

Working Poor in Boulder County

Prepared by the Social Policy Committee of the LWV of Boulder Valley
Published April 21, 2007, *Daily Camera*, Boulder, Colorado.

Over the past year, the League of Women Voters of Boulder Valley has been gathering information about Boulder County programs meant to prevent or reduce poverty and promote self-sufficiency for individuals and families. We have found much to be encouraged about, and we have several concerns.

In Boulder County, almost 11 percent of the population is below the federal poverty line in annual income. (For a family of four, that is a little under \$20,000.) That means over 30,000 county residents live in poverty, in a population of about 280,000. In the city of Boulder, the proportion is higher, 14 percent (not counting university students), or about 10,000 people out of 70,000. Because the federal poverty line, which is based primarily on the cost of food, is low in comparison to actual living costs, assistance is often available to those with incomes as much as 200 percent of this line.

Boulder County's statistics are replicated in the nationwide poverty rate of roughly 13 percent, one of the highest in the post-industrialized developed world. In the U.S., poverty happens to the working class. Incomes rise and fall. As many as 40 percent of the population might be poor over a ten-year period.

Here, as across the nation, the poor are largely single mothers and their children. One-third of single mothers in Boulder County live in poverty, as do over eight percent of children under 18.

In suburban areas like Boulder County, the poor, though numerous, are almost invisible. Many of the county's 30,000 are the "working poor," holding down at least one job in an attempt to make ends meet. Employees laid off from high-paying jobs these days typically take a significant salary cut at their next job. Low-wage, no-benefits jobs keep retail prices low and corporate profits high. The churning job market makes everyone anxious.

Some of the poor are elderly, living on a fixed income. Self-sufficient, middle-class individuals and families fall on hard times, perhaps temporarily, because of medical bills, unemployment, or other financial crises.

For a long time the League has held that the federal government should bear primary responsibility for financing income assistance programs. Since 1996, through far-reaching federal "welfare reform" legislation, TANF, or Temporary Aid to Needy Families, has had a 60-month, lifetime, cumulative limit on cash assistance, and a work requirement. The number of people receiving cash assistance nationwide has dropped dramatically. In Boulder County in 1997, 1200 families received TANF, and in 2006, only 350. Incredibly, this is widely regarded as progress. Further, under the more stringent regulations of the Deficit Reduction Act (DRA) of 2005, half of all families on

TANF in each state — 90 percent for two-parent families — must be employed or involved in a work-related activity. The myth is strong, in spite of all evidence to the contrary, that holding a low-wage job is a temporary situation that will lead to self-sufficiency.

The federal legislation failed to provide for monitoring what happens after people leave welfare. We hear about former welfare-recipients who have found work that allowed them to advance to self-sufficiency. But evidently the vast majority have not. Other assistance programs, including Medicaid, food stamps and disability benefits, are bursting with new enrollees (“Despite overhaul, welfare state now bigger than ever,” *Daily Camera* 26 Feb 2007). Employed low-income parents are eligible for the Earned Income Tax Credit (EITC), which has become the largest federal anti-poverty program.

Tragically, funds for other programs have been cut as well. When a TANF recipient’s wages increase, food-stamp allocation decreases. Back in 1996 a considerable safety net was in place for working parents — child care, child-support enforcement, job training, education. Since then, especially with the DRA, much of that funding has dwindled or disappeared, with dire consequences for dependent children. This year Congress is considering restoring the programs.

In Boulder County, many exemplary nonprofit agencies, generously supported with money and volunteer time, provide a safety net. They provide food, shelter, health care, transportation, child care, and other needs. They step in when failures in the Colorado Benefits Management System cause delays in benefit payments. (The county is expending precious funds to increase its staff to deal with the problems.) The high level of cooperation between public and private providers in Boulder County, we learned, is widely envied.

For more effective programs, there must be monitoring of TANF, including recipients who leave the system, to learn what works best. To encourage work, participants’ total income should increase as earnings increase. Realistic training for actual jobs, and financial incentives should link job programs and income assistance. Coordination of services, including a properly functioning data base and individual counseling, must be maintained in order to connect people who need assistance with the appropriate providers.

In the open, competitive, flexible U.S. economy, a significant, persistent rate of poverty may be inevitable. But it is never acceptable.