



# Fact Sheet

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From the Colorado Fiscal Policy Institute

## ECONOMIC SELF-SUFFICIENCY IS OUT OF REACH FOR MANY WORKING SINGLE PARENT FAMILIES IN COLORADO

Hardship is a reality for many working families in Colorado's economy today. Analysis of Self-Sufficiency Standard<sup>1</sup> data indicates that housing and child care costs account for over 50 percent of a basic needs budget, as defined by the Self-Sufficiency Standard, for a working single parent with an infant and a preschooler in every county in Colorado. This often means less left over for food, health care, transportation, and other basic necessities.

The Self-Sufficiency Standard for Colorado is a realistic, objective measure of how much income is required for families to ***be able to adequately meet their most basic needs without any public or private assistance or supports***. It calculates the costs of basic necessities: housing, child care, health care, food, transportation, and miscellaneous household expenses, and taxes and tax credits. It takes into account the number of children in the family, their ages, as well as where they reside in Colorado.<sup>2</sup> The costs of a family's basic needs vary greatly depending upon these variables. Self-Sufficiency Standard budgets are "bare bones", and do not include the costs of restaurant or take out food, savings of any kind, credit card or loan payments, or emergency funds.<sup>3</sup>

An analysis of the costs of basic needs for a single parent with an infant and a preschooler residing in Resort, Metropolitan and Rural regions in Colorado<sup>4</sup> illustrates that those residing in Resort and Metro regions face significantly higher costs for basic needs, \$43,977 in Resort, \$42,119 in Metro, and \$28,668 in Rural Colorado. Costs of basic needs can overburden a low-income working parent's budget, often forcing the parent to choose between buying enough food or paying the rent. Many low-income families cannot afford health care insurance, and go without preventative health care for themselves and their children. Hunger and food insecurity, lack of needed medical care and child care are often the result of inadequate incomes earned by single working parents. Many single parent wage earners earn too much to qualify for public assistance, yet not enough to be economically self-sufficient.

Comparing the Self-Sufficiency Standard to other commonly used income measures helps explain why families may need some assistance in order to become economically secure (see Chart below). In Resort and Metropolitan regions in Colorado, the gap between 200 percent of the Federal Poverty Level and Self-Sufficiency is about \$10,000 annually. Working single parents in Rural Colorado need to earn less than their Resort and Metro counterparts, slightly less than 200 percent of the FPL, but are also less likely to have better-paying job opportunities.

No matter where they reside in Colorado, working single parents with young children need to earn considerably more than the minimum wage of \$5.15 per hour, or \$14,097 annually after taxes and tax credits in order to meet their basic needs. In Rural Colorado, to be economically self-sufficient, this family will need

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<sup>1</sup> see *The Self-Sufficiency Standard for Colorado* report, available online at [www.cclponline.org](http://www.cclponline.org) for a complete explanation of each benchmark calculation and each basic need and its associated cost.

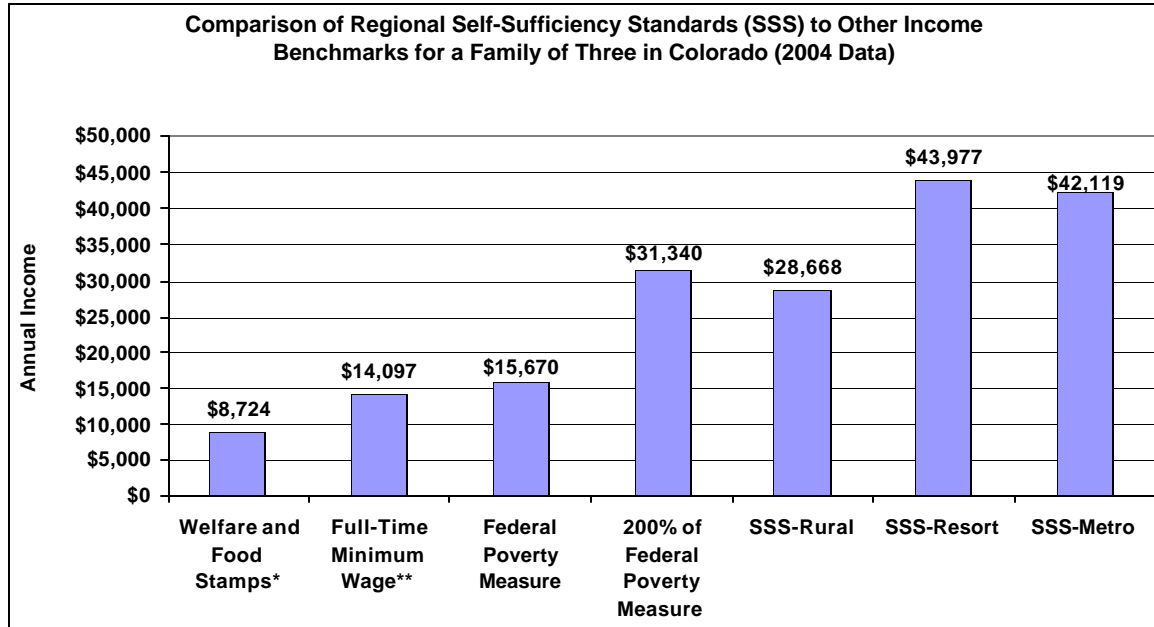
<sup>2</sup> The Standard has been calculated for 70 family types for all 64 counties in Colorado.

<sup>3</sup> For information on the Self-Sufficiency Standard for Colorado, see [www.cclponline.org](http://www.cclponline.org); for further information on the Self-Sufficiency Standard in 36 other states, see [www.sixstrategies.org](http://www.sixstrategies.org);

<sup>4</sup> These regional averages are based on county-specific Self-Sufficiency Standard data for this family type and are sorted as follows: Resort Counties: Archuleta, Eagle, Garfield, Grand, Gunnison, La Plata, Pitkin, Routt, San Miguel, Summit; Metro Counties: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, El Paso, Elbert, Gilpin, Jefferson, Larimer, Mesa, Park, Pueblo, Teller, Weld; Rural Counties: Alamosa, Baca, Bent, Chaffee, Cheyenne, Conejos, Costilla, Crowley, Custer, Delta, Dolores, Fremont, Jackson, Kiowa, Kit Carson, Lake, Las Animas, Lincoln, Logan, Moffat, Montezuma, Montrose, Morgan, Otero, Phillips, Prowers, Rio Blanco, Rio Grande, Saguache, Sedgwick, Washington, Yuma, Hinsdale, Huerfano, Mineral, Ouray, San Juan.

income approximately twice what they can earn at the minimum wage, and in Resort and Metro regions, about three times the minimum wage is necessary for this family to afford basic needs without any assistance.

**Chart 2: Comparing the Self-Sufficiency Standard to Other Income Benchmarks** (Based on the Self-Sufficiency Standard for a family with one parent, one infant and one preschool-age child)



\*Note: The TANF benefit was \$4,272 annually (\$356 per month in Colorado in 2004) and the Food Stamps benefit was \$4,452 annually in 2004.

\*\*Note: Full-time minimum wage is the year 2004 Federal Minimum Wage of \$5.15 per hour, and includes the net effect of the addition of the Earned Income Tax Credit and the subtraction of taxes.

The Self-Sufficiency Standard for Colorado provides individuals, families and policy makers a realistic basic needs budget. It can be useful as a planning tool to assist those wishing to progress towards economic security. For more information about the Self-Sufficiency Standard for Colorado, contact **Suzette Tucker-Welch** at 303.573.5669, ext. 306, or [suzettetwelch@cclponline.org](mailto:suzettetwelch@cclponline.org).