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Forging Pathways from Poverty

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## Report reveals the high price of self-sufficiency in Colorado

DENVER – Driven by rising health care, food, child care and housing expenses, the amount of money required to meet the cost of basic needs in Colorado increased 32 percent on a statewide average between 2001 and 2015, despite a significant slowdown in the economy during that period.

Meanwhile, the cost of self-sufficiency varied dramatically between different regions, although metrics such as the consumer price index (CPI) and the Federal Poverty Level are locked at the same level statewide. Colorado's minimum wage -- currently set at \$8.23 an hour – is insufficient to support families anywhere in the state and only pays enough to support one-person households in Bent, Otero, and Custer Counties.

Those and other findings are detailed in "The Self-Sufficiency Standard for Colorado 2015," just published by the Colorado Center on Law and Policy, authored by Dr. Diana Pearce and produced by the Center for Women's Welfare at the University of Washington. Released regularly by CCLP since 2001, the report analyzes how much income Colorado families in each of the state's 64 counties must earn to meet basic needs without public assistance. Available for download at <a href="https://www.cclponline.org">www.cclponline.org</a>, the report offers one of the most comprehensive measures of economic security available. It is often referenced by managers of workforce training programs, direct-service providers, policymakers, legislators and the media as a barometer for wage adequacy and policy effectiveness.

## Among the findings:

- In Colorado, the amount needed to be economically self-sufficient varies considerably by geographic area. For instance, the amount needed to make ends meet for one adult and one preschooler varies from \$13.02 per hour (\$27,501 annually) in Bent County to \$30.17 per hour (\$63,717 annually) in Pitkin County.
- The standard also shows variability according to the number of adults and children a family
  and the age of each child. For families with children, the amount needed to cover basic needs
  increases significantly. For families with young children, the cost of housing and child care
  combined typically make up about 50 percent of the family's budget.
- Among the essential needs, health care, child care and housing experienced the most dramatic increases between 2001 and 2015. Statewide, health care increased by an average of 86 percent, food costs went up by 63 percent, child-care costs grew by 48 percent and housing costs swelled by 27 percent.

• The median wages of only three of Colorado's 10 most common occupations – registered nurses, business operations specialists and general and operations managers – pay above the Self-Sufficiency Standard for a one-parent family with a preschooler and school-age child.

See the chart below for an at-a-glance summary of income needs in 12 Colorado counties:

The Self-Sufficiency Standard for Select Colorado Counties and Family Types, 2015

	ONE ADULT	ONE ADULT ONE PRESCHOOLER	ONE ADULT ONE PRESCHOOLER ONE SCHOOL-AGE	TWO ADULTS ONE PRESCHOOLER ONE SCHOOL-AGE
ALAMOSA	\$19,097	\$32,205	\$39,504	\$48,099
BENT	\$17,133	\$27,501	\$32,530	\$40,448
BOULDER	\$28,209	\$56,718	\$67,837	\$75,906
DENVER	\$21,916	\$47,914	\$57,409	\$63,069
DOUGLAS	\$30,723	\$59,280	\$70,626	\$78,084
EL PASO	\$20,780	\$42,614	\$51,699	\$58,829
JEFFERSON	\$26,214	\$51,828	\$62,468	\$70,216
LARIMER	\$22,775	\$46,552	\$56,887	\$64,331
MESA	\$19,295	\$36,778	\$46,050	\$52,964
PROWERS	\$17,426	\$35,914	\$40,765	\$48,621
SUMMIT	\$29,567	\$59,595	\$69,740	\$78,254
YUMA	\$17,428	\$31,261	\$36,148	\$43,997

"Although recent economic forecasts show that Colorado's economy is rebounding from the recession in terms of GDP and job-creation, this comprehensive report shows why a vast number of Coloradans still cannot meet their basic human needs," said CCLP Executive Director Claire Levy. "The data from this report provides greater clarity on how much income Coloradans need to be self-sufficient and gives CCLP and stakeholders a baseline for forging pathways from poverty."

Diana Pearce, developer of Self-Sufficiency Standard reports in Colorado and 36 other states, added that closing the gap between current wages and the Self-Sufficiency Standard requires both reducing costs and raising incomes. "A strong economy will mean good jobs that pay self-sufficient wages, a workforce with the skills necessary to fill those jobs, and enhancing links and removing barriers between those jobs and the workers that need them," Pearce said. "Public policies such as raising the minimum wage, providing paid sick and family/medical leave, access to education and training will enable more Coloradans to advance toward self-sufficiency over time."

The report was made possible through support from The Piton Foundation at Gary Community Investments, the Rose Community Foundation, the Women's Foundation of Colorado and the Chambers Family Fund.

"The Self-Sufficiency Standard for Colorado 2015" is <u>available online</u>. A limited number of print copies are also available by request. Tables providing county-specific information for 152 family types is available at <u>www.selfsufficiencystandard.org</u>.