Cost of Living Differentials in Colorado: 2002

Colorado State University Cooperative Extension

By

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What Is a Cost of Living Index?

A *Cost of Living Index* (COLI) measures relative price levels for a "basket" of consumer goods and services in different areas at a given point in time. A reference point is calculated by taking the average cost for the "basket" of goods for all participating places. Then the participating areas are compared against this reference point and are read as a percentage of the average for all participating places. For example, if the average of all costs for all participants were $43,000 it would be given an index value of 1.0. Individual cities or areas are then compared and their measured costs indexed as a percent of the benchmark.

Cost of Living studies are a single point in time study and **not** used to measure price changes over time. *Cost of Living* studies are very sensitive to the number of participants because the average for all participating places (the reference point) will change depending on the number of participants. Assume, for example, that 100 places reported in 2000, and that 99 of those places reported again in 2001. Assume further that no prices change anywhere, and that the missing place had the highest costs in 2000. The index numbers for all places will be higher in 2001, than in 2000 because the average cost will be lower. Both the index values and the rank order would change even though prices had not.

The *Consumer Price Index* **does** measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. It **does not** show whether prices or living costs are higher or lower in that area relative to another. In general, the composition of the market basket during the base period varies substantially across areas.

Different Cost of Living Studies **should not** be compared since the results are extremely sensitive to the number of participants, the "basket" of goods and services and the number of observations of each of those.

Further Cost of Living Studies

Many organizations produce Cost of Living Indices or studies. Some studies compare values throughout the US and others focus on smaller geographies. ACCRA, a nonprofit organization, produces quarterly, one of the most popular national Cost of Living Indices. Colorado Springs, Denver, Fort Collins, Glenwood Springs, Grand Junction, Gunnison, Loveland and Pueblo are the only Colorado cities represented in their index of over 350 cities nationwide. A fee is required to obtain data from them, however many libraries maintain a current subscription to their service. For more information on ACCRA's index see their web site at: www.coli.org .

Within the state of Colorado there are three organizations that have done cost of living studies recently. In 1998 a Cost of Living Study was completed by CSU-Cooperative Extension. This current document updates the one produced in 1998. *The results from the two documents should not be compared because they use different methodologies and it does not measure changes over time.*

The Legislative Council of the Colorado General Assembly is required by state law to conduct a study of the cost of living in each school district every two years to update the cost-of-living factors used in the state's school funding formula. The first study was conducted in

1993 with the most recent study conducted in 2001. The most recent report can be found at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/schfin/cover.htm

The Northwest Council of Governments produces a COLI for their region that includes the counties of Eagle, Garfield, Grand, Pitkin and Summit and the towns of Basalt, Frisco and Silverthorne. Their 2001 edition is available on line at: www.nwc.cog.co.us/Programs/Reports%20&%20Studies/2001_cost_of_living_study.htm

Methods Used in this Study

This report uses data collected in the fall of 2001 through the Colorado Legislative Council's study to update the cost-of-living factors used in the state's school funding formula. Although its basic purpose differs from ours, the LC data excels in level of detail, comprehensive coverage of all 178 school districts, a tested and refined methodology, and its very recent date of collection (Fall, 2001). We have expanded upon their results by creating a county-level cost of living index, analyzing the impact of the varying components and exploring the correlation between income and costs.

Identifying the Market Basket of Goods

The market basket was defined to include goods and services affordable to a three-person "benchmark" household with an annual income of $38,000 (average annual public school teacher salary"). Using the Consumer Expenditure Survey (CES) published by the Bureau of Labor Statistics (BLS), a market basket of goods representing significant components of the "benchmark" household's spending habits was established. The relative weights for each product are based on the CES expenditures. Table 1 lists the products by category with their relative weights.

The BLS undertakes detailed analyses of consumer expenditure patterns by category, income, and family size. The CES includes over 75 products grouped into 14 spending categories. Regional CES data are available representing regional differences in spending patterns. Due to the influence of California on the Western CES, and the more lagged availability of the West region data, the national expenditure profile was chosen as the best proxy for the buying habits of Colorado residents.

Data Collection

Dun and Bradstreet and QwestDex yellow pages were used to identify and locate the business establishments across the state for sampling purposes. In-person sampling was used for all items in the categories of Food At Home, Food Away From Home, Alcoholic Beverages, Apparel and Services, Tobacco and Entertainment except for movies. In addition the items of Housekeeping Supplies (laundry soap) and Household Furnishing and Equipment (mattress) were obtained in-person. Telephone surveys were used for *men's* and *women's haircuts*, *movies*, *oil changes*, *front-end alignment*, *gasoline prices*, *vehicle loan interest rates* and *bank fees*.

Table 1. Consumer Expenditure Survey Categories and weights as a percentage of income ($38,000 annual household income)

Category/Subcategory	2001 Weight	Index Groupings
Food at Home	**8.88%**	Goods and Services
Cereals and bakery products	**1.4**	
Meats, poultry, fish and eggs	**2.31**	
Beef	1.38	
Poultry	0.93	
Dairy products	**0.96**	
Fruits and vegetables	**1.48**	
Fresh fruit	0.45	
Fresh vegetables	0.42	
Processed fruit	0.34	
Processed vegetables	0.26	
Other food at home	**2.73**	
Food Away from Home	**6.33**	Goods and Services
Alcoholic Beverages	**0.68**	Goods and Services
Housing	**31.2**	Housing
Shelter	**17.4**	
Mortgage interest and charges	13.29	
Property taxes	2.34	
Maintenance, repairs, insurance, other	1.77	
Utilities	**7.03**	
Natural gas	0.79	
Electricity	2.79	
Telephone	2.57	
Water and sewer	0.88	
Household operations	**1.61**	
Housekeeping supplies	**1.31**	
Household furnishings and equipment	**3.85**	
Apparel and Services	**5.25**	Goods and Services
Men and boys	1.41	
Women and girls	2.4	
Footwear	1.44	
Transportation	**20.78**	Transportation
Vehicle purchases (net outlay)	9.13	
Gasoline and motor oil	3.51	
Other expenses	8.15	
Vehicle finance charges	1.87	
Maintenance and repairs	2.76	
Vehicle insurance	3.52	
Healthcare	**5.39**	Goods and Services
Entertainment	**4.88**	Goods and Services
Fees and admissions	0.9	
Television, radios, sound equipment	1.77	
Pets, toys, and playground equipment	0.9	
Other supplies, equipment and services	1.31	
Personal Care Products and Services	**1.29**	Goods and Services
Reading	**0.37**	Goods and Services
Education	**1.06**	Goods and Services
Tobacco Products and Smoking Supplies	**1.05**	Goods and Services
Miscellaneous	**3.06**	Other
Personal Insurance and Pensions	**9.8**	Other

Telephone interviews and/or personal interviews with third parties were used to obtain price information on *vehicle*, *health*, and *homeowner's insurance premiums* plus *daycare* and *home maintenance* and *repair costs*. Data from the Public Utilities Commission (PUC) were gathered for items in the Utilities subcategory including *electric*, *natural gas*, and *telephone* rates, while local municipalities provided *water* and *sewer charges*.

The major expenditure categories for Reading, Education, Miscellaneous and Personal Insurance and Pensions are not sampled and are considered constant across all "benchmark" households. Given the nature of these categories, it is reasonable to expect no significant geographic variation across the state for the "benchmark" household. This methodology is consistent with previous Legislative Council cost studies.

Shopping Patterns

Households do not usually confine their buying habits to that of the school district in which they live. They may buy more costly items from more populated regions. Those who live near a metropolitan area may buy items both in their school district and in the larger metropolitan area. Those living in rural school districts far from metropolitan areas still may do some of their shopping in the more urban area. The Legislative Council price study used a shopping pattern survey from 1997 to identify what portion of the household spending took place within or outside the school district. The district average prices by category were then weighted by where householders shopped.

Calculating the Index

First, the average price for each good was calculated for each school district based either on the weights identified by the shopping pattern survey or by the geography of the district. A statewide average for each product was then calculated by taking the average price of each school district weighted by the teacher population for each district.

The ratio of the district price relative to the state average was then multiplied by the average annual expenditure for the item using the CES. This procedure was repeated for each item and then summed for the school district. The county average was then calculated based on a population-weighted average of its school districts. Where school districts overlap county boundaries, the entire school district population and costs were allocated to the county where majority of the school district was located. The index is then calculated by taking the ratio of the county average price to the state average price. The state average price is calculated by taking the CES weights multiplied by the household income of $38,000.

For purposes of presentation the categories of *Food at Home, Food Away from Home, Alcoholic Beverages, Apparel and Services, Healthcare, Entertainment, Personal Care Products and Services, Reading, Education, Tobacco Products and Smoking Supplies* are combined under *Goods and Services. Miscellaneous and Personal Insurance and Pensions* are grouped under *Other*. *Income Taxes* are collected separately by the Legislative Council and are a component of the school funding formula however they are not a component of the Consumer Expenditure Survey and are not used in this Cost of Living Index.

Results

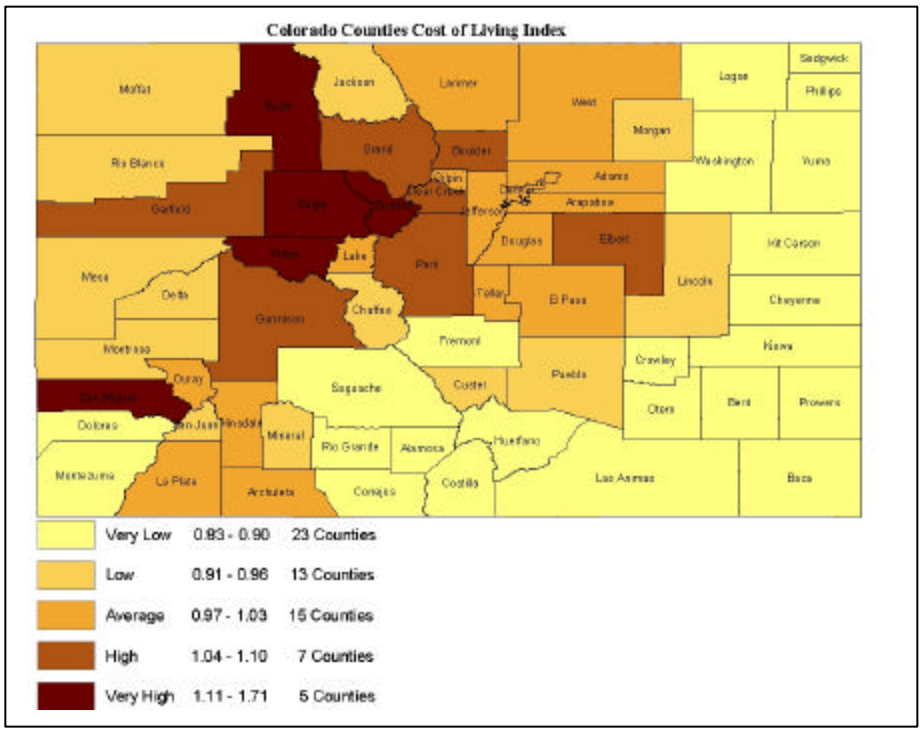
The Cost of Living Indices (COLI) measure relative price levels for consumer goods and services for each county compared to the state average. An index was created for the entire basket of goods referred to as the "Composite Index". Table 2 lists the Composite Index for 63 Colorado Counties (Broomfield was not a county when these data were collected). For the Composite Index, values ranged from a high of 1.71 in Pitkin County to a low of .83 in Baca County. These values indicate that the costs of living in Pitkin were 71% higher than the state average and Baca's costs were 17% lower than the state average. To simplify presentation and analysis, data in Table 2 are cluster into five classes: Very Low, Low, Average, High and Very High. A map with the geographic distribution of relative costs of living using these categories is shown in Figure 1.

Table 2. County Level Composite Cost of Living Index for Colorado

COUNTY	COLI	COUNTY	COLI	COUNTY	COLI
Very High		El Paso	1.002	**Very Low**	
Pitkin	1.706	Teller	1.000	Phillips	0.896
Eagle	1.204	La Plata	0.990	Montezuma	0.896
San Miguel	1.201	Larimer	0.979	Fremont	0.894
Summit	1.163	Lake	0.976	Logan	0.893
Routt	1.111	Weld	0.973	Kit Carson	0.893
High		Archuleta	0.970	Washington	0.889
Park	1.066	**Low**		Rio Grande	0.885
Boulder	1.064	Chaffee	0.957	Costilla	0.879
Grand	1.062	Delta	0.952	Huerfano	0.877
Garfield	1.060	San Juan	0.948	Conejos	0.871
Clear Creek	1.058	Mineral	0.947	Cheyenne	0.869
Gunnison	1.046	Morgan	0.939	Prowers	0.869
Elbert	1.045	Montrose	0.933	Sedgwick	0.865
Average		Moffat	0.932	Saguache	0.864
Douglas	1.031	Lincoln	0.931	Yuma	0.863
Denver	1.024	Custer	0.918	Las Animas	0.862
Jefferson	1.019	Mesa	0.915	Otero	0.861
Ouray	1.015	Jackson	0.914	Alamosa	0.860
Adams	1.014	Rio Blanco	0.914	Kiowa	0.850
Gilpin	1.010	Pueblo	0.906	Bent	0.849
Arapahoe	1.007			Dolores	0.849
Hinsdale	1.005			Crowley	0.846
				Baca	0.834

The range between the highest and lowest COLI is a significant 88%. However, over half of the counties (38) fell within 10% above or below the state average and only 5 counties were outside a range of 15% above or below the state average. The COLI for over half of the counties (41) fell below the state average. This implies that higher and lower costs are not distributed equally among the counties. There are fewer high cost counties with large populations that raise the Colorado average

Figure 1



The five highest cost of living counties are mountain resort counties. The remaining high costs counties are primarily a mix of mountain resort and mountain scenic counties. The two exceptions are Boulder and Elbert counties, which have experienced a great deal of growth pressure from the Denver Metro area and the entire Front Range. "Average" cost counties lie along the Front Range from the Wyoming border to Colorado Springs. This region is something of the economic and demographic anchor for Colorado and accordingly sets the tone for these kinds of comparisons. A second cluster of average counties lies in the southwest corner of the state, clustered around the economy and population of Durango. Counties with "Very Low" COLI figures lie primarily in the San Luis Valley, the southeast corner of the state, and along the eastern plains. Largely agricultural with small towns and a languishing economy, these counties have not participated fully in Colorado's economic growth (but subsequently have not suffered as greatly from the downturn). Significant poverty exists within parts of this region. Finally, 13 counties classified as "Low" cluster into the Western Slope counties of Delta, Montrose, and Mesa, the northwest corner of the state and a few counties contiguous to the high growth Front Range counties.

Attached as Appendix A is the list of composite cost of living indices for all of the school districts grouped by county. Additionally, the range between the highest and lowest COLI by county is given for those counties with more than one school district. As expected, counties that have a great disparity between towns that can be represented by school districts have larger ranges. For example, the largest COLI differential is in San Miguel between the areas of Norwood, a traditional rural town and Telluride, a classic mountain resort area.

Table 3. Components of the COLI					
County	Housing 31.20%	Transportation 20.78%	Goods and Services 35.16%	Other 12.86%	Composite COLI 100%
Adams	1.033	1.014	1.002	1.000	1.014
Alamosa	0.647	0.959	0.940	1.000	0.860
Arapahoe	1.008	1.006	1.010	1.000	1.007
Archuleta	0.871	0.973	1.047	1.000	0.970
Baca	0.585	0.989	0.904	1.000	0.834
Bent	0.608	0.983	0.930	1.000	0.849
Boulder	1.141	1.001	1.057	1.000	1.064
Chaffee	0.896	0.994	0.972	1.000	0.957
Cheyenne	0.572	1.004	1.005	1.000	0.869
Clear Creek	1.090	1.027	1.067	1.000	1.058
Conejos	0.646	0.994	0.951	1.000	0.871
Costilla	0.654	1.007	0.958	1.000	0.879
Crowley	0.605	0.997	0.914	1.000	0.846
Custer	0.779	1.039	0.940	1.000	0.918
Delta	0.845	0.978	1.014	1.000	0.952
Denver	1.041	1.028	1.016	1.000	1.024
Dolores	0.545	0.999	0.975	1.000	0.849
Douglas	1.107	1.003	0.991	1.000	1.031
Eagle	1.454	1.055	1.145	1.000	1.204
El Paso	1.048	0.997	0.965	1.000	1.002
Elbert	1.138	1.005	1.002	1.000	1.045
Fremont	0.756	0.949	0.945	1.000	0.894
Garfield	1.101	1.013	1.074	1.000	1.060
Gilpin	0.979	0.988	1.054	1.000	1.010
Grand	1.148	1.042	1.021	1.000	1.062
Gunnison	1.059	0.993	1.082	1.000	1.046
Hinsdale	1.009	1.005	1.004	1.000	1.005
Huerfano	0.640	1.028	0.953	1.000	0.877
Jackson	0.686	1.001	1.034	1.000	0.914
Jefferson	1.038	1.007	1.018	1.000	1.019
Kiowa	0.597	1.003	0.928	1.000	0.850
Kit Carson	0.675	0.992	0.989	1.000	0.893
La Plata	0.944	0.972	1.039	1.000	0.990
Lake	0.879	1.006	1.035	1.000	0.976
Larimer	0.963	0.972	0.991	1.000	0.979
Las Animas	0.650	0.999	0.918	1.000	0.862
Lincoln	0.764	1.001	1.011	1.000	0.931
Logan	0.711	0.981	0.965	1.000	0.893
Mesa	0.800	0.964	0.956	1.000	0.915
Mineral	0.850	0.996	0.986	1.000	0.947
Moffat	0.724	1.027	1.035	1.000	0.932
Montezuma	0.701	0.963	0.991	1.000	0.896
Montrose	0.818	1.003	0.968	1.000	0.933
Morgan	0.806	0.976	1.013	1.000	0.939
Otero	0.664	0.963	0.924	1.000	0.861
Ouray	1.024	1.018	1.011	1.000	1.015
Park	1.140	1.031	1.044	1.000	1.066
Phillips	0.683	0.964	1.006	1.000	0.896
Pitkin	2.961	1.076	1.224	1.000	1.706
Prowers	0.655	1.003	0.931	1.000	0.869
Pueblo	0.790	0.986	0.928	1.000	0.906
Rio Blanco	0.719	0.999	1.005	1.000	0.914
Rio Grande	0.709	0.972	0.947	1.000	0.885
Routt	1.250	1.039	1.071	1.000	1.111
Saguache	0.631	0.954	0.967	1.000	0.864
San Juan	0.830	1.002	1.002	1.000	0.948
San Miguel	1.500	1.012	1.120	1.000	1.201
Sedgwick	0.617	0.944	0.988	1.000	0.865
Summit	1.407	1.039	1.080	1.000	1.163
Teller	1.018	1.006	0.981	1.000	1.000
Washington	0.683	0.977	0.980	1.000	0.889
Weld	0.946	0.971	0.987	1.000	0.973
Yuma	0.627	0.999	0.943	1.000	0.863
Min	0.545	0.944	0.904	1.000	0.834
Max	2.961	1.076	1.224	1.000	1.706
Range	2.415	0.132	0.321	0.000	0.872

Components of the Indices

To better identify causes of overall composite differentials, separate indices were created for the categories of "Housing", "Transportation", and "Goods and Services" which are components of the "Composite Index". Table 3 contains the composite COLI and its components. The weights for each component are listed in the heading. Also provided are the minimums, maximums and ranges for each of the components.

The Housing Index has the greatest range with over 240% difference between and highest and lowest Housing Index. The 5 highest cost counties have housing costs over 25% greater than the state average and the highest housing index is over 196% of the state average. Representing 31% of consumer's expenditures, it is easy to see that housing costs drive the overall costs for a county.

Transportation is least variable with a range of only 13%. The higher cost counties still tend to be mountain resort areas. There is a 32% range for Goods and Services primarily maintaining the same pattern of higher costs in the mountain resort areas and lower costs along the Eastern Plains and San Luis Valley. There is no range for the category of "Other" since these costs were assumed constant for all school districts.

Table 2. Influence of COLI on Real Purchasing Power by County

County	Median HH Income	Rank	COLI	Adjustment	COLI-adjusted median HH Inc.	New Rank
Douglas	$82,929	1	1.03	($2,483)	80,446	1
Eagle	$62,682	2	1.20	($10,618)	52,064	6
Elbert	$62,480	3	1.04	($2,687)	59,793	2
Pitkin	$59,375	4	1.71	($24,579)	34,796	48
Jefferson	$57,339	5	1.02	($1,095)	56,244	3
Summit	$56,587	6	1.16	($7,945)	48,642	11
Boulder	$55,861	7	1.06	($3,372)	52,489	5
Routt	$53,612	8	1.11	($5,372)	48,240	12
Arapahoe	$53,570	9	1.01	($386)	53,184	4
Gilpin	$51,942	10	1.01	($518)	51,424	7
Park	$51,899	11	1.07	($3,208)	48,691	10
Clear Creek	$50,997	12	1.06	($2,776)	48,221	13
Teller	$50,165	13	1.00	($2)	50,163	8
Larimer	$48,655	14	0.98	$1,019	49,674	9
San Miguel	$48,514	15	1.20	($8,103)	40,411	24
Grand	$47,759	16	1.06	($2,799)	44,960	16
Adams	$47,323	17	1.01	($639)	46,684	15
Colorado	***$47,203***	***18***	***1.00***	***$0***	***47,203***	
Garfield	$47,016	19	1.06	($2,666)	44,350	18
El Paso	$46,844	20	1.00	($82)	46,762	14
Weld	$42,321	21	0.97	$1,188	43,509	19
Ouray	$42,019	22	1.02	($629)	41,390	21
Moffat	$41,528	23	0.93	$3,021	44,549	17
La Plata	$40,159	24	0.99	$400	40,559	23
Denver	$39,500	25	1.02	($930)	38,570	28
Archuleta	$37,901	26	0.97	$1,158	39,059	26
Rio Blanco	$37,711	27	0.91	$3,551	41,262	22
Lake	$37,691	28	0.98	$931	38,622	27
Hinsdale	$37,279	29	1.01	($196)	37,083	35
Cheyenne	$37,054	30	0.87	$5,589	42,643	20
Gunnison	$36,916	31	1.05	($1,615)	35,301	46
Mesa	$35,864	32	0.91	$3,342	39,206	25
Montrose	$35,234	33	0.93	$2,541	37,775	33
Mineral	$34,844	34	0.95	$1,932	36,776	37
Custer	$34,731	35	0.92	$3,099	37,830	32
Morgan	$34,568	36	0.94	$2,240	36,808	36
Chaffee	$34,368	37	0.96	$1,559	35,927	42
Fremont	$34,150	38	0.89	$4,045	38,195	30
Yuma	$33,169	39	0.86	$5,250	38,419	29
Kit Carson	$33,152	40	0.89	$3,979	37,131	34
Delta	$32,785	41	0.95	$1,644	34,429	51
Pueblo	$32,775	42	0.91	$3,389	36,164	40
Logan	$32,724	43	0.89	$3,904	36,628	38
Washington	$32,431	44	0.89	$4,040	36,471	39
Dolores	$32,196	45	0.85	$5,725	37,921	31
Phillips	$32,177	46	0.90	$3,746	35,923	43
Montezuma	$32,083	47	0.90	$3,744	35,827	45
Lincoln	$31,914	48	0.93	$2,378	34,292	52
Rio Grande	$31,836	49	0.88	$4,150	35,986	41
Jackson	$31,821	50	0.91	$2,980	34,801	47
San Juan	$30,764	51	0.95	$1,685	32,449	58
Kiowa	$30,494	52	0.85	$5,402	35,896	44
Prowers	$29,935	53	0.87	$4,525	34,460	50
Otero	$29,738	54	0.86	$4,815	34,553	49
Alamosa	$29,447	55	0.86	$4,785	34,232	53
Sedgwick	$28,278	56	0.86	$4,421	32,699	57
Las Animas	$28,273	57	0.86	$4,535	32,808	56
Bent	$28,125	58	0.85	$4,986	33,111	55
Baca	$28,099	59	0.83	$5,580	33,679	54
Crowley	$26,803	60	0.85	$4,889	31,692	59
Huerfano	$25,775	61	0.88	$3,617	29,392	61
Saguache	$25,495	62	0.86	$4,022	29,517	60
Conejos	$24,744	63	0.87	$3,652	28,396	62
Costilla	$19,531	64	0.88	$2,696	22,227	63

County Incomes and Purchasing Power

An interesting application of the COLI is to adjust local median household income to better understand local purchasing power. Across the state, these differentials can be significant. For example $20,000 can buy relatively more in Baca; in fact it can buy $23,981 worth of goods and services, by statewide standards (20,000/ .83 = 23,971), because their costs are lower compared to, say, Pitkin County where costs are higher and $20,000 can only buy $11,723 worth of goods (20,000/1.71 = 11,723). Table 4 shows county median household incomes adjusted by the cost of living index, to estimate actual median purchasing power in their local economies. These results are only suggestive and demonstrate how incomes could be normalized using costs.

Higher costs typically indicate that higher wages or incomes are needed to live in that county. This would mean that "typically" higher cost counties have higher median household income and vice versa for lower cost counties but that is not always the case. Data in Table 4 is arranged from highest to lowest median household income. While higher COLI figures do tend to be in the upper part of the Table with higher median incomes, the relationship is not fully consistent. Figure 2 shows these relationships also.

Seventeen counties have higher or equal household incomes than the Colorado average of 47,203. All but one of these counties, Larimer, also have higher costs of living, which effectively decreases their purchasing power. Most of these higher income/higher cost counties are in the Denver Metro and Mountain Resort areas. After adjusting the household income by the COLI, four counties drop to below the state average. The largest impact was in Pitkin County, effectively decreasing annual purchasing power by over $24,000.

Counties with household incomes below $36,000 (75% of average) also have lower costs of living. For over half of Colorado's counties, the effect is to increases their household's purchasing power by between $1,500 and $5,700. Most of these below-average income/cost counties are in the Eastern Plains, San Luis Valley and some of the non resort Western Slope counties.

A few counties that have up to 15% lower median household incomes than the Colorado average that have higher costs of living. These include the metro counties of Denver and El Paso and the mountain resort/scenic counties of Hinsdale, Ouray and Gunnison. Larimer County is the only county that has higher income and lower costs. Teller has higher incomes and average costs.

The last columns of Table 4 show how Colorado counties would be re-ranked for affluence when their median incomes are adjusted for local costs of living. The most dramatic effect is on Pitkin County, whose affluence rank drops from 4th to 48th. Other counties, such as Yuma and Dolores, improve considerably when their cost of living is taken into account.

Areas for Further Study

As was seen through this study and others, Colorado's costs, economy, and geography to name a few, vary dramatically throughout the state. A question arises as to whether expenditure patterns also vary. Currently a National expenditure pattern is used and could be underestimating expenditures is specific areas of the state. This could be exceedingly notable in rural areas where access is an issue and a larger percentage of household income may be used for transportation and communication.

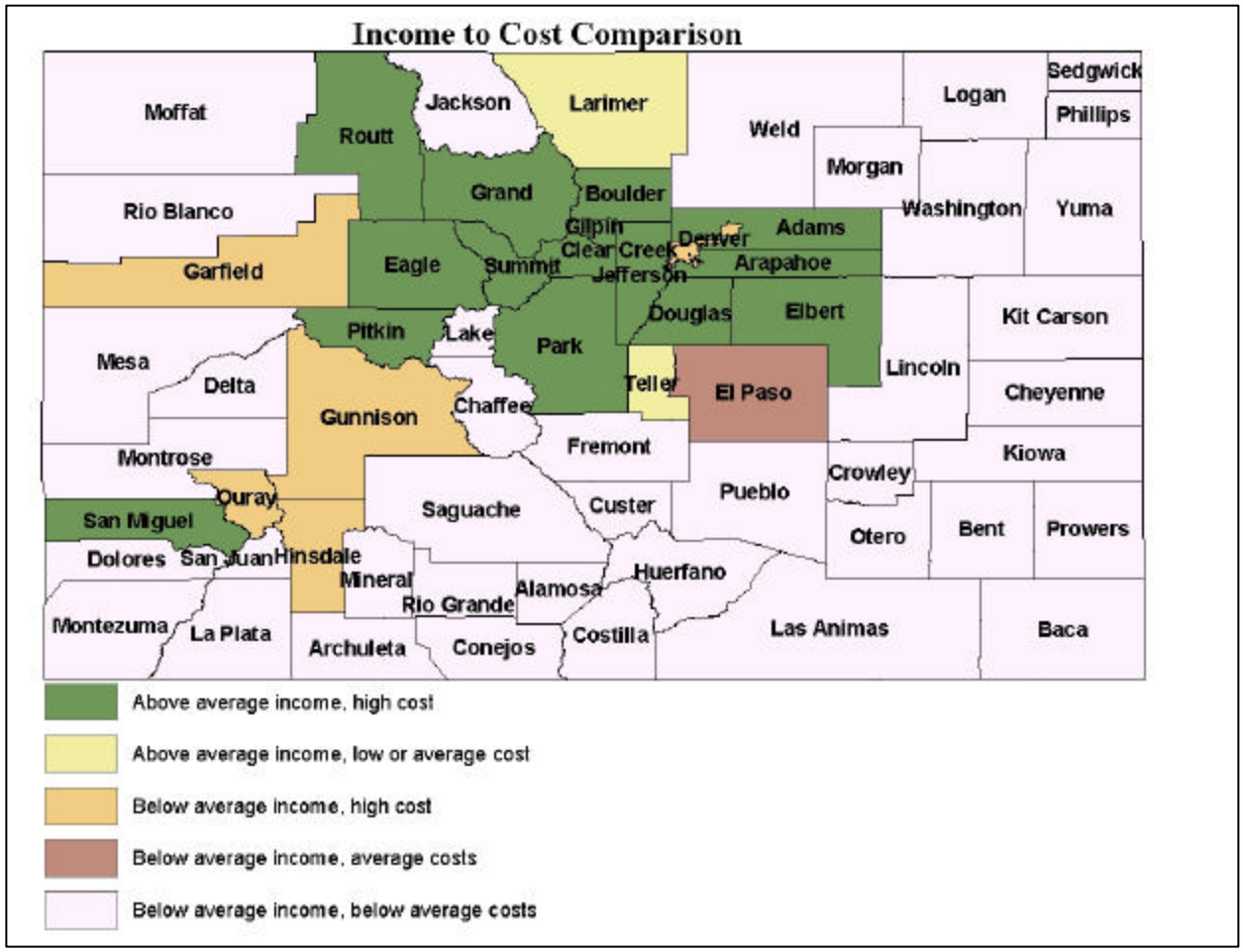
Poverty rates and other "norms" are established at primarily national and occasionally state levels that ignore differences within a state. Due to varying levels of costs, poverty issues could be over or understated. Applying the cost of living study to further study incomes, income distribution, and equity issues are needed to better understand concerns facing the various counties in the state and the need, if any, for policy attention.

Implications

No trends are shown by this cost of living analysis since it measures a single point in time. Nonetheless, the study does illustrate the considerable regional differences between Colorado's counties. Current COLI data reflect the state's history of differential economic growth, and since cost can affect growth prospects, the data may suggest something about the future. The demographic and economic core of the state experiences average to high costs of living and is concentrated into relatively few counties. A small group of counties dominated by resort-type recreation are significantly more expensive with Pitkin County being a particularly extreme case. A rough positive relationship exists between median incomes and

costs of living. In many counties with lower incomes, costs are below average as well. Counties with lower incomes and higher costs are a concern, and deserve more detailed research to reveal the causes, potential opportunities, and impacts of the current situation. Larimer will also be a county to watch to see if its lower costs and higher incomes create higher population growth rates or stronger economic dynamism.

Figure 2.



References:

2001 School District Cost-of-Living Study, Colorado Legislative Council, February 2002. http://www.state.co.us/gov_dir/leg_dir/lcsstaff/schfin/2001COLsummary.PDF

Appendix A: School District Cost of Living Index

COUNTY	*School*	*COLI*
Adams		
	ADAMS COUNTY 14	1.00
	BENNETT 29J	1.04
	BRIGHTON 27J	0.99
	MAPLETON 1	1.01
	STRASBURG 31J	1.02
	NORTHGLENN-THORNTON 12	1.02
	WESTMINSTER 50	1.01
	Range	0.05
Alamosa		
	ALAMOSA RE-11J	0.86
	SANGRE DE CRISTO RE-22J	0.86
	Range	0.00
Arapahoe		
	ADAMS-ARAPAHOE 28J	1.00
	BYERS 32J	0.98
	CHERRY CREEK 5	1.00
	DEER TRAIL 26J	0.99
	ENGLEWOOD 1	1.03
	LITTLETON 6	1.03
	SHERIDAN 2	1.01
	Range	0.05
Archuleta		
	ARCHULETA COUNTY 50 JT	0.97
Baca		
	CAMPO RE-6	0.82
	PRITCHETT RE-3	0.82
	SPRINGFIELD RE-4	0.84
	VILAS RE-5	0.82
	WALSH RE-1	0.83
	Range	0.02
Bent		
	LAS ANIMAS RE-1	0.85
	MC CLAVE RE-2	0.84
	Range	0.01
Boulder		
	BOULDER VALLEY RE 2	1.09
	ST VRAIN VALLEY RE 1J	1.02
	Range	0.07
Chaffee		
	BUENA VISTA R-31	0.96
	SALIDA R-32	0.96
	Range	0.00
Cheyenne		
	CHEYENNE COUNTY RE-5	0.88
	KIT CARSON R-1	0.84
	Range	0.04
Clear Creek		
	CLEAR CREEK RE-1	1.06

COUNTY	*School*	*COLI*
Conejos		
	SOUTH CONEJOS RE-10	0.89
	NORTH CONEJOS RE-1J	0.87
	SANFORD 6J	0.86
	Range	0.03
Costilla		
	SIERRA GRANDE R-30	0.89
	CENTENNIAL R-1	0.87
	Range	0.02
Crowley		
	CROWLEY COUNTY RE-1-J	0.85
Custer		
	CONSOLIDATED C-1	0.92
Delta		
	DELTA COUNTY 50(J)	0.95
Denver		
	DENVER COUNTY 1	1.02
Dolores		
	DOLORES COUNTY RE NO.2	0.85
	Range	0.00
Douglas		
	DOUGLAS COUNTY RE 1	1.03
Eagle		
	EAGLE COUNTY RE 50	1.20
El Paso		
	ACADEMY 20	1.07
	CALHAN RJ-1	0.96
	CHEYENNE MOUNTAIN 12	1.09
	COLORADO SPRINGS 11	0.99
	EDISON 54 JT	0.95
	ELLICOTT 22	0.94
	FALCON 49	1.01
	FOUNTAIN 8	0.96
	HANOVER 28	0.93
	HARRISON 2	0.97
	MANITOU SPRINGS 14	1.03
	MIAMI/YODER 60 JT	0.95
	LEWIS-PALMER 38	1.09
	PEYTON 23 JT	0.99
	WIDEFIELD 3	0.95
	Range	0.16
Elbert		
	AGATE 300	1.01
	ELBERT 200	1.02
	ELIZABETH C-1	1.07
	KIOWA C-2	1.01
	BIG SANDY 100J	0.96
	Range	0.11
Fremont		
	CANON CITY RE-1	0.89
	COTOPAXI RE-3	0.93
	FLORENCE RE-2	0.90
	Range	0.04

COUNTY	*SCHOOL*	*COLI*
Garfield		
	ROARING FORK RE-1	1.11
	GARFIELD 16	0.95
	GARFIELD RE-2	1.00
	Range	0.16
Gilpin		
	GILPIN COUNTY RE-1	1.01
Grand		
	EAST GRAND 2	1.07
	WEST GRAND 1-JT.	1.02
	Range	0.05
Gunnison		
	GUNNISON WATERSHED RE1J	1.05
Hinsdale		
	HINSDALE COUNTY RE 1	1.01
Huerfano		
	LA VETA RE-2	0.93
	HUERFANO RE-1	0.87
	Range	0.06
Jackson		
	NORTH PARK R-1	0.91
Jefferson		
	JEFFERSON COUNTY R-1	1.02
Kiowa		
	EADS RE-1	0.85
	PLAINVIEW RE-2	0.85
	Range	0.00
Kit Carson		
	ARRIBA-FLAGLER C-20	0.88
	BETHUNE R-5	0.90
	BURLINGTON RE-6J	0.89
	HI-PLAINS R-23	0.88
	STRATTON R-4	0.90
	Range	0.02
La Plata		
	BAYFIELD 10 JT-R	0.98
	DURANGO 9-R	1.00
	IGNACIO 11 JT	0.96
	Range	0.03
Lake		
	LAKE COUNTY R-1	0.98
Larimer		
	PARK (ESTES PARK) R-3	1.06
	POUDRE R-1	0.98
	THOMPSON R-2J	0.97
	Range	0.09
Las Animas		
	AGUILAR REORGANIZED 6	0.85
	BRANSON REORGANIZED 82	0.83
	HOEHNE REORGANIZED 3	0.87
	KIM REORGANIZED 88	0.85
	TRINIDAD 1	0.86
	PRIMERO REORGANIZED 2	0.87
	Range	0.04
Lincoln		
	GENOA-HUGO C113	0.91
	KARVAL RE-23	0.87
	LIMON RE-4J	0.95
	Range	0.07

COUNTY	*SCHOOL*	*COLI*
Logan		
	FRENCHMAN RE-3	0.90
	BUFFALO RE-4	0.89
	PLATEAU RE-5	0.88
	VALLEY RE-1	0.89
	Range	0.02
Mesa		
	PLATEAU VALLEY 50	0.91
	DE BEQUE 49JT	0.89
	MESA COUNTY VALLEY 51	0.92
	Range	0.02
Mineral		
	CREEDE CONSOLIDATED 1	0.95
Moffat		
	MOFFAT COUNTY RE:NO 1	0.93
Montezuma		
	MONTEZUMA-CORTEZ RE-1	0.89
	DOLORES RE-4A	0.93
	MANCOS RE-6	0.91
	Range	0.04
Montrose		
	MONTROSE COUNTY RE-1J	0.93
	WEST END RE-2	0.92
	Range	0.01
Morgan		
	BRUSH RE-2(J)	0.92
	FORT MORGAN RE-3	0.94
	WELDON VALLEY RE-20(J)	0.92
	WIGGINS RE-50(J)	0.97
	Range	0.05
Otero		
	CHERAW 31	0.85
	FOWLER R-4J	0.88
	EAST OTERO R-1	0.86
	MANZANOLA 3J	0.85
	ROCKY FORD R-2	0.86
	SWINK 33	0.87
	Range	0.03
Ouray		
	OURAY R-1	1.01
	RIDGWAY R-2	1.02
	Range	0.00
Park		
	PLATTE CANYON 1	1.09
	PARK COUNTY RE-2	1.03
	Range	0.06
Phillips		
	HAXTUN RE-2J	0.92
	HOLYOKE RE-1J	0.89
	Range	0.03
Pitkin		
	ASPEN 1	1.71
Prowers		
	GRANADA RE-1	0.84
	HOLLY RE-3	0.85
	LAMAR RE-2	0.87
	WILEY RE-13 JT	0.87
	Range	0.03

COUNTY	*SCHOOL*	*COLI*
Pueblo		
	PUEBLO CITY 60	0.90
	PUEBLO COUNTY RURAL 70	0.93
	Range	0.03
Rio Blanco		
	MEEKER RE1	0.92
	RANGELY RE-4	0.90
	Range	0.02
Rio Grande		
	DEL NORTE C-7	0.91
	MONTE VISTA C-8	0.87
	SARGENT RE-33J	0.87
	Range	0.04
Routt		
	HAYDEN RE-1	0.99
	SOUTH ROUTT RE 3	0.99
	STEAMBOAT SPRINGS RE-2	1.16
	Range	0.17
Saguache		
	CENTER 26 JT	0.86
	MOFFAT 2	0.89
	MOUNTAIN VALLEY RE 1	0.86
	Range	0.03
San Juan		
	SILVERTON 1	0.95
San Miguel		
	NORWOOD R-2J	0.98
	TELLURIDE R-1	1.27
	Range	0.29
Sedgwick		
	JULESBURG RE-1	0.86
	PLATTE VALLEY RE-3	0.87
	Range	0.00
Summit		
	SUMMIT RE-1	1.16
Teller		
	CRIPPLE CREEK-VICTOR RE-1	0.96
	WOODLAND PARK RE-2	1.01
	Range	0.05
Washington		
	AKRON R-1	0.90
	ARICKAREE R-2	0.88
	LONE STAR 101	0.87
	OTIS R-3	0.87
	WOODLIN R-104	0.88
	Range	0.03
Weld		
	AULT-HIGHLAND RE-9	0.96
	BRIGGSDALE RE-10	0.93
	EATON RE-2	0.97
	FORT LUPTON RE-8	0.99
	GILCREST RE-1	0.97
	GREELEY 6	0.97
	PAWNEE RE-12	0.93
	JOHNSTOWN-MILLIKEN RE-5J	0.98
	KEENESBURG RE-3(J)	0.97
	PLATTE VALLEY RE-7	0.98
	PRAIRIE RE-11	0.92
	WINDSOR RE-4	0.99
	Range	0.07

COUNTY	*SCHOOL*	*COLI*
Yuma		
	EAST YUMA COUNTY RJ-2	0.87
	WEST YUMA COUNTY RJ-1	0.87
	Idalia	0.85
	Liberty	0.84
	Range	0.03