



COLORADO FISCAL
POLICY INSTITUTE

The Self-Sufficiency Standard for Colorado 2008: A Family Needs Budget March 19, 2008

EXECUTIVE SUMMARY

Colorado finds itself at an economic crossroads. With stagnant wages and income, rising costs, and a troubling fiscal landscape, families and communities are facing ever-increasing challenges.

Child care and food costs are rising dramatically. Energy, transportation, and housing prices are increasing. It is becoming harder and harder for families to afford, or access health care in Colorado. And in more and more communities, the threshold for families to be self-sufficient is increasingly out of reach.

More and more families are finding that they are unable to stretch their wages to meet these rising costs for basic yet vital necessities. It begs the question, what is an adequate income? And how does that standard vary among different families and communities in Colorado?

This report addresses this fundamental question. What does it take to make ends meet? How much does it take to be self-sufficient? And what kinds of common-sense, innovative policies can Colorado pursue to help more families get there?

These are the critical questions. Because families are so often right on the brink of making ends meet when they enter or reenter the workforce, carefully targeted policies, including tax policies, can and should play a critical role in helping families break out of the cycle of poverty and head towards economic self-sufficiency.

KEY FINDINGS

Some of the key findings from this report include:

- Depending on family size, food prices for rural counties have increased 45 percent since 2004
- On average, across the state, health care costs have increased 35 percent since 2004
- Housing and child care costs continue to be the highest costs, on average, for Colorado families
- The number of Colorado counties with the highest self-sufficiency thresholds has doubled since 2004 (Table 1)
- Spikes in health care costs and food prices are adversely affecting families living in rural Colorado (Table 2)

Counties with Highest Self-Sufficient Wages (one adult and one preschooler) in 2004:

La Plata, San Miguel, Pitkin, Summit, Boulder, Douglas

Counties with Highest Self-Sufficient Wages (one adult and one preschooler) in 2008:
 San Miguel, Pitkin, Summit, Boulder, Douglas, **Eagle, Lake (3), Clear Creek, Gilpin, Routt, Hinsdale**

Table 1

County	Change in Food Costs (increase)	Change in Health Care Costs (increase)	Change in Child Care Costs	Population below Self-Sufficiency (Overlooked and Undercounted, 2007)
Clear Creek	25%	41%	7.2%	12.3%-12.7%
Eagle	25%	74%	33%	18.9%-20.9%
Gilpin	25%	35%	6%	12.3-12.7
Hinsdale	25%	87%	52%	18.9%-20.9%
Lake	25%	38%	37%	18.9%-20.9%
Routt	25%	73%	11%	15.0%-17.8%

Other counties where families are finding it harder to make ends meet are in rural Colorado: Las Animas, Alamosa, Mineral, Jackson, Rio Blanco and Kiowa.

Table 2

County	Change in Food Costs (increase)	Change in Health Care Costs (increase)	Change in Child Care Costs (increase)	Population below Self-Sufficiency (Overlooked and Undercounted, 2007)
Las Animas	25%	87%	53%	32.8%-33.2%
Alamosa	25%	72%	3.5%	32.8%-33.2%
Mineral	25%	42%	37%	18.9%-20.9%
Jackson	25%	48%	.3%	15.0%-17.8%
Rio Blanco	25%	42%	58%	15.0%-17.8%
Kiowa	25%	87%	13%	23.2%-27.2%

Looking more broadly at all 70 different family types in this report confirms the pattern of health care and food cost increases. Housing costs along the I-70 corridor continue to also be an issue of concern, in large part due to competition for affordable housing.

NEXT STEPS TOWARD ECONOMIC SELF-SUFFICIENCY

At a time when policymakers and legislators are poised to make key decisions at the state and local levels, the Self-Sufficiency Standard provides a tool and a means to figure out what the best options are and what are the most effective policy priorities. The focus should be on policies that help increase wages and earnings; reduce costs in key areas such as health care, housing, child care, transportation, and others; and strengthen work supports, critical public assistance, community investments, and other programs that move families toward self-sufficiency, particularly those in rural communities.