

What Explains Recent Increases in Poverty in Larimer County and Fort Collins?

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Executive Summary

In August 2007 the *Coloradoan* reported dramatic poverty increases in Fort Collins between 1999 and 2006. Using Census Bureau data, the paper reported that 19.8 percent of the city's population lived below the poverty line in 2006. By comparison, the city's 1999 poverty rate was 14 percent. Children were similarly impacted, with nearly 1-in-5 living below the poverty line in 2006, up from 8.9 percent in 1999. While poverty trends in the rest of Larimer County are not as startling, it is undeniable that many households across the region are struggling.

Despite increased attention, many don't fully understand the community's poverty dynamics. Some of this is due to a spotty grasp of the depth and breadth of the poverty problem. And some is due simply to denial.

The issue is further complicated in that little is known about the causes underlying increased poverty. As a result, local policymakers, non-profits, churches and human service organizations typically rely on anecdotal evidence in designing poverty alleviation programs. While anecdotes certainly help, they may not capture poverty's true dynamics, as anecdotes are typically formed by what people see and experience in their own daily workings.

Our goal in this project is to examine poverty from a variety of detached angles to improve our understanding of the region's poverty workings. This report is part of the comprehensive *Pathways Past Poverty* effort designed to educate and empower citizens, public institutions and human service agencies about the nature, extent, causes and solutions of poverty in Fort Collins and Larimer County.

Our study shows the relative importance of a variety of factors that drive both household poverty and changes in regional poverty. Due to the complex nature of poverty, there is no single solution that will eradicate, or even dramatically reduce it in Larimer County and Fort Collins. Further complicating the issue is the fact that the dynamics of child poverty differ from those of adult poverty--these are two unique problems that require unique solutions.

This report summarizes a two step process. First we provide a comprehensive picture of local poverty trends, emphasizing the nature and extent of poverty on various socioeconomic groups (e.g., age, gender, education). We then take a multi-faceted approach to better understand the root causes of increasing poverty, using statistical models and focus group methods to examine how social and economic forces influence individual and household poverty.

What is the Data Telling Us about Poverty Trends and Causes?

Our work draws on data collected by the US Census Bureau in both the 2000 decennial census and the more recent American Community Surveys. We analyzed this data in a variety of ways, including basic descriptive statistics and more complex statistical models. In the report we offer a series of summary findings from this analysis. They include:

Individual level analysis

- The primary age groups witnessing increased poverty between 1999 and 2006 were school aged children and adults between the ages of 25 and 65.
- In 2006 more than 3-in-4 impoverished children in Fort Collins lived in single parent households. The child poverty rate in single parent households is nearly 50 percent.
- A high school diploma is an important pathway past poverty. For adults 25+ years of age poverty rates are highest for those with less than a high school degree, but a third of impoverished adults have “some college or an associate’s degree.” In the context of current economic conditions our findings suggest that individuals with a high school education or less are the most vulnerable to falling into poverty.
- Unemployment rates are highest for those without a high school degree. Wages increase tremendously with education.
- While poverty rates in Spanish speaking households are not much different than those for English-only speaking households, children aged 5-17 in Spanish speaking households are much more likely to live in poverty. The impact of language barriers are particularly strong for individuals living in linguistically isolated households. Kids in linguistically isolated households are 50 percent more likely to live in poverty.
- Between 1999 and 2006, there was a 42 percent increase in the number of non US citizens in Fort Collins, and the poverty rate for non-citizens increased by more than 6 percentage points. Because we do not have data on legal status of non citizens, we can not determine what effect, if any, illegal immigration has on poverty in Larimer County.

- Disabled individuals in Fort Collins are much more likely to live in poverty. More than one in four impoverished individuals in Fort Collins has some type of disability.
- Households where at least one adult is employed full-time are much less likely to be impoverished. Between 1999 and 2006, the percentage of households having at least one member employed full time declined from 73 percent to 66 percent.

Regional analysis

- Regional economic development, as measured by wage and employment growth, can reduce poverty, but it takes dramatic growth to make large differences.
- Regions where a higher percentage of individuals have finished high school or college tend to have lower poverty rates. Base line education rates, however, have little effect on *changing* poverty.

Focus Groups Provide Context to Our Statistical Models

To supplement our statistical models we conducted a series of focus groups to check the depth and range of respondents' perceptions and to identify various aspects of hardship, exclusion, financial stress, and emotional and family strain. We enlisted help from committed social service staff who were invaluable in recruiting their organizations' clients and staff.

We interviewed a diverse mix of nonprofit social service staff, homeless young men and women, formerly foster youth (older than 18), survivors of domestic violence, single mothers, single women, pregnant women in their late teens, single men, and Spanish-speaking mothers and grandmothers. Considering their participation in programs offered by the various organizations that helped recruit them, all respondents in our non-staff interviews could be considered low-income.

In total we met with fifty-two respondents, convened in ten audio-recorded groups at venues in Loveland and Fort Collins. Instead of documenting respondents' demographic characteristics, our main goal was to learn about what respondents perceive to be the determinants of poverty in the county. These qualitative group interviews enhance the study's statistical portion because they lend greater nuance to our understanding of respondents' realities. Overall, the analysis shows that socioeconomic disadvantage affects diverse segments of Larimer County's population. More specifically this study points to seven prevailing themes about local poverty, and the full report discusses these.

In summary, respondents from all groups identified inadequate income and low wages as significant obstacles to getting ahead. A related concern was that the low wages attached to part time and service sector employment are often "high enough" so as to push a person's income above the eligibility thresholds for certain social services. Additionally, the difficulty of finding full time employment was a key concern for many respondents, and they linked this challenge with what they identified as ways to overcome it—namely obtaining education

and gaining relevant work experience. Respondents consistently referred to the county's highly educated workforce, and they linked this fact with the challenges that even well educated people may encounter when trying to find "good" jobs.

Participants discussed credentialed and informal education as crucial factors in improving people's lives. Some staff respondents focused on "poor parenting," highlighting parents' responsibility for their children's education. Mostly though, respondents thought an effective way to address poverty is to encourage the broader community—not just parents on their own—to provide learning opportunities for people of all ages.

Several groups voiced a concern about the rise in single parenthood and teenage parenthood. However, there was little consensus on the perceived causes and consequences of single- and teenage parenthood. Some staff respondents indicated a belief that single parenthood causes family poverty. Other participants avoided making causal assumptions and instead more generally raised single- and teenage parenthood as factors that complicate the poverty question.

Spanish-speaking respondents mentioned several obstacles they face, ranging from stress associated with kin living faraway to blatant examples of everyday racism and hiring discrimination. Instances of observed racial bias and reported discrimination are quite common in the US generally, so this finding was notable but unsurprising. Like all other groups in this study, our Spanish-speaking respondents also discussed the difficulty they and others they know have had in finding local affordable housing and high-paying full time employment.

Respondents also expressed a general but strong desire for the community to better understand the varied situations that cause people to struggle financially and emotionally. Respondents only vaguely defined what they meant by "the community," yet still we thought it notable that they pointed to the need for greater overall community awareness of poverty-related issues.

Finally, respondents expressed their frustration with certain assistance programs, particularly with regard to eligibility requirements. The term "integration" best captures respondents' thoughts on what should be done to improve local social service provision. When asked what they thought about beneficial community actions, many respondents urged the development of a "one-stop-shop" mode of social services and program provision, indicating a more general call for systemic change in local social service administration.

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