



ECONOMIC MOBILITY BENEFITS CHILDREN

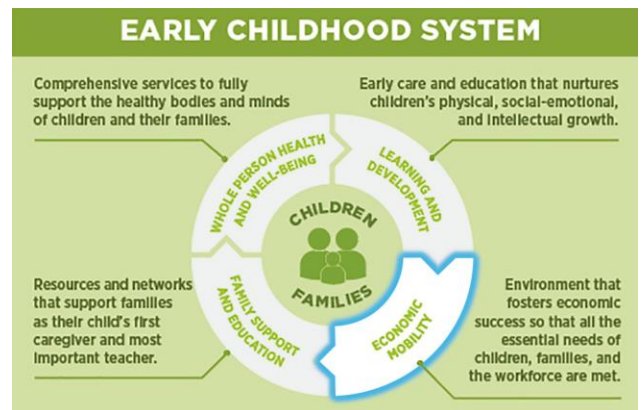
Economic mobility is a family's capacity to attain higher income levels over several generations. In 2023, it was added to the *Early Childhood Colorado Framework* to recognize its importance.¹

Impact on Healthy Child Development

Children who live in poverty during early childhood are at higher risk of poor health and developmental outcomes throughout their lives.² In Colorado, poverty rates are highest for families with young children.

14% of children under 3 with one working parent are living in poverty in Colorado.³

Colorado's economy has grown over the past two decades; however, this has not resulted in income gains for many families. Wages have failed to keep up with inflation and the cost of living has increased.⁴



Policy measures to support families' upward economic mobility benefits children in the short-term by ensuring all families can provide for their essential needs. Long-term, it increases their chances of success in school and life.⁵

Common Barriers

1. Housing Costs

70% of extremely low-income families pay more than half their income on housing.⁶

2. Child Care

In Colorado, families pay 13% to more than 30% of their income on child care.⁷

3. Taxes

In Colorado, low-income families pay more in taxes as a percentage of their income than others.⁸

Economic Mobility for Colorado Families

Public programs boost economic mobility for families. Federal programs helped to cut poverty in half between 1967 and 2012. They contributed to improved health, increased education levels, and a better labor market.⁹

- **Tax credits** help Colorado families pay for food, housing, and school.¹⁰ Families with incomes below \$75,000 and children under age six qualify for the Colorado Child Care Tax Credit.¹¹ In January 2024, the Earned Income Tax Credit increased from 25% to 38%.¹²
- **Colorado Child Care Assistance Program (CCCAP)** helps about 17,000 families with child care costs, but many more working families are eligible. In June 2024, policy makers approved a bill to make it easier for families to access.¹³
- **Other public programs** critical for families with young children include [Colorado Works](#) (Temporary Assistance for Needy Families), [Housing Voucher Programs](#), [Family and Medical Leave Insurance](#) (FAMLI), [Medicaid](#), the [Supplemental Nutrition Assistance Program](#) (SNAP), [Universal Preschool Colorado](#), and [Women, Infants, and Children Program](#) (WIC).



To increase economic mobility for Colorado families, leaders need to increase investment in income, public assistance, and cost of living support.

Policy makers can take practical actions to support upward economic mobility for all Colorado families:

1. **Invest in affordable housing.** Almost half of Colorado renters are cost-burdened. This means they spend over 30% of their income on housing. Homeownership is a key driver of economic mobility; however, this goal is out of reach for most families.¹⁴
2. **Raise the minimum wage.** The minimum wage has not kept up with the cost of living. Weekly wages have only risen by \$33 since 2000 when adjusting for inflation.¹⁵
3. **Increase enrollment in public assistance programs.** CCCAP, SNAP, and WIC could serve thousands more eligible families.¹⁶



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Additional Reading

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