

WHAT HAPPENED TO COLORADO'S MIDDLE CLASS?

For many families, the income traditionally associated with a middle class lifestyle is no longer sufficient. A recent study by Joseph Zimmerman at University of Colorado at Denver done for the Bell Policy Center shows this isn't just a feeling — for many Colorado families, this squeeze is backed up by data. In fact, middle-income families are falling behind or just breaking even.

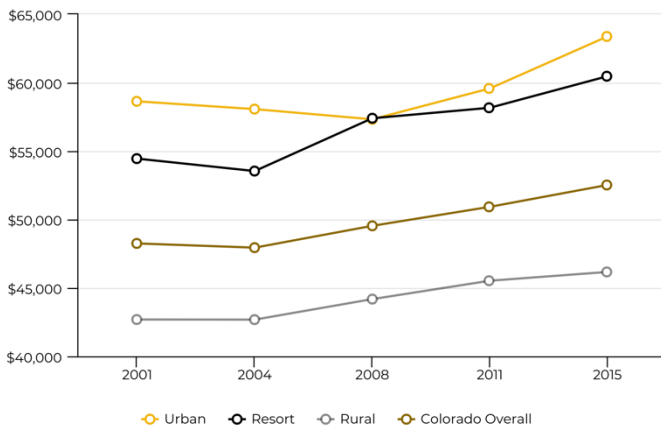
Looking at urban, rural, and resort counties in Colorado, Zimmerman put a hypothesis to the test: A median income in Colorado simply doesn't go as far as it used to. Going back to 2001, Zimmerman examined the median income for different counties, comparing that to the most common costs for families across Colorado: housing, food, transportation, health care, child care, and taxes. (All figures are adjusted for inflation.)

Items	Family 1	Family 2	Family 3	Family 4	Family 5	Family 6
Housing	\$47,685	\$21,137	\$19,587	\$13,843	\$8,240	\$7,716
Child Care	\$32,907	\$23,030	\$17,482	\$10,526	\$3,075	\$0
Food	\$11,796	\$11,493	\$12,675	\$13,158	\$13,684	\$14,400
Transportation	\$11,367	\$12,471	\$11,803	\$11,754	\$12,172	\$11,734
Health Care	\$6,927	\$5,548	\$6,203	\$5,968	\$6,504	\$6,708
College Savings	\$3,407	\$3,407	\$3,407	\$3,407	\$3,407	\$3,407
Vacation	\$2,930	\$2,930	\$2,930	\$2,930	\$2,930	\$2,930
Retirement	\$4,983	\$4,629	\$4,221	\$3,344	\$2,807	\$1,816
Miscellaneous	\$16,602	\$11,052	\$10,163	\$8,287	\$6,551	\$6,084
Taxes	\$34,154	\$34,068	\$24,252	\$18,877	\$13,499	\$5,203
Total	\$171,559	\$128,563	\$112,722	\$90,895	\$72,268	\$59,997

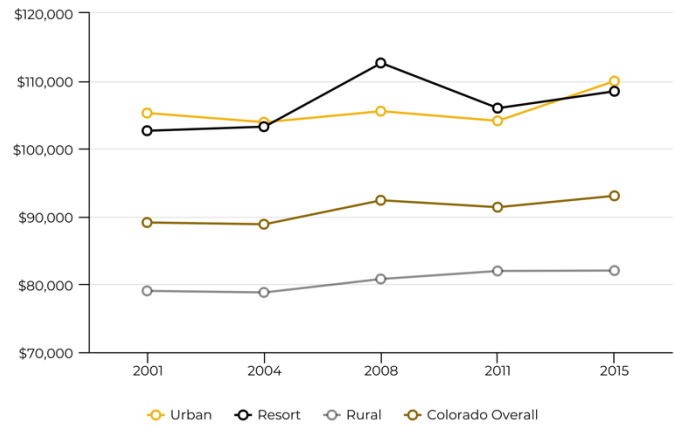
Families vary by age and location. Families with younger children (infants and preschoolers) are on the left, and those with older children (teenagers) on the right. From left to right, families are in Pitkin, Jefferson, Larimer, Mesa, Lincoln, and Costilla counties. Counties were chosen to show differences in urban, resort, and rural counties.

He also considers two different standards of living in the different types of counties: a basic one covering the essentials for a family, and an "enhanced" one including vacation, savings, and owning a car and home. Zimmerman's findings show both these standards have increased significantly since 2001. This isn't surprising to many in Colorado who have seen home and rent prices skyrocket, child care costs increase, and transportation become more difficult.

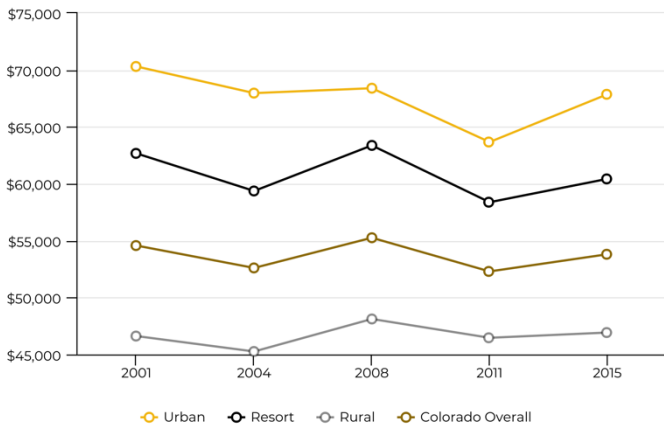
BASIC EXPENDITURES OVER TIME



ENHANCED EXPENDITURES OVER TIME



MEDIAN INCOME OVER TIME



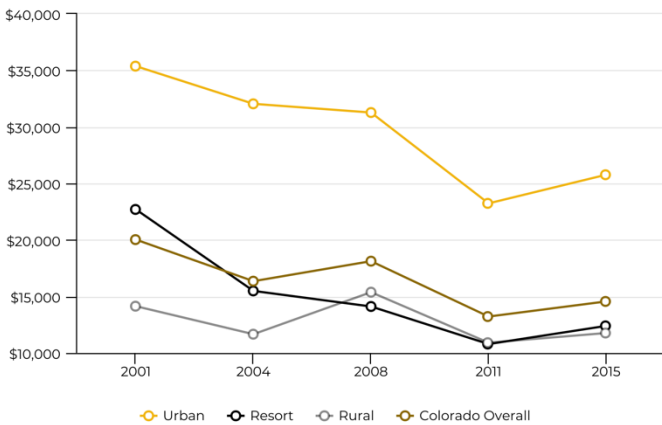
The data showing extremely flat income levels, in some cases falling incrementally, over the same period bring into focus how middle-income families struggle, even with good jobs. The basic findings make clear a middle income for families isn't enough to enjoy comfortable living.

Many people like to talk about the American ideal of a good job and a middle-class lifestyle, but that just doesn't translate to most Coloradans' situation anymore. As Zimmerman points out in his research:

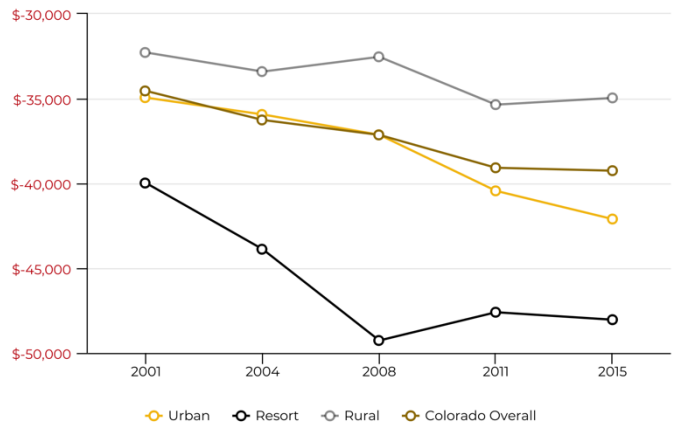
"Traditional success is unobtainable for families earning the median income, regardless of county, age of children, or year studied."

For families with higher incomes and an "enhanced" standard of living, data shows what was once doable no longer is, and it certainly isn't for Colorado families living on a basic net income.

ENHANCED NET INCOME, ENHANCED EXPENDITURES



BASIC NET INCOME, ENHANCED EXPENDITURES



The reams of data Zimmerman found for this study is alarming. Expenditures of all sorts continue to rise. The only place where costs are flat, interestingly enough, are taxes. Taxes in Colorado from 2001-2015 didn't increase a measurable amount, meaning that money isn't going toward public investment in services that could alleviate rising costs and help Coloradans maintain a basic lifestyle.

As this happens, incomes remain nearly unchanged. Net incomes have been going down consistently this century, leaving middle-class families in a bind. The American dream of a middle class lifestyle isn't dead, but it's certainly suffering. Joseph Zimmerman's research easily pinpoints the cause: flat wages and rising costs.

It's incumbent on our leaders and policymakers to understand these causes and work together to address them, or a middle class lifestyle will go the way of the typewriter and the rotary phone — seen only in museums and movies.

This capstone study is a precursor to a larger body of work commissioned by the Bell Policy Center to examine the state of Colorado's middle class. To receive the latest updates, be sure to follow the Bell on [social media](#) and [join our email list](#).