Jobs Report Foreshadows Housing Instability for Colorado’s Vulnerable Workers

The Time is Now for Colorado to Assess and Plan for Longer-Term Impacts

Who Are Colorado’s Most Vulnerable Households?

Recessions and their subsequent economic recoveries affect households unequally. Data suggest that each recession leaves increasing numbers of households unable to fully recover; the COVID recession is projected to do the same. Private sector job losses1 since the onset of the pandemic have been concentrated in four major industries: Accommodations and Food Service; Health Care and Social Assistance; Arts, Entertainment and Recreation; and Retail Trade. Since January, Colorado has shed 216,700 jobs; 123,800 of them in the four critical industries. Collectively, through mid-July, these four industries account for 57% of total jobs lost statewide, and 64% of the private sector job loss (government has shed 23,500 jobs since the beginning of the COVID emergency, almost exclusively from state and local government). Recent studies suggest that between 30% and 50% of the jobs lost to the COVID recession will become permanent job losses, and August 20 data show that initial claims for unemployment are rising again after four consecutive weeks of decline. Prior to COVID, many of Colorado’s households relied on employment in these most critically affected industries as a primary source of income.

1 Source: BLS - July 17, 2020, CFC’s calculation of job loss since January 2020

Most Impacted Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Job Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL TRADE</td>
<td>-13,600</td>
</tr>
<tr>
<td>ACCOMMODATIONS &amp; FOOD SERVICE</td>
<td>-66,100</td>
</tr>
<tr>
<td>ARTS, ENTERTAINMENT &amp; RECREATION</td>
<td>-21,400</td>
</tr>
<tr>
<td>HEALTH CARE &amp; SOCIAL ASSISTANCE</td>
<td>-22,700</td>
</tr>
</tbody>
</table>

Source: BLS - July 17, 2020, CFC’s calculation of job loss since January 2020
Approximately 406,500 households rely on earnings from employment in one of the four critically affected private sector industries. We define these households as ones with total income of $75,000 or less and a worker aged 18 and over employed in one of the four industries. Approximately 6% of these households report at least one adult earner who is a student – more on the importance of these jobs for students funding their educations in a subsequent research release. Statewide, just over 1.14 million households report income less than $75,000. Households relying on incomes from the four critical industries represent 36% of total households with earnings under $75,000. Of those households relying on employment in a critically affected industry, 223,500, approximately 55%, were already housing cost stressed (pre-COVID spending more than 30% of their income on housing) and as of July 21, 27.5% of renters statewide reported no or only slight confidence in their ability to pay the next month’s rent.

Vulnerable Households: At Least One Worker in Top Four COVID Impacted Industry

406,500 Households

223,500 Cost-Burdened (pre-COVID)

Pre-COVID: 136,000 Vulnerable Industry Cost-Burdened Renter Households
Who Are the 406,500 Households? (containing 517,000 workers)

The majority have female workers, living in rental housing and lacking a college degree. Over four in ten workers are over age 44.

40% 60%

Educational Attainment by School Status

Worker Age by School Status

Households by Tenure

3 in 10 Households have Children

50%

1 in 4 Households of Color*

1 in 6 White/Asian Households

*125,000 households of color, excluding Asian or Pacific Islander

1 in 6 White/Asian Households

www.coloradofuturescsu.org
Who Are the 223,500 Already Cost-Burdened Households? (containing 278,600 workers)

They house 141,500 children, almost 80 percent with a single parent. Two-thirds of these workers lack a college degree.

40% Owners
60% Renters

87,500
136,000

183,000 Workers Lack a college degree

141,500 Children by Age and Tenure

3 in 10 Housing
110,000 Children

As a share of total households by race/ethnicity, at least half of all households in every racial/ethnic cohort are cost burdened.
The Forward View

Prior to COVID, approximately 517,000 workers in Colorado relied on employment in one of the four most adversely affected industries; since January these four industries have shed 123,800 jobs. If 40% of those job losses prove to be permanent, up to 1 in 10 Coloradans reliant on employment in these industries may find themselves long-term unemployed. Data show that these Coloradans are disproportionately female, lacking a college degree, and many are single parents and/or well into their prime earning years. Non-white communities have higher concentrations of these worker households and prior to COVID over half of all households supported by workers in the industries losing the most jobs were already housing cost stressed. As a share of total households by race/ethnicity, at least half of all households in every racial/ethnic cohort is cost burdened.

Funding for policy response will be limited, as always. The most effective responses will be those tailored to the most adversely affected, regardless of where they live. With that in mind, we pose the following: Emergency support can go only so far. Sustainable solutions must comprehensively address the areas identified below, among others.

Government Resources: Integrate existing programs to better support vulnerable populations

Workforce Development: Retooling skills of existing workers

Economic Development: Investing in minority and women owned startups

Fiscal Policy: Incentives for landlords to keep vulnerable renters in their homes for longer & tax lien support for delinquent owners

Housing/Transportation: Creative solutions that bring a full set of options to those who have been displaced

Education/Childcare: Supporting housing insecure children of all ages

Radical Thinking: Programs such as Universal Basic Income (UBI)

Food Security: Heightened attention and programming to mitigate hunger among those vulnerable

Call to Action - Share What is Working

#CoFutureWorking

All point estimates contain margins of error.

1This research was conducted using the seasonally adjusted jobs data released from the Bureau of Labor Statistics (BLS) July 17, 2020 state-level report (reflecting the employment situation through the second week of June 2020). In the subsequent month, the state recovered 3,600 retail jobs and as a result the Transportation, Warehousing and Utilities categories became the 4th most affected industry, with Retail 5th. Between the June and July jobs reports, the employment situation further deteriorated in the following industries: Information; Health Care and Social Assistance; Real Estate Rental and Leasing, and most notably in Government where Colorado has lost 42,700 jobs since January. All other industries added jobs, albeit in some sectors quite modestly, between June and July.

Further Inquiries | More Insight | Follow Us

Phyllis Resnick, PhD
phyllis@coloradofuturescsu.org

Jennifer Newcomer
jennifer@coloradofuturescsu.org

The Colorado Futures Center is a 501c3 organization dedicated to informing about economic, fiscal and public policy issues impacting community economic health and quality of life.