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Justice and Economic Security for *all* Coloradans

**THE SELF-SUFFICIENCY STANDARD FOR COLORADO:  
A NEW MEASURE OF FAMILY WELL-BEING**

**July 27, 2006**

Although the Federal Poverty Measure<sup>i</sup> is the most common and widely used measure of economic distress, it is not necessarily the most realistic measurement of what a working person or family needs to earn in order to be self-sufficient, i.e., **to meet their most basic needs without any public or private assistance or supports.**

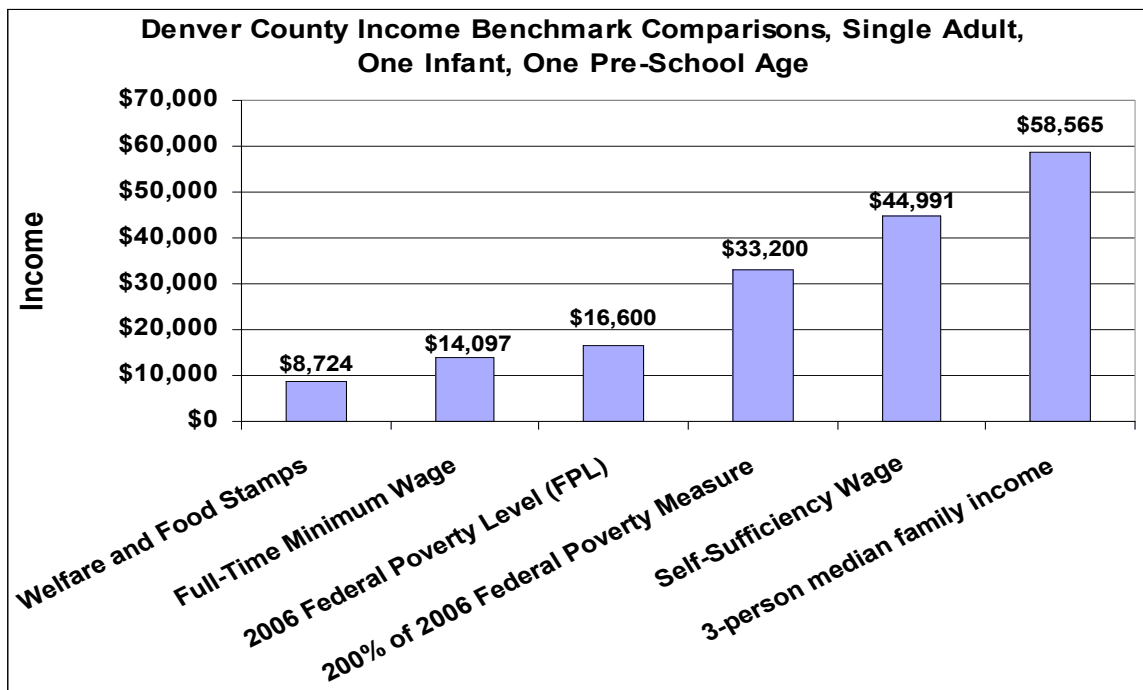
One alternative measurement of economic well-being is the Self-Sufficiency Standard (Standard).<sup>ii</sup> The Standard is a more accurate measurement of how much it takes to make ends meet in today's economy. It accounts for the changing costs of all basic necessities, rather than just the cost of food, which is the sole determinate of the Federal Poverty Measure. The Standard also considers the ages of the children in a family, as well as the number of children in the family, in contrast to the Federal Poverty Measure, which only considers the number of children and not their ages. A family's expenses vary greatly depending upon the ages of children in the family. Finally, the Standard is geographically specific, while the Federal Poverty Measure is the same across the mainland United States. The amount of money needed to make ends meet varies considerably depending upon where a family lives (Chart 1).

**Table 1. The Self-Sufficiency Standard for Colorado 2004 Annual Income and the Federal Poverty Level: Four Family Types, Five Locations across Colorado**

	<b>1 Adult</b>	<b>1 Adult, 1 infant</b>	<b>1 Adult, 1 infant, 1 preschooler</b>	<b>2 Adults, 1 infant, 1 preschooler</b>
<b>Denver County 2004</b>	\$18,732 annually \$8.87 per hour	\$33,833 annually \$16.02 per hour	\$44,991 annually \$21.30 per hour	\$51,344 annually \$12.16 per hour per adult
<b>Pueblo County 2004</b>	\$15,477 annually \$7.33 per hour	\$26,243 annually \$12.43 per hour	\$33,980 annually \$16.09 per hour	\$40,311 annually \$9.54 per hour per adult
<b>Grand Junction, Mesa County 2004</b>	\$15,162 annually \$7.18 per hour	\$24,749 annually \$11.72 per hour	\$33,535 annually \$15.88 per hour	\$39,649 annually \$9.39 per hour per adult
<b>Eagle County, 2004</b>	\$17,610 annually \$8.34 per hour	\$34,154 annually \$16.17 per hour	\$44,723 annually \$21.18 per hour	\$50,467 annually \$11.95 per hour per adult
<b>Colo. Springs, El Paso County 2004</b>	\$16,475 annually \$7.80 per hour	\$28,679 annually \$13.58 per hour	\$38,139 annually \$18.06 per hour	\$44,478 annually \$10.53 per hour per adult
<b>Federal Poverty Measure 2006</b>	\$9,800	\$13,200	\$16,600	\$20,000

The *Self-Sufficiency Standard for Colorado 2004* describes the income required by Colorado's working families to pay for the basic needs of housing, food, child care, health care, transportation, miscellaneous costs and taxes, on a county-by-county basis. The Standard is a "bare bones" budget, and does not include any restaurant or take-out food, savings of any kind, credit card or loan payments, or emergency funds. The Standard is calculated for every Colorado county and 70 different family types.

**Chart 1.<sup>iii</sup> 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 in Denver, Colorado.)



\*Note: Full-time minimum wage is 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.

\*\*Note: Federal Poverty Measure for a family of three; Self-Sufficiency Income for one adult, one infant and one preschool age child.

Comparing the Self-Sufficiency Standard to other common income benchmarks demonstrates that the amount of income needed in order to meet basic needs of a family of three in Denver is almost \$12,000 more than 200 percent of the Federal Poverty Measure and more than three times what a full-time minimum wage earner makes. In other words, the Federal Poverty Measure is not an adequate measure of how much income it takes to be self-sufficient in Colorado.

The Self-Sufficiency Standard has now been calculated in 36 states, including Colorado, and the District of Columbia. It redefines what it means to be economically self-sufficient and provides important guidance for policymakers, service providers and families. The Standard can be used to set realistic goals for education and training programs, to identify employment opportunities that will allow low-wage workers to begin to move towards self-sufficiency, and to help families achieve greater economic well-being.

A Self-Sufficiency Standard Calculator for Colorado is currently in development, and will be available late in 2006. This online tool will quickly and easily calculate the amount of income a family needs to meet their basic needs depending on where they live in Colorado. It will also flag potential work supports that the family may be eligible for, such as health care or child care assistance, and provide detailed information about how and where to apply or obtain more information.

For more information about the Self-Sufficiency Standard for Colorado or the Calculator, contact Suzette Tucker-Welch, Senior Fiscal Policy Analyst, Colorado Fiscal Policy Institute, at 303.573.5669, ext. 306, or [stuckerwelch@cclponline.org](mailto:stuckerwelch@cclponline.org). The report is available to download at [www.cclponline.org](http://www.cclponline.org).

<sup>i</sup> U.S. Department of Health and Human Services, <http://aspe.os.dhhs.gov/poverty>.

<sup>ii</sup> For further information on the Self-Sufficiency Standard, see [www.sixstrategies.org](http://www.sixstrategies.org); for more information about the *Self-Sufficiency Standard for Colorado*, see [www.cclponline.org](http://www.cclponline.org).

<sup>iii</sup> See *The Self-Sufficiency Standard for Colorado* report for a complete explanation of each benchmark calculation. Full-time minimum wage is \$5.15 per hour.