8.4%) relative to the national average (10.8%) helped the state also earn an “A” in Businesses & Jobs. The state’s worst grade was a “C” in Health Care, due partially to its high rate of uninsured low-income children (8.1%), and disparities in insurance by race and gender. Coloradans of color are 2.3 times more likely to be uninsured than white Coloradans, and women in the state are 1.3 times more likely to be uninsured than their male counterparts. The state received a “B” in both Financial Assets & Income and Housing & Homeownership.

The *Scorecard* also evaluates 69 different policy measures to determine how well states are addressing the challenges facing their residents. Colorado ranks 4th overall in policy adoption, having adopted 36 of the 69

policies assessed. It is tied as the top-ranked state in the area of Health Care, having adopted policies to expand Medicaid; simplify enrollment in Medicaid and the Children's Health Insurance Program; and limit hospital charges, billing and collections. The state also ranks among the top ten states in Businesses & Jobs (6th), Financial Assets & Income (6th) and Housing & Homeownership (7th). The state's lowest policy ranking is in Education (9th), meaning many Colorado residents do not have access to affordable, quality education or training opportunities to get ahead.

Across the nation, the *Scorecard* found scant evidence that federal and state governments were willing to embrace policies that would open new doors to greater financial security for those struggling the most in the American economy. Without such commitments, most low-income individuals—particularly people of color—find themselves falling farther behind.

Among the key findings from this year's *Scorecard*:

- Homeownership rates remain at historic lows, falling to 63.1% for the eighth consecutive year of decline and contributing to crowding and rising costs in the rental market.
- Fully 14.3% of adults say there was a time in the past year that they needed to see a doctor but could not because of cost. The statistics are worse for individuals of color with one in four Latino adults and one in five African-American adults saying money concerns prevented them from seeing a doctor.
- Although both high school graduation rates (82.3%) and four-year college degree attainment (30.1%) increased from 2013 to 2014, racial disparities remain severe. Less than 20% of African-American adults and fewer than 15% of Latino adults hold four-year degrees.
- While the national unemployment rate has dropped to 5%, the underemployment rate is twice as high, at 10.8%. What's more, one-in-four jobs is in a low-wage occupation.
- Building up even a small amount of savings is a challenge for almost half the country. Some 44% of households are "liquid asset poor," meaning they have less than three months of savings to live at the poverty level if they suffer an income loss.
- Business ownership among both men and women (21.4% and 17.1% of the labor force, respectively) declined from 2007 to 2012, even as average business value for both groups increased. Yet female-owned businesses still are worth only a third the value of the average male-owned business—\$239,486 to \$726,141, respectively.

"There certainly are positive signs that the nation's economy is improving," noted Andrea Levere, President of CFED. "But there also is very compelling evidence that many households are stuck in a financial hole and are struggling to dig themselves out. State governments can play a critical role in helping them move on to firmer ground and a more prosperous future."

To read an analysis of key findings from the 2016 *Assets & Opportunity Scorecard*, [click here](#). To access the complete *Scorecard*, visit <http://scorecard.cfed.org>.

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CFED's work makes it possible for millions of people to achieve financial security and contribute to an opportunity economy. We scale innovative practical solutions that empower low- and moderate-income people to build wealth. We drive responsive policy change at all levels of government. We support the efforts of community leaders across the country to advance economic opportunity for all. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina, and San Francisco, California.

To improve policies and programs that promote financial security and opportunity, CFED is the backbone organization for a national Assets & Opportunity Network, which is comprised of nearly 2,000 advocates, service providers, researchers, financial institutions and others representing all 50 states and DC. To learn more about the Assets & Opportunity Network and to join, visit <http://assetsandopportunity.org/network>.