

ALICE IN COLORADO: A STUDY OF FINANCIAL HARDSHIP



ALICE: Asset Limited, Income Constrained, Employed

2024 Report | UnitedForALICE.org



United Ways of Colorado

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in Colorado: A Study of Financial Hardship is brought to you by the [United Ways of Colorado](#) in partnership with [United For ALICE](#), a driver of innovative research and action around financial hardship for **ALICE**® (Asset Limited, Income Constrained, Employed) households. With a commitment to [racial and economic justice](#), United For ALICE and United Ways across Colorado share this work with foundations, government, corporations, and other nonprofits to inform policy and promote positive change for ALICE households.

The grassroots ALICE movement, developed by United Way of Northern New Jersey, has spread to 33 states and the District of Columbia. Learn more about the ALICE movement [here](#).

To create the ALICE Reports, our [team of researchers](#) works with [Research Advisory Committees](#) composed of experts from our partner states. This work is guided by our rigorous [methodology](#), which is updated biennially with experts from across our Research Advisory Committees.

Colorado Research Advisory Committee:

- Charles Brennan, *Colorado Center on Law and Policy*
- Shannon Coker, *Feeding America*
- Cari Davis, M.P.H., MBA, *Colorado Springs Health Foundation*
- Isabel Dickson, M.P.H., *Colorado Department of Public Health and Environment*
- Molly Gutilla, Dr. P.H., *Colorado School of Public Health, Colorado State University*
- Alexis Kennedy, Ph.D., *College of Liberal Arts, Colorado State University*
- Heather Otter, M.Ed., *Region 9 Economic Development District*
- Alison Friedman Phillips, M.P.P., *Women's Foundation of Colorado*
- Geoffrey Propheter, Ph.D., *School of Public Affairs, University of Colorado Denver*
- Angela Shehorn, *Pueblo Early Childhood Council, Children First Department of Pueblo Community College*
- Chris Stiffler, M.A., *Colorado Fiscal Institute*
- Michael Wakefield, Ph.D., MBA, *Thomas V. Healy Center for Business and Economic Research, Hasan School of Business, Colorado State University Pueblo*

Director and Lead Researcher: Stephanie Hoopes, Ph.D.

ALICE Research Team: Andrew Abrahamson; Ashley Anglin, Ph.D.; Catherine Connelly, D.M.H., M.A.; Max Holdsworth, M.A.; Dana Isaac.

United For ALICE partners with the [United Ways of Colorado](#) to bring this research to Colorado, and this work is sponsored by Ent Credit Union.



United Ways of Colorado

To learn more about how you can get involved in advocating and creating change for ALICE in Colorado, contact: [Lynn Urban](#), United Way of Southwest Colorado.

LETTER TO THE COMMUNITY

Dear Friends and Neighbors,

Colorado is known for the Rocky Mountains, winter sports, craft beer, and Denver, the Mile High City, but above all these things, for its friendly people. Coloradans are known for our hard work, independent spirit, close family ties, taking care of our own, and doing what is right. Another hallmark of our Western culture is our collaborative nature. People here come together around hardship, and together they make things better. It's time for us to roll up our sleeves and make this happen for struggling Coloradan households.



This inaugural **ALICE (Asset Limited, Income Constrained, Employed)** Report for Colorado focuses on the 37% of Colorado households that are not earning enough to get by. The Report presents an economic snapshot of ALICE households in 2022, showing how they fared during the pandemic and in the ongoing recovery.

We all know ALICE – your local grocery store cashier, food service worker, janitor, waiter or waitress, personal care aide, child care provider, etc. – those who sustain the foundation of our daily lives. ALICE is your neighbor, your friend; some of us have been ALICE, and some of us are ALICE now. Yet ALICE is a largely hidden population: Because ALICE households often do not qualify for aid or social programs, they remain invisible to the system. ALICE households earn above the Federal Poverty Level, yet not enough to afford the basic necessities, despite working full-time or at multiple jobs. Forced to make impossible decisions each month, like choosing between child care or paying rent, ALICE households are often one emergency from slipping further into financial instability.

The way ALICE households currently navigate these obstacles will not be good enough going forward – we must do better. By raising awareness of the challenges ALICE households face, our collective work to help build financial stability for ALICE households has a better chance of succeeding.

United Way has always fought to remove the obstacles that prevent hardworking Coloradans from achieving financial stability, and this effort is now more important than ever. As the income disparity widens in our society, the time is now. United Way is turning ALICE data into actionable goals for long-term change. We are working toward a future where ALICE households in Colorado can afford to save for an emergency, access health care, and give their children the tools they need for a successful life.

This Report is made possible by the generosity of Ent Credit Union, the United Ways in Colorado, and our Research Advisory Committee. We are appreciative of the many volunteers, donors, nonprofit partners, and leaders who contribute to United Way's community-focused efforts. With their continued support, we are uniquely positioned to translate this data into meaningful action to improve lives and strengthen the economic well-being of our state.

We hope you will join us...because UNITED, we thrive.

Sincerely,

A handwritten signature in black ink that reads "Kate Nowak".

Kate Nowak

Executive Director, United Way of the Yampa Valley

ALICE ONLINE

Visit UnitedForALICE.org to explore the interactive data and resources that accompany this Report. Click the icons below to get started.
















 Interactive Maps Data at the state, county, municipal, and ZIP-code levels	 ALICE Demographics Information about ALICE households by age, race/ethnicity, household type, and location	 County Reports An in-depth look at ALICE data, county by county
 Data Sheet Excel spreadsheet with ALICE data over time and by location	 ALICE Household Budgets ALICE Household Survival and Stability Budgets for the state and one or more counties	 ALICE Essentials Index Key data on the increase in the cost of household basics over time
 Legislative District Tool ALICE data by legislative district, including state upper and lower chambers and congressional districts	 National Overview National ALICE data and a comparison of financial hardship across U.S. states	 Economic Viability Dashboard Key data on the local economic conditions that matter most to ALICE households: Work, Housing, and Community Resources
 Research Advisory Committees Information about the members and role of these critical groups	 ALICE Methodology Overview of the sources and calculations used in the ALICE research	 Equity for ALICE Creating equity for ALICE by illustrating how structural racism and systemic barriers limit life outcomes, and working to remove those barriers so that all people can participate fully in all aspects of our social and economic systems
 ALICE Voices Are you ALICE? Use the ALICE Voices tool to share your story	 ALICE in Action Programs, practices, and policy changes implemented by partners across the United For ALICE network	 ALICE Videos See videos that highlight the ALICE research and partner network

TABLE OF CONTENTS

ALICE Research & Methodology	1
ALICE in Colorado: Executive Summary	4
Defining Financial Hardship in Colorado	7
Who is ALICE? Demographics	10
Why Are There so Many ALICE Households?	16
Beyond 2022: What Challenges Does ALICE Face?.	30
Data For Action: A Vision for ALICE in Colorado	34
County Comparison: Income Status, 2022	36
National Comparison: Income Status, 2022.	37
Next Steps	38



ALICE RESEARCH & METHODOLOGY

This ALICE Report for Colorado provides the most comprehensive look at the population called **ALICE** — **households that have income above the [Federal Poverty Level \(FPL\)](#) but struggle to afford household basics**. This Report includes a detailed point-in-time snapshot of economic conditions across the state in 2022, as well as key data and trends from the Great Recession through the COVID-19 pandemic and beyond. **To help inform program and policy decisions, United For ALICE is committed to providing the most up-to-date local data possible on financial hardship in Colorado and across the U.S.**

Two pillars of the ALICE measures are household costs and income. The **Household Survival Budget** (see figure on page 3) calculates the cost of household essentials for each county in Colorado and relies on a wide range of public data sources for the budget items of housing, child care, food, transportation, health care, and technology, plus taxes. These budgets are calculated at the county level as counties are the smallest jurisdiction for which there is reliable data across the country.

Household costs are compared to household income from the [U.S. Census Bureau's American Community Survey \(ACS\)](#) to determine if households are **below the ALICE Threshold**. This

category includes both households in **poverty**, with income below the FPL, and those that are **ALICE**, with income above the FPL but below the cost of basics.

Our standard ALICE income data is based on the ACS — both [household tabulated data](#) and individual data from the [Public Use Microdata Sample \(PUMS\)](#) records. In addition, this Report includes our analysis of two surveys that capture the experiences of a nationally representative sample of households:

- [Federal Reserve Board's Survey of Household Economics and Decisionmaking \(SHED\)](#), October 2019; November 2020; November 2021; and October 2022
- [U.S. Census Bureau's COVID-19 Household Pulse Survey \(Household Pulse Survey\)](#), part of the Census Experimental Data Series, which captures short-turnaround results and therefore should be interpreted with some caution. Time periods include August 19–August 31, 2020; September 14–November 14, 2022; and August 23–October 30, 2023

Learn more about our methodology at UnitedForALICE.org/Methodology.

Data Notes: The income data used in this Report rely on ACS estimates. The ACS is based on a representative sample of housing units and people; therefore, these estimates have a [degree of uncertainty](#). Some data points are geographic averages; others are one- or five-year averages depending on population size (see the [Data Sheet](#) for details). Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. ALICE analysis does not include people who are unhoused or living in group quarters.









KEY TERMS

- **ALICE: Asset Limited, Income Constrained, Employed** – households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county. Despite struggling to make ends meet, ALICE households often do not qualify for public assistance.
- **ALICE Household Survival Budget:** Reflects the minimum costs of household necessities in Colorado (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted for different counties and household types
- **ALICE Threshold of Financial Survival:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties
- **Below ALICE Threshold:** Includes households in poverty and ALICE households combined
- **ALICE Essentials Index:** A measure of the average change over time in the costs of essential goods and services



ALICE Household Survival Budget

Description and Sources

	<p>Housing Housing is composed of rent and utilities. To estimate total housing costs, add the rent and utilities budget line items: Rent: Fair Market Rent (40th percentile) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), adjusted in metro areas using the American Community Survey (ACS) – minus the cost of utilities Utilities: As captured by the Consumer Expenditure Survey (CEX), includes natural gas, electricity, fuel oil, and water Sources: ACS metro housing costs and U.S. Department of Housing and Urban Development (rent); CEX (utilities)</p>
	<p>Child Care Cost for Registered Family Child Care Homes for infants (0–2 years), preschool-age (3–4 years), and school-age children (5–12 years) Source: Colorado Department of Human Services, 2022</p>
	<p>Food USDA Thrifty Food Plan by age, with county variation from Feeding America Sources: Feeding America; U.S. Department of Agriculture (USDA)</p>
	<p>Transportation Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable Sources: AAA, Federal Highway Administration, The Zebra (car); CEX (public transportation)</p>
	<p>Health Care Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with \$40,000–\$69,000 annual income by age, weighted with the poor-health multiplier. For the ALICE 65+ Budget, cost of Medicare Parts A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. Sources: Centers for Medicare & Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS)</p>
	<p>Technology Basic broadband internet at home and a smartphone plan with unlimited data for each adult in a household Source: Consumer Reports</p>
	<p>Miscellaneous Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories</p>
	<p>Taxes Federal, state, and local taxes owed on the amount of income to cover the Survival Budget, as well as tax credits, including the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC). Federal and State Earned Income Tax Credits are not included. Sources: Internal Revenue Service; Tax Foundation</p>

ALICE IN COLORADO: EXECUTIVE SUMMARY

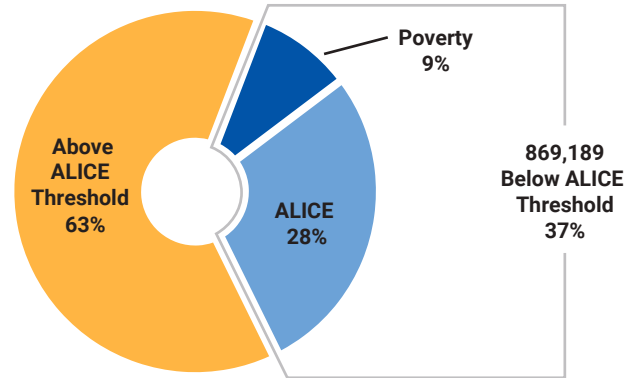
The number of households in financial hardship in Colorado continues to be undercounted by official measures.

According to the Federal Poverty Level (FPL), 9% of households in Colorado (219,937) were in poverty in 2022. Yet United For ALICE data shows that another 28% (649,252 households) – over three times as many – were ALICE (Asset Limited, Income Constrained, Employed). ALICE households earn above the FPL, but not enough to afford the basics in the communities where they live.

The reality is that out of the 2,357,045 households in Colorado, 869,189 – 37% – had income below the ALICE Threshold of Financial Survival in 2022. These included both households in poverty and ALICE households.

The crux of the problem is a mismatch between earnings and the cost of basics. The **ALICE Household Survival Budget** for a Colorado family of four in 2022 was \$88,740, well above the FPL of \$27,750 and full-time earnings for most low-wage jobs in the state. For example, retail salespersons (one of the most common occupations in Colorado) earned a median hourly

Total Households in Colorado = 2,357,045



wage of \$15.98 – just enough to cover the ALICE Household Survival Budget for one worker employed full time (\$15.78 per hour) but not the budget for a family with children, even with two adults working (combined wage of \$44.37 per hour).

ALICE Household Survival Budget, Colorado, 2022

	Single Adult	Single 65+	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing – Rent + Utilities	\$940	\$940	\$1,257
Rent	[\$777]	[\$777]	[\$947]
Utilities	[\$163]	[\$163]	[\$310]
Child Care	-	-	\$1,717
Food	\$495	\$457	\$1,349
Transportation	\$406	\$342	\$1,056
Health Care	\$179	\$532	\$744
Technology	\$86	\$86	\$116
Miscellaneous	\$211	\$236	\$624
Tax Before Credits	\$313	\$367	\$1,065
Monthly Total	\$2,630	\$2,960	\$7,928
ANNUAL TOTAL Before Tax Credits	\$31,560	\$35,520	\$95,136
Tax Credits (CTC and CDCTC)	0	0	(\$6,396)
ANNUAL TOTAL With Tax Credits	\$31,560	\$35,520	\$88,740
Full-Time Hourly Wage	\$15.78	\$17.76	\$44.37

Note: Only the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) are included in tax credits for the family budget. Earned Income Tax Credits are not included. Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For a family of four, this represents the combined wage needed for two workers. The Household Survival Budget is a conservative bare-minimum budget. Many households incur higher costs, especially for housing, and available units may be listed for rent well above Fair Market Rent.

Sources: AAA, 2022; Agency for Healthcare Research and Quality, 2022; American Community Survey, 2022; Bureau of Labor Statistics, 2022—Consumer Expenditure Surveys; Bureau of Labor Statistics, 2022—Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2023—Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2020—Medicare Current Beneficiary Survey; Centers for Medicare & Medicaid Services, 2023; Colorado Department of Human Services, 2022; Federal Reserve Bank of Atlanta—Policy Rules Database, 2023; Federal Highway Administration, 2017; Feeding America, 2023; Frank, 2022; Internal Revenue Service, 2022; Medicare.gov; The Zebra, 2022; U.S. Department of Agriculture, 2022—Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2022—Fair Market Rents; USTelecom, 2022.

To see the Household Survival Budget for all counties in Colorado, go to UnitedForALICE.org/Household-Budgets/Colorado

Key Findings

- **The cost of basic needs in Colorado:** In 2022, the cost of household basics (housing, child care, food, transportation, health care, and technology), plus taxes, was \$31,560 for a single adult and \$88,740 for a family of four with two adults, an infant, and a preschooler — much higher than the FPL across all Colorado counties. Costs varied widely by county: For example, the Survival Budget for a family of four was lowest at \$65,088 per year in Baca County and highest at \$120,984 per year in Broomfield County.
- **Crosscurrents of the pandemic:** From 2021 to 2022, the cost of household basics increased, as did median wages for most low-wage jobs, while pandemic assistance waned. For example, a family of four in Colorado with two adults working full time in two of the state’s most common occupations (retail salesperson and cashier) saw annual costs increase from \$72,960 to \$88,740, combined wages go up by 7%, and total federal assistance decrease by nearly \$15,000. Amid these crosscurrents, this family was not able to afford basic needs in 2021 or 2022.

The pandemic also brought unique challenges that continue to have an impact on ALICE households. For example, as more people transitioned to remote work, remote workers fled to Colorado’s [mountain communities](#). Newcomers’ incomes far exceeded the earnings of residents working in seasonal or lower-wage jobs that support the local economy — thereby driving up housing

costs and diminishing the supply of affordable homes for all residents.

- **Demographics:** There are households below the ALICE Threshold across all demographic groups in Colorado. However, certain groups are disproportionately represented due to [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families’ access to resources and opportunities for financial stability.
 - » By location, households in predominantly rural and frontier counties were more likely to be below the ALICE Threshold (44% and 45%, respectively) than those in predominantly urban counties (36%). Rates of financial hardship were also higher for households located on Colorado’s American Indian tribal lands — the Southern Ute Reservation (44%) and the Ute Mountain Ute Reservation and Off-Reservation Trust Land (75%).
 - » By race/ethnicity, 55% of Black households, 47% of Hispanic households, and 44% of households of Two or More Races were below the ALICE Threshold in Colorado in 2022, compared to 34% of White households.
 - » By age, the youngest (under age 25) and oldest (age 65+) households faced the highest rates of hardship, at 65% and 47%, respectively.



- » By household composition, single-female-headed families with children were more likely to be below the ALICE Threshold (71%) than single-male-headed (50%) or married-parent households (18%). Among single or cohabiting households without children, slightly more than one-third (35%) were below the Threshold.
- **ALICE and financial hardship over time:** Despite some ups and downs in rates of financial hardship since the end of the Great Recession (2010–2022), the trend is clear: The number of ALICE households in Colorado climbed through 2019 and then remained stubbornly high through 2022. From 2010 to 2022, the total number of households in the state increased by 21%, the number of households in poverty decreased by 9%, and the number of ALICE households increased by 43%. By 2022, 9% (219,937) of all households were below the FPL, and 28% (649,252) of all households were ALICE — a combined 37% (869,189) of Colorado households struggling to make ends meet.
- **Inflation and household essentials:** The cost of basics as measured by the ALICE Essentials Index is increasing faster (3.8% annually between 2007 and 2023 in Colorado) than the Consumer Price Index, which measures the increase in cost of a much larger basket of goods and services (2.5%). With this gap, ALICE workers can't catch up. For example, the median wage for a cashier was \$9.18 per hour in 2010 (\$19,090 annually), more than \$13,000 short of the Survival Budget for one adult and one child (\$32,190). By 2022, the wage had increased by 60% to \$14.70 per hour (\$30,570 annually), but the Survival Budget had also increased, by 49%, to \$47,904. This worker was more than \$17,000 short of basic costs in 2022 — further behind than in 2010.
- **Work and wages:** Of the 20 most common occupations in Colorado, nine paid a median wage of less than \$20 per hour in 2022. Despite wage increases from 2019 to 2022 for all of these jobs, many workers still struggled to make ends meet. For example, the median wage for a retail salesperson in Colorado increased from \$12.81 per hour in 2019 to \$15.98 per hour in 2022. Yet even with the wage increase, 35% of the state's 80,000 retail sales workers still lived below the ALICE Threshold in 2022.
- **Savings and assets:** Rates of savings varied substantially by income in 2022. According to the Federal Reserve SHED, in October 2022, 46% of households below the ALICE Threshold had emergency savings or rainy day funds (to cover expenses for three months in the event of sickness, job loss, economic downturn or another emergency), compared to 74% of households above the Threshold. Similarly, 56% of households below the Threshold had retirement assets in 2022, compared to 72% of those above.
- **Beyond 2022:** There are warning signs that significant challenges remain for Colorado households below the ALICE Threshold, including sustained high levels of food insufficiency (including among families with children), limited savings and assets, continued difficulty paying bills, and feelings of anxiety and depression.



DEFINING FINANCIAL HARDSHIP IN COLORADO

Traditional economic measures systematically underestimate both the actual cost of basic needs and the number of households that can afford them, concealing important aspects of the local and national economy. Two ALICE tools provide a more accurate estimate of the cost of living and a clearer way to track how many households are struggling.

The **ALICE Household Budgets** capture the cost of the basic necessities households need to live and work in the current economy in each county, and the [ALICE Threshold of Financial Survival](#) provides a measure to track ALICE and poverty-level households over time by location. This section explores these tools and highlights the challenges ALICE families face in meeting basic needs.

The Cost of Basics

United For ALICE provides two basic budgets: the ALICE Household Survival Budget and the ALICE Household Stability Budget. Both budgets are available for all Colorado counties and can be calculated for various household types.

The **ALICE Household Survival Budget** is an estimate of the minimal total cost of household essentials — housing, child care, food, transportation, health care, and technology — plus taxes and a miscellaneous contingency fund equal to 10% of the budget. It does not include savings, auto repairs, cable service, travel, laundry costs or amenities like holiday gifts or dinner out, which are out of reach for many ALICE families.

This budget varies by location due to differences in local costs. In 2022, household essentials were least expensive for a family of four in Baca County (\$65,088 per year), and for a single adult in Cheyenne County (\$23,940 per year). Essentials were most expensive for a family of four (two adults, two children in child care) in Broomfield County (at \$120,984 per year) and for a single adult in Douglas County (\$45,408 per year). A Household Survival Budget for each county in Colorado is presented in the County Reports on our website: UnitedForALICE.org/County-Reports/Colorado

For comparison to a more sustainable budget, the **ALICE Household Stability Budget** estimates the higher costs of

maintaining a more stable household over time and includes a savings category equal to 10% of the budget.

THE FEDERAL POVERTY LEVEL (FPL)

Compared to the Household Survival Budget, the FPL is drastically inadequate in capturing the true extent of financial hardship. Unlike the ALICE budgets, the FPL is not based on the cost of contemporary household necessities, and except for Alaska and Hawai'i, it is not adjusted to reflect cost-of-living differences. Nor does it adjust for different ages of household members. The FPL is increased annually based on the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), and those increases are the same for all U.S. households of a given size. By contrast, the household costs in the Survival Budget are updated annually and reflect differences by location, household size, and household composition.

Yet despite its inadequacies, the FPL continues to be the standard for determining the number and proportion of people living in poverty in the U.S. **With the FPL as the primary way for policymakers and local stakeholders to gauge the extent of financial hardship in their communities, a huge portion of struggling U.S. households go unrecognized.**

The actual cost of household basics in every county in Colorado is well above the FPL for all household sizes and types (Figure 1). In 2022, the FPL was \$13,590 for a single adult, compared to \$31,560 for the annual ALICE Household Survival Budget. The cost differential was even larger for families: The FPL for a four-person family was \$27,750 in 2022, while the Household Survival Budget for a family with two adults, an infant, and a four-year-old in Colorado was more than three times higher than the FPL, at \$88,740.

ALICE BUDGETS FOR ALL COUNTIES AND HOUSEHOLD TYPES

Itemized ALICE Household Survival and Stability Budgets are available for all Colorado counties (and groups of counties) at UnitedForALICE.org/Household-Budgets/Colorado.

Figure 1. ALICE Household Budgets and Federal Poverty Level, Colorado, 2022

	Federal Poverty Level Census income thresholds that vary by household size but not geography to determine who is in poverty	ALICE Household Survival Budget The cost of the essentials needed to live and work in the current economy, by household type and location	ALICE Household Stability Budget The cost of supporting and sustaining an economically viable household over time, including a contingency for savings
Single Adult			
Monthly Total	\$1,133	\$2,630	\$4,492
Annual Total	\$13,590	\$31,560	\$53,904
Family of Four			
Monthly Total	\$2,313	\$7,395	\$11,781
Annual Total	\$27,750	\$88,740	\$141,372

Note: Family of four includes two adults and two children in child care (one infant, one four-year-old). Monthly and annual budget totals are after tax credits.

Sources: ALICE Household Survival Budget, 2022; Assistant Secretary for Planning and Evaluation (ASPE), HHS poverty guidelines for 2022, U.S. Department of Health and Human Services, 2022

Not Enough Income to Cover Basic Costs

When wages cannot cover basic household costs, families struggle to make ends meet. ALICE workers perform jobs that keep Colorado’s economy running smoothly, working as cashiers, nursing assistants, hotel/hospitality workers, office clerks, servers, laborers, and security guards. The pandemic highlighted the importance of these in-person, on-site jobs. Yet despite wage increases through the pandemic and into 2022, many ALICE workers still could not cover the increased cost of household basics, and their families continued to struggle to make ends meet.

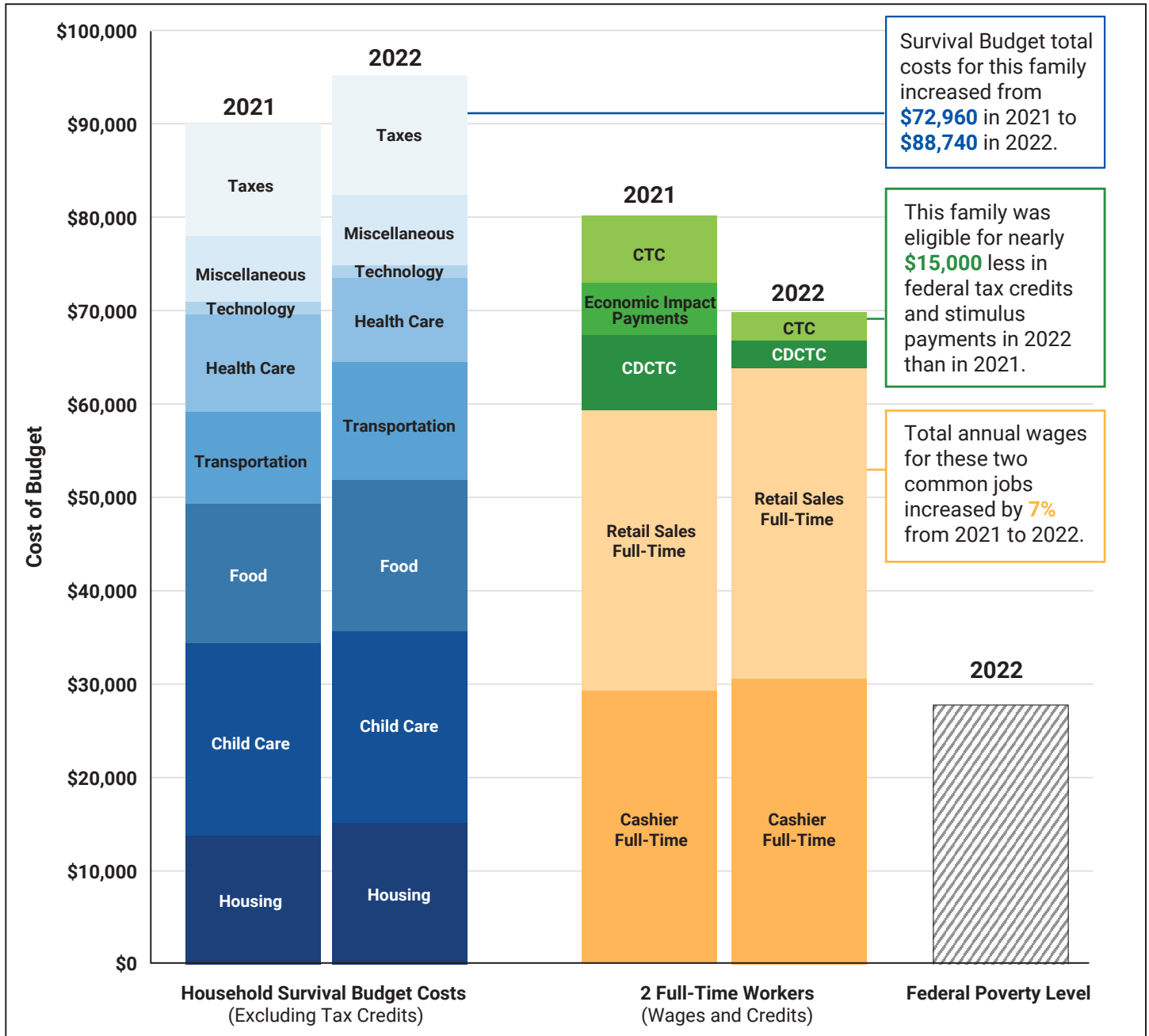
Public assistance also shifted during the pandemic, with the most pronounced effects on families with children. The Economic Impact Payments and the expansions of the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) helped many ALICE families through 2021. But this assistance was substantially reduced when the [2021 American Rescue Plan](#) expired, stimulus payments ended, and tax credits reverted to 2020 levels.

Figure 2 shows an example of how these economic forces — costs, wages, and federal public assistance — impacted a family of four in Colorado in 2021 and 2022. This family, with an infant, a preschooler, and two parents working full time in two of the state’s most common occupations (retail

salesperson and cashier), saw annual household costs increase from \$72,960 in 2021 to \$88,740 in 2022; combined wages went up by 7% (\$14.11 to \$14.70 per hour for a cashier, and \$14.44 to \$15.98 per hour for a retail salesperson); and total federal assistance decreased by nearly \$15,000. Amid these crosscurrents, this family, even when working full time, was not able to afford household basics in 2021 or 2022. Unpredictable work schedules and fluctuating hours in these jobs can further challenge households living on a tight budget.

[Federal and state Earned Income Tax Credits](#) (EITC, not included in the Household Survival Budget or in this analysis) can also help eligible low- to moderate-income workers by reducing taxes owed or increasing tax refunds. The [income eligibility](#) limit for the Federal EITC in 2022 for a married couple with two children was \$55,529. [According to the IRS](#), the average 2022 EITC amount in Colorado was \$2,213, compared to \$2,541 nationwide. Yet in 2021 (the most recent data available from the IRS), [22% of eligible taxpayers in Colorado did not claim the EITC](#). [Uptake of the EITC is less likely](#) by those who are self-employed, have a language barrier or a disability, are without qualifying children or are grandparents raising children, live in rural communities, or are experiencing a disruptive life event such as divorce or job loss.

Figure 2. Comparison of Costs, Public Assistance, and Wages, Family of Four, Colorado, 2021 and 2022



Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Full-time income is calculated based on 40 hours per week.

Sources: ALICE Threshold, 2021 and 2022; Bureau of Labor Statistics—Occupational Employment Statistics, 2021 and 2022; Internal Revenue Service, tax credits—CTC, CDCTC, EITC, 2021; U.S. Department of the Treasury, 2022 and 2023

See page 3 for Household Survival Budget sources and visit UnitedForALICE.org/Household-Budgets/Colorado to see the Household Survival Budget for all counties and for any household composition.

WHO IS ALICE? DEMOGRAPHICS

The pandemic exposed and exacerbated disparities and vulnerabilities that have long existed in Colorado, with substantial differences in rates of hardship by race/ethnicity, age, household composition, and location. It also brought ALICE to the forefront, as essential ALICE workers showed up to low-paid, on-site jobs despite the risks to their own and their families' health and safety. Even as we move farther away from the height of the pandemic, its ripple effects continue to impact the most vulnerable households in Colorado — those below the ALICE Threshold.

Financial Hardship by Location

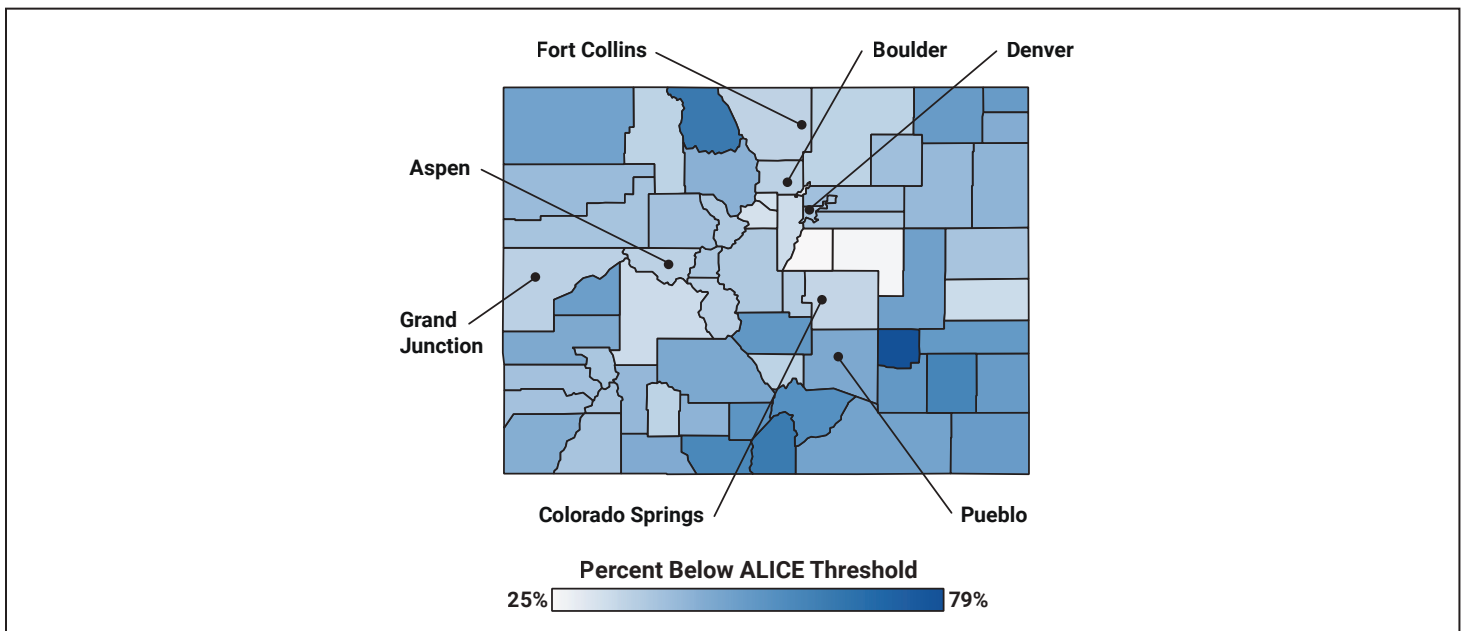
Financial hardship in Colorado varies by location — from region to region, county to county, and even within counties from one ZIP code to the next, depending on opportunities for employment, labor force participation, and the cost of living (Figure 3).

Among Colorado's [64 counties](#), 17 are designated as urban, 24 as rural, and 23 as [frontier counties](#) (sparsely populated

and with greater distance to resources and services). Nearly 2.1 million Colorado households (88%) lived in predominantly urban counties in 2022, and 36% of these households were below the ALICE Threshold. For the 227,372 households living in predominantly rural counties, the rate of financial hardship was higher at 44%, and it was slightly higher for the 55,280 households in frontier counties, at 45% (Figure 5).

In 2022, rates of financial hardship in Colorado ranged from a low of 25% in Douglas County to a high of 79% in Crowley County. But even greater variation was found within some counties. For example, in Denver County, the county with the highest number of total households (334,942) and the highest number of households below the ALICE Threshold (127,815), the share of households below the ALICE Threshold ranged from 20% in ZIP code 80238 to 52% in ZIP code 80219. For more county details, visit the County Reports on our website: UnitedForALICE.org/County-Reports/Colorado

Figure 3. Financial Hardship by County, Colorado, 2022



Note: For more details, see the County Comparison: Income Status, 2022 table at the end of this Report. To see interactive ALICE maps, go to UnitedForALICE.org/Maps/Colorado

Sources: ALICE Threshold, 2022; American Community Survey, 2022

Colorado is also home to two sovereign Indian nations, the Southern Ute Indian Tribe and the Ute Mountain Ute Tribe, which both have reservations in the southwest corner of the state. American Indian tribes have some of the highest rates of poverty in the U.S. particularly on Indian reservations or trust land, due to a [longstanding history of discrimination](#),

[economic neglect, and public and private underinvestment](#).

The rate of financial hardship for Colorado’s Indian nations in 2022 varied from 44% for the Southern Ute Reservation to 75% for the Ute Mountain Ute Reservation and Off-Reservation Trust Land, compared to the Colorado state average of 37% (Figure 4).

Figure 4. Financial Hardship by American Indian Reservations, Off-Reservation Trust Lands, and Tribal Subdivisions, Colorado, 2022

American Indian Reservations, Off-Reservation Trust Lands, and Tribal Subdivisions	Total Households	% Poverty	% ALICE	% Below ALICE Threshold
Southern Ute Reservation	5,125	11%	32%	44%
Ute Mountain Ute Reservation and Off-Reservation Trust Land	495	22%	54%	75%
Colorado State Average	2,357,045	9%	28%	37%

Sources: ALICE Threshold, 2022; American Community Survey, 2022

Financial Hardship by Age, Household Type, and Race/Ethnicity

In Colorado in 2022, rates of financial hardship differed substantially between demographic groups, a result of multiple factors including [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families’ access to resources and opportunities for financial stability:

- **Age:** By age of householder, the youngest and oldest households had the highest rates of financial hardship in 2022: 65% of households headed by someone under age 25, and 47% of households headed by someone age 65 and over, lived below the ALICE Threshold in Colorado. By comparison, rates were lower for those in their prime working years, with 32% of households headed by people age 25–44 and 31% of households headed by those age 45–64 living below the Threshold.
- **Household composition:** In 2022, more than one-third (35%) of single or cohabiting households without children headed by someone under age 65 – the most

common household type in the state – were below the ALICE Threshold. Among all families with children, 30% were below the Threshold, but longstanding disparities remained: 71% of single-female-headed families and 50% of single-male-headed families were below the Threshold in 2022, compared to 18% of married-parent families.

- **Race/ethnicity:** Rates of financial hardship differ substantially by race/ethnicity in Colorado. In 2022, the largest number of households below the ALICE Threshold were White (575,544), making up 34% of all White households. Hispanic households were the next largest group below the Threshold (187,261), yet they made up nearly half (47%) of all Hispanic households. Shares of households in hardship were similarly high for households headed by someone of Two or More Races (89,217 below the Threshold, making up 44% of all households in that category) and for Black households (47,822 below the Threshold, making up 55% of all households in that category).

Figure 5 paints a clear picture of the rates of hardship for different demographic groups compared to the Colorado average. For all households in Colorado, 9% were in poverty and 28% were ALICE in 2022.

Figure 5. Household Financial Status and Key Demographics, Colorado, 2022

	Total	Below ALICE Threshold	■ Poverty	■ ALICE	■ Above ALICE Threshold
ALL HOUSEHOLDS	2,357,045	869,189	9%	28%	63%
AGE					
Under 25 Years	116,571	75,346	27%	38%	35%
25 to 44 Years	879,535	277,746	8%	24%	68%
45 to 64 Years	800,254	250,043	8%	23%	69%
65 Years and Over	560,685	266,054	10%	38%	53%
RACE/ETHNICITY					
American Indian/Alaska Native	20,311	10,882	14%	40%	46%
Asian	62,400	21,780	7%	28%	65%
Black	86,487	47,822	13%	43%	45%
Hispanic	394,828	187,261	8%	39%	53%
Native Hawaiian/Pacific Islander	2,858	991	7%	27%	65%
Two or More Races	201,751	89,217	8%	36%	56%
White	1,698,542	575,544	6%	28%	66%
HOUSEHOLD TYPE					
Married With Children	440,623	78,780	5%	13%	82%
Single-Female-Headed With Children	104,810	74,340	31%	40%	29%
Single-Male-Headed With Children	51,633	26,033	13%	37%	50%
Single or Cohabiting, Under 65, no Children	1,199,294	423,982	9%	27%	65%
RURAL/URBAN					
Rural	282,652	124,625	12%	32%	56%
Urban	2,074,393	744,564	9%	27%	64%

Note: The groups shown in this figure are based on head of household and overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native Hawaiian/Pacific Islander, and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below \$15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural, and frontier counties are a subset of rural counties.

Sources: ALICE Threshold, 2022; American Community Survey, 2022

Demographic Trends

Population change: Population trends help to highlight how [demographic changes can impact a state's economy](#). Typically, a growing population adds more workers and consumers who contribute to the state economy, whereas slower growth or a decline in population can depress economic activity. Population growth in the U.S. slowed in the years leading up to the pandemic and reached a historic low in 2021 due to COVID-related deaths, postponement of having children, and more restrictive policies on immigration. Yet by 2023, [population growth](#) returned to pre-pandemic levels. Colorado was one of the [top ten states for numeric population growth](#) from April 2020 to July 2023, with an increase of more than 36,500 residents. In addition to these population fluctuations, the total number of households in Colorado has grown, increasing 21% from 2010 to 2022. And the number of households facing financial hardship in Colorado outpaced overall growth, rising 25% from 2010 to 2022.

Age: There are fewer total households headed by those under age 25 in Colorado compared to other age groups, comprising only 5% of all households in 2022. Yet younger households have had the highest rate of financial hardship among age groups since 2010. The total number of these households increased by 4% from 2010 to 2022. But despite a slight

decrease in the rate of financial hardship during that period (down 2%), nearly two-thirds (65%) of these households were below the ALICE Threshold in 2022.

The total number of households headed by those age 25–44 increased by 21% from 2010 to 2022, and the number below the Threshold increased by 17%. Households headed by those age 45–64 increased by only 4%, yet the number living in financial hardship increased by 11%. Rates of financial hardship improved slightly during the pandemic (2019–2021) for households headed by those age 25–44 and remained relatively the same for households headed by those age 45–64.

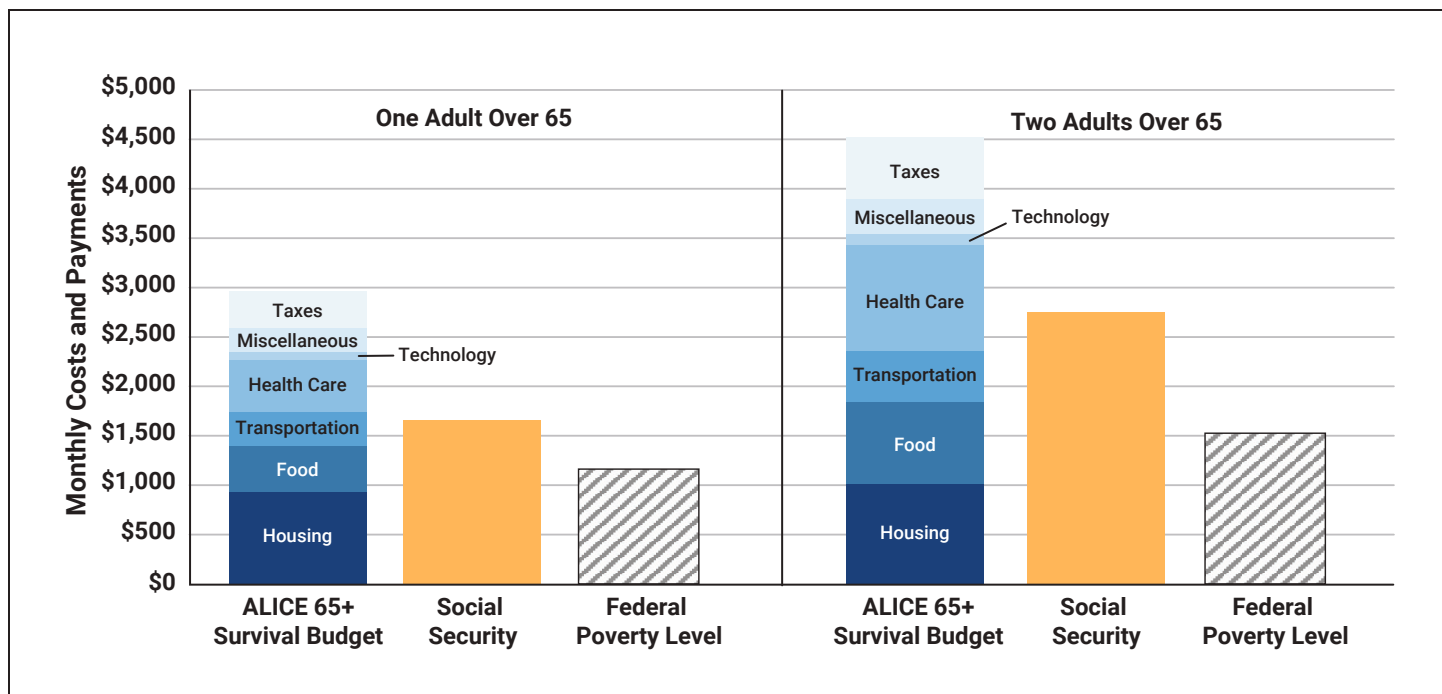
With the [aging of the Baby Boomer generation](#), households headed by people age 65 and over are the fastest-growing age group. As society ages, [the need for care workers will increase](#), creating additional challenges for an industry that is already taxed with worker shortages and low wages. In Colorado, the number of households headed by older adults (age 65+) increased 63% between 2010 and 2022. They were also the age group with the most substantial increase in the number of households below the ALICE Threshold (up 70% during the same time period).

HOUSEHOLDS HEADED BY PEOPLE AGE 65+

While Social Security [helps reduce the poverty rate for households headed by older adults](#) (10% in Colorado in 2022), benefits have not been enough to cover the costs in the ALICE 65+ Survival Budget and bring older adults to financial stability. As a result, for more than a decade, a substantial number of Colorado's 65+ households have been ALICE (38% in 2022). In 2022, monthly costs for the ALICE 65+ Survival Budget for one adult were \$2,960, substantially more than the [average Social Security payment](#) of \$1,657 (Figure 6).

And with increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2022, nearly 233,000 people age 65 and over living below the ALICE Threshold in Colorado did not have retirement savings beyond Social Security, and nearly 38,000 were working.

Figure 6. Monthly ALICE 65+ Survival Budget Total, Average Monthly Social Security Payments, and the Federal Poverty Level, Colorado, 2022



Note: See page 4 for a breakdown of monthly ALICE 65+ Survival Budget costs.

Sources: ALICE 65+ Survival Budget, 2022 (see the ALICE [Methodology](#) for details); Social Security Administration, 2022; U.S. Department of Health and Human Services, 2022

Household composition: Colorado’s most common household type, single or cohabiting households (under age 65) without children, grew from 2010 to 2022 (up 17%). The number of these households below the ALICE Threshold increased slightly more (up 18%).

The total number of households with children under age 18 in Colorado also increased, but only slightly (up 2% from 2010 to 2022). This trend was driven by married-parent households, which increased in number from 416,778 in 2010 to 440,623 in 2022 (up 6%), and single-male-headed households, which climbed from 47,079 in 2010 to 51,633 in 2022 (up 10%). In contrast, the number of single-female-headed households decreased from 122,908 in 2010 to 104,810 in 2022 (down 15%).

Overall, the number of Colorado households with children living below the ALICE Threshold remained largely unchanged from 2010 to 2022 (down 1%). The number of households with children living in poverty decreased for all family types, while

ALICE households with children increased for all family types. Yet the trajectories of hardship from 2010 to 2022 differed substantially by family type. The number of households below the Threshold increased for married-parent and single-male-headed households but decreased for single-female-headed households. And throughout this time period, the share of single-parent households living in financial hardship remained considerably higher than the share of married-parent households (Figure 7).

Figure 7. Households With Children, Colorado, 2022

	Married-Parent	Single-Female-Headed	Single-Male-Headed
Percent Change 2010 to 2022			
Total Households	▲ Increased 6%	▼ Decreased 15%	▲ Increased 10%
Households in Poverty	▼ Decreased 31%	▼ Decreased 38%	▼ Decreased 39%
ALICE Households	▲ Increased 41%	▲ Increased 25%	▲ Increased 51%
Households Below ALICE Threshold	▲ Increased 10%	▼ Decreased 13%	▲ Increased 9%
Percent Below ALICE Threshold, 2022	18%	71%	50%

Sources: ALICE Threshold, 2010–2022; American Community Survey, 2010–2022

Race/ethnicity: [Research on inequality](#) continues to show significant disparities in hardship by race/ethnicity across the U.S. Due to a change in the way the Census asks about race/ethnicity, this Report is not able to accurately capture change over time for this category in the total number or share of households below the ALICE Threshold. Starting in 2020, the U.S. Census Bureau changed how it asks about and codes [data on race and Hispanic origin](#). These changes help the Census and ACS provide a more complete picture of the U.S. population, especially for people who self-identify as multiracial or multiethnic. But as a result, the [Census urges caution](#) when comparing race data between years before and after 2020. For example, in Colorado, the huge increase in the Census count of people of [Two or More Races](#) (also referred to now as Multiracial) – 290% from 2019 to 2022 – is a combination of actual growth in this population and improvements to Census questions and coding. (Note: The number of Multiracial households below the ALICE Threshold increased at a similarly high rate, 264%).

Migration: As the population ages and birth rates decline, migration becomes a more significant factor in population growth. Colorado has experienced migration on several fronts – internally, both within the state and between counties; domestically, between states and regions; and internationally.

In 2022, while Colorado’s population saw fewer births and the highest rate of annual deaths on record, the state also experienced a net [migration of 15,000](#) people. Foreign-born residents accounted for 10% of the population in Colorado in 2022, the same as in 2010, with the largest number of immigrants being from Mexico, India, and China. The [counties](#) with the largest numbers of immigrants included Adams, Arapahoe, Denver, El Paso, and Jefferson counties.

In terms of internal migration within Colorado, the total number of households in predominantly rural counties (including the frontier counties) increased by 7% from 2010 to 2022, and the number of households below the ALICE Threshold increased by 30%. In predominantly urban counties, the total number of households increased by 23%, and the number of households below the Threshold increased by 24%. The counties in Colorado with the largest percentage increase in the total number of households from 2010 to 2022 included Archuleta, Broomfield, Dolores, Hinsdale, and Ouray counties, while Cheyenne, Kiowa, and San Juan counties had the largest percentage decrease.

WHY ARE THERE SO MANY ALICE HOUSEHOLDS?

Over the last decade, the number of ALICE households in Colorado has been on the rise as wages have failed to keep up with inflation and the rising cost of household basics. ALICE households struggle to afford basic necessities — housing, child care, food, transportation, health care, and technology. Public assistance has filled in some of the gaps, especially during the pandemic, but it has never been enough to bring all families to financial stability.

This consistent trend — a growing number of households that are struggling financially, undercounted by official measures, and largely ineligible for public assistance— represents a major vulnerability in our economic system. It also suggests that overall social and economic policies are falling short in addressing the root causes of financial instability.

Financial Hardship Over Time

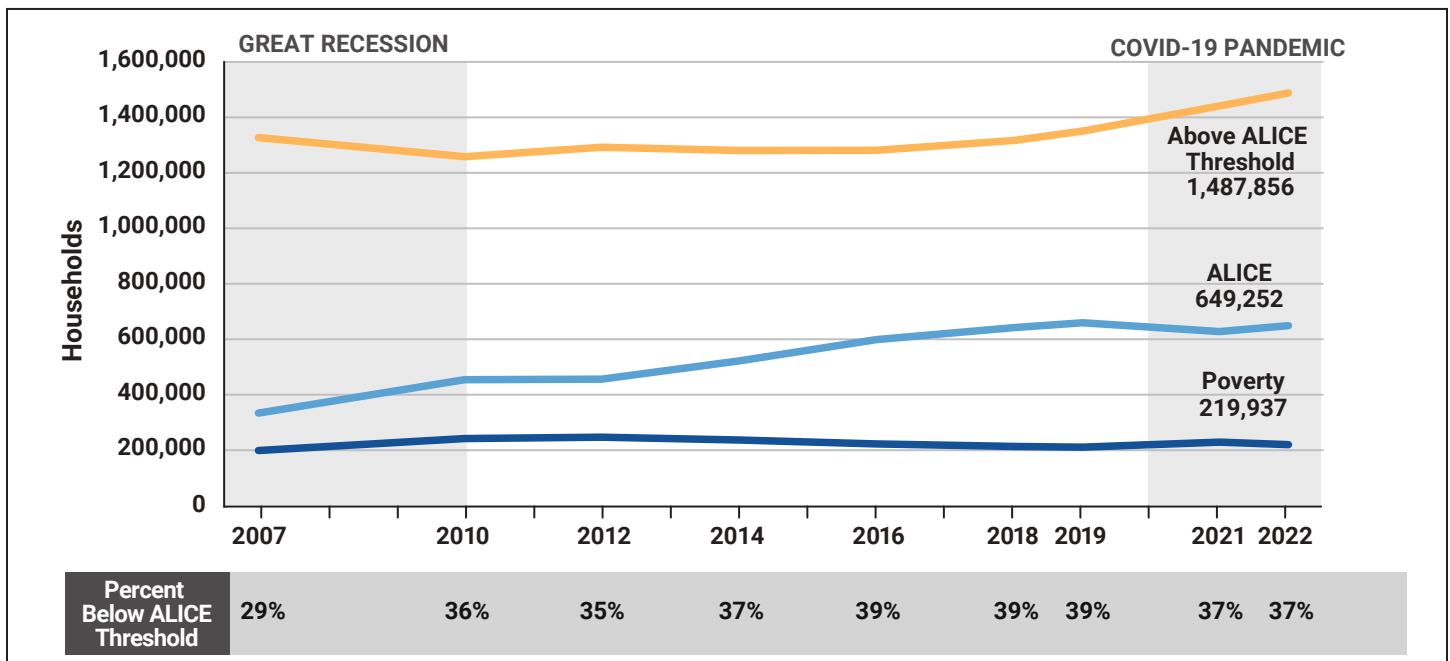
Rates of financial hardship in Colorado have shifted over time (Figure 8). During the last major economic disruption — the Great Recession — the percentage of Colorado households

below the ALICE Threshold increased from 29% in 2007 to 36% in 2010, and it never returned to pre-Recession levels in the decade that followed.

Since 2010, despite some ups and downs in rates of financial hardship, the trend has been clear: The number of ALICE households in Colorado continued to climb through 2019 and remained stubbornly high through 2022. From 2010 to 2022, the total number of households in the state increased by 21%, households in poverty decreased by 9%, and the number of ALICE households increased by 43%.

Narrowing the focus to the period around the COVID-19 pandemic, the rate of financial hardship in Colorado dropped from 39% of households below the ALICE Threshold in 2019 to 37% in 2021, where it remained in 2022. Yet the total number of households below the Threshold (poverty-level and ALICE combined) remained relatively the same, at nearly 870,000 households.

Figure 8. Households by Income, Colorado, 2007–2022



Sources: ALICE Threshold, 2007–2022; U.S. Census Bureau, American Community Survey, 2007–2022

The ALICE Essentials Index

Inflation is one of the most widely utilized indicators of the health of the U.S. economy. When prices increase faster than wages, the stock market, and other sources of income, people’s purchasing power decreases and economies struggle. This is especially challenging for families on a tight budget or a fixed income, like ALICE households.

The standard measure of inflation in the U.S., the Bureau of Labor Statistics’ Consumer Price Index (CPI), tracks the retail price of select goods and services purchased by consumers in [75 urban areas](#) and is composed of [more than 200 categories](#). The CPI is often used as the North Star to guide economic policies, including monetary policy, benchmark increases for Social Security, retirement benefits for veterans and federal civil service retirees, FPL calculations, and eligibility for government assistance programs.

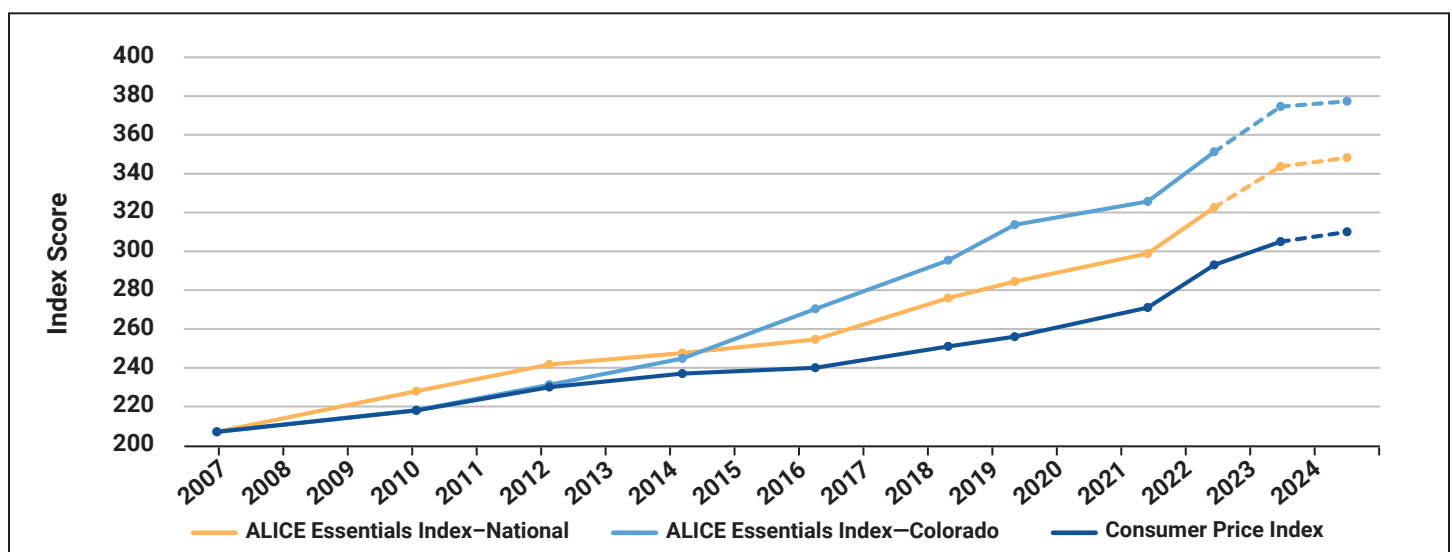
Yet despite being used to guide policy for low-income households, the CPI doesn’t accurately portray rates of inflation for the purchases that these households most often make. CPI measures the change in prices of all the goods and services that people at all income levels purchase, from haircuts to plane tickets — and by doing so, it conceals the changes in prices of

the smaller number of goods and services that are essential to meeting basic needs for households below the ALICE Threshold.

The **ALICE Essentials Index** aims to fill this gap by measuring changes over time in the costs of the household essentials that matter most to ALICE and poverty-level households. The Index tracks only the cost of six categories of basic goods and services essential to living and working in the current economy: housing, child care, food, transportation, health care, and basic smartphone and home broadband internet plans. Increases in the costs of these basics mean that ALICE households’ already stretched income covers even less.

ALICE households have long been disproportionately impacted by inflation. During the economic recovery from the pandemic, inflation surged, and many consumers cut or tightened spending in response. But ALICE households had already been struggling with higher rates of inflation associated with essential goods for years. And since they only purchase necessities, they have little to no leeway to cut spending.

Figure 9. Colorado ALICE Essentials Index, National ALICE Essentials Index, and National CPI, 2007–2024



Note: In this figure, the ALICE Essentials Index was adjusted to the CPI base value of 207 in 2007. Inflation comparison is 2007–2022; rates for 2023 and 2024 are projections. Sources: ALICE Essentials Index, 2007–2022; Bureau of Labor Statistics—Consumer Price Index, 2007–2023. For more information, visit UnitedForALICE.org/Essentials-Index.

The national ALICE Essentials Index and the Colorado ALICE Essentials Index have increased faster than the national CPI over the last decade (Figure 9). The ALICE Essentials Index—U.S. has outpaced the broader CPI—U.S. since 2007. Costs for both measures increased at a faster pace following the COVID-19 pandemic, peaking between 2021 and 2023. During this period, the ALICE Essentials Index increased at an annual rate of 7.3% compared to 6.1% for the CPI — both much faster than the annual rates during the Great Recession (3.3% annual increase for the ALICE Essentials Index and 1.7% for CPI from 2007 to 2010).

- In Colorado, the state ALICE Essentials Index began to outpace the national ALICE Essentials Index and CPI in 2012, largely in response to the state’s rising housing costs. Costs in the Colorado ALICE Essentials Index also increased at a faster rate following the COVID-19 pandemic (from 2021 to 2023).

These increases in the cost of basics mean that ALICE workers struggle to keep up. Wages, especially in low-wage jobs, have increased for the first time in over a decade. But with the increase in the cost of basic goods, ALICE workers’ wages can’t catch up. For example, the median wage for a cashier was \$9.18 per hour in 2010 (\$19,090 annually for full-time work), which was more than \$13,000 short of the annual Household Survival Budget for one adult and one school-age child (\$32,190). By 2022, the wage had increased by 60% to \$14.70 per hour, reaching \$30,570 annually, full-time; but the Survival Budget had also increased, by 49%, to \$47,904. This worker was more than \$17,000 short of basic costs in 2022 — further behind than in 2010.

Limits of Traditional Public Assistance Programs

Without public assistance, ALICE households would face even greater hardship and many more would be in poverty, especially during economic downturns. Programs like SNAP, the Earned Income Tax Credit (EITC), Medicaid, SSI, Temporary Assistance to Needy Families (TANF), and, increasingly, food banks and other community supports provide a critical safety net for basic household well-being.

POLICY, PROGRAMS, AND THE CPI

Because the CPI is used to annually adjust the federal tax brackets and FPL guidelines for inflation, gaps between the CPI and the rising cost of household basics are making it increasingly hard for adjustments to public assistance program eligibility levels to keep up. This diminishes the reach and effectiveness of public assistance and other social programs, with tangible hardship for recipients: For example, only one in four households eligible for [federal housing assistance](#) actually receive it. This is especially true for those programs most relevant to ALICE households, [including](#) Social Security and Supplemental Security Income (SSI) benefits, retirement benefits for veterans and civil servants, the Supplemental Nutrition Assistance Program (SNAP), school lunch programs, Medicaid, and tax credits. Households that depend on these public assistance programs have seen the value of their benefits erode over time as costs have risen.

Yet traditional public assistance does not reach all people in all households that are struggling financially. Due to [income and asset limits](#), most ALICE households are not able to participate in public assistance programs. Other barriers that prevent participation even for eligible households include a [lack of awareness](#) of programs, [language barriers](#), [stigma](#), and the [administrative burden](#) of accessing benefits. In addition, income and asset limits for public assistance can create “[benefits cliffs](#)” that limit economic mobility.

In Colorado in 2022:

- **Food assistance:** According to Feeding America, the [prevalence of food insecurity](#) varied across Colorado counties in 2022, with the highest rates of food insecurity in the southeastern counties of the state. In part due to the income eligibility level in Colorado ([200% of the FPL](#)), public food assistance was not accessible to all households that were struggling financially: Only 33% of all Colorado households in poverty and 15% of all ALICE households participated in SNAP in 2022. Food pantries experienced a substantial increase in [demand for services](#) when the nationwide pandemic-related benefits and emergency allotments expired at the end of February 2023.

- **Cash assistance:** The percentage of Colorado households below the ALICE Threshold receiving direct cash assistance from programs like [TANF](#) or [General Assistance](#) was even smaller than the share receiving SNAP (5% of households in poverty and 4% of ALICE households).
- **Participation in SSI:** This assistance program serves people with disabilities and those age 65 and older with limited financial resources. To be eligible, applicants cannot have assets greater than \$2,000 for an individual and \$3,000 for a married couple — a level that has not been updated in nearly 40 years, and that creates a substantial barrier to saving and wealth-building for people with disabilities and their families. In Colorado, only 2% of people living below the ALICE Threshold and 10% of people with a disability living below the Threshold participated in SSI in 2022.
- **Health insurance:** While employer-based health insurance continued to be the most prevalent [type of coverage in Colorado in 2022](#) (57.4%), 18.4% of Coloradans were covered by Medicaid and 16.2% were covered by Medicare. In 2022, 38% of all households below the ALICE Threshold in Colorado participated in Medicaid or CHIP — lower than the national rate of 46%, despite the fact that Colorado adopted and implemented [Medicaid expansion](#) in 2014. In addition, [more than 198,000](#) Coloradans received coverage through the state’s health insurance marketplace plan, [Connect for Health Colorado](#), in 2022 — and that number has continued to climb, reaching nearly 240,000 by 2024.
- **Housing assistance:** Paying for housing continued to be a top concern for low-income households, particularly with rising costs, the expiration of [pandemic rental assistance](#), and the end of [state](#) and [federal eviction bans](#). In 2022, there was an increase in [eviction filings](#) in Colorado. At the same time, 76% of Colorado households below the ALICE Threshold were rent burdened (paying more than 30% of their income on rent) and 49% were severely rent burdened (paying more than 50% of their income on rent). Rent burden not only impacts housing stability, but also has far-reaching [health implications](#), including increased risk for depression, anxiety, chronic diseases, and mortality.



WHERE DOES ALICE FIT IN THE LABOR LANDSCAPE?

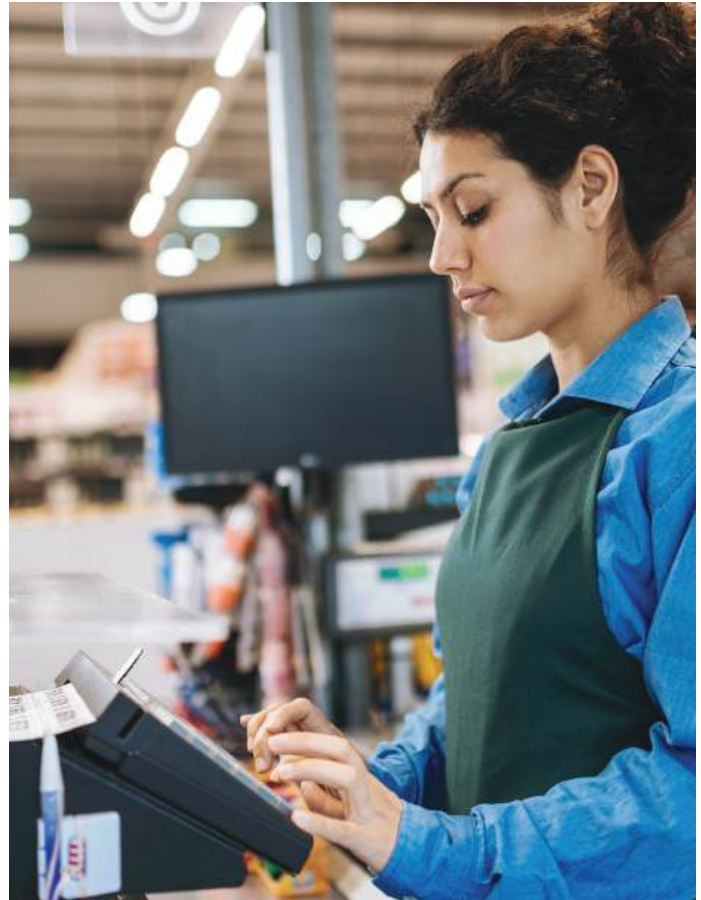
[Colorado's economy](#) is as diverse as its geography — known for its long history of ranching, farming, and mining; for tourism and recreation opportunities; and for providing one of the largest financial services hubs in the U.S. Colorado's public and private institutions of higher education also help fuel innovation in aerospace, biochemistry, clean energy, advanced manufacturing, information technology, and software development.

The [pandemic recovery](#) has not been experienced equally across industries in Colorado. In response to the shift to remote work and greater reliance on technology, the professional services sector and the transportation and warehousing sector experienced the largest job growth from 2019 to 2022, adding 32,000 jobs combined. Other sectors, including mining and accommodation and food services, have not fully recovered, with a loss of more than 5,000 jobs in each sector.

[Job growth has also varied by location](#). From 2019 to 2021, 90% of job gains in Colorado occurred in the Front Range, specifically in the Denver Metro Area and in Larimer and El Paso counties. In contrast, 24 counties across the state — located in rural regions of Northwest Colorado, along the Eastern Plains, and in the Central Mountains region — have not fully returned to their 2019 pre-pandemic job totals.

From [2023 to 2024](#), job growth was expected to continue in Colorado in professional and business services, with the hiring of highly skilled and educated workers; in government, driven by growth in new state programs in labor and employment and public health; in education and health services, largely in response to gains in nursing and residential care; in trade, transportation and utilities, to keep up with online purchasing and deliveries; and in leisure and hospitality, as travel spending resumes, specifically in the skiing industry. At the same time, the construction, manufacturing, information, and financial services sectors were expected to lose jobs.

Increasingly, ALICE workers serve as the reservoir for the labor force — in Colorado and across the U.S. — through work arrangements that leave them with more economic risk and



fewer job protections. The workplace has increasingly relied on [hourly paid, part-time, at-will, and project-based employees](#) since the Great Recession, making it easier for employers to reduce workers' hours or cut their employment altogether when the economy ebbs.

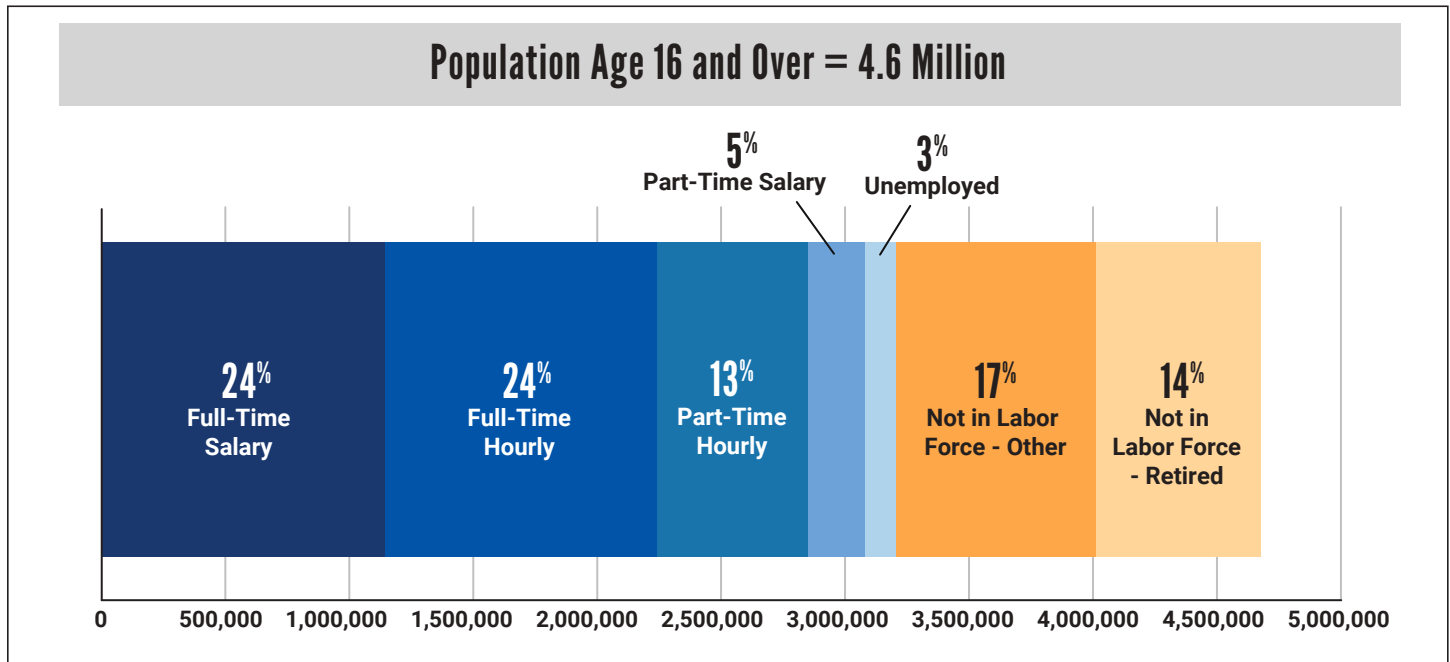
This section will provide additional context about who is participating in the labor force; the impact of full-time versus part-time employment, unemployment, and underemployment; and wage growth and disparities in Colorado.

Inside the Labor Force

Figure 10 is an overview of the labor status of Colorado’s population age 16 and over in 2022. Of these 4,674,642 people, 69% were in the labor force (blue bars, including full-time, part-time, and unemployed) and 31% were out of

the labor force (gold bars, including people not in the labor force due to factors such as caregiving responsibilities, a health issue, a disability, or student status, and those who have retired).

Figure 10. Labor Status, Population Age 16 and Over, Colorado, 2022



Note: Data for full- and part-time jobs is only available at the national level; these national rates (49% of full-time workers and 73% of part-time workers paid hourly) have been applied to the total Colorado workforce to calculate the breakdown shown in this figure. Full-time represents a minimum of 35 hours per week at one or more jobs for 48 weeks per year.

Sources: American Community Survey, 2022; Federal Reserve Bank of St. Louis, 2022

Full-time and part-time work: Though the majority of adults in Colorado were working in 2022, and most households had at least one worker, only 24% of the age-16+ population had the security of a full-time job with a salary. Of those in the labor force, most (53%) were paid hourly and/or worked part time. During the pandemic, there was a substantial [dip in the number of full-time workers](#) nationwide; that number has been steadily increasing since the low point in 2020, yet in 2022 it still fell short of the pre-pandemic number.

Unemployment: Overall, in 2022, the labor market had rebounded from the record-breaking unemployment (not currently working but looking for work in the past four weeks) and [drop in total employment](#) that occurred at the start of the pandemic. The unemployment rate was 3% in Colorado in 2022, a stark contrast to unemployment at the height of the pandemic ([11.3% in April 2020](#)). Yet the unemployment

rate for workers below the ALICE Threshold in 2022 was much higher, at 8%. In addition, [long-term unemployment](#) for all workers nationwide remained stubbornly high; one in five unemployed workers was out of work for more than 27 weeks in 2023, the same rate as in 2019.

Nationally, over the last five years, Black and Hispanic workers experienced a [rise in wages and a drop in unemployment rates](#), a departure from U.S. labor market norms. In 2022, the gaps between Black and White unemployment and labor force participation rates were near historic lows. Yet nationally and in Colorado, gaps in employment have persisted. As recently as the first quarter of 2024, the [unemployment rate](#) among people age 16+ in Colorado was higher for Black workers (5.8%) and Hispanic workers (4.5%) than for White workers (3.0%).

Underemployment: Many workers are unable to work full time due to family responsibilities, lack of child care, being in school, or having an illness or disability. Others work part time because their hours have been reduced; still others want to work more but struggle to find and secure full-time employment. In 2022 in Colorado, the [underemployment rate](#) that captured these workers was 6.5%, more than twice the traditional unemployment rate (3%), and slightly higher than the underemployment rate before the pandemic (6.3% in 2019). Comparing Colorado to neighboring states, underemployment rates in 2022 were lower in Utah (4.4%), Nebraska (4.8%), and Kansas (4.9%), similar in Wyoming (6.2%), and higher in Oklahoma (6.8%) and New Mexico (7.3%).

Underemployment was particularly notable among parents: In Colorado, 22% of children lived in families that [lacked secure full-time employment](#) in 2022.

Nationally in 2022, nearly one-fourth (24%) of people age 25 to 55 years were “[part-time for economic reasons](#)” (available for full-time work, but working part time), down from 31% in 2021. There were also differences by race/ethnicity: Hispanic men had the highest involuntary part-time rate at 36%, followed by Black men (29%) and White men (24%). Rates were lower for women and with smaller gaps by race/ethnicity: 17% of Hispanic women, 16% of Black women, and 9% of White women were working part time for economic reasons in 2022.

Out of the Labor Force

People out of the labor force include those who are retired (14% of the 16+ population in Colorado in 2022). With an aging population, this percentage will continue to increase over time. Many older workers were also forced to [retire earlier than planned](#) during the pandemic. Nationally, according to the Federal Reserve SHED in November 2021, 26% of adults who retired within the year prior to the survey, and 15% of those who reported that they retired one to two years earlier, said factors related to COVID-19 contributed to when they retired. Excess retirements related to the pandemic in the U.S. were experienced across all demographic groups, according to a [2022 Report by the Federal Reserve](#), yet early retirees were more likely to be age 65 and older, White, and college-educated, which may in part be explained by their better financial position prior to the pandemic.



Yet with increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2022, according to the ACS, nearly 233,000 people age 65 and over living below the ALICE Threshold in Colorado did not have retirement savings beyond Social Security, and nearly 38,000 were working.

Of the 16+ population in Colorado, 17% were out of the labor force for reasons other than retirement. [Barriers to employment](#) for workers in Colorado include child care challenges, disability, educational attainment, and former incarceration.

Wages for the Most Common Occupations

Across the country, between 2019 and 2022, [wages for the lowest-paid jobs increased](#) at a faster rate than at any point since 1979. This was in part due to a [tighter labor market](#), in which workers reevaluated their employment situation in the wake of the pandemic and inflation, and employers had to offer more competitive wages to attract and retain them. Minimum wage increases in some states also contributed to this effect. In Colorado, the [minimum wage](#) increased from \$11.10 per hour in 2019 to \$12.56 per hour in 2022, while the federal minimum wage remained at \$7.25 per hour.

Wage increases helped fill the gap when pandemic assistance ended, yet they were not enough to make up for years of falling behind. As documented in the ALICE Essentials Index, wages have not kept pace with the cost of

essential goods for more than a decade, stretching ALICE workers' household income even further. In 2022, of the 20 most common occupations in Colorado as reported by the BLS, nine paid a median wage of less than \$20 per hour. The wage to cover the ALICE Household Survival Budget for a single adult in Colorado was \$15.78 per hour working full-time, or for a family with two adults and two children, a combined wage of \$44.37 per hour.

Of the workers in the 20 most common occupations, 29% were below the ALICE Threshold in 2022. Among retail sales workers, the most common occupation, 35% were struggling. Occupations with the largest share of ALICE workers included personal care aides, waiters/waitresses, cashiers, janitors and building cleaners, and fast food/counter workers (Figure 11).

Figure 11. Labor Characteristics of Most Common Occupations, Colorado, 2019–2022

Most Common Occupations	Total Employment, 2022 (BLS)	Percent of Workers Below ALICE Threshold, 2022 (ACS PUMS)	Median Hourly Wage, 2022 (BLS)	Percent Change in Wage, 2019–2022 (BLS)
Retail Salespersons	80,000	35%	\$15.98	25%
Fast Food and Counter Workers	75,490	53%	\$14.74	25%
Driver/Sales Workers and Truck Drivers	55,110	31%	\$20.66	7%
Registered Nurses	52,390	10%	\$39.63	10%
Stockers and Order Fillers	51,350	37%	\$17.17	14%
Janitors and Building Cleaners	51,080	51%	\$17.99	35%
Cashiers	50,200	47%	\$14.70	21%
Cooks	49,420	43%	\$17.48	29%
Customer Service Representatives	49,170	30%	\$18.95	11%
General and Operations Managers	46,730	11%	\$59.59	13%
Business Operations Specialists	44,240	14%	\$38.80	N/A
Waiters and Waitresses	41,770	46%	\$14.20	34%
Software Developers	40,930	6%	\$62.46	N/A
Sales Representatives of Services	38,850	10%	\$38.23	30%
Elementary and Middle School Teachers	37,950	16%	\$29.26	18%
Accountants and Auditors	35,960	10%	\$38.12	7%
Personal Care Aides	35,910	45%	\$15.99	27%
Office Clerks, General	35,140	37%	\$22.36	16%
Sales Representatives, Wholesale and Manufacturing	33,900	13%	\$39.87	13%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	33,050	24%	\$20.62	11%

Note: BLS = Bureau of Labor Statistics; ACS PUMS = American Community Survey Public Use Microdata Sample. Occupation titles and percent of workers below the ALICE Threshold come from ACS PUMS. ALICE Threshold status is determined by comparing workers' household income to the Household Survival Budget for their household composition and location. Employment and wage numbers for Business Operations Specialists and Software Developers are missing/renamed in the Bureau of Labor Statistics—Occupational Employment Statistics dataset, therefore we cannot calculate the percent change in wage, 2019–2022.

Sources: ALICE Threshold, 2022; Bureau of Labor Statistics—Occupational Employment Statistics, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2019 and 2022

To see the most common occupations for workers below the ALICE Threshold in your community, visit UnitedForALICE.org/ALICE-EVD. For more data on jobs by hourly wages and full-time, part-time, and hourly work schedules, visit UnitedForALICE.org/Labor-Force/Colorado.

Where ALICE Works Matters

Occupations and employers matter for workers; some jobs have greater earning potential and pathways for advancement. Even within one occupation, key features of employment can [differ by employer](#), with wide variation in wage levels, job security, predictability of schedules, opportunities for advancement, and benefits.

Over the last few years, low-wage workers have seen the biggest increase in wages in more than a decade. Yet in the face of inflation, many ALICE workers confront ongoing challenges, especially when dealing with unreliable work arrangements, juggling multiple jobs, or facing instability in small businesses, as outlined below.

- **Gig and contract work:** According to McKinsey's 2022 [American Opportunity Survey](#), more than one-third (36%) of U.S. workers identify as a gig, contract, freelance, or temporary worker. While there are benefits to these work arrangements, such as flexibility, work-life balance, and ability to work remotely, these workers are more likely to receive [lower wages](#) and have [fluctuations in their schedules and income](#). They are also [less likely to receive benefits](#) such as health insurance, paid time off, family leave, or retirement benefits (especially if they work fewer than 30 hours per week at a single job).

Yet many gig workers are working full time without the benefits that traditionally accompany full time work. In a 2022 [Colorado Jobs with Justice survey](#) of app-based drivers in Denver County, the majority of respondents reported working an average of 38 hours per week, and 61% were completely reliant on these earnings to pay their bills. Gig drivers also reported having to cover expenses such as car payments, maintenance, insurance, and cleaning costs. After deducting expenses, their hourly rate was only \$5.49, well below minimum wage. And 31% reported that they had no health insurance — nearly four times higher than the uninsured rate in Denver County in 2021 (8%). Additionally, more than half (59%) supported another person with their gig income, and 23% of respondents supported two or more children.

- **Multiple jobs:** When one job won't cover expenses, low-income workers often rely on multiple jobs to make ends meet. Traditional measures of employment have focused on the number of jobs held by a worker; for example, the BLS estimates that only [5% of workers held two or more jobs](#) in 2022. However, in the current economy, a worker may have many sources of income that are not necessarily considered a "job" by agencies like the BLS. According to a 2022 Lending Tree survey, 44% of Americans report having a side hustle, with 71% of them saying that without this extra income, they aren't sure they would still be able to pay all their bills.
- **Small business employers:** In 2022, nearly half ([47.6%](#)) of the private-sector workforce in Colorado worked in a small business — defined by the BLS as a firm with fewer than 500 workers. The more than [691,000 small businesses in Colorado](#) have been an important engine for growth in the state economy, driving job creation, innovation, and wealth. In 2022, 38.5% of [small businesses in Colorado](#) were women-owned and 16.8% were minority-owned.

Small businesses were hard-hit during the pandemic and have [unique concerns and challenges](#) as the economy continues to recover, including inflation, revenue generation, rising interest rates, supply chain breakdown, and increased vulnerability to cyberattacks and natural disasters. [Other challenges](#) include access to capital, workforce development, and regulatory compliance. [Minority-owned](#) businesses are even more likely to face challenges such as limited access to financing and insufficient technical resources. And because small business owners have fewer resources, they are more likely to [pay lower wages](#) overall and [offer fewer benefits](#), meaning that they are more likely to employ ALICE workers.

CHILD CARE WORKERS

The child care sector is [a crucial part of the U.S. economy, but it operates under conflicting pressures](#). Child care provides children with nurture and support for healthy development; it provides adult workers with jobs, but at persistently low wages; and it enables parents to work, yet it also consumes a sizable part of working parents' budgets.

The pandemic brought to the forefront the crisis in child care availability and cost, in Colorado and across the U.S.:

- For families with two children in care, child care is often the most expensive item in their budget – even more expensive than housing.
- Child care workers are the workforce behind the workforce, yet many of these workers struggle to make ends meet for their own families. With a median hourly wage of \$16.75 per hour in Colorado in 2022, 44% were below the ALICE Threshold.
- With staffing and demand fluctuations, many child care providers went out of business during the pandemic. Lack of care remains an [obstacle for working parents](#).

[Colorado's new Universal Preschool program](#), which started in August 2023, may provide some needed resources. In the year before children enter kindergarten, they are eligible for up to 15 hours of free preschool per week, for nine months of the year. Additional hours are available based on certain qualifying factors, including income. Funding is provided to licensed and registered child care providers who have signed on to participate.

Wage Disparities in the Workforce

[Despite some progress](#), disparities in wages by sex, race/ethnicity, disability status, sexual orientation, gender identity, and immigration status persist across the U.S. and in Colorado.

- **Sex:** In 2022, among all Colorado workers with earnings, [women earned 73 cents](#) for every dollar paid to men, even less than the national disparity (78 cents for every dollar paid to men). Even when educational levels are the same, wage gaps persist. For example, in 2022, [median earnings for women](#) with a bachelor's degree in Colorado were \$56,700, whereas men with the same education had median earnings of \$84,200.
- **Race/ethnicity:** Nationally, the [wage gap](#) between Black and White workers shrank in both 2022 and 2023. Yet income disparities remain, as this improvement follows decades of wage stagnation. As recently as the [fourth quarter of 2023](#), among a nationally representative sample of full-time workers, median weekly earnings were \$884 for Hispanic, \$967 for Black, \$1,157 for White, and \$1,528 for Asian workers.
- **Disability:** Workers with disabilities earn less overall than those without disabilities (although among people working similar jobs and schedules, the gap is smaller). People with disabilities are also less likely to earn a full-time wage. Compared to workers without a disability, workers with a disability are nearly twice as likely to work part-time ([29% vs. 16%](#)). Even more disparities were revealed in our [ALICE in Focus: People with Disabilities](#) research: In 2019, whether working full or part time, nationally, people with disabilities were more likely to be below the ALICE Threshold than people without disabilities. In 2022, 28% of full-time workers with disabilities in Colorado were below the ALICE Threshold, compared to 19% of full-time workers without disabilities. For people with disabilities who worked part time, the rate of financial hardship was 57%, compared to 38% for part-time workers without disabilities.
- **Sexual orientation and gender identity:** Nationwide in 2021, lesbian, gay, bisexual, transgender, and queer (LGBTQ+) workers earned 90 cents [for every dollar the average full-time worker earned](#). In addition, more than one-third of LGBTQ+ workers say they have [experienced discrimination in the workplace](#).

- **Immigration status:** In 2022, [workers born outside of the U.S.](#) accounted for 18% of the U.S. civilian labor force. [Median usual weekly earnings](#) of full-time wage and salary workers born outside of the U.S. were 87% of the earnings of their U.S. born counterparts (\$945 vs. \$1,087). In a [2023 nationally representative survey](#), immigrants in the U.S. reported experiencing discrimination, hostility, difficulty making ends meet, and being overqualified for their jobs, uninsured, and uncertain about shifting immigration laws.

Wage gaps are even more substantial for workers with multiple marginalized identities. For example, in Colorado, when [factoring in gender and race/ethnicity, the wage gaps grew wider](#): Latinas were paid 51 cents for every dollar paid to White, non-Hispanic men in 2022, and Black women were paid 57 cents. [These differences persist](#) even when controlling for education and work experience. [Multiple factors](#) contribute to these wage gaps, including gender and racial stereotypes and discrimination, the types of jobs and industries women often work in, and family needs.

THE ALICE ECONOMIC VIABILITY DASHBOARD

United For ALICE's [Economic Viability Dashboard](#) provides key data on the local economic conditions that matter most to ALICE households: work, housing, and community resources. The Dashboard's mapping, profile, and comparison features can help communities and policymakers identify the gaps that ALICE workers and families face in reaching financial stability. Then, the Action Planner puts that data to use by quantifying gaps and pairing them with promising practices, so that public and corporate policymakers can remove barriers and make structural changes needed to ensure that ALICE households' basic needs are met.



DOES ALICE HAVE SAVINGS AND ASSETS?

It has been widely reported that U.S. household [savings increased](#) during the pandemic, but that national average conceals different experiences by state and even more so by income level. This section reviews access to three types of savings and assets — rainy day funds, retirement assets, and homeownership — and their relationship to rates of financial hardship.

Savings and assets provide a cushion for workers when there is an unexpected emergency — anything from a car repair to a medical crisis — as well as allowing families to save for the future — higher education, homeownership, or retirement. But for ALICE families, saving is difficult, and an emergency can mean having to deplete whatever savings they have. This often leads to difficult trade-offs such as having to forgo basic needs or rely on credit cards and accumulate debt. And due to persistent gaps in access to assets, financial tools, and credit, lower-income households — and households of color in particular — are more likely to be [targeted by predatory lenders](#) and to [incur excessive fees or interest rates on borrowing](#). As a result, ALICE families often do not have the means to build assets, let alone catch up to families who already have

assets (especially those who have been building them for generations).

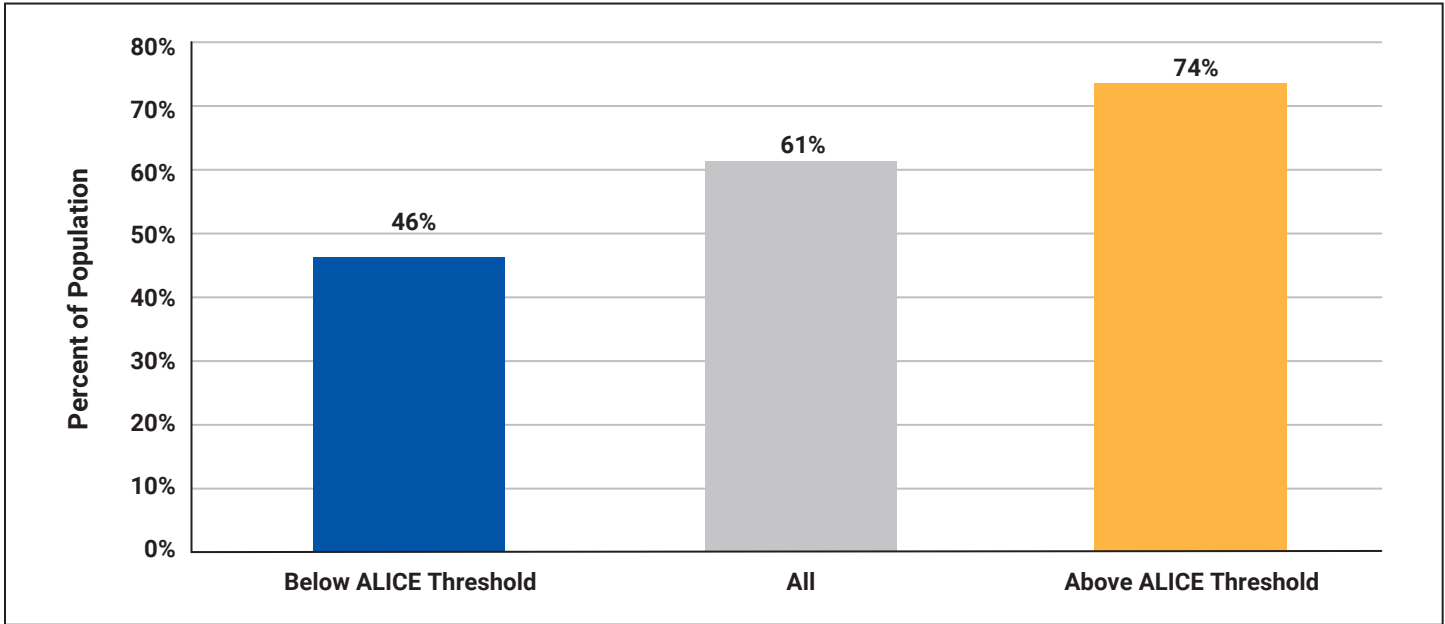
Rainy Day Funds

One of the best-known questions in the SHED survey asks whether respondents had set aside emergency savings or rainy day funds that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. The overall rate in Colorado, 61% in October 2022, obscures a large difference by income: Only 46% of Colorado respondents below the ALICE Threshold reported having rainy day funds, compared to 74% of those above the Threshold (Figure 12).

These rates had shifted during the pandemic: Savings among respondents above the Threshold in Colorado increased slightly (from 73% in 2019 to 74% in 2022) while the rate for those below the Threshold decreased considerably (from 55% in 2019 to 46% in 2022).



Figure 12. Funds to Cover Three Months' Expenses by the ALICE Threshold, Colorado, 2022



Question: Have you set aside emergency or rainy day funds that would cover your expenses for three months in the case of sickness, job loss, economic downturn, or other emergencies?

Sources: ALICE Threshold, 2022; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), October 2022

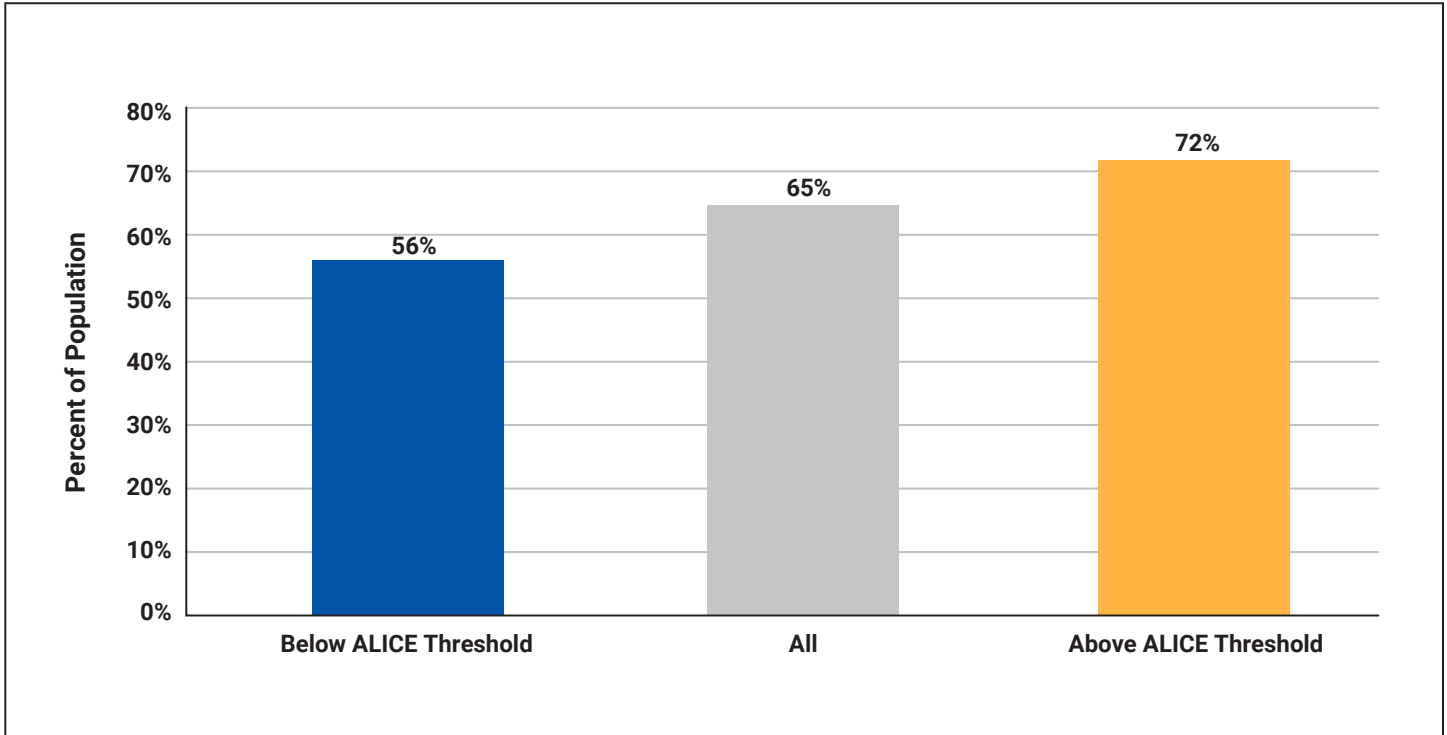
Nationally, the SHED survey also showed substantial differences by income and race/ethnicity in rainy day funds (this data is not available at the state level). In 2022, White and Hispanic respondents below the ALICE Threshold in the U.S. had higher rates of emergency savings (42% and 36%, respectively) than Black respondents below the Threshold (33%). Rates were higher overall for respondents above the Threshold, yet gaps remained (74% for White, 63% for Hispanic, and 60% for Black respondents).

Each of these racial/ethnic groups made gains during the pandemic, with Hispanic respondents both above and below the Threshold showing the largest increase in emergency savings. From October 2019 to October 2022, the percentage of Hispanic respondents below the Threshold with rainy day funds increased from 28% to 36%, and the percentage of Hispanic respondents above the Threshold with these funds increased from 57% to 63%.

Retirement Assets

[Retirement assets](#) include 401(k)s, IRAs, pensions, or business or real estate holdings that provide income in retirement. Overall, 65% of Colorado respondents reported having these funds in October 2022. Yet the state average conceals the disparity in retirement assets between households above and below the ALICE Threshold in Colorado. In 2022, according to the SHED, 56% of respondents below the Threshold had retirement assets, compared to 72% of households above the Threshold (Figure 13).

Figure 13. Retirement Assets by the ALICE Threshold, Colorado, 2022



Question: Do you currently have each of the following types of retirement savings? Selected at least one: 401(k); IRA; pension; savings outside a retirement account, business, or real estate holding that will provide income in retirement; other retirement savings

Sources: ALICE Threshold, 2022; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), October 2022

Homeownership

In addition to savings and retirement security, [homeownership](#) is another means for families to build wealth. Housing stability provides a foundation for better school and work performance, as well as improved access to health care and healthy food. Yet it is also one of the most expensive items in many household budgets; and for many ALICE households, owning a home is out of reach. In 2022, 47% of households below the ALICE Threshold in Colorado were renters.

Slightly more than half (53%) of households below the ALICE Threshold in Colorado owned their own home in 2022, while two-thirds (66%) of those above the Threshold were

homeowners. And more than half (57%) of homeowners below the Threshold were housing cost burdened (paying more than 30% of their income on housing) compared to only 13% above the Threshold.

Gaps in homeownership were even wider by race and ethnicity. To see data for your community, explore the [ALICE Economic Viability Dashboard](#).

BEYOND 2022: WHAT CHALLENGES DOES ALICE FACE?

Many ALICE households face [ongoing distress](#) because they have not recovered from the Great Recession, debt accumulation, a job loss, or other major challenges. Many are working hard but still struggling to find safe housing, quality child care, accessible health care, and reliable transportation that they can afford. Rising wages and pandemic assistance mitigated some of the financial impact of business disruptions, a health crisis, and rising inflation that characterized the past few years. Yet 37% of households in Colorado were still struggling in 2022 – [ranking](#) Colorado 13th among all states and the District of Columbia in financial hardship (with 1st representing the lowest rate of hardship).

The most recent insights from the SHED (through October 2022) and the Household Pulse Survey (through October 2023) help explain the pervasiveness of hardship in Colorado and the risks it poses to ALICE households. These surveys also provide an alarming look at the breakdown of hardship by race/ethnicity, sex, sexual orientation and gender identity, and disability status. The differences here are even starker than when looking at income alone, giving credence to concerns

that the pandemic exacerbated inequities across all facets of life. The national analysis reveals that Black, Hispanic, female, and LGBT respondents, as well as those with disabilities, face additional obstacles to achieving financial stability. These disparities were also evident in Colorado, though due to the small sample size, data is not available for Black respondents in the state.

Ongoing Risks

Food insufficiency: Rates of food insufficiency have [remained elevated](#) since the beginning of the pandemic. In the August 2020 Household Pulse Survey, respondents below the ALICE Threshold in Colorado were eight times more likely to report that their household sometimes or often did not have enough food in the prior seven days than respondents above the Threshold (16% vs. 2%). By August–October 2023, rates of food insufficiency had increased slightly for respondents both below and above the Threshold (18% vs. 4%).

Figure 14. Food Insufficiency, Above and Below the ALICE Threshold, Colorado, 2023

Food Insufficiency, Colorado			
	Below the ALICE Threshold	Above the ALICE Threshold	Colorado Average
Hispanic	28%	5%	10%
Female	18%	3%	
With a Disability	31%	7%	
LGBT	24%	4%	

Question: In the last seven days, which of these statements best describes the food eaten in your household? Selected: Sometimes or often not enough

Note: The Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender. Black (non-Hispanic) respondents were not included in this table because the sample size was too small.

Sources: ALICE Threshold, 2022; U.S. Census Bureau, Household Pulse Survey, August 23, 2023–October 30, 2023, Phase 3.10

Some demographic groups experienced higher than average food insufficiency (Figure 14). For example, in 2023, 31% of respondents with disabilities below the Threshold, 28% of Hispanic respondents below the Threshold, and 24% of LGBT respondents below the Threshold reported not having enough food, compared to the national average of 12% and the Colorado average of 10%.

For households with children in Colorado, in August 2020, respondents below the ALICE Threshold were ten times more likely than respondents above the Threshold to report that often or sometimes their children were not eating enough because they couldn't afford enough food (20% vs. 2%). By August–October 2023, rates had improved slightly for households below the Threshold (17%) yet remained more than eight times higher than for those above (2%).

Adding to concerns about Coloradans experiencing food insufficiency, [temporary pandemic-related SNAP benefits increases](#) ended in September 2021 and [emergency allotments](#) ended as of March 2023. Additionally, stricter work rules for participation in SNAP, including the [expansion of work requirements](#) up to age 59, may create additional barriers to access, particularly for [older low-income people](#). With these changes, more families will need to rely on the charitable food system that was designed for emergencies but is increasingly [an ongoing necessity](#).

Ongoing housing crisis: According to the SHED, in 2022, 47% of households below the ALICE Threshold in Colorado reported that their rent or mortgage had increased in the prior 12 months (compared to 30% of households above the Threshold).

In addition, according to the Household Pulse Survey, in August–October 2023, 12% of Colorado renters below the Threshold and 3% of renters above the Threshold were behind on their rent, slightly improved from August 2020, when 15% of renters below the Threshold and 3% of renters above the Threshold were behind. There was an increase in the overall number of people experiencing [homelessness in Colorado](#) from 2022 to 2023 (up 39%), and the state had the largest percentage increase in family homelessness in the U.S. during that period (up 69%).

Struggling to pay bills: During the height of the pandemic, in August 2020, 48% of households below the ALICE Threshold in Colorado said it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses, according to the Household Pulse Survey. That rate increased to 50% by August–October 2023. And both these rates were more than double the rates for respondents above the Threshold (13% in August 2020 and 22% in August–October 2023).

Facing lack of savings and medical debt: As mentioned earlier, according to the SHED, in 2022, only 46% of families below the ALICE Threshold in Colorado had set aside emergency savings or rainy day funds that would cover their expenses for three months in the event of sickness, job loss, economic downturn, or another emergency, considerably less than the rate for those above the Threshold (74%). In addition, nearly one in four respondents below the ALICE Threshold reported that they incurred an unexpected major medical expense that they had to pay for out of pocket because it was not entirely paid for by insurance. Medical debt generally reflects [poorer health](#), lower rates of health care coverage, and [additional financial hardship](#).

Physical health: With government support for expanded health services ending, and in the wake of three years of reduced preventative care, health concerns are increasing for families in Colorado and across the U.S. According to the SHED (October 2022), in the [Mountain Census Region](#) (which includes Colorado), 46% of respondents below the ALICE Threshold reported that during the previous year they went without health care (prescription medicine, seeing a doctor, mental health care, or dental care) because they couldn't afford it, nearly three times higher than the rate for respondents above the Threshold (17%). These problems with access to care only [exacerbate the existing health risks of financial hardship](#), including lower birthweight, increased rates of chronic illness, and shorter lifespans.

Mental health: The negative impact of financial stress on mental health has been [well established](#), so it is not surprising that people below the ALICE Threshold in Colorado were more likely to report mental health challenges than those above the Threshold. According to the Household Pulse Survey, in

August 2020, 23% of respondents below the Threshold and 16% above the Threshold reported feeling nervous, anxious, or on edge nearly every day over the prior two weeks. By August–October 2023, rates had decreased for respondents both below and above the Threshold, yet the rate for those below the Threshold was nearly double the rate for those above (19% vs. 10%).

In Colorado, some demographic groups experienced higher than average rates of feeling nervous, anxious, or on edge (Figure 15). For example, in 2023, 42% of LGBT respondents below the Threshold, and 37% of respondents with disabilities below the Threshold, reported feeling nervous, anxious, or on edge nearly every day over the prior two weeks, compared to 14% of all Colorado respondents.

In addition, all respondents below the Threshold in Colorado were more than twice as likely to report feeling down, depressed, or hopeless at both timepoints (15% in 2020 and 13% in 2022) as respondents above the Threshold (7% in 2020 and 6% in 2022).

The lack of mental health resources during the pandemic has been [widely recognized](#), and awareness is increasing, especially with the launch of the [Nationwide Suicide and Crisis Lifeline](#) (988). But there remains a severe [shortage of mental health resources nationally](#) and in [Colorado](#), especially for low-income families, and mental health providers struggle to meet [increased demand](#).

Figure 15. Feeling Nervous, Anxious, or On Edge, Above and Below the ALICE Threshold, Colorado, 2023

Feeling Nervous, Anxious, or On Edge, Colorado			
	Below the ALICE Threshold	Above the ALICE Threshold	Colorado Average
Hispanic	19%	8%	14%
Female	19%	11%	
With a Disability	37%	25%	
LGBT	42%	17%	

Question: Over the last two weeks, how often have you been bothered by feeling nervous, anxious, or on edge? Selected: Nearly every day

Note: The Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender. Black (non-Hispanic) respondents were not included in this table because the sample size was too small.

Sources: ALICE Threshold, 2022; U.S. Census Bureau, Household Pulse Survey, August 23, 2023–October 30, 2023, Phase 3.1

ALICE is More Vulnerable in Times of Crisis

With little access to resources and credit, and few or no savings or assets, ALICE households are more vulnerable to the effects of disasters and crises. From natural disasters to pandemics to the more common household-level crises like a broken-down car or a sudden health issue, ALICE families feel the economic impact almost immediately. If hourly paid workers can't work, they lose pay; without insurance, if there is damage to their home or car, there are immediate repair bills; and without a generator, if the power goes out, they need money to replace spoiled food supplies.

Because of its location straddling the Rocky Mountains and the Great Plains, [Colorado is prone to severe weather](#), including thunderstorms, lightning, hail storms, snow storms, tornadoes, wildfires, and flooding. As severe weather incidents increase, their financial impact is increasing as well: In Colorado, extreme weather events cost a record [\\$20 to \\$50 billion in direct damages in 2023](#).

Environmental disasters can also lead to contamination of air, soil, and groundwater with highly toxic compounds such as [PFAS](#) that have been linked to serious health problems including cancer, hormone disruption, reproductive problems, immune suppression, and decreased vaccine response. As recently as February 2024, 5,021 locations in 50 states and the District of Columbia have [soil contaminated with PFAS](#) (up from 2,858 in 2022). Colorado is taking [steps](#) to help reduce the risk of exposure to these unhealthy chemicals and toxins.

Financially insecure households and households of color disproportionately bear the impact of crises and disasters:

- In Colorado and nationwide, as a result of historic and ongoing environmental justice issues — like the legacy of redlining on exposure to air pollution and oil- and gas-related contaminants — communities of color and low-income communities are more likely to be located near polluting industrial facilities, hazardous chemical facilities, and contaminated waste sites. As a result, they face [greater exposure to toxic pollution and incur greater health risks](#) than residents of wealthier and predominantly White communities.
- According to the [Colorado Health Institute's Health and Climate Index](#), climate change will only increase health disparities for certain populations, including people with chronic health issues, children, communities of color, and people living in financial hardship. Denver's Globeville-Elyria-Swansea neighborhood (ZIP code 80216), where 47% of households lived below the ALICE Threshold in 2022, [helps to illustrate this point](#). This majority-Hispanic community, with a high concentration of children living within 100% to 200% of the FPL — residents already at risk of adverse health

outcomes — is close to three interstate highways, a power plant, and Colorado's largest oil and gas refinery. Climate change leading to rising ozone levels and other pollutants in this community only increases health risks and exacerbates chronic cardiovascular and respiratory conditions.

- ALICE households are also more likely to live in [housing units and communities that are at increased risk](#) for flooding, fire, and other hazards, primarily because those areas are more affordable, but they have [fewer resources to prepare for, withstand, or recover from these disasters](#). For example, in places that experienced natural disasters in 2021 and 2022 — such as Hurricane Ian in Florida; [wildfires](#) in California, Oregon, Idaho, Utah, and Washington; [flooding](#) in Kentucky and Missouri; and tornadoes in the southern U.S. — ALICE families faced [higher risks](#). Nationally, according to the Household Pulse Survey (August–October 2023), one month after a natural disaster, respondents below the Threshold who were displaced were at least twice as likely as those above the Threshold to experience a shortage of food (51% vs. 23%) and drinkable water (31% vs. 15%).
- ALICE workers are essential for crisis recovery and rebuilding from natural disasters. Many ALICE workers performed essential jobs during the pandemic — caring for COVID-19 patients, working in food service, grocery stores, and warehouse and fulfillment centers — despite unsafe working conditions. Similarly, in the aftermath of hurricanes and wildfires, ALICE workers are essential for debris removal, housing repairs, and rebuilding basic infrastructure. Yet these jobs are nearly impossible to do if workers and their families are in crisis themselves.

MAPPING ALICE WITH COMMUNITY RESOURCES AND INDICATORS OF WELL-BEING

Mapping where ALICE lives along with the location of community resources — such as public libraries or health care facilities — can help identify gaps by town, ZIP code, county, or state. View ALICE data by geography along with the locations of key resources at [UnitedForALICE.org/Maps/Colorado](#).

ALICE data can also be mapped alongside other datasets. Visit [UnitedForALICE.org/Indicators/Colorado](#) to see relationships between financial hardship and other key indicators of well-being, such as internet access.

DATA FOR ACTION: A VISION FOR ALICE IN COLORADO

The strength of the Colorado economy is inextricably tied to the financial stability of all residents. As the pandemic has shown, ALICE workers are critical to the smooth running of the economy, during times of crisis and beyond. And, in turn, the stability of ALICE families depends on their being able to fully participate in that economy.

The pandemic highlighted the ability of government policymakers and business managers to respond to changing conditions quickly. The 2022 ALICE data may surprise some readers who were expecting much worse. But 2022 was a unique year — and the continuing stresses facing ALICE families are both a call to action and a challenge to complacency.

In Colorado and across the U.S., intervention is needed across the board — in business, government, nonprofit, and educational institutions — to set the groundwork for a more equitable future for ALICE. The ALICE research and data can be used to generate solutions to these problems, helping ALICE households and creating equity across communities.








To make these decisions, it is important to understand both the barriers to and facilitators of financial stability. The factors that work to widen or close the gap between living below the ALICE Threshold and being financially stable are outlined in Figure 16.

Good data is the essential foundation for effective policy. The measures of cost of living and financial hardship, demographic data, and wage and labor force statistics presented in this Report can help stakeholders identify and track financial hardship over time; provide language to raise awareness about the challenges ALICE households face; frame appropriate questions; and make data-driven decisions. The ALICE data can help policymakers and community organizations identify gaps in community resources. It can also guide employers in finding additional ways to support ALICE workers for increased productivity, both in times of economic growth and in periods of economic recovery. Learn more about the many innovative ways the ALICE data is being used to create positive change on our [ALICE in Action](#) web page.

Our vision is a country where ALICE families not only have sufficient income to afford the basics but can also save and invest in their future. Having enough income for safe and affordable housing, adequate food, reliable transportation, quality child and health care, and sufficient technology not only has the immediate impact of fulfilling essential needs, but also creates a ripple effect: When ALICE households can afford the basics, there is a significant positive impact on local communities and the wider economy. This is a vision not only for ALICE, but for the nation as a whole.



Figure 16. Benefits of Sufficient Income

If households have sufficient income for...	Benefits for ALICE Households	Benefits for the Wider Community
 <p>Safe, Affordable Housing</p>	<p>Improved physical and mental health through safer environments and reduced stress; improved educational performance and outcomes for children; greater stability for household members; a means to build wealth and racial equity for homeowners</p>	<p>Expanded and updated housing stock, reduced systemic housing inequities; lower health care costs; reduced homelessness; increased opportunities for jobs and more money spent in local communities</p>
 <p>Quality Child Care and Education</p>	<p>Increased labor force participation, lifetime earnings and retirement security for women; health benefits for children, school readiness, improved educational attainment and graduation rates; improved performance in higher education; higher lifetime earnings</p>	<p>Decreased racial/ethnic and socioeconomic performance gaps; high return on investment from early education to high school and beyond</p>
 <p>Adequate Food</p>	<p>Decreased food insecurity; improved health (especially for children and adults age 65 and over); decreased likelihood of developmental delays and behavioral problems in school</p>	<p>Lower health care costs; improved school and workplace productivity; less spending on emergency food services; greater equity by gender, race/ethnicity and immigration status</p>
 <p>Reliable Transportation</p>	<p>Decreased transportation insecurity; improved access to work/job opportunities, school and child care, health care and social services, food/retail markets, and support systems (friends, family, faith communities)</p>	<p>Improved air quality and reduced gasoline consumption/carbon emissions; increased economic opportunity through returns on investment; a more diverse labor market; decreased income disparities; more integrated neighborhoods</p>
 <p>Quality Health Care</p>	<p>Better mental and physical health (including increased life expectancy); improved access to preventive care; fewer missed days of work/school; decreased need for emergency services; smaller share of income spent on health</p>	<p>Decreased health care spending and strain on emergency services; reduced racial/ethnic disparities in insurance coverage and access to care; fewer communicable diseases; improved workplace productivity; decreased wealth-health gap; better outcomes during health crises</p>
 <p>Reliable Technology</p>	<p>Improved access to job opportunities; expanded access to health information and telemedicine services; increased job and academic performance</p>	<p>Closing the “digital divide” in access to technology by income; increased economic development; increased opportunities for civic participation</p>
 <p>Savings</p>	<p>Ability to withstand emergencies without impacting long-term financial stability; greater asset accumulation over time (e.g., interest on savings; ability to invest in education, property, or finance a secure retirement)</p>	<p>Less spending on public services to cover basic needs like health care, food, and housing – especially for unexpected or emergency expenses</p>

COUNTY COMPARISON: INCOME STATUS, 2022

Colorado Counties, 2022		
County	Households	% ALICE + Poverty
Adams	190,647	41%
Alamosa	6,471	54%
Arapahoe	258,450	39%
Archuleta	5,738	46%
Baca	1,586	51%
Bent	1,808	59%
Boulder	137,786	36%
Broomfield	30,103	30%
Chaffee	9,066	36%
Cheyenne	740	33%
Clear Creek	4,589	31%
Conejos	3,087	58%
Costilla	1,530	63%
Crowley	1,315	79%
Custer	2,181	35%
Delta	12,263	51%
Denver	334,942	38%
Dolores	1,185	40%
Douglas	140,100	25%
Eagle	20,084	40%
El Paso	293,070	34%
Elbert	9,514	26%
Fremont	17,677	53%
Garfield	22,390	40%
Gilpin	2,853	32%
Grand	6,238	45%
Gunnison	7,759	33%
Hinsdale	478	43%
Huerfano	2,877	56%
Jackson	645	63%
Jefferson	241,421	33%
Kiowa	551	52%

Colorado Counties, 2022		
County	Households	% ALICE + Poverty
Kit Carson	2,979	39%
La Plata	22,691	39%
Lake	2,837	38%
Larimer	154,391	35%
Las Animas	6,631	49%
Lincoln	1,922	50%
Logan	7,985	52%
Mesa	66,134	36%
Mineral	418	35%
Moffat	5,187	49%
Montezuma	10,520	45%
Montrose	17,042	47%
Morgan	10,872	41%
Otero	7,594	53%
Ouray	2,435	39%
Park	7,688	38%
Phillips	1,760	46%
Pitkin	8,114	36%
Prowers	4,507	52%
Pueblo	67,840	47%
Rio Blanco	2,513	42%
Rio Grande	4,657	44%
Routt	10,279	35%
Saguache	3,071	47%
San Juan	337	39%
San Miguel	3,850	40%
Sedgwick	1,049	51%
Summit	11,750	38%
Teller	11,040	37%
Washington	2,030	42%
Weld	123,825	35%
Yuma	3,953	44%

NATIONAL COMPARISON: INCOME STATUS, 2022

STATE	RANK (1 = lowest % Below ALICE Threshold)	TOTAL Number of Households	HOUSEHOLD INCOME STATUS		
			% Households in Poverty	% ALICE Households	% Households Below ALICE Threshold
United States	—	128,946,680	13%	29%	42%
Alabama	46	1,987,602	16%	30%	47%
Alaska	1	269,282	10%	23%	33%
Arizona	26	2,848,273	12%	29%	41%
Arkansas	47	1,201,499	16%	31%	47%
California	42	13,543,043	12%	33%	45%
Colorado	13	2,357,045	9%	28%	37%
Connecticut	20	1,430,904	11%	29%	39%
Delaware	16	402,334	9%	29%	38%
District of Columbia	8	326,970	12%	24%	36%
Florida	44	8,800,279	13%	33%	46%
Georgia	48	4,021,382	13%	35%	48%
Hawaii	35	493,567	11%	33%	44%
Idaho	33	701,293	11%	32%	43%
Illinois	12	5,040,533	12%	24%	37%
Indiana	23	2,701,433	13%	27%	40%
Iowa	14	1,307,751	11%	26%	37%
Kansas	18	1,162,920	12%	27%	39%
Kentucky	41	1,795,489	16%	28%	45%
Louisiana	50	1,799,695	19%	32%	50%
Maine	29	594,358	12%	30%	42%
Maryland	19	2,367,020	10%	29%	39%
Massachusetts	30	2,795,534	12%	30%	42%
Michigan	28	4,056,442	13%	28%	41%
Minnesota	10	2,303,607	10%	26%	36%
Mississippi	51	1,128,883	19%	33%	52%
Missouri	31	2,497,872	14%	29%	42%
Montana	22	458,390	12%	28%	40%
Nebraska	15	790,858	11%	26%	38%
Nevada	36	1,194,930	12%	31%	44%
New Hampshire	7	554,084	8%	28%	36%
New Jersey	9	3,512,465	10%	26%	36%
New Mexico	45	833,912	17%	30%	47%
New York	43	7,758,644	15%	31%	46%
North Carolina	34	4,252,548	13%	31%	43%
North Dakota	2	324,612	12%	23%	34%
Ohio	17	4,857,452	14%	25%	39%
Oklahoma	40	1,552,422	15%	29%	45%
Oregon	39	1,712,073	12%	33%	45%
Pennsylvania	25	5,279,632	12%	28%	41%
Rhode Island	21	444,870	12%	27%	39%
South Carolina	38	2,122,865	14%	30%	44%
South Dakota	11	359,412	11%	25%	36%
Tennessee	37	2,805,838	13%	30%	44%
Texas	32	10,985,596	14%	29%	43%
Utah	6	1,117,344	9%	27%	35%
Vermont	27	268,646	11%	30%	41%
Virginia	24	3,338,674	11%	29%	40%
Washington	3	3,064,367	10%	24%	35%
West Virginia	49	720,668	17%	31%	48%
Wisconsin	5	2,466,060	11%	24%	35%
Wyoming	4	235,308	11%	24%	35%

NEXT STEPS

Capturing the true extent of financial hardship in Colorado is critical for the appropriate allocation of funds for programs in areas such as education, health care, food access, housing, and employment. There is a lot more to be done to change the trajectory for households struggling to make ends meet. How can you help?

Learn more and help to raise awareness of the struggles ALICE households face in Colorado:

- Explore the interactive ALICE web pages:
 - » [County Reports](#)
 - » [Household budgets](#)
 - » [Maps with data for local geographies](#)
 - » [Demographics](#)
 - » [Labor force data](#)
 - » [ALICE data alongside additional Indicators of Well-Being](#)

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities.
- Connect with members of the state [Research Advisory Committees](#) that support this work.
- Find your state and federal representatives and see ALICE household data by legislative district with our [ALICE Legislative District Tool](#).

Turn the ALICE data into action in your state, county, or community:

- Use the ALICE metrics to highlight the challenges ALICE households face, to inspire action and generate innovative solutions that promote financial stability.
- Armed with the ALICE data, advocate for policy change, apply for grant funding, allocate funding for programs and services targeted to ALICE households, etc.
- Learn more on our [ALICE in Action](#) web page about programs, practices, and policies to improve access to affordable housing, high-quality child care and education, healthy food, health care, transportation, workforce training, and more.
- Make the case for ALICE with interactive tools from the Federal Reserve Bank of Atlanta that are based on the Household Survival Budget, including the [Policy Rules Database](#) to model benefits cliffs, and the [Career Ladder Identifier and Financial Forecaster](#) to map changes in benefits along a career path.

Be an ally and advocate for better data:

- Advocate for more accurate data collection by the [U.S. Census Bureau](#) for people who have been [historically undercounted](#), including (but not limited to) people with disabilities, people experiencing homelessness, people of color, people who identify as LGBTQ+, and people in low-income and hard-to-count geographic areas.
- Support the [implementation](#) of a single combined Census question for race and ethnicity. Research shows this change will yield a more accurate portrait of how the U.S. population self-identifies, especially for people who self-identify as multiracial or multiethnic.

Suggested Citation: United For ALICE. (2024). "ALICE in Colorado: A Study of Financial Hardship."
<https://www.UnitedForALICE.org/Colorado>

© Copyright 2009–2024 United Way of Northern New Jersey. All rights reserved.