Downtown Denver is the heart of a new city. Gone is the hollow urban core of a metropolis in crisis. Downtown now boasts a growing population, bustling businesses, lively shopping, active entertainment, and a lucrative tourist and convention trade.

Downtown Denver’s revitalization didn’t “just happen.” We all helped pay for it. Over $2 billion in taxpayer investments and subsidies over the last 15 years helped build the downtown we see today, and an ongoing public-private partnership is forging a new plan that will guide downtown for 25 years into the future.

But what kind of downtown are we building? Are we building a sustainable downtown workforce whose families can live self-sufficiently? Are we building an equitable downtown where families of all incomes have affordable housing opportunities and can readily access the world-class FasTracks transit system?

Downtown Denver is at a crossroads. Downtown may be booming but it is also experiencing rapid growth in low-wage jobs, a shortage in employee health care coverage, and inadequate affordable housing. Through concerted efforts and innovative partnerships we can reverse this trend and build a more sustainable and equitable downtown Denver that benefits everyone.
LOW WAGES: A BARRIER TO ECONOMIC SUSTAINABILITY

The Low-Wage Sector Dominates Downtown Employment

When we think of downtown Denver, we think of lawyers, consultants, corporate management, and the financial industry. But in fact:

- Almost 40% of downtown Denver employment is in the lowest paid sectors of the economy: food service, hotels, retail, and janitorial.
- The average starting wage for these jobs is less than $8/hour.

Low-Wage Jobs Expanding Downtown & in the Region

Downtown Denver has the highest concentration of employees in the Metro Region. Job opportunities in downtown and the Metro area are increasingly concentrated in low-wage sectors.

- 6 of 10 jobs with the greatest number of openings pay below the federal poverty level for a family of 4 ($9,060).
- Only 7% of these jobs pay above the "Self-sufficiency Standard" for a family of four to live without public assistance.

Source: Colorado Fiscal Policy Institute, "The Self-Sufficiency Standard for Colorado 2004"

10 Most Numerous Estimated Job Openings by Occupation Denver Metro Region 2004

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Avg Starting Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashier</td>
<td>$7.60</td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td>$7.50</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$25.30</td>
</tr>
<tr>
<td>Waiter or Waitress</td>
<td>$5.20</td>
</tr>
<tr>
<td>Fast Food &amp; Food Preparation</td>
<td>$6.70</td>
</tr>
<tr>
<td>Hand Laborer or Stock Handler</td>
<td>$6.50</td>
</tr>
<tr>
<td>Hand Packer or Packager</td>
<td>$5.00</td>
</tr>
<tr>
<td>Computer Software Engineer</td>
<td>$23.30</td>
</tr>
<tr>
<td>Customer Service Representative</td>
<td>$11.00</td>
</tr>
<tr>
<td>Nursing Aide, Orderly or Attendant</td>
<td>$11.40</td>
</tr>
</tbody>
</table>

Source: Denver Metro Job Vacancy Survey Highlights Fall 2004; CDYOL

THE HIGH COST OF LOW WAGES EXTENDS TO LACK OF HEALTH CARE

Of approximately 92,000 employees in downtown Denver, more than 13,000 of them (15%) have no health insurance whatsoever. Many more depend on Medicaid or other publicly-funded health benefits.

Source: CPS; DRCOG Interpretation of ES-2003 Data & SEIU
Nurse Alliance of Colorado; "Reality Checks"

Health Care Coverage for the Downtown Workforce

Almost 1 in 7 downtown workers have no health insurance at all
Housing Inequity Hurts Families & Downtown

A growing housing imbalance in Downtown Denver is contributing to Denver’s housing affordability crisis. Despite the proliferation of low-wage jobs in the area, the downtown private housing market offers few units for these employees and their families.

Housing for Low-Wage Working Families Shrinks Amid a Downtown Housing Boom

From 2001 to 2005, private rental units doubled in downtown. But:

- Almost all the growth in rental housing was for units affordable to families earning at least $17/hour (over $35,000/year). Roughly a third of the growth has been in units affordable only to families earning at least $28/hour (over $57,000/year).
- Rental housing for families earning less than 30% of Area Median Income (under $21,000/year) increased by only 29 units in total. Rental housing for families earning between $10/hour and $17/hour ($21,500 - $35,800) actually fell by roughly a third.

A Growing Downtown Workforce Priced Out of Downtown

- Starting average wages in six of the ten occupations in greatest demand in metro Denver are less than $8/hour (less than $17,000/year) - barely enough for an employee to afford a private market rental unit at even the cheapest and least numerous category of downtown rental housing (see table above). Only two of the ten occupations in greatest demand in Metro Denver earn enough to afford units in the category of rental housing experiencing the greatest growth.

- A recent Colorado Housing and Finance Authority study found that the highest rate of demand for downtown housing was among employees earning between $16,500 and $38,500 - a group representing over 15% of the downtown workforce, but for most of whom downtown housing opportunities have actually shrunk.

Source: Denver Metro Area Apartment Vacancy and Rent Study; Center for Housing Policy, BBC Research & Consulting, & Colorado Fiscal Policy Institute; James Coll Research & Consulting LLC for Colorado Housing & Finance Authority

Who Pays the Medical Bills for the Uninsured? (2005 in Colorado in Millions)

- $4.6 billion
- $3.2 billion
- $36 million

Source: Interpretation of Families USA, Paying a Premium, June 2005

Downtown Denver hotels employ more than 10,500 workers. Even a hotel cook makes less than $10 an hour.
PARTNERSHIPS TO BUILD A SUSTAINABLE & EQUITABLE DOWNTOWN THAT BENEFITS EVERYBODY

Downtown Business & City Leaders

While planning for the future of downtown, business and city leaders need to develop strategies and make efforts to:

- **Protect & expand affordable housing**
  - Ensure that existing subsidized and deed-restricted affordable units in downtown are retained to prevent future loss.
  - Expand new housing that is affordable for downtown workers, particularly near transit.

- **Be a model for future public-private-community cooperation**
  - Cooperate with state government and community groups working to solve Colorado’s health care crisis.
  - Partner with government, community groups, and workers to expand job training, career ladders, and workforce systems that give low-wage workers opportunities to gain new skills and advance to more highly-paid and sustainable jobs.

A Model for Future Public-Private-Community Cooperation

The redevelopment of the former Gates Rubber Factory illustrates a new model for more equitable development. Working together, elected leaders, the developer, and a broad community coalition negotiated a set of community benefits for the publicly-subsidized, mixed use project located near transit. These achievements will help ensure a more sustainable balance of jobs and housing, including:

- 200 units of housing within reach of low-wage working families
- A commitment to pay prevailing and living wages to a segment of the workforce
- A plan to hire first from nearby neighborhoods

As Union Station and other downtown redevelopment projects occur in the years to come, this model can inform future cooperation.

Local Government

Local government has the power to lead by example, and to set standards when public funds are involved.

One such example is the Regional Transportation District (RTD), which has set wage and health care standards for contracted custodial workers, ensuring a greater level of economic sustainability for at least one segment of the downtown workforce.

Businesses & Workers

“I’ve been working as a downtown janitor for 10 years. It’s hard work and money’s tight, but working together with the union and downtown businesses things are improving. We now have health care and we’re converting part-time jobs to full-time jobs so all the downtown janitors have health insurance.”

—Rita Jaramillo

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