

## LIVABLE WAGES

What level of income is necessary to support a given size and type of household? A livable wage addresses the essential financial needs for basic living tools such as shelter, healthcare, childcare, and nutrition. When one earns less than a livable wage, he or she is forced to make undesirable choices such as working two or more jobs, working longer hours, making longer commutes, sharing a residence, or giving up basic items such as a telephone or insurance. A healthy community has a diverse and sustainable economy that pays livable wages and offers meaningful work.

The Region 9 Economic Development District of Southwest Colorado (Region 9 EDD) has estimated livable wages since 1999, using a consistent method in order to compare costs and wages each year. Using that same method, we have prepared a basic expenditures budget, using costs drawn from the Bureau of Labor Statistics Consumer Expenditures Survey (CES) - for the nation as a whole - for 2011 (the latest available) and adjusted those costs for inflation so they reflect 2013 dollars.

The CES can be thought of as a market basket of consumer goods and services purchased by households. Then a Consumer Price Index (CPI) measures the rate at which the prices of those goods and services are changing over time, indicating inflation (cost are rising) or deflation (costs are falling). The CPI is a key statistic for purposes of economic and social policy-making, and has substantial and wide-ranging implications for governments, businesses and workers. The Colorado Constitution requires the Colorado minimum wage to be adjusted annually for inflation, as measured by the Consumer Price Index used for Colorado, so the minimum wage increased from \$7.24 in 2010 to \$7.78 in 2013 (7%). Nationally, inflation was also about 7% from 2010 to 2013 (to date).

The cost of living continues to rise in many communities in Southwest Colorado. In our region Dolores County is the least expensive place for a family to live, while La Plata County is the most expensive place to live.

Livable Hourly Wages by Area Southwest Colorado	2010	2013	% Change 2010 - 2013
	*Family of 4 renting 3 bdrm	*Family of 4 renting 3 bdrm	
Archuleta - Pagosa Springs	\$ 27.66	\$ 32.38	17%
Dolores - Dove Creek	\$ 33.10	\$ 30.07	-9%
Dolores - Rico	\$ 35.51	\$ 30.07	-15%
La Plata - Bayfield	\$ 31.37	\$ 34.96	11%
La Plata - Durango	\$ 35.12	\$ 36.12	3%
La Plata - Ignacio	\$ 33.53	\$ 35.32	5%
Montezuma - Cortez	\$ 29.48	\$ 31.23	6%
Montezuma - Dolores	\$ 30.63	\$ 30.94	1%
Montezuma - Mancos	\$ 30.34	\$ 31.36	3%
San Juan - All	\$ 27.64	\$ 32.45	17%

\* assumes 2 children requiring full time day care

We see from this chart that the cost of living in our region increased up to 17% in some communities (Archuleta and San Juan Counties), but declined up to -15% in Dolores County during that time period. These declines generally reflect decreasing rents and childcare costs.

We have selected the most basic goods and services from the CES “basket” to track over time. We then added expenditures for rent and childcare that are specific to our towns and counties. A mileage allowance was added for the communities of Silverton, Rico, and Dove Creek to recognize the extra distance that people in those towns must travel for many basic goods and services. We did not include the two Tribes in our region as many of their costs are subsidized.

Basic Expenditures Budget for 2011	Single Person renting	Single Parent 1 child renting	Family of 4 renting
Food	\$ 3,638	\$ 6,431	\$ 8,983
Vehicle expenses	\$ 2,817	\$ 5,386	\$ 6,736
Health Care	\$ 2,112	\$ 4,197	\$ 3,455
Clothing	\$ 1,021	\$ 1,634	\$ 2,404
Personal care products	\$ 388	\$ 698	\$ 806
Entertainment	\$ 1,522	\$ 2,915	\$ 3,416
Utilities, Fuels & Public services	\$ 2,380	\$ 3,843	\$ 4,767
Pensions & Social Security	\$ 2,409	\$ 5,461	\$ 7,632
Miscellaneous	\$ 577	\$ 887	\$ 753
Total Expenses (excluding rent and childcare)	\$ 16,864	\$ 31,452	\$ 38,952
Adjusted expenses <sup>1</sup>	\$ 17,370	\$ 32,396	\$ 40,121

Source: Bureau of Labor Statistics; Consumer Expenditure Survey 2011 Table 5 ([www.stats.bls.gov/cex](http://www.stats.bls.gov/cex))

<sup>1</sup> 2011 CES prices adjusted to 2013 using BLS Calculator at <http://data.bls.gov/cgi-bin/cpicalc.pl> (1.03)

Now we have an idea of the basic expenditures for a variety of households, and can add the costs for childcare and rents specific to each community. This allows us to estimate a livable wage. The livable wage per hour for each community is summarized in the following pages, as well as how many jobs an individual would need (at minimum wage) to sustain just the basic needs of a household. The notes below pertain to each of the tables on the following pages.

<sup>1</sup> Source: Early Childhood Council of La Plata County (ECCLPC). Childcare expenses are averaged for all age groups per child.

\*\* assumes 2 children requiring full-time day care.

<sup>2</sup> Total Living Expenses/2080 hour work year

\* In some communities local rent estimates are not available so estimates of Fair Market Rent are provided by the National Low Income Housing Coalition at [nlihc.org](http://nlihc.org).

Archuleta County Pagosa Springs	Single Person renting 1 bdrm \$576* per month	Single Parent, 1 child renting 2 bdrm \$748* per month	Family of 4** renting 3 bdrm \$1,100 per month
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 6,912	\$ 8,976	\$ 13,200
Child Care <sup>1</sup> \$4.37/hour		\$ 7,020	\$ 14,040
Total Living Expense	\$ 24,282	\$ 48,392	\$ 67,361
Livable wage per hour <sup>2</sup>	\$ 11.67	\$ 23.27	\$ 32.38
# of jobs at minimum wage (\$7.78)	1.5	3.0	4.2

For an explanation of notes refer to page 2.

<b>Dolores County Dove Creek</b>	<b>Single Person renting 1 bdrm \$528* per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$626* per month</b>	<b>Family of 4** renting 3 bdrm \$922* per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 6,336	\$ 7,512	\$ 11,064
Child Care <sup>1</sup> \$2.37/hour		\$ 4,940	\$ 9,880
Travel Expense (35 trips x 75 miles x .565)	\$ 1,483	\$ 1,483	\$ 1,483
Total Living Expense	\$ 25,189	\$ 46,331	\$ 62,548
Livable wage per hour <sup>2</sup>	\$ 12.11	\$ 22.27	\$ 30.07
# of jobs at minimum wage (\$7.78)	1.6	2.9	3.9

<b>Dolores County Rico</b>	<b>Single Person renting 1 bdrm \$528* per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$626* per month</b>	<b>Family of 4 renting 3 bdrm \$922* per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 6,336	\$ 7,512	\$ 11,064
Child Care <sup>1</sup> \$2.37/hour		\$ 4,940	\$ 9,880
Travel Expense (35 trips x 75 miles x .565)	\$ 1,483	\$ 1,483	\$ 1,483
Total Living Expense	\$ 25,189	\$ 46,331	\$ 62,548
Livable wage per hour <sup>2</sup>	\$ 12.11	\$ 22.27	\$ 30.07
# of jobs at minimum wage (\$7.78)	1.6	2.9	3.9

<b>La Plata County Bayfield</b>	<b>Single Person renting 1 bdrm \$625 per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$750* per month</b>	<b>Family of 4 renting 3 bdrm \$1,200 per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 7,500	\$ 9,000	\$ 14,400
Child Care <sup>1</sup> \$4.37/hour		\$ 9,100	\$ 18,200
Total Living Expense	\$ 24,870	\$ 50,496	\$ 72,721
Livable wage per hour <sup>2</sup>	\$ 11.96	\$ 24.28	\$ 34.96
# of jobs at minimum wage (\$7.78)	1.5	3.1	4.5

<b>La Plata County Durango</b>	<b>Single Person renting 1 bdrm \$650 per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$1,100 per month</b>	<b>Family of 4** renting 3 bdrm \$1,400 per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 7,800	\$ 13,200	\$ 16,800
Child Care <sup>1</sup> \$4.37/hour		\$ 9,100	\$ 18,200
Total Living Expense	\$ 25,170	\$ 54,696	\$ 75,121
Livable wage per hour <sup>2</sup>	\$ 12.10	\$ 26.30	\$ 36.12
# of jobs at minimum wage (\$7.78)	1.6	3.4	4.6

For an explanation of notes refer to page 2.

<b>La Plata County Ignacio</b>	<b>Single Person renting 1 bdrm \$750* per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$931* per month</b>	<b>Family of 4** renting 3 bdrm \$1,262* per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 9,000	\$ 11,172	\$ 15,144
Child Care <sup>1</sup> \$4.37/hour		\$ 9,100	\$ 18,200
Total Living Expense	\$ 26,370	\$ 52,668	\$ 73,465
Livable wage per hour <sup>2</sup>	\$ 12.68	\$ 25.32	\$ 35.32
# of jobs at minimum wage (\$7.78)	1.6	3.3	4.5

<b>Montezuma County Cortez</b>	<b>Single Person renting 1 bdrm \$400 per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$700 per month</b>	<b>Family of 4** renting 3 bdrm \$900 per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 4,800	\$ 8,400	\$ 10,800
Child Care <sup>1</sup> \$3.37/hour		\$ 7,020	\$ 14,040
Total Living Expense	\$ 22,170	\$ 47,816	\$ 64,961
Livable wage per hour <sup>2</sup>	\$ 10.66	\$ 22.99	\$ 31.23
# of jobs at minimum wage (\$7.78)	1.4	3.0	4.0

<b>Montezuma County Dolores</b>	<b>Single Person renting 1 bdrm \$550 per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$626* per month</b>	<b>Family of 4** renting 3 bdrm \$850 per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 6,600	\$ 7,512	\$ 10,200
Child Care <sup>1</sup> \$3.37/hour		\$ 7,020	\$ 14,040
Total Living Expense	\$ 23,970	\$ 46,928	\$ 64,361
Livable wage per hour <sup>2</sup>	\$ 11.52	\$ 22.56	\$ 30.94
# of jobs at minimum wage (\$7.78)	1.5	2.9	4.0

<b>Montezuma County Mancos</b>	<b>Single Person renting 1 bdrm \$528* per month</b>	<b>Single Parent, 1 child renting 2 bdrm \$626* per month</b>	<b>Family of 4** renting 3 bdrm \$922* per month</b>
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 6,336	\$ 7,512	\$ 11,064
Child Care <sup>1</sup> \$3.37/hour		\$ 7,020	\$ 14,040
Total Living Expense	\$ 23,706	\$ 46,928	\$ 65,225
Livable wage per hour <sup>2</sup>	\$ 11.40	\$ 22.56	\$ 31.36
# of jobs at minimum wage (\$7.78)	1.5	2.9	4.0

For an explanation of notes refer to page 2.

San Juan County Silverton	Single Person renting 1 bdrm \$604* per month	Single Parent, 1 child renting 2 bdrm \$817* per month	Family of 4** renting 3 bdrm \$1,204* per month
Basic Expenditures (excluding rent and childcare)	\$ 17,370	\$ 32,396	\$ 40,121
2013 Rent Expense	\$ 7,248	\$ 9,804	\$ 14,448
Child Care <sup>1</sup> \$2.75/hour	\$	\$ 5,720	\$ 11,440
Travel Expense (35 trips x 75 miles x .565)	\$ 1,483	\$ 1,483	\$ 1,483
Total Living Expense	\$ 26,101	\$ 49,403	\$ 67,492
Livable wage per hour <sup>2</sup>	\$ 12.55	\$ 23.75	\$ 32.45
# of jobs at minimum wage (\$7.78)	1.6	3.1	4.2

To further refine our understanding of the local economy Fort Lewis College and Region 9 EDD have combined resources to construct and maintain a consumer price index for Southwest Colorado – the Durango Price Index (**DPI**). The DPI, as well as other key economic data, is available through the **Four Corners Economic Quarterly** at <http://www.fortlewis.edu/ober/DurangoPriceIndex.aspx>.