

Working poor slipping: Health care, housing, food costs in El Paso County are soaring, study finds

By Perry Swanson
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The financial picture is getting worse for Colorado's working poor families, according to a study issued Wednesday.

For an El Paso County family composed of one parent, a young child and a teenager, for example, housing costs have increased 14 percent since 2004, food costs are up more than 20 percent and health care, 32 percent.

Overall, the money needed to make ends meet for such a family went from an annual income of \$26,521 in 2004 to \$30,907 this year.

"It's our neighbor, it's our teachers, it's the people in our service industries, those who really make our lives good lives," said Maureen Farrell, executive director of the Colorado Center on Law and Policy.

The center runs the Colorado Fiscal Policy Institute, a Denver-based think tank that sponsored the study, which examines the cost to get by in each of the state's 64 counties.

The study is called "The Self-Sufficiency Standard for Colorado 2008: A Family Needs Budget." It attempts to identify how much money families need to live without help from the government or private sources, taking into account family size, the age of children and other factors.

The institute and other advocacy groups say a "self-sufficiency standard" is more useful than the federal poverty guidelines, which are the same no matter where a person lives. Poverty-level income for a family of three this year is set at \$17,600.

The institute Wednesday also unveiled an online Colorado Self-Sufficiency Calculator, a Web tool that lets users plug in family scenarios to examine the cost of living in different parts of the state.

"I don't care how much you get paid or how much you think your income is working for you, we as individuals have a real misunderstanding of what it takes to live in this state," said Tracey Stewart, a coordinator of efforts to promote the self-sufficiency standard.

Advocates say the calculator should guide policymakers as they ponder changes to tax laws and welfare programs. They recommend more support for programs designed to help people keep working, such as child-care assistance, food stamps and restoring Colorado's Earned Income Tax Credit.

Ari Armstrong, a Denver-area resident who writes online about political issues, said the calculator -- at least for him and his wife -- is flawed.

"The calculator suggests that my wife and I need to spend \$666 per month for housing," Armstrong said. "We actually spend more than that, including utilities and HOA fees, but we could spend less if we needed to. For example, for several years we rented out the basement of my wife's parents for considerably less. I've checked into local apartments that rent for less."

Armstrong took issue with other estimated monthly costs, including \$358 for food and \$453 for transportation -- too high -- and \$317 in taxes -- much lower than reality.

"I'm all for reducing taxes across the board, and especially for the poor," he said. "If we're really interested in helping the poor be self-sufficient, no single measure could be more useful. Welfare expansions do not promote self-sufficiency. They promote dependency."

The study cites government sources for its figures.

Mary-Elizabeth Campbell, an administrative assistant in Colorado Springs, is among the people whom advocates say are bearing the strain of an income that barely pays the bills.

Campbell said she and her fiance each earn \$10 per hour at their jobs. They have two young daughters and live in her parents' basement to save on expenses. His parents also help out by looking after the girls.

Campbell said the family could probably afford \$500 a month to rent an apartment, but the problem is coming up with a damage deposit and the first month's rent all at once.

At their current wages, with Campbell working 30 hours per week, the family makes about \$36,400 annually. That's well short of the \$52,213 the Colorado Self-Sufficiency Standard says is necessary to get by.

SELSUFFICIENCY IN EL PASO COUNTY

Here are the 2008 monthly costs of getting by in El Paso County and the income required to pay them as identified in a study released Wednesday by the Colorado Fiscal Policy Institute. The figures are for a family with one adult, a school-age child and a teenager.

Check the Colorado Self-Sufficiency Calculator at www.cosscc.org for details on other counties, family types and other details.

Housing: \$797

Child care: \$358

Food: \$570

Transportation: \$250

Health care: \$366

Miscellaneous: \$234

Taxes: \$355

Earned Income Tax Credit: -\$121

Child Care Tax Credit: -\$68

Child Tax Credit: -\$167

Self-sufficiency wage Hourly: \$14.63 Monthly: \$2,576 Annual: \$30,907