



BARE BONES BUDGETS

*“Measuring the minimum income
needed for the bare necessities
of families in New Mexico.”*

July, 2003



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Bare Bones Budget Report

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Executive Summary

That poverty exists within a population has been recognized for centuries; how poverty should be measured undergoes continual U.S. debate.

Background

The U.S. Federal Poverty Thresholds (FPT) and Federal Poverty Levels (FPL) are based on Molly Orshansky's 1963-1964 work. Orshansky's formula consisted of the cost of food multiplied by the inverse of the fraction of a family's budget going to food. Her intent was based on the assumption that, "If it is not possible to state unequivocally 'how much is enough,' it should be possible to assert with confidence how much is too little." Her goal, therefore, was to calculate a figure as clearly the poverty state, not the much more difficult task of identifying the transition point from poverty to nonpoverty.

The FPL, as an absolute demarcation between poverty and nonpoverty used to determine eligibility for government programs, has multiple limitations that render it inaccurate and obsolete. A relative poverty measure such as 50% median income has different limitations and paradoxically shifts the poverty threshold up in the context of prosperity and downward in the context of poor economic conditions. The Bare Bones Budget (BBB), as a budgetary-based measure of a minimally subsistent contemporary cost of living, is geographically specific, framed within hypothetical family compositions and reported by expenditure categories that unveil specific economic contributors to poverty. The BBB, therefore, allows for geographically-specific, current and family relevant economic analyses that can lead to more effective policy and creative solutions to promote family economic viability.

Study Design

The BBB study tallied a Year 2002 minimal cost of living for four family types within 52 New Mexico communities. The four family types were: 1) father, mother, infant, school age child, 2) mother, two school age children, 3) grandparents, one school age child, and 4) retired couple. The budgetary categories were housing (including telephone), food, transportation, child care, clothing, health care (including dental), miscellaneous, and taxes. All families were assumed to have full socio-economic functioning without disabilities, acute or chronic illness, with good credit rating and no criminal record (including traffic tickets), and to not be receiving federal or employee benefits such as health insurance or food stamps (except elderly members receiving Medicare).

Findings

Statewide, the total annual BBB for all family types ranged from 136% to 247% FPL. The greatest discrepancy between BBB and FPL was for the father, mother, infant child family type which had a statewide average of \$30,777 or 170% FPL. Rio Rancho had the highest BBB for this family type (\$44,630); Los Alamos had the highest BBB for the other three family types (\$35,586 for mother, two children; \$30,423 for grandparents, one child; and \$23,719 for retired couple). The lowest BBB for the four-member family type was Vaughn (\$25,981); for the mother, two children family type the lowest was Carlsbad (\$20,412); Hatch was the lowest for both the grandparent, one child and the retired couple family types (\$21,508 and \$17,135, respectively).

For both the four-member and the mother, two children family types statewide, the largest budgetary category as percent of total BBB was housing (19% and 26%, respectively). Health care costs as a percent of total BBB were much greater than the 5% reported by the Consumer Expenditure Survey of households nationally. Statewide average budgetary category distributions for both family types are summarized in Table A.

Using a budgetary-based minimal cost of living measure such as the BBB overcomes shortcomings of both the absolute FPL and relative poverty measures but will require updating over time.

Expenditure Category	Father, mother, infant, child	Mother, 2 children
Housing	19%	26%
Food	17%	19%
Transportation	10%	9%
Child care	18%	14%
Clothing	2%	3%
Health care	17%	16%
Miscellaneous	5%	2%
Taxes	12%	11%

Chapter 1: Defining Poverty

That poverty exists has been recognized for centuries; how poverty should be measured undergoes continuous debate. Now that the current U.S. official definition of the poverty threshold is 40 years old and considered by some experts to be far lower than real poverty in the U.S., discussion is warranted.¹ The following is a brief history of poverty measures, the derivation of the U.S. federal poverty measure, the theoretical basis for poverty measures, a critique of the U. S. federal poverty measure and finally, a brief outline of recent events over the last decade leading up to self-sufficiency studies and the Bare Bones Budget.

The History of Poverty Measures

An early discussion of poverty within western civilization literature can be found in Adam Smith's 1776 writings where he stated that "necessaries" include "not only the commodities which are indispensably necessary for the support of life, but (also) whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without."¹ His words allude to the subjective nature of poverty measures, which is discussed further below.

Early discussion on poverty in the U.S. was dominated primarily by advocates for the poor. Perhaps the first American to associate "poor" with a dollar figure in his writings was the African American scholar, W.E.B. DuBois, in 1899. The first official U.S. national poverty line was not derived from Molly Orshansky's work in the early 1960's as commonly thought, but was developed by a social worker, Robert Hunter, in 1904. Throughout time poverty thresholds based on standard budgets have been criticized for being based on unrealistically high expectations for household resourcefulness and accessibility to optimally low priced goods and services.² Statistically-based poverty measures through the first half of the twentieth century were limited by data availability. As the federal government began to collect more detailed data about the population, opportunities opened up to create more sophisticated methods for calculating poverty thresholds.

In 1959, Robert J. Lampman, working for the Joint Economic Committee, published detailed analyses of poverty in the U.S., predating Orshansky's sentinel papers by a few years. He described demographic characteristics of those in poverty and introduced issues pertaining to income definitions, recommendations to reduce poverty, and the impact of economic growth on poverty, all issues still debated currently.¹ The results of Lampman's work and his derived poverty thresholds were consistent with those derived by Orshansky, adding credibility and acceptance to her work some years later.

The current U.S. official poverty definitions ("thresholds") are based upon the work done by Molly Orshansky in 1963-1964. Orshansky was a research analyst in the Office of Research and Statistics of the Social Security Administration. Orshansky had a special interest in children as illustrated by one of her early publications titled "Children of the Poor." The original purpose for her work was not intended to introduce new poverty measures but rather to "develop a measure to assess the relative risks of low economic state...differentials in opportunity...among different demographic groups of families with children."³ Rather than as poverty thresholds, Orshansky viewed her work as a measure of income inadequacy. As she stated, "If it is not possible to state unequivocally 'how much is enough,' it should be possible to assert with confidence how much, on an average, is too little."⁴ Partially because of the timing, that is, the birth of President Johnson's "War on Poverty" in 1964, her work came to be the parameter by which policy effectiveness is measured that has carried over to the present time.

Orshansky's method for deriving poverty thresholds used available data at the time and attempted to accommodate for a variety of family compositions. Essentially, Orshansky's formula for calculating the poverty threshold consisted of two factors, the cost of food as reported by the U.S. Department of Agriculture (USDA) and a "multiplier" to expand food costs proportionately to encompass all other living expenses. Because of data limitations at the time, food was chosen as the only itemized budgetary category for, as Orshansky said, "...there is no generally accepted standard of adequacy for essentials of living except food."³ Actually, Orshansky used both the "economy food plan," the predecessor to the current day "thrifty food plan," and the somewhat higher "low cost food plan" reported in January 1964 by the USDA to determine a two-tiered set of thresholds. The economy food plan-based thresholds were ultimately those chosen by the federal government as the official poverty thresholds. This decision to adopt

the economy food plan-based thresholds is one point of criticism given that the economy food plan, as reported by USDA, is “designed for temporary or emergency use when funds are low” and is not considered a sustainable level for food consumption.⁴ As a remnant of these origins, the current poverty threshold for elderly persons is lower because of the assumption that the elderly nutritional needs are less than younger adults.

The second component of Orshansky’s formula, the “multiplier,” was derived from the USDA Household Food Consumption Survey, the most recent available to her being from 1955. As the Household Food Consumption Survey was conducted every ten years, the next would not be conducted until 1965. From these data Orshansky was able to determine that among those families surveyed in 1955, families with three or more persons across all income levels spent, on average, one-third of their after-taxes income on food. Assuming that families would be able to cut back spending in all expenditure categories proportionately, Orshansky multiplied the USDA food costs by three to obtain a total budget amount. By using a multiplier based on surveyed families’ proportion of expenditures she incorporated a normative feature in her measures, meaning her budget value reflected to some degree a prevailing standard of living as captured by the 1955 population survey. But, as will be discussed later, that factor for standard of living has never been updated, with the passing of time diluting if not eliminating any connection to current standards of living.¹ A multiplier was obtained by the same method for a two-person family; a single person threshold was calculated at approximate 80% of the two-person family threshold because of “economies of scale,” a concept which basically considers the sharing of resources such as housing not available to single persons. Thresholds for families of different types and compositions are determined relative to a standard family type. This relative determination is called the “equivalence scale,” another debated issue among critics of the poverty threshold.

Orshansky calculated thresholds for 248 different scenarios based not only on family member numbers and types but also gender of head of household and farm and nonfarm families. She simplified the number of possibilities somewhat herself while other simplifications occurred over the next 25 years, including elimination of the gender of head of household and farm family categories.

Having calculated poverty thresholds for different family types, Orshansky then applied those figures to the Census Bureau’s Current Population Survey (CPS), which was at the time the only data available on national income. The CPS data were before-tax income which Orshansky, herself, admitted was inconsistent with after-tax USDA Household Food Consumption Survey data she had used to calculate the thresholds. Ultimately, she acknowledged and accepted this discrepancy partly because federal income taxes at poverty level incomes were at the time almost insignificant.⁵ However, over time income tax rates for the lowest 10% of the population have increased from 1% in 1966 to 4% in 1985 and payroll tax rates have increased from 2.6-4.5% in 1966 to 9.4-10.8% in 1985.⁷ Therefore, whereas pre-tax and post-tax incomes for the poor were considered comparable in 1964, this is no longer true. Currently applying the federal poverty thresholds to pre-tax income ignores a now significant budgetary expenditure of the poor.

Interestingly, when the 1965 Household Food Consumption Survey was released and used to derive an updated (higher) multiplier, combined with the current food plan costs data, the poverty thresholds were 25-30 percent higher than previously calculated. But because the Office of Equal Opportunity was already using the previous thresholds to determine program eligibility and because implementing the updated, higher thresholds would have indicated higher budgetary needs, the revision was never accepted. Another consideration was how the Johnson Administration’s “War on Poverty” would look if, rather than continuing to show their statistical reduction in the numbers of families in poverty, they would have to explain a rise instead.⁶

It is important to note that Orshansky’s poverty thresholds were at the time consistent with both the subjective and the half of median after-tax family income (relative) poverty measures discussed below. This suggests that although by today’s standards, Orshansky’s methods would be considered suboptimal there was, nonetheless, consensus at the time among Orshansky’s and others’ poverty measures on what constituted minimally adequate resources, a consensus that has not been maintained over time.⁷ Why there has been a widening of the discrepancy between the federal poverty thresholds and the relative and subjective thresholds is discussed further below.

From 1963 to 1969 Orshansky’s thresholds were revised to reflect the latest annual USDA food cost plans. In 1969, concerned that expenses other than food were rising in cost faster than food and, therefore, the poverty thresholds were actually decreasing in real terms, the government abandoned Orshansky’s food cost-based method of calculation

and chose, instead, to modify the poverty thresholds each year by the consumer price index (CPI), making the action retroactive back to 1963. With the Bureau of the Budget's official announcement that all federal agencies were to use the new, modified poverty thresholds, Orshansky's thresholds (but not her methods) became the official federal poverty measure.⁴ Using only the CPI to update the poverty thresholds since 1963 is the major reason there is no longer consistency between the federal poverty thresholds and other commonly utilized methods of poverty measure.¹ (See below.)

Theoretical Basis of Poverty Measures

The definition of the U.S. has largely been limited to that realm of poverty concerning material or economic deprivation, or as Ruggles has stated, "...command over goods and services,"¹ although clearly at a broader level, poverty encompasses social, emotional, self-efficacy and empowerment issues as well.⁸ As recently as 1995, experts convening to assess and make recommendations on revising the U.S. federal poverty thresholds have decided to continue the convention of limiting federal poverty measures to economic deprivation for the reason that policy makers and the public already have experience with that concept of poverty and public programs are designed to target economic needs, thus requiring an economic measure to evaluate their effectiveness.⁷ It becomes clear that the discussion is circular, i.e., policies directing measures while measures direct policies, but goes beyond the scope of this document. It cannot be overlooked, however, that consensus on material deprivation as the official definition of poverty is consistent with the U.S. capitalistic system. Therefore, in the U.S. there generally is agreement that poverty is economic deprivation based on "a level of family resources...deemed necessary to obtain a minimally adequate standard of living, defined appropriately for the U.S. today."⁷ What is even more challenging to achieve agreement on is how the measure of economic deprivation should be constructed.

The Panel on Poverty and Family Assistance of the National Research Council in 1995 concluded that there are three requirements for a poverty measure. A poverty measure should be: 1) understandable and broadly acceptable to the public, 2) statistically defensible, and 3) operationally feasible.⁷ Each of the three general categories of poverty measures, i.e., absolute, relative and subjective, meets these three requirements.

When poverty is viewed as "having less than an objectively defined, absolute minimum," an absolute poverty measure is devised.¹ As discussed above, assigning income figures to the poor, however crudely determined, has historically been the approach to defining poverty. This method of profiling poverty has the advantage of being easily interpreted and understood. However, a major disadvantage is its inability to remain credible over time. Absolute poverty thresholds even when adjusted for inflation lack an element of plasticity as standards of living and consumption patterns change. Poverty standards even in absolute terms reflect the living conditions of the time in which they are established. But over time absolute terms, if not updated, are frozen to their time of inception and eventually lag further and further behind newer standards. An extreme example would be indoor plumbing. Once considered a luxury, plumbing is now a basic essential element of a decent standard of living. A more contemporary example is the telephone. In 1963 when the U.S. poverty thresholds were derived, telephones were just beginning to make their presence in the "typical" household and not fully considered essential. Today the telephone is generally included in the essential "basket of goods and services." The absolute poverty threshold does not remold in response to changing standards of what is considered minimally adequate. A measure that does continuously adjust as living conditions and consumption patterns change is the relative poverty measure.

When poverty is viewed as "having less than others in society," a relative poverty measure is devised.¹ Relative poverty measures are not connected to any budget, but are instead calculated using some designated parameter of the population, typically median income. As that parameter fluctuates so does the measure assuring, in a sense, that the measure reflects changes in standard of living without formal reevaluation and updating. Most often 50% of median income is used as the relative poverty threshold. As with absolute thresholds, an advantage of a relative poverty measure is that it is easily understood. Relative poverty measures are also easily calculated. On the other hand, they are not well suited as a measure of policy effectiveness. To the extent that the parameter to which the poverty measure is linked has a constant variance, the relative poverty measure will not show a change in poverty over time. Some experts argue that a relative poverty measure more effectively captures inequality rather than poverty, per se.¹ Because of its relativity, it also responds to the economic conditions of the time, paradoxically increasing during prosperity and decreasing during recession, with little correlation to conditions of economic inadequacy. Relative poverty measures do, however, move toward acknowledging that people are social beings

whose needs entail having a capacity to function economically at some level with fellow beings. But a third type of poverty measure, subjective, goes more fully in this direction.

When poverty is viewed as “feeling that you do not have enough to get along,” a subjective poverty measure is devised.¹ Subjective poverty measures are based on the population’s opinion on what is considered minimally sufficient, either income or consumption needs. Questions of this sort are included in the government Consumer Expenditure Survey and Gallup polls. Interestingly, people’s responses follow closely the trends of median incomes over time, correlating with half of median after-tax family income.⁷ That “successive poverty lines...show a pattern of getting higher in real terms as the real income of the general population rises”⁶ is a seemingly natural characteristic of poverty thresholds seen when thresholds are not held to a constant basket of goods and services set at one point in time. This phenomenon is termed “income elasticity” of the poverty line. A subjective poverty measure is consistent with the philosophy that poverty is a socially determined state and is responsive to changes in standard of living and consumption patterns. A major source of criticism is its judgmental nature. However, every poverty measure ultimately involves judgment as to where, finally, to draw the boundary between poverty and nonpoverty states. Concern also arises from the tendency people have to adapt to their own living conditions, reporting relatively less need when living within modest means or growing to classify more resources as being necessary with increasingly lavish lifestyles. Hence, even those who favor a subjective poverty measure stop short of applying the method exclusively to that segment of the population in question, in this case the poor, when defining need.

Obviously, no single type of poverty measure is perfect. What one must do in deciding how a poverty measure will be constructed is to clearly define the purpose of the measure and allow that purpose to dictate the form that it will take, remaining cognizant of its inherent limitations and need for revision over time.

Shortcomings of the U.S. Federal Poverty Measure

The U.S. government reports both federal poverty thresholds and guidelines. Federal poverty guidelines, also referred to as the federal poverty levels (FPL), are issued by the Department of Health and Human Services annually. They are parameters for the coming year to be used in determining eligibility for certain federal programs such as Head Start, food stamps, free or reduced-price school breakfast and lunch programs and Job Corps. Federal poverty guidelines are simplified federal poverty thresholds taken from the previous year.

Federal poverty thresholds are issued by the Census Bureau as statistical analyses of the previous year and are the subject of discussion in this chapter. The federal poverty thresholds are quoted when, for instance, the media report poverty figures released by the government. They are also the measure used in assessing policy effectiveness.

Looking back to 1963, we see that although Orshansky’s methods for calculating what were to become the federal poverty thresholds had limitations, there was nonetheless reasonable agreement among other experts as to what constituted poverty at the time. Her figures were based on food costs because that was the only available budgetary category where data were available and food constituted a significant portion of the average family’s expenditures at the time. She did not make allowances for any difference between before-tax and after-tax income because, in 1963, tax burden on the poor was considered insignificant. None of these conditions any longer apply. Since the 1960’s the federal government has adjusted the federal poverty thresholds only for inflation as measured by the consumer price index (CPI). Ironically, the practice of using the CPI to adjust the federal poverty threshold is in spite of the Bureau of Labor Statistics’ recommendation that the “...the CPI does not produce official estimates for the rate of inflation experienced by subgroups of the population, such as the elderly or the poor.”⁹ Many experts agree that the federal poverty thresholds have, over the years, become an inaccurate, unacceptable measure of poverty in the U.S.^{1,2,7}

The current federal poverty thresholds do not accurately reflect family expenditures. Whereas food was once a major contributor to family cost of living, other expenses have now surfaced as more significant. American families on average now spend a third of their before-tax income on housing while only approximately 14% is spent on all food including food at home and away from home.¹⁰ When housing costs are substituted for food costs in Orshansky’s formula, the poverty threshold for a family of four increases to 54% greater than the official poverty threshold for the same family type and year. When food costs are maintained and the multiplier is updated, the

resultant threshold is 68% higher than officially reported.¹ There is also the issue of new expenditures that have developed since the 1960's.

Expenses that were not widely viewed as necessary in the 1960s have over the interim become "minimally adequate" needs. These include, but are not limited to child care costs and child support. Many more women have entered the workforce since the 1960's, eliminating the assumption that children would be cared for by one parent while the other parent worked. "Welfare to work" policies continue to propel this trend of more parents in the workforce, forcing families to seek and pay for child care services. And while more families attempt to endure child care costs, the costs, themselves, have also risen significantly. Between 1985 and 2001 child care costs more than doubled, increasing on average 122% from \$232 to \$516 per month.¹¹ Another social change over the last 40 years is increased prevalence of divorced parents. In response to this change, policies have been implemented placing importance on enforcing payment of child support. Although, theoretically such funds go to normal cost of living expenses, it is now easy to see that separation of families impacts on "economies of scale" resulting, in this case, in an increased cost of living not reflected in the current official poverty thresholds. As more families become two-working-parent families, transportation also becomes more essential. Thus, greater miles traveled and need for more than one vehicle increase transportation costs to families. Taxes, too, as previously shown, have increased in significance for the lowest 10% of the population by income since the 1960s (see above). In the face of these deficiencies of the current official poverty thresholds, those opposing revisions cite a concern for disruption of the thresholds as a series over time for evaluating policy effectiveness. Yet, the fact that federal assistance program benefits are not weighed into the current poverty measures is another shortcoming of official poverty thresholds.

Since Orshansky's work, many federal family assistance programs have been implemented. Medicare, Medicaid, subsidized housing and food stamps are examples of services implemented during and since the 1960's. As already stated, a critical function of the poverty thresholds is as a measure of policy effectiveness. But over time these policy changes have not been incorporated into the poverty measures. This brings into question how well the impact of these policies is assessed by official poverty thresholds. Would not a poverty measure whose components factor in program benefits intended to address poverty be a better monitor for changes as a result of those benefits?

Expanding the "basket of goods and services" beyond food costs was not an option to Orshansky given the lack of statistical data at the time. However, since then the federal government has continued to build on its data collection, and technology has facilitated management and analysis of increasingly more complex statistical information about the American population. The Consumer Expenditure Survey conducted by the Bureau of Labor Statistics collects data on household expenditure by category and cost. The Census Bureau includes questions regarding income and housing as part of its Current Population Survey. The U.S. Department of Agriculture conducts food security surveys. The Department of Housing and Urban Development continually updates available housing costs. The Federal Communication Commission keeps records of homes with and without telephones and low-income telephone assistance program allocations. The U.S. Department of Transportation provides a detailed report on travel volume, patterns and practices. But, perhaps one of the most useful data sources for calculating poverty thresholds is the Survey of Income and Program Participation (SIPP). This survey, conducted by the Census Bureau, is a longitudinal study designed to measure the economic situation of households including employment, government program benefits and income. Without a doubt, population-based data now available provide the means for updating and redesigning the methods for calculating poverty thresholds. Taking this opportunity will better assure that the information the thresholds contain will more accurately measure conditions of poverty. It will also optimize their usefulness in monitoring policy effectiveness.

Instead, what we currently have is a measure developed for purposes other than how it is currently used, by methods described by their creator as inconsistent, linked and constrained to a standard of living we have not seen since the 1960s, and now no longer consistent with other poverty measures falling 50% below experts' opinion of the true poverty threshold in the U.S. As a result, as wages have risen and the poverty thresholds have been artificially held to 1963 levels in real terms, and as more families become two-income families, some families rise above the official poverty threshold and move into a category new with the times, "the working poor."¹ Another result of the current poverty threshold is, as it has been allowed to age and fall further and further below the median income in the country, those officially categorized as below the poverty threshold become a more select subgroup of the population. What is created is a group of people perceived to be unlike everyone else and a sense of social responsibility for "those people" withers. As Ruggles states, "As the characteristics of the poor population

diverge from those of the 'typical' family...the poor are more likely to become more isolated politically and to be seen as an underclass whose problems are caused by their own 'aberrant' behavior."¹ This possibility raises basic social issues. Who are we as a society if we begin to look upon a statistically-created collection of members of our society as unworthy of a minimally adequate standard of living?

Developments Over the Last Decade

Poverty thresholds and identification of the poor are historically rooted in advocacy for the poor. Up until President Johnson's "War on Poverty," estimates of poverty thresholds showed consensus in spite of varying methods of derivation consistent with a prevailing sense of normalcy of poverty to a current standard of living. Poverty lines showed elasticity with upward and downward trends as median incomes changed. However, in 1969 the federal government adopted official poverty thresholds as a means of measuring their policies' effects on poverty and set the thresholds to the 1963 standards adjusting thereafter only for inflation. From that point forward official poverty thresholds have drifted away from and below measures obtained from other methods including subjective opinions of the general population. A result of that drift is the creation of the category, "the working poor." Because of this drift we are seeing a rebirth of action among advocates for the poor. From this perspective, as in history, nongovernmental poverty thresholds more in step with the current standard of living and patterns of consumption are being developed. The Bare Bones Budget is one such development.

Patricia Ruggles' book, *Drawing the Line, Alternative Poverty Measures and Their Implications for Public Policy*, published in 1990, may have been the spark that ignited the 1990s movement to develop a more accurate measure of poverty. Her book makes a convincing case for the need for revamping official poverty thresholds. Since her work was published other projects and social trends have moved us closer to updating our definition of poverty and, more importantly, designing strategies for alleviating it.

In addressing the conditions of the "working poor," a discussion of living wage has surfaced. Knowing what is necessary for a working person to earn in order to provide for a family at some minimally adequate standard and mandating that amount as minimally acceptable compensation for a person's labor is one strategy for moving people out of poverty. Defining what is minimally adequate has been the area of grassroots work in recent years.

The organization, Wider Opportunities for Women, and Dr. Diana Pearce, founder of the Women and Poverty Project, have worked to develop "Self-Sufficiency Standards" in at least 29 states.¹² Their method takes into consideration expenses that a working family would need to pay for services such as child care and taxes and assumes no government assistance. Their standards are calculated for different family compositions and introduce geographic differences in cost of living not captured by the official poverty thresholds.

For New Mexico the Bare Bones Budget (BBB) study presents the cost of a minimally adequate standard of living for different family types living in 52 communities across the state. This document contains the results of that study. We present overall findings of costs of living for New Mexico families. Each expenditure category is discussed for communities across the state. We have included two additional pages on each community. One page consists of a spread sheet of budgetary costs for the community with the hourly wage required in order to meet that minimum budget in that community. The second page includes community demographics and graphically-illustrated BBB findings for families living in that community. This study is intended to be a beginning from which further studies and policies can be constructed.

With a focus on family budgetary needs, the BBB begins to create a better understanding of geographically-specific minimal cost of living in New Mexico. With this information we can better address issues of poverty by creating strategies consistent with identified barriers to and opportunities for meeting minimal family economic needs. It is in that light that we hope the Bare Bones Budget report will be used.

Chapter 1 Notes

¹ Ruggles, Patricia. *Drawing the Line Alternative Poverty Measures and Their Implications for Public Policy*, Washington D.C.: The Urban Institute Press 1990.

² Fisher, Gordon M. "From Hunter to Orshansky: An Overview of (Unofficial) Poverty Lines in the United States from 1904 to 1965 —Summary" March 1994, <http://aspe.os.dhhs.gov/poverty/papers/htrssmiv.htm> accessed December 31, 2002.

³ Fisher, Gordon M. "The Development of the Orshansky Poverty Thresholds and Their Subsequent History as the Official U.S. Poverty Measure" May 1992, <http://www.census.gov/hhes/poverty/povmeas/papers/orshansky.html> accessed November 27, 2002.

⁴ Fisher, Gordon M. "The Development and History of the U.S. Poverty Thresholds —A Brief Overview," Newsletter of the Government Statistics Section and the Social Statistics Section of the American Statistical Association, Winter, 1997, pp 6-7, <http://aspe.hhs.gov/poverty/papers/hptgssiv.htm> accessed November 27, 2002.

⁵ Fisher, Gordon M. "The Development and History of the Poverty Thresholds," Social Security Bulletin, Vol. 55, No. 4, 1992, <http://aspe.hhs.gov/poverty/papers/hptgssiv.htm> accessed November 27, 2002.

⁶ Fisher, Gordon M. "Is There Such a Thing as an Absolute Poverty Line Over Time? Evidence from the United States, Britain, Canada and Australia on the Income Elasticity of the Poverty Line-Summary," September 1995, <http://aspe.hhs.gov/poverty/papers/elasmiv.htm> accessed December 31, 2002.

⁷ Citro, Constance F., Michaels, Robert T. *Measuring Poverty A New Approach*, Washington D.C.: National Academy Press 1995 <http://search.nap.edu/readingroom/books/poverty/summary.html> accessed November 27, 2002.

⁸ Peter Townsend of the United Kingdom with his more global, 12 component "deprivation index" is only one example of others whose works have contributed to the broader considerations of poverty beyond material deprivation.

⁹ Bureau of Labor Statistics, U.S. Department of Labor. "Consumer Price Indexes Frequently Asked Questions," <http://www.bls.gov/CPI/CPIFAQ.HTM> accessed December 28, 2002.

¹⁰ Bureau of Labor Statistics, U.S. Department of Labor. "Consumer Expenditures in 2000," Report 958, April 2002, <http://stats.bls.gov/cex/csxann00.pdf> accessed October 14, 2002.

¹¹ Runzheimer International. "Runzheimer Analyzes Historic Day Care Costs," November 26, 2001, <http://www.runzheimer.com/corpc/news/scripts/112601.asp> accessed November 22, 2002.

¹² Source: <http://www.sixstrategies.org/sixstrategies/selfsufficiencystandard.cfm> accessed October 21, 2002.

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Chapter 2: Bare Bones Budget Study Design

Introduction

New Mexico is rich with diversity. Yet many geographic and socio-economic indicators present challenges to assuring well-being for the people living in New Mexico.¹ New Mexico is the twelfth fastest growing state in the country. The median age is 34.6 years. Thirty-one percent of the population are less than or equal to 18 years old. Statewide, 42% of the population is Hispanic, 9.5% is American Indian. At the county level, the percent Hispanic ranges from 1.8% (Los Alamos County) to 81.6% (Mora County) while the American Indian population ranges from 0.6% (Los Alamos County) to 74.7% (McKinley County). The statewide population density is only fifteen persons per square mile, ranging from 0.4 (Harding County) to 477.4 (Bernalillo County).

New Mexico has the highest poverty rate among the 50 states. New Mexico poverty rate for the year 2000 was 18% while the national average was 11.9%. Poverty ranges from 2.9% in Los Alamos to 36.1% in McKinley County. Ranked as the 48th lowest in the country, per capita income for New Mexicans was 74.4% the national average per capita income in the year 2000 (\$21,931 versus \$29,469). Per capita income ranges from \$13,187 in Mora County to \$40,482 in Los Alamos County. The percentages of families classified poor by the federal poverty thresholds that are employed range from 33% in Harding County to 90% in Luna County.

While nationally 17% of children live below the federal poverty threshold, in New Mexico 24.6% of children do. Percentage of children in poverty ranges from 1.8% in Los Alamos to 46.8% in Luna County. In 2000, 45.6% of all live births in New Mexico were to single mothers, compared to 33.2% nationally. This ranged from a low of 12.9% in Los Alamos County to 65.7% in McKinley County. Life expectancy is 1.3 years below the national figure for men and 2.2 years below for women. New Mexico infant mortality rate is 6.6 per 1,000 live births compared to 6.9 nationally.

New Mexico ranks third among the 50 states for the greatest income disparity. Whereas the richest fifth of New Mexico population has experienced a 17% increase in income during the 1990s, the poorest fifth of the population experienced a drop in income of 22%. The Gini coefficient is a measure of the degree of inequality in the distribution of income, ranging from zero, total equality, to one, maximum inequality. For reference, Canada has a Gini coefficient of about 0.3 while most South American countries have Gini coefficients greater than 0.45. In New Mexico, Gini coefficients range from 0.315 in Los Alamos County to 0.503 in Santa Fe County with a median of 0.446.

An index that measures income inequality in relative terms is the Income Disparity Index (IDI). The IDI is obtained by calculating the span between relative ranks of a unit of measure for two separate parameters, percent population below the federal poverty threshold and per capita income. Conceptually, as percent of population below the poverty threshold increases and per capita income increases, disparity in distribution of economic wealth across the defined population increases. It is the ranking that introduces the relative characteristic of the IDI within defined parameters and distinguishes it from the Gini coefficient. The IDI formula is, $IDI = \text{rank \% poverty (ranked highest to lowest)} - \text{rank per capita income (lowest to highest)}$. The IDI is constructed such that the greatest positive numbers indicate uneven distribution of wealth and the most negative numbers indicate even distribution of poverty. Those numbers closest to zero indicate relative homogeneity of income distribution.

The IDI for New Mexico counties was highest for Chaves County (IDI=11), followed by Taos County (IDI=10) and San Juan County (IDI=6) suggesting an uneven distribution of wealth in those counties. The most negative IDI were for De Baca County (IDI=-13), Torrance County (IDI=-8), Valencia County (IDI=-6) and Guadalupe County (IDI=-6), suggesting even distribution of poverty. Eleven counties had IDI=zero, including Los Alamos, McKinley and Luna Counties.

The average family size in New Mexico is 3.18 persons. Among all New Mexico family households, 32.3% are married couples with one or more of their own children, 13.2% are single mothers with one or more children and 1.6% are a grandmother and grandfather raising one or more of their grandchildren.

The communities selected for the Bare Bones Budget (BBB) study are representative of the widely variable demographic characteristics that define New Mexico.

Bare Bones Budget Study Communities Selection

Fifty-two communities were selected from across New Mexico. Communities were selected so that a variety of sizes, locations, race/ethnicity mix and economic conditions were represented. All 33 counties were represented by the BBB communities studied. Size of study communities ranged from Des Moines with a population of 177 to Albuquerque with a population of about 450,000. Thirty communities studied (58%) had populations less than 10,000 (Figure 1).

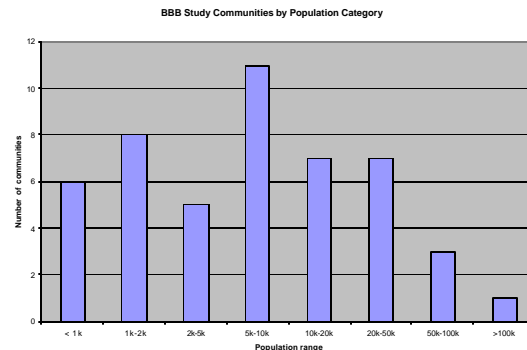


Figure 1: BBB Study Communities by Population Category

The BBB study communities represent a wide variety of race and ethnicity. The percentage of population that was Hispanic ranged from 1.2% in Crownpoint to 96.4% in Anthony. White, non-Hispanic population ranged from 0.4% in To'hajiilee to 84.3% in Quemado. The Native American population ranged from 0% in Wagon Mound to 96.7% in Shiprock.

Annual per capita income ranged from \$6,674 in Anthony to \$34,240 in Los Alamos. Percent population under the federal poverty threshold was as low as 2.4% (Los Alamos) to a high of 38.3% (Shiprock). Families headed by a single, female parent as a percent of all families ranged from 1% in Los Alamos to 21% in Cuba. Refer to Appendix 3 and individual study community pages for detailed community demographic information.

Bare Bones Budget Expenditure Categories Design

Expenditure categories of the Bare Bones Budget (BBB) were determined by considering those elements of the Consumer Expenditure Survey that are essential for a minimally adequate standard of living. The major expenditure categories of the BBB were housing, food, transportation, child care, clothing, health care, miscellaneous and taxes. Expenses such as vacation, entertainment, electronics, savings or pensions and debt payment were considered to be beyond minimally adequate and not included in the BBB. BBB is quoted as the annual cost of living at a minimally adequate standard of living for each study community by family type. Methods Appendix contains details of each expenditure category components and data sources. What follows is a brief summary description for each category. Table 1 summarizes expenditure categories, subcategories and level from which data were obtained (i.e., community, state, national or a combination).

Housing costs included rent, utilities and telephone. Rent and utilities costs were obtained from Housing and Urban Development (HUD) data for one and two bedroom housing. Telephone service costs were obtained from one telephone service company and factored into housing costs equally across all study communities.

Food costs were obtained from community surveys conducted in each study community combined with United States Department of Agriculture's Low Cost Food Plan. Age and gender of each family member determined quantity of food needs. All meals were assumed to be prepared and eaten at home with no budget allowance for eating out.

Transportation costs consisted of the sum of cost of gasoline, vehicle maintenance and repairs, insurance and one-fifth the vehicle purchase cost. Cost of gasoline was determined by an estimated annual household miles traveled drawn from the United States Department of Transportation contracted 1995 NPTS Databook and community surveyed gasoline prices. Vehicle maintenance included only oil changes based on miles traveled and a constant cost per oil change. Repairs were based on a national average for a ten year old vehicle. Insurance quotes were obtained for each community based on gender, marital status and assuming perfect driving records. Vehicle purchase cost was the average cost of a ten year old vehicle purchased in Albuquerque divided evenly over five years assuming no finance charges. This cost was equal for all study communities.

Child care costs were drawn from community surveys of cost of in-home child care. Rates for both infant and school age child care were obtained and applied appropriately to each family type.

Clothing costs were obtained using a predetermined minimal clothing needs list for each family member type and prices at a single discount department store in Albuquerque. Therefore, clothing costs were determined by family member constituents and were, otherwise, equal for all study communities.

Health care costs were the sum of medical and dental costs. Medical costs were calculated as the sum of health insurance premiums, or for the 65 year old family members, out-of-pocket Medicare costs, office visit co-pays and hospitalization costs. Health insurance premiums were determined from private health insurance company quotes for each family member within each study community. There was some variation by community (see Methods for details). Office visit co-pays were calculated for only routine office visits based on the health insurance plan for which quotes were obtained. Hospitalization costs included only hospital room costs for the closest hospital to the study community and weighted by age-associated risk of hospitalization based on 1999 New Mexico hospital admission rates. Therefore, hospital room rates did vary somewhat from community to community but number of hospitalizations varied only by age of family members, not community. Medicare out-of-pocket expenses were costs reported by the United States Health and Human Services Department for 65-69 year old beneficiaries of traditional Medicare who are in good health quoted as a weighted national average for the 95% who incurred a lower cost and the 5% who incurred significantly higher costs for a portion of the year surveyed (2002) (see Methods for further details). Dental costs were obtained by telephone survey of study communities and calculated for only routine prophylactic care, excluding any acute care or services related to cavities or other dental repair. Prescription eye glasses were not included in health care costs.

Miscellaneous costs included costs for personal items, household cleaning items, basic first aide supplies, laundry cleaning and for the family with the infant, crib and car seat. Miscellaneous costs commonly included in other cost of living studies but not included in BBB were costs relating to entertainment, pet supplies, dry cleaning and hair cuts.

Taxes included in BBB were sales taxes on purchased goods and services, vehicle registration fees, federal and state income taxes when applicable (i.e., when the family's BBB total placed the family in a taxable category). Sales taxes were calculated using a statewide average of 6%. Therefore, there was variability in taxes dependent on family type and community cost of living.

Table 1: Bare Bones Budget Expenditures Categories and Levels of Specialty				
Category	Community	State	National	Combination
Housing				
rent/utilities	X			
telephone		X		
Food	X			
Transportation				
vehicle cost		X		
gasoline	X			
maintenance			X	
insurance	X			
repairs			X	
Clothing				
Health Care		X		
private insurance	X			
Medicare			X	
hospital utilization	X (cost rate)	X (frequency)		X
Child Care	X			
Miscellaneous	X (toiletries)	X (linen, crib)		
Taxes	X	X	X	X

Bare Bones Budget Family Types Design

Bare bones budgets were calculated for four hypothetical family types: 1. Father, mother, infant and child, 2. Single mother with two children, 3. Grandparents and one child and 4. Retired couple. Basic assumptions regarding characteristics of each member within each family type determined the overall family profiles. Common to all family members was the assumption that no factors such as disability, chronic illness, poor credit rating or criminal record (including traffic tickets) existed that would impede or make more costly full socio-economic functioning. All families were assumed to be self-supporting and except for Medicare for the elderly, receiving no government program services or employer benefits. Full detailed descriptions of assumptions by expenditure category are presented in the Methods Appendix. Below are brief family type definitions.

For the **father, mother, infant and child family type**, both parents were assumed to be 30-35 years old with full time employment throughout the year. The family was assumed to be living in a two bedroom home. The infant was assumed to have born at the beginning of the year with all infant-related expenditures during the same year. The infant was also assumed to be breast fed exclusively throughout the first six months of life. This family's child was assumed to be 6-8 years old. The family was assumed to need full time child care for the infant and half time child care for the child. The family was assumed to be sharing one vehicle. All members were assumed to be in good health with no incurred acute illnesses.

The single **mother with 2 children family type** was assumed to be sharing a two bedroom home. The mother was assumed to be 30-35 years old, working full time. One child was assumed to be 6-8 years old, the second child 9-11 years old. Child care needs were assumed to be half time for each child. The family was assumed to own one vehicle. All members were assumed to be in good health with no incurred acute illnesses.

The **grandparents with one child family type** were assumed to be living in a two bedroom home. Grandparents were assumed to be 65 years old and retired. The child was assumed to be 6-8 years old. This family was assumed to have no child care needs. Everyone was assumed to have no acute illnesses. The grandparents were assumed to be receiving Medicare. The extent to which the grandparents may have needed prescription medications for chronic medical conditions was included as a population risk for all 65 year olds receiving Medicare. Otherwise, all of the family members were considered in good health. They were assumed to own one vehicle.

The **retired couple** family type was assumed to be a man and woman 65 years old receiving Medicare services and have health conditions health care needs similar to the grandparents with one child family type (see above). They were assumed to be living in a one bedroom home. They were also assumed to own one vehicle.

Chapter 2 Notes

¹ Data sources are *New Mexico Selected Health Statistics Annual Report for 2000* (October 2002), 2000 Census, *New Mexico Kids Count 2001 Data Book* (April 2001) and *Pulling Apart, A State-by-State Analysis of Income Trends* by J. Bernstein, et. al, (January 2000).

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Chapter 3: Total Bare Bones Budget Findings and Discussion

Total Bare Bones Budgets Compared to Median Household Income and Absolute Poverty Level

Total Bare Bones Budgets (BBB) were the sum of annual costs for housing, food, transportation, child care, clothing, health care, miscellaneous, and taxes. The four family types are described in Chapter 2, the Bare Bones Budget Study Design.

The statewide average BBB for each family type is summarized in Table 1. For both the father, mother, infant, child family type and the mother, 2 children family type, the highest BBB was more than 70% greater than the lowest BBB. For the grandparents, 1 child and retired couple family types, the difference in range of values was less (41% and 38%, respectively), probably because health care costs, a significant portion of these family type's budgets, were constant across all communities. When out-of-pocket Medicare expenses were subtracted and the remaining portion of those budgets were compared, the highest BBB was 62 greater than the lowest for the grandparents, 1 child family, and 66% greater than the lowest for the and retired couple family type.

There was a linear relationship between median household income by community, as reported in the Census 2000 data, and the father, mother, infant, child family type BBB for the same community. That is, as median household income increased so did the BBB for that community and the relationship was highly statistically significant ($p < 0.0001$) (Figure 1). There was no correlation between BBB and any of the following community parameters: total population, percent Hispanic, white non-Hispanic or Native American, percent of families with two incomes, Income Disparity Index or Gini Coefficient.

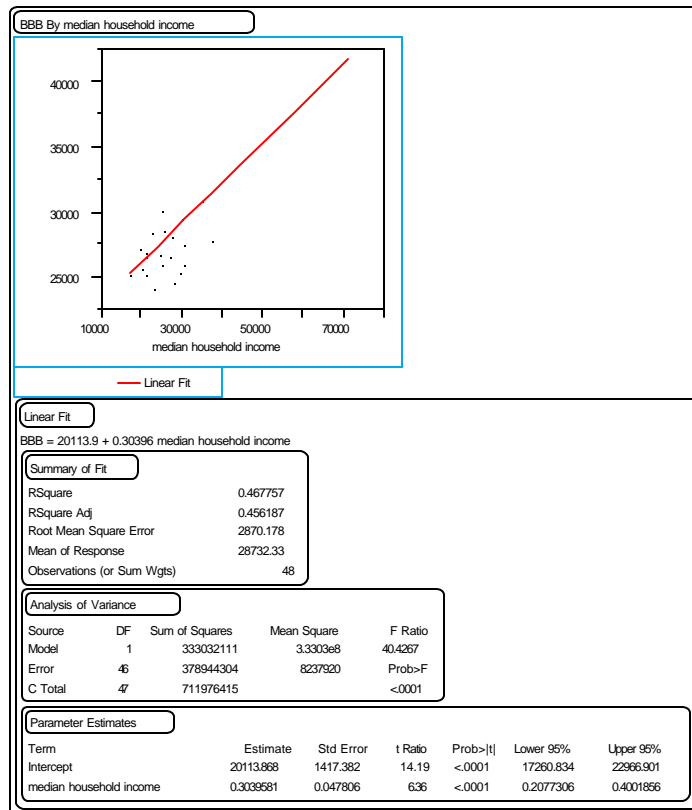


Figure 1: BBB by Median Household Income

Bare Bones Budgets for all family types and all communities were above the federal poverty level (FPL). The statewide average BBB for each family type was between 1.55 and 1.70 times higher than the FPL. The greatest difference between BBB and FPL was Rio Rancho, where the BBB for the father, mother, infant, child family type was 2.47 times greater than the FPL for that family. The BBB coming closest to the FPL was the mother, 2 children family type BBB in Carlsbad, which was 1.36 times the FPL. These findings are summarized in Table 1. Refer to Chapter 5 for complete BBB listings by community state rank.

	Family Type			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retire Couple
Statewide Average BBB	\$30,777	\$23,319	\$23,825	\$18,883
BBB Range	\$25,981-\$44,630	\$20,412-\$35,586	\$23,825-\$30,423	\$18,883-\$23,719
Highest BBB Community	Rio Rancho	Los Alamos	Los Alamos	Los Alamos
Lowest BBB Community	Vaughn	Carlsbad	Hatch	Hatch
FPL (2002)	\$18,100	\$15,020	\$15,020	\$11,940
Average BBB as a factor of FPL	1.79	1.55	1.59	1.58

Statewide Total Bare Bones Budget Findings Compared to Relative Poverty Level

Fifty percent median income is a relative poverty measure useful in assessing minimally adequate cost of living (see “Defining a Poverty Measure”). The Census 2000 statewide New Mexico 1999 before-tax median income was \$31,310 for men and \$23,658 for women. Using these figures, to calculate a hypothetical 50% median household income (50%MI)¹ threshold we get \$27,484 (1/2 of the sum \$31,310 + \$23,658) for the two working adult family (father, mother, infant, child), and for the mother, 2 children family type, \$11,829 (1/2 of \$23,658).

Looking first at the mother, 2 children family type, we see that the statewide average BBB for this family type was \$23,319, or 97% greater than the 50%MI of \$11,829. The wide discrepancy between this relative poverty measure and BBB findings illustrates a shortcoming of the 50%MI as a threshold for poverty, at least for the single, female wage-earner household. Clearly, median income for any community would not be that of any minority family type but as a family type such as a single, female head of household grows in prevalence, the community median income will be biased by that family type’s income. Therefore, basing a poverty measure on a fraction of an already inadequate income level creates a substandard threshold. In an era of increasing number of single female head of households, New Mexico women earn, on average, only 73% what male workers earn in New Mexico.²

For the father, mother, infant, child family type the calculated 50%MI of \$27,484 as a relative poverty measure more closely approximates the BBB findings for that family type. The statewide average BBB for this family type was \$30,777 which was \$3,293 or 12% greater than the 50%MI of \$27,484. At the community level, comparing the community-specific BBB for the father, mother, infant, child family type to that community’s 50%MI (derived from

respective community Census 2000 median income by gender), only one study community, Los Alamos, had BBB less than their 50%MI, while 47 BBB communities had BBB greater than that relative poverty measure.³ Los Alamos had a BBB \$8,139 (16%) less than its hypothetical 50%MI of \$52,495. Overall, BBB for the father, mother, infant, child family type as a factor of the respective 50%MI in each community ranged from 0.84 (Los Alamos) to 1.68 (Tucumcari) with an average of 1.28 for all communities.

The median household income as reported by the Census (not the hypothetical 50%MI, calculated above) would be expected to correlate with percent poverty within a community and this was indeed the case, as seen in Figure 2. That is, as median household income increased, percent poverty decreased ($p < 0.0001$). A test of validity for the community BBB would be to determine if there is a correlation between the difference between the BBB and the median household income expressed relative to that BBB, or, the “economic gap” within a community as a fraction of that community’s cost of living (relative economic gap, REG), and percent poverty within that community. One would hypothesize that when the BBB is less than the median household income, more families’ incomes in that community would meet or exceed their cost of living expenses. Conversely, when the BBB exceeds the median household income, more families would not be able meet the expenses of living in that community. And as that “economic gap” increases relative to that community’s BBB, the percent of families falling below the poverty level should increase as well. Figure 3 shows that this was, in fact, the case. The percent poverty in a community increased as the difference between the BBB and median household income (as a fraction of the BBB) increased ($p < 0.001$). This suggests that the BBB findings are valid and that the discrepancy between the community BBB and median household income correlates with degree of poverty in that community as defined by the federal government.

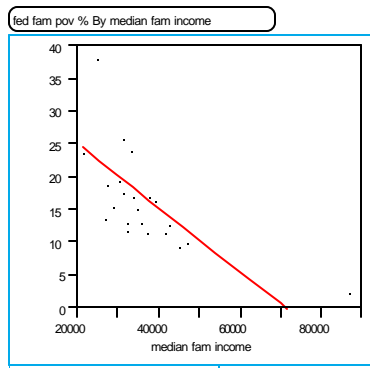


Figure 2: Percent Poverty vs. Median Family Income

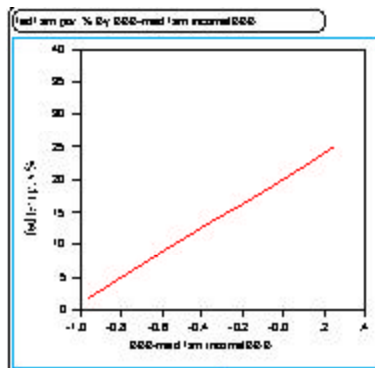


Figure 3: Percent Poverty vs. Relative Economic Gap

Comparing Three Poverty Measures: BBB, 50%MI and FPL

As different measures of poverty, it is interesting to compare BBB, a budget-based measure, the 50%MI, a relative measure, and the FPL, an absolute measure of poverty. Across the three measures of poverty, there was a lack of consistency regarding where each measure indicated the boundary between poverty and nonpoverty. Continuing

with the father, mother, infant, child family type, the average BBB across all study communities was 70% higher than FPL while the average 50%MI was 52% higher than the FPL. Therefore, the average BBB exceeded the FPL by 18% more than the average 50%MI, suggesting, at least, relative consistency. However, moving from comparing averages to looking more closely at actual community differences, BBB did not always exceed the FPL more than the 50%MI did.

As discussed earlier, Los Alamos was the only study community where the BBB was less than the 50%MI for the father, mother, infant, child family type. This means that for Los Alamos the 50%MI as a fraction of FPL actually exceeded the BBB as a fraction of FPL. Specifically, Los Alamos BBB for the father, mother, infant, child family type was \$44,356 while the 50%MI was \$52,495. The FPL for this family type in 2002 was \$18,100. As a ratio to the FPL, the BBB for this family type in Los Alamos was 2.45 while the 50%MI to FPL was 2.9. Tucumcari, on the other hand, had a BBB that exceeded its 50%MI. The BBB was \$36,801 while the 50%MI was \$21,955 making Tucumcari's BBB 2.03 times the FPL and the 50%MI 1.21 times the FPL. Therefore, even between the two poverty measures which were, on average, consistently greater than the FPL, at the community level they were not relatively consistent, fluctuating above or below each other depending on the community. This illustrates how different poverty measures may be inconsistent in measuring poverty for different communities even for the same family type.

Comparing BBB and Other Budgetary-Based Cost of Living Standards

BBB study was designed to estimate the cost of a minimally adequate standard of living for four family types. Figure 4 summarizes the statewide average distribution of costs by expenditure category for two BBB family types: the father, mother, infant, child family and the mother, 2 children family. The greatest difference in relative costs for these two family types was in the housing expenditure category (21% compared to 27%). Because both of these family types were assumed to need a two bedroom home, their absolute housing costs were equal. This difference in percentages, therefore, is a result of the father, mother, infant, child family having other higher weighted costs that exceeded the mother, 2 children family type's costs. Child care was one such category.

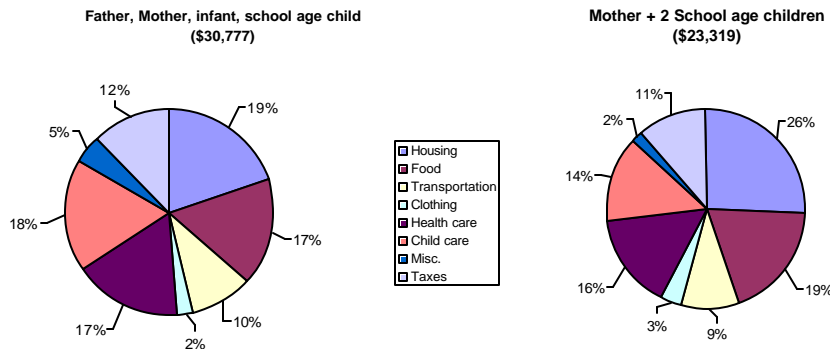


Figure 4: Statewide Average Categorical Expenditures as Percent Total BBB by Family Type

Although both family types had two children requiring child care, the father, mother, infant, child family type BBB showed, on average, 18% of their budget going to child care while the mother, 2 children family type had only 14% allocated for child care. One contributing factor to this difference was that the mother, 2 children family type was assumed to need only half time care for each child whereas the family with the infant was assumed to need half time for the child and full time for the infant. However, another probably greater contributor to this difference was the high cost of infant care compared to school age care.

Statewide, the average annual cost for full time child care was \$4,087 for infants compared to \$3,329 for school age children. Therefore, the statewide average annual cost of child care for the father, mother, infant, child family type

was \$5,752 (\$4,087 for the infant full time and \$1,665 for the child half time). This was 73% higher than the mother, 2 children family type child care costs. The mother, 2 children family type annual child care costs were, on average, \$3,329 for both school age children half time, 42% less than the other family type. If one parent were to stay home for three months after the birth of the infant, there would be, on average, a savings of \$1,438 in child care costs alone or 5% of this family's total BBB. And relative to the mother, 2 children family type BBB, child care costs for the father, mother, infant, child family type would drop from 73% higher to 30% higher. This scenario assumes there would be no change in the father, mother, infant, child annual family income. This could be possible if the parental leave were paid leave, that is, if either parent or a combination of both parents had accumulated annual and sick leave equal to three months or if there were a state unemployment policy that paid for parental leave.

The U.S. Department of Labor releases a report on consumer expenditures each year, the Consumer Expenditure Survey (CEX). This report is based on a survey of a random sample of households that have telephones throughout the country. Both average income and expenditures are tallied. Although CEX results go well beyond what is considered minimally adequate, it is interesting to compare relative budgetary expenditures to the BBB. Again, referring to Table 2, a major difference between BBB and CEX is in health care expenditures. Whereas the father, mother, infant, child family type and mother, 2 children family type had comparable percentages of total expenses going to health care (17% and 16%, respectively,) CEX reported only 5% of total expenses attributed to health care. The actual average figures were \$5,044 for the father, mother, infant, child BBB family type, \$3,615 for the mother, 2 children family type. Compared to the CEX health care costs of \$2,066, the father, mother, infant, child family's health care costs were 2.44 times and the mother, 2 children family's costs were 1.75 times greater. If the BBB families' health care costs were the CEX amount of \$2,066, the average total BBB for the father, mother, infant, child family type would drop by 10% and the mother, 2 children family type BBB would drop by 7%. BBB families were assumed to be paying health insurance premiums out-of-pocket rather than using Medicaid or receiving employer-based health insurance benefits. Whether this contributed to the higher health care costs as compared to the national CEX household sample requires further study.

Comparing BBB in NM with Other States

Self-sufficiency studies comparable to the BBB have been conducted in many states. Because of differences in expenditure categories, family types and years of evaluation, it is difficult to compare BBB results to results from other states. However, a state whose study more closely resembled the BBB was Vermont. A shortcoming for this comparison was that Vermont's study used 1996 figures. Still, relative distribution (percentages) of budget across expenditure categories may not have changed significantly and were used below as comparison to BBB findings.

Vermont tallied budgets for 2 parent-2 children and single parent-2 children family types with separate budgets for urban and rural families. Vermont rural and urban budget expenditure categories never differed more than two percentage points. Even still, rural family budget figures were chosen to compare with BBB figures because of the predominance (58%) of BBB study communities less than 10,000 population (see Study Design). Table 2 shows budgetary distribution for the two family types for New Mexico and Vermont. For the father, mother, infant, child family type, transportation and clothing categories differed between New Mexico and Vermont. Vermont transportation costs constituted 23% of their budget while for New Mexico transportation was 10% of the total budget. Clothing also differed with only 2% of the New Mexico BBB going to clothing while Vermont showed over three times that amount (9%) for clothing. Both states showed similar child care budgetary allocations. The New Mexico and Vermont mother, 2 children family type budget distributions were similar. The largest difference in percentage points was for child care, with 22% of the Vermont budget compared to 14% of BBB for this family type going to child care.

Analysis of BBB Variation Within One Family Type

The total BBB results showed wide variation for a single family type across study communities, at times as much as 74%. Looking in depth at one family type, the father, mother, infant, child family, for possible sources for this variability yields interesting results. For this family type, Rio Rancho had the highest BBB (\$44,630) and Vaughn had the lowest (\$25,981). Chama's BBB for this family type was nearest the median value (\$29,765). Findings are summarized in Table 3.

	Statewide Averages				National Average ⁴
	Family Type				CEX ³
	Father, mother, infant, child		Mother, 2 children		
	New Mexico ¹	Vermont ²	New Mexico ¹	Vermont ²	
Housing	19.0%	19.0%	26.0%	25.0%	32.0%
Food	17.0%	18.0%	19.0%	17.0%	13.5%
Transportation	10.0%	23.0%	9.0%	13.0%	19.0%
Child Care	18.0%	17.0%	14.0%	22.0%	not itemized
Clothing	2.0%	9.0%	3.0%	8.0%	5.0%
Health Care	17.0%	11.0%	16.0%	12.0%	5.0%
Misc.	5.0%	3.0%	2.0%	3.0%	1.7%
Taxes	12.0%	not included	11.0%	not included	not included
Renters Ins.	not included	0.4%	not included	0.5%	not included

¹Bare Bones Budget, 2002: Percentages are based on statewide 2002 figures.

²Source: Kahler, E., Hoffer, D. "The Vermont Job Gap Study Phase 1 Basic Needs and a Livable Wage," January, 1997, www.vtlivablewage.org accessed November 7, 2002 (percentages are based on rural 1996).

³Consumer Expenditure Survey, Source: U.S. Department of Labor Bureau of Labor Statistics. "Consumer Expenditures in 2000," Report 958, April 2002, <http://stats.bls.gov/dex/csxannoo.pdf> accessed October 14, 2002 (percentages based on 2000 figures, the lat

⁴CEX percentages do not equal 100% because of excluded categories.

In three expenditure categories, housing, child care and taxes, percentages were higher for Rio Rancho than for Vaughn. Housing was six percentage points higher, child care was 12 and taxes were four percentage points higher in Rio Rancho. For a two-bedroom home which is what this family was assumed to need, Rio Rancho ranked first in the state as the highest housing costs among all the study communities. Annual housing costs for this family type in Rio Rancho were \$11,779 (23%) higher than the next highest community, Santa Fe. Rio Rancho ranked second highest for infant care and third highest for school age child care among all study communities. Taxes were high primarily because the cost of living as measured by the BBB for Rio Rancho placed this family type into a tax bracket requiring payment of federal income taxes. Six other study communities' BBB for the father, mother, infant, child family type resulted in federal income tax payments; the remaining communities' BBB did not reach the threshold for federal income tax payments. Rio Rancho's federal income tax payments were \$1,277. Transportation for this family type in Rio Rancho was only 7% of BBB, ranking 41st (52nd ranking was lowest cost)

	Highest (State Rank #1)	Median	Lowest (State Rank #52)
	Rio Rancho	Chama	Vaughn
Total Annual BBB	\$44,630	\$29,765	\$25,981
Housing	27%	19%	21%
Food	10%	16%	17%
Transportation	7%	10%	11%
Child Care	24%	19%	12%
Clothing	2%	2%	3%
Health Care	11%	18%	19%
Misc.	3%	4%	5%
Taxes	16%	12%	12%
Total	100%	100%	100%

in the study for gasoline costs, the major contributor to transportation costs. Health care costs, while averaging 17% of total BBB for this family type across all study communities, were 11% of the Rio Rancho BBB, well below relative health care costs in Vaughn (19%). Although Rio Rancho had relative food costs lower than Vaughn (10% vs. 17%) and ranked 44th in the state for food costs (52nd rank was lowest), this relative savings on food was not sufficient to move Rio Rancho out of first place ranking for total BBB for this family type overall. Rio Rancho also ranked very low (47th) among all study communities for medical costs, the significant portion of health care costs, but again, this was not sufficient to compensate for the relative high housing and child care costs.

Recalculating Poverty Using a Relative Poverty Measure

As was discussed in “Defining a Poverty Measure,” poverty in the U.S. is commonly measured using an absolute poverty measure, the Federal Poverty Threshold (FPT). Since 1963 the FPT has been adjusted only for inflation and is considered by many to have become obsolete. Using 50% median income as a poverty threshold is a relative poverty measure that addresses some of the shortcomings inherent in the absolute poverty measure. But it, too, has its shortcomings.

Using the Census 2000 reported 1999 median household incomes by community, a 50% median household income figure was calculated for New Mexico and 48 BBB study communities.⁴ Household 1999 income distribution as percent of all households and percent of poverty as defined by the federal government for New Mexico and the communities were also obtained from the Census 2000 report. The relative poverty measure was calculated by determining the percent of households with incomes less than the 50% median household income. When the 50% median income fell within a household income category as reported by the Census, it was assumed that an even distribution of households within the income category had occurred and the percent of households was calculated as a fraction of the total percent of households within that income category proportional to the dollar figure amount. The percent of households with incomes less than the 50% median income, as the new, relative poverty measure was compared to the federal, absolute poverty measure for New Mexico and the study communities.

For New Mexico, the 2000 Census (using the FPT) reported poverty at 14.5% overall. Using the relative, 50% median household income figure as a threshold, poverty in New Mexico was 24.2%, 9.6 percentage points greater or an increase of 66%. For the 48 study communities, the average relative poverty percent was 24.6%, 6.2 percentage points higher than the study communities’ average federal poverty rates or 80% higher. Poverty, as measured by the relative 50% median household income for the 48 study communities, ranged from 14% in Truth or Consequences to 48% in Rio Rancho. Particularly interesting was the change in poverty rates within each community derived by the 50% median income threshold compared to the federal rates. The following discussion illustrates the limitations to the relative poverty measure as a measure of economic inadequacy.

Compared to the federal poverty rate, the relative poverty rate ranged from 13.1 percentage points less than the federal poverty rate (Hatch) to 44.4 percentage points greater than the federal rate (Rio Rancho). This represented a drop in poverty of 46% compared to the federal poverty rate in Hatch to an increase in poverty of over 1000% in Rio Rancho. These findings are summarized in Table 4. Chama is included as a community whose percent change from the federal poverty rate to the relative poverty rate approximated the statewide average change. Belen is included as a community whose poverty rates were nearly the same whether using either federal figure or the relative method of calculation.

An explanation for the widely different changes in poverty rates compared to the federal poverty rate when using the relative poverty measure involves the inherent limitation of the relative poverty measure. As discussed in “Defining a Poverty Measure,” the relative poverty measure, while capturing the current standard of living, has the paradoxical pattern of inflating poverty during times of economic prosperity and understating poverty during a recession. In the same manner, relative poverty rates respond to communities of relative prosperity or depressed economies as measured by median household income. Whereas the federal poverty rate is an absolute threshold applied equally to all populations, the relative poverty measure takes into account the prevailing household economic standard. Therefore, in the above example, we saw a huge increase in poverty when the relative poverty measure was applied to Rio Rancho compared to the federal poverty rate. Conversely, there was a precipitous drop in poverty rate when the relative poverty measure was applied to Hatch, where median household income

Table 4: Federal Poverty and Relative Poverty Rate Comparison

	Federal poverty rate ¹ (%)	Median household income ¹	Relative poverty rate ² (%)	Percentage point difference ³	Percent change ⁴
New Mexico	14.5	\$34,133	24.2	+9.6	+66
Rio Rancho	3.7	\$47,169	48.1	+44.4	+1208
Chama	11.9	\$30,513	19.8	+7.9	+6
Belen	23.2	\$26,754	23.7	+0.5	+2
Hatch	28.5	\$21,250	15.4	-13.1	-46

¹Source: 2000 Census, figures are for 1999 households

²Relative poverty rate is percent of households with income less than 50% median household income

³Percentage point difference is relative poverty rate as percent minus federal poverty rate as percent

⁴Percent change is percentage point difference as percent of federal poverty rate

was 55% less than in Rio Rancho. This pattern is independent and even contrary to existing economic inadequacy. As will be seen below, in these communities the differences of household income distribution also help clarify this characteristic of relative poverty measures.

Figure 5 shows annual household income distribution ranging from less than \$10,000 to greater than \$200,000 for Rio Rancho, Belen and Hatch. Rio Rancho household income distribution is weighted toward the upper range, a mirror image of the income distribution of Hatch at the lower end. Household income for Belen plots approximately in between Rio Rancho and Hatch. Likewise, the relative poverty measure varied from the federal (absolute) poverty measure upward for Rio Rancho, downward for Hatch, and stayed about the same for Belen. When all communities' percent change from federal poverty rate to relative poverty rate was plotted versus median household income, there was a highly statistically significant linear relationship ($p < 0.0001$), as seen in Figure 6. That is, when median household income was high, the relative poverty rate was higher than the federal poverty rate and when the median household income was low, the relative poverty rate was lower than the federal poverty rate. This characteristic of a relative poverty measure is the reason there is reservation using purely a relative measure of poverty based on a population which itself may be skewed. And given that New Mexico has the highest poverty rate in the country, one has to question the soundness of applying solely a relative poverty measure to any community or even to the state as a whole. By doing so, the expected standard of living would be shifted downward relative to the rest of the country.

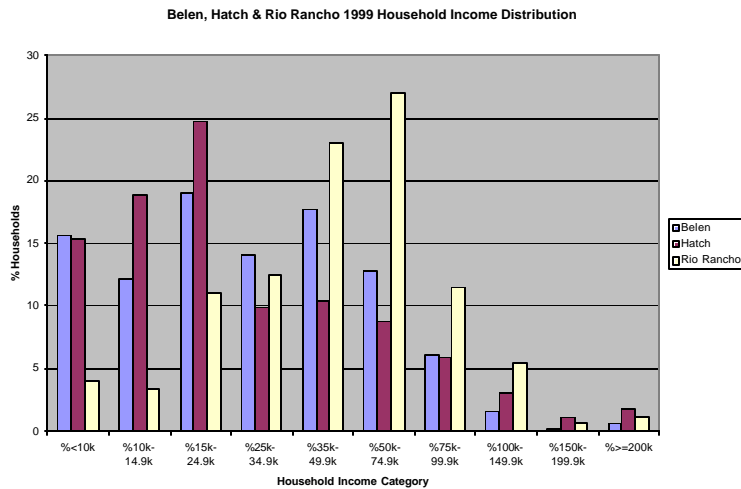


Figure 5: Belen, Hatch and Rio Rancho 1999 Household Income Distribution

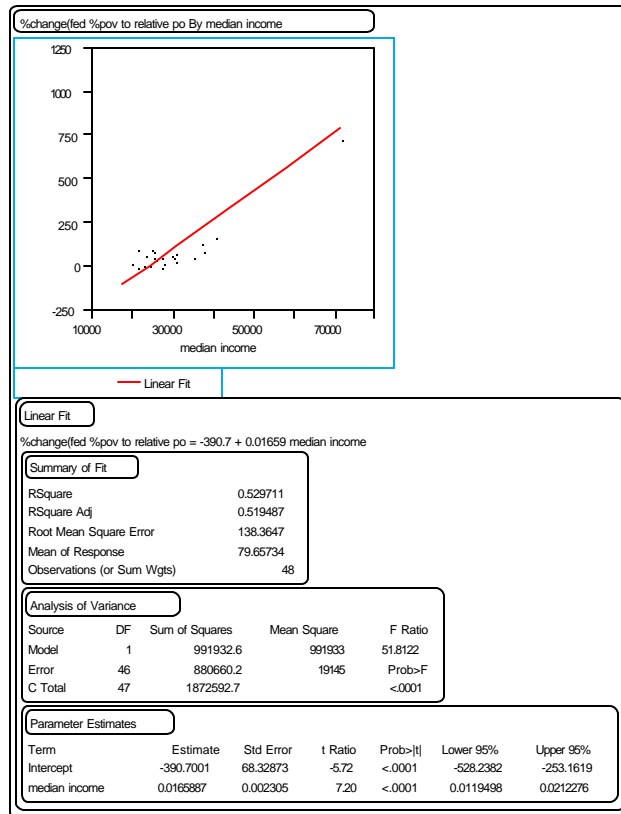


Figure 6: Change in poverty rate (federal to relative) by median 1999 household income

Updating Poverty Thresholds Using Orshansky's Formula

Using living expenses expenditure data from the BBB specific to New Mexico, it is possible to recalculate poverty thresholds using Orshansky's methods. As described in "Defining a Poverty Measure," Orshansky's formula consisted of two factors, household food expenditures and "a multiplier" of 3. The multiplier was the inverse of the proportion of the total household budget spent on food. Basically, there are two ways in which Orshansky's formula can be updated: 1) recalculating the multiplier to reflect current percent of household budgets spend on food, and 2) using housing costs rather than food costs as the basis for calculation, the argument being that whereas in 1963 food was the most significant household expenditure, housing has since become the most significant. Both methods for updating poverty thresholds will be examined.

BBB data showed that average statewide annual food costs for the father, mother, infant, child family type were \$5,171 which constituted, on average, 17% of the total BBB for this family. When \$5,171 is 17% of the total BBB for this family type, then their total budget becomes \$30,405 (\$5,171 times a multiplier of 5.88) or 68% higher than the 2002 FPL for a family of four of \$18,100. For the mother, 2 children family type, the BBB statewide average figures were \$4,370 annual food costs, amounting to 19% of the total BBB for this family. Calculating the updated poverty threshold yields \$22,986 (\$4,370 times a multiplier of 5.26), 53% higher than the official \$15,020 poverty threshold used by the federal government. Utilizing food costs as a percent of BBB figures as a basis for update, Orshansky's multiplier increased from three to 5.88 or 5.26 depending on the family type, the result of which is a poverty threshold 168% or 153% the respective FPL.

Using housing costs as the basis for calculation as the alternative method for updating Orshansky's formula yielded very similar results. For the father, mother, infant, child family type, average annual housing costs were \$5,804, which was 19% of total BBB. The updated poverty threshold based on housing costs for this family type was \$30,529 (\$5,804 times a multiplier of 5.26), 69% higher than the \$18,100 official poverty threshold for a family of four. Similarly, the mother, 2 children family type calculation showed a \$22,345 poverty threshold (\$5,804 times a multiplier of 3.85), 39% higher than the \$15,020 FPL. These figures are summarized in Table 5.

	Father, mother, infant, child	Mother, 2 children
Total BBB	\$30,777	\$23,319
Food Costs	\$5,171	\$4,370
Food Expenditure Percent	17% ¹	19% ¹
Housing Costs	\$5,804	\$5,804
Housing Expenditure Percent	19% ¹	26% ¹
FPL ² (year 2002)	\$18,100	\$15,020
Food-based poverty threshold	\$30,405	\$22,986
Housing-based poverty threshold	\$30,529	\$22,345

¹All figures except FPL are New Mexico statewide averages based on BBB data; statewide average categorical expenditure %

²FPL: official federal poverty level

Different methods for defining poverty yield different results. Each method has both strengths and limitations. Whether one chooses an absolute threshold, such as the FPL, a relative threshold, such as 50% median income, a budget-based threshold, such as the BBB, or some combination will depend on how the threshold will be implemented, for what purpose and applied to what group of people. If an absolute threshold is chosen, it is a given that there will be need for regular revision and updating. If a relative threshold is used, there must be caution in applying it to a population whose prevailing economic conditions may already be skewed. A budgetary-based threshold such as the BBB has the advantage of reflecting current economic costs specific to a defined geographic location and family type but will certainly require updating which may be expensive. Considering a combination of thresholds would be ideal when making policies intended to address issues of poverty and barriers to economic viability.

Chapter 3 Notes

¹ Note that this “calculated 50%MI” is a hypothetical figure based on Census 2000 median incomes from 1999 by gender applied to the BBB family types assuming all nonelderly adult family members work full time and should not be confused with Census data reporting median incomes. A later analysis uses one half of the official Census median household income amounts by community which is also different from “50%MI.”

² This figure was calculated using Census 2000 data on median income by gender within each study community excluding Des Moines, which was the only study community where female income was more than male income.

³ Total number of communities equal 48 rather than 52 because Census data were not available for 4 study communities: Datil, Glenwood, Quemado and To'hajiilee.

⁴ Four study communities for which there was no Census data available were Datil, Glenwood, Quemado and To'hajiilee.

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Chapter 4: Findings by Budgetary Expenditure Category

Findings for each Bare Bones Budget (BBB) expenditure category are presented below. BBB expenditure categories include housing, food, transportation, child care, clothing, health care and miscellaneous.

Housing

Housing costs including rent, utilities and telephone service are a basic living expense factored into the Bare Bones Budget.

The average monthly housing cost for a one-bedroom rental house across all study communities was \$374 with a range of the lowest at \$219 (Cuba) and the highest \$777 (Rio Rancho). The median one-bedroom housing cost across the state was \$340, slightly lower than the mean. Quemado, Reserve and Glenwood had one-bedroom housing costs at the median. The maximum, Rio Rancho, was 72% greater than Cuba, the minimum.

Two-bedroom monthly rental housing costs averaged \$473 across all study communities with Cuba the minimum at \$277 and Rio Rancho the maximum at \$982. Chama and Espanola had the median two-bedroom rental housing cost of \$428. Rio Rancho two-bedroom rental housing cost was 72% greater than Cuba.

The average difference between two and one-bedroom housing costs within a community was \$99 per month. In other words, on average, a two-bedroom house cost 26% more than a one-bedroom house within the same community or, said differently, across the state families requiring two bedrooms would be expected to have to pay an average of \$99 more per month for housing than a family needing only one bedroom.

Qwest basic service cost was \$10.66 per month or \$127.92 annually with an initial “nonrecurring” charge of \$30. Long distance was \$0.07 per minute. Long distance service was estimated at 300 minutes per month, consistent with most cell phone services’ basic plans. Total long distance cost was \$21 per month or \$252 annually. Total first year telephone service cost was \$409.92. This expense was added into the housing costs for each community without community variation. Taxes and other mandatory fees were not included.

A survey of telephone books held in the Albuquerque Public Library Main Branch on January 3, 2003, indicated at least four telephone companies servicing New Mexico. They were Qwest, Valor, ENMR Plateau-Roosevelt County Rural Telephone Cooperative, Western New Mexico Telephone Company and CenturyTel.

Although cell phone service was not used to calculate budgets, during the survey several communities were found to not be served by any cell phone company. Those communities were Carrizozo, Datil, Portales, Quemado, Raton, Reserve, Glenwood, Roy, Santa Rosa, Springer, Vaughn, Wagon Mound.

Food

Food is a basic living expense factored into the Bare Bones Budget (BBB).

Annual food costs by family type are summarized in Table 1. The highest food expenditure for all family types was Los Alamos. The lowest food expenditure for all family types was in Carlsbad, less than half the cost in Los Alamos. Food costs in Clovis were median costs for three family types, Father/Mother, infant, child family, Mother, 2 children family, and Grandparents, 1 child family. Ruidosa and Tularosa had median food costs for the family type without children, Retired couple. Food costs in Clovis were 27%-32% higher than Carlsbad, depending on family type.

	Father/Mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Range	\$3,752-\$7,867	\$3,187-\$7,715	\$3,291-\$6,877	\$2,301-\$4,795
Mean	\$5,171	\$4,370	\$4,497	\$3,137
Median	\$4,954	\$4,192	\$4,280	\$5,298
State Rank				
No. 52 (lowest)	Carlsbad	Carlsbad	Carlsbad	Carlsbad
No. 1 (highest)	Los Alamos	Los Alamos	Los Alamos	Los Alamos
Median Cost Communities				
	Lordsburg	Santa Fe	Santa Fe	Ruidoso
	Clovis	Clovis	Clovis	Tularosa

Looking at median community costs by family type, the highest expenditure was for the father/mother, infant, child family, followed in descending order by the Grandparent, 1 child family, Mother, 2 children family, with the Retired couple family the lowest cost. The Father/mother, infant, child family's food costs were 67% higher than the Retired couple's costs. The difference was \$1,968 annually or \$164 per month.

Table 2 summarizes the mother individual weekly food costs by major food category with percentage of total weekly food costs for that individual in four study communities, Carlsbad, the lowest food cost community, Clovis and Ruidoso, median cost communities and Los Alamos, the highest food cost community. The meat/alternatives food group constituted the greatest food group percentage (25-29%) for all communities except Los Alamos. In Los Alamos the highest food group cost percent was vegetables at 24%. The percentages of the food budget for grains in both Los Alamos and Clovis were nearly double that of Carlsbad and Ruidoso. Clovis, Ruidoso and Los Alamos community costs within a food group were higher compared to Carlsbad except for fruits which were less expensive in Clovis and Ruidoso and "other" food group in Ruidoso. Table 3 shows costs as a ratio to Carlsbad. Although the total food budget across all family types in Clovis was on average 30% greater than Carlsbad, grains were over twice the cost of Carlsbad and fruits in Clovis were only half the costs of fruits in Carlsbad. Los Alamos also showed a cost of grains out of proportion to the overall food costs with fruits only 20% higher than in Carlsbad.

Food group	Carlsbad		Clovis		Ruidoso		Los Alamos	
Grains	\$2.20	12%	\$4.87	21%	\$2.70	11%	\$8.21	22%
Vegetables	\$3.79	21%	\$4.71	21%	\$7.20	30%	\$8.94	24%
Fruits	\$4.22	23%	\$2.21	10%	\$3.63	15%	\$5.07	14%
Milk & milk	\$2.56	14%	\$3.51	15%	\$2.60	11%	\$5.85	16%
Meat & alternative	\$4.53	25%	\$6.48	28%	\$6.86	29%	\$7.28	20%
Other	\$0.83	5%	\$1.09	5%	\$0.78	3%	\$1.96	4%
Total	\$18.13	100%	\$22.87	100%	\$23.77	99%	\$37.31	100%

Cost Category	Carlsbad	Clovis	Ruidoso	Los Alamos
Total family budget	1.0	1.3	1.3	2.1
Grains	1.0	2.2	1.2	3.7
Vegetables	1.0	1.2	1.9	2.4
Fruit	1.0	0.5	0.9	1.2
Milk & milk products	1.0	1.4	1.0	2.3
Meat & alternative	1.0	1.4	1.5	1.6
Other	1.0	1.3	0.9	2.4

Food costs in 8 or 9 NM community food costs, depending on family type, were higher than the USDA Low Cost Food Plan costs. For the father/ mother, infant, child family type nine communities' costs were higher than the USDA \$5,889 average cost. Those communities were, in descending order, Los Alamos, Roswell, Moriarty, To'hajiilee, Los Lunas, Clayton, Des Moines, Raton and Springer (range \$7,867 to \$6,034). For the mother, 2 children family, food costs were higher than the USDA \$5,075 budget in (descending order) Los Alamos, Roswell, Moriarty, To'hajiilee, Los Lunas, Clayton, Des Moines, Raton and Springer (range \$6,715 to \$5,180). Grandparents, 1 child family budgets were higher than the USDA \$5,210 budget in (descending order) Los Alamos, Roswell, Moriarty, To'hajiilee, Springer, Raton, Des Moines and Clayton (range \$6877 to \$5,281). For the retired couple family type, eight communities were higher than the USDA \$3,666 budget. They were (descending order) Los Alamos, Roswell, Moriarty, To'hajiilee, Los Lunas, Des Moines, Raton and Springer (range \$4,795 to \$3,691).

Transportation

Transportation costs are a basic living expense factored into the Bare Bones Budget (BBB). Included in transportation costs are gasoline, maintenance, repair, insurance and vehicle purchase cost.

Annual household miles traveled were derived from NPTS data, factoring in family type and community population size.² Communities fell into one of three population categories, Metropolitan Statistical Area (MSA)³ 250,000-999,999 (Albuquerque), MSA 50,000-249,999 (Los Cruces, Santa Fe), or not MSA (all other study communities). Table 4 summarizes mileage findings.

Community	Family Types			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Albuquerque (250,000-999,999)	19,417	9,497	20,482	10,793
Las Cruces, Santa Fe (50,000-249,999)	19,374	9,476	20,437	10,769
All others (not MSA)	21,916	10,719	23,118	12,182

The mother, 2 children family type showed the lowest annual mileage across all communities followed by retired couple and father, mother, infant, child family type. The highest mileage was for the grandparents, 1 child family. Within each community size category, the grandparent, 1 child family type was 116% higher than the mother, 2 children family type. The lowest mileage overall was for the mother, 2 children family living in Los Cruces and Santa Fe. The highest mileage was for the grandparents, 1 child family in communities in the "not MSA" category. The "not MSA" community category showed the highest mileages for all family types, 13% higher than the lowest, Los Cruces/Santa Fe category.

Cost of gasoline as determined by telephone survey showed Socorro with the lowest price per gallon (\$1.23) and Reserve with the highest (\$1.76). At the time, the lowest cost for gasoline in Albuquerque was \$1.37. The statewide average cost per gallon was \$1.42. When miles traveled were factoring in to derive annual gasoline costs, Las Cruces was the lowest with Reserve remaining the highest. Annual gasoline costs average and range by family type are summarized in Table 5.

	Family Type			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
range	\$1,327-\$1,929	\$649-\$943	\$1,400-\$2,034	\$738-\$1,072
average	\$1,542	\$754	\$1,627	\$857

Automobile insurance varied depending on community and family type when make, model and year of vehicle were held constant. Interestingly, single female driver rates were on average 8.2% higher than rates for married man, woman couple sharing one vehicle. This difference was greatest for Santa Fe (9.3%) and lowest for Los Alamos (7.2%). There was no significant rate difference between 35 year old and 65 year old drivers nor divorced versus never married female drivers. Annual rates for a single, female driver were lowest for Alamogordo and Artesia (\$374) and highest in Albuquerque (\$593). For a male, female two-driver family sharing one vehicle (retired couple), annual rates were lowest for Alamogordo, Artesia and Silver City (\$349) and continued to be highest for Albuquerque (\$544). Probably not coincidentally, the three most dangerous intersections in New Mexico as reported by State Farm Insurance were in Albuquerque.⁴ Overall, the statewide average annual rates were \$416 for the two-driver families and \$450 for the one-driver (female) family. These findings are summarized in Table 6.

Statewide	Two-driver (male,female) family	One-driver (female) family
range	\$349-\$544	\$374-\$593
average	\$416	\$450

Statewide average total transportation costs were highest for the grandparents, 1 child family type followed by, in descending order, father, mother, infant child family, retired couple family and mother, 2 children family types. For all family types, Las Cruces had the lowest transportation costs and Reserve had the highest. (Table 7) Reserve transportation costs were 24% higher than Las Cruces for the father, mother, infant, child family and the grandparents, 1 child family types. For retired couple families, this difference was 18% and for the mother, 2 children family Reserve was 16% higher than Las Cruces. Given that vehicle costs and repairs costs were held constant across all communities, gasoline costs were the major contributor to transportation costs for all family types and communities.

	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Range	\$2,733-\$3,381	\$2,026-\$2,355	\$2,813-\$3,495	\$2,091-\$2,459
State average	\$2,995	\$2,167	\$3,087	\$2,245

Overall statewide averages for each transportation cost subcategory by family type are summarized in Table 8. The major contributor to transportation costs for all family types was gasoline costs ranging from 35% to 51% of total transportation costs. The family types with the lowest percentage of transportation costs attributed to gasoline costs, mother, 2 children and retired couple (35% and 38%, respectively), also had the lowest average total transportation costs. Insurance, as a percent of total transportation costs, was highest for the mother, 2 children family at 21%.

Transportation Subcategory	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired Couple
Vehicle	(\$378) 13%	(\$378) 17%	(\$378) 12%	(\$378) 17%
Gasoline	(\$1,542) 51%	(\$754) 35%	(\$1,627) 53%	(\$857) 38%
Maintenance	(\$145) 14%	(\$71) 3%	(\$153) 5%	(\$81) 4%
Insurance	(\$416) 14%	(\$450) 21%	(\$416) 13%	(\$416) 18%
Repairs	(\$514) 17%	(\$514) 25%	(\$514) 17%	(\$514) 23%
Total Transportation Costs	(2,995) 100%	(2,167) 100%	(\$3,088*) 100%	(\$2,246*) 100%

*Totals do not equal average totals reported in Table 7 because of rounding

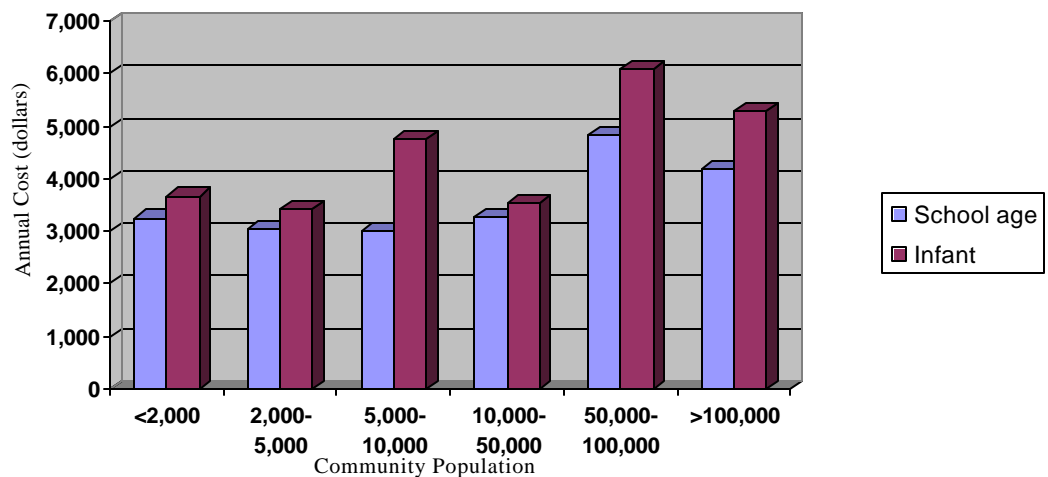
Child Care

Child care costs are a basic living expense included in the Bare Bones Budget (BBB). Child care costs were assumed to be full time for the infant and half time for the school age child in the father/mother, infant, child family and half time for each school age child in the mother, 2 children family type. The grandparents, 1 child family type were assumed to have no child care costs, as was the retired couple family type.

School age child care costs were obtained for 36 study communities; Infant child care costs were obtained for 35 study communities. Table 9 shows average annual full-time child care costs by community size category. Average annual cost across all communities is also reported. Infant care costs were consistently higher than school age care costs. As a result, the father/mother, infant, child family child care costs were higher than the mother, 2 children family type for all communities. As community size increased, child care costs, on average, increased with the exception of the largest population category (>100,000) (Figure 1). Refer to community pages for specific community information.

Population category	Number of communities	School age care	Infant care
<2,000	5 (4 for infant care)	\$3,250	\$3,673
2,000-5,000	6	\$345	\$3,437
5,000-10,000	8	\$2,999	\$4,771
10,000-50,000	13	\$3,283	\$3,542
50,000-100,000	3	\$4,823	\$6,082
>100,000	1 (Albuquerque)	\$4,199	\$5,280
Overall average	36 (35 for infant care)	\$3,329	\$4,087

Figure 1: Child Care Costs by Community Size



Clothing

Clothing costs are a basic living expense included in the Bare Bones Budget (BBB). Clothing costs were obtained for each family member type from a single retail clothing store.

Clothing costs by family member are summarized in Table 10. Clothing costs by family type were calculated by adding appropriate family member costs (and averaging boy and girl costs for child member) so that the father/mother, infant, child family type costs totaled \$742.14, mother, 2 children clothing costs totaled \$753.80, grandparents, 1 child costs totaled \$611.04 and retired couple clothing costs totaled \$320.86. The sum for each family type was applied equally across all communities.

Family member	Cost
Infant	\$131
Boy	\$265
Girl	\$315
Woman	\$173
Man	\$147

Health Care

Health care costs are a basic living expense included in the Bare Bones Budget (BBB). Health care costs included in the BBB were expenses relating to private health insurance, office visit co-pays, hospitalization costs, dental expenses, and for the elderly, out-of-pocket (OOP) medical expenses not covered by Medicare. BBB families were assumed to have no employee-based health insurance coverage and grandparents and retired couple were assumed to have only traditional (fee-for-service) Medicare as health insurance.

Health insurance premiums for “BlueChoice” Blue Cross Blue Shield (BCBS) \$500 annual deductible plan for 30 year old man and woman and dependent living in a home without a smoker resulted in one of two fee schedules for each study community. Premium amounts are summarized as Schedule A and B in Table 11. Female adult premiums were 20% higher than male adult premiums. Study communities and their respective health insurance premium schedule are listed in Tables 12a and 12b. Annual insurance premiums for the father, mother, infant, child family were \$3,866 using Schedule A and \$3,479 using Schedule B. For the mother, 2 children family, premiums totaled \$2,725 using Schedule A and \$2,452 using Schedule B.

Person	Schedule A	Schedule B
Adult male	\$95.12	\$85.60
Adult female	\$114.10	\$102.70
Dependent	\$56.49	\$50.82

^aSource www.bcbs.com accessed October 2, 2002

Table 12A: BCBS Health Insurance Fee Schedule A Communities (n=42)				
Alamogordo	Datil	Las Vegas	Santa Fe	
Anthony	Deming	Lordsburg	Santa Rosa	
Artesia	Des Moines	Los Alamos	Shiprock	
Bloomfield	Espanola	Quemado	Silver City	
Carlsbad	Farmington	Questa	Socorro	
Carrizozo	Fort Sumner	Raton	Springer	
Chama	Gallup	Reserve	Taos	
Clayton	Hatch	Roswell	Tularosa	
			Truth or Consequences	
Clovis	Hobbs	Roy	Tucumcari	
Crownpoint	Las Cruces	Ruidoso	Vaughn	
			Wagon Mound	
Table 12B: BCBS Health Insurance Fee Schedule B Communities (n=10)				
Albuquerque	Canoncito	Grants	Moriarty	Glenwood
Belen	Cuba	Los Lunas	Portales	Rio Rancho

Total medical costs (excludes dental costs) were calculated by adding community-specific insurance premiums, age and community-specific weighted hospital room utilization charges and a constant routine office visit co-pay and Medicare national weighted out-of-pocket cost (see Health Care Costs Methods for details). Statewide medicals costs are summarized in Table 13. Not included is the retired couple medical costs which were constant for all elderly persons and totaled \$7,100 annually for the retired couple family type. The lowest medical costs for all family types were for Cuba, the highest costs were for Roswell. Medical costs for the father/mother, infant, child family type and the mother, 2 children family type were 16% higher in Roswell as compared to Cuba. A similar comparison for the grandparents, 1 child family showed only a 1.7% difference because that family type's medical costs are predominantly Medicare out-of-pocket expenses for the grandparents, a constant cost across all communities.

Table 13: Statewide Annual Total Medical Costs (excluding dental)				
	Family Type			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Statewide average	\$4,654	\$3,237	\$7,938	\$7,100
Range	\$4,293-\$4,975	\$2,982-\$3,467	\$7,873-\$8,005	Not applicable

Dental costs as determined from telephone survey were as follows. The average cost across New Mexico for a basic first-time cleaning, exam and x-rays for an adult was \$138 (range \$81-\$216). For a child, the cost, also including fluoride treatment was \$120 (range \$61-\$200). Eighteen communities out of 52 did not have access to dental services locally, requiring families to seek dental care further away. In two communities, a dental clinic existed but was not accepting new patients. Two dental clinics had a six month waiting period, one of which was the only local dental clinic and then accepting only existing patients. One clinic, again the only local dental clinic in the community, had a one year waiting period. Six communities had a dental clinic with a sliding-scale option for payment for those who qualify (five based on income, one based on race). (These were not averaged into the statewide figures.)

Total average health care costs statewide including medical and dental costs by family type are summarized in Table 14. Grandparents and 1 child family type showed the highest health care costs, averaging \$8,332 annually. Highest and lowest health care costs were not consistently the same community across family types. For instance, the lowest health care costs for the father, mother, infant, child family and grandparent, 1 child family were in Belen, whereas the lowest costs for mother, 2 children family were in Grants, and the lowest for retired couple were in Santa Rosa. This may be because some health care services, such as dental and hospital care, were not available locally and figures outside a particular community were substituted.

Table 14: Statewide Average Annual Health Care Costs (Medical & Dental) by Family Type				
	Family Type			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Statewide average	\$5,044	\$3,615	\$8,332	\$7,372

Miscellaneous

Personal items, household cleaning items, basic first aide items, infant equipment and supplies and laundry costs are included in miscellaneous costs and are basic living expenses factored into the Bare Bones Budget (BBB).

Statewide average miscellaneous costs for BBB family types are summarized in Table 15. Miscellaneous costs were highest for the father/mother, infant, child family type across all communities. Average annual diaper costs were \$471. Car seat, crib, and one year supply of diapers on average totaled 45% of this family type's miscellaneous costs. Assuming car seat and crib were purchases made in the first year of the infant's life only, diaper costs, alone, after the first year continued to constitute 38% of this family type's miscellaneous costs.

Table 15: Statewide Average Annual Miscellaneous Costs by Family Type				
	Family Type			
	Father, mother, infant, child	Mother, 2 children	Grandparents, 1 child	Retired couple
Statewide average	\$1,390	\$500	\$514	\$343

Chapter 5: Methodology Strengths and Limitations

Strengths

1. Expenditure amounts were demographically specific for New Mexico with potential for application to other rural and/or poor populations. In addition, expenditures were tallied according to specific hypothetical family member profiles, taking into account variation in living costs for different individuals such as retired persons and infants.
2. Budgetary components were selected based on the contemporary minimal standard of living, including necessary family expenditure needs such as telephone and child care.
3. Multiple hypothetical family compositions captured and unveiled specific economic issues relevant to subsets of New Mexico families.
4. Family budgetary needs presented by expenditure categories provided a foundation for policy-making and theoretical testing of potential policies.

Limitations

1. Some expenditure category data sources were national and not specific to New Mexico and some were statewide and not specific at the community level.
2. Family conditions were idealized in terms of credit rating, health and financial status. Therefore, circumstances that would impede ideal, most efficient socio-economic functioning such as illness, traffic tickets or poor credit rating were not allowed for in expenditures.
3. Long-term budgetary allocations that promote life-long and cross-generational self-sufficiency such as savings, retirement and education costs were not included in total budgetary expenses.

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Chapter 6: Total Annual Bare Bones Budget by State Rank¹

Family Type

Rank	Father/mother, infant, child		Mother, 2 children		Grandparents, child		Retired couple	
	Community	Budget	Community	Budget	Community	Budget	Community	Budget
1	Rio Rancho	\$44,630	Los Alamos	\$35,586	Los Alamos	\$30,423	Los Alamos	\$23,719
2	Los Alamos	\$44,356	Rio Rancho	\$32,484	Rio Rancho	\$29,599	Rio Rancho	\$23,617
3	Taos	\$39,280	Los Lunas	\$30,205	Santa Fe	\$27,161	Santa Fe	\$21,745
4	Bloomfield	\$37,765	Santa Fe	\$29,471	Ouesta	\$26,650	Los Lunas	\$20,957
5	Los Lunas	\$37,752	Taos	\$28,802	Los Lunas	\$26,610	Questa	\$20,653
6	Santa Fe	\$37,375	Questa	\$26,710	Taos	\$26,535	Taos	\$20,592
7	Tucumcari	\$36,801	Gallup	\$26,290	Albuquerque	\$25,392	Albuquerque	\$20,371
8	Albuquerque	\$34,175	Albuquerque	\$26,239	Roswell	\$25,352	Roswell	\$19,736
9	Gallup	\$33,384	Moriarty	\$25,041	Crownpoint	\$24,995	Crownpoint	\$19,608
10	Questa	\$32,875	Raton	\$24,231	Moriarty	\$24,642	Moriarty	\$19,572
11	Moriarty	\$32,532	Las Cruces	\$24,125	Silver City	\$24,373	Des Moines	\$19,313
12	Raton	\$31,935	Roswell	\$24,021	Raton	\$24,266	Silver City	\$19,218
13	Las Cruces	\$31,822	Tularosa	\$23,906	Springer	\$24,266	Raton	\$19,147
14	Springer	\$31,629	Carrizozo	\$23,768	Des Moines	\$24,192	Springer	\$19,147
15	Roswell	\$31,413	Springer	\$23,615	Glenwood	\$23,936	Clayton	\$19,055
16	Silver City	\$30,843	Silver City	\$23,415	Clayton	\$23,908	Tucumcari	\$18,971
17	Carrizozo	\$30,639	Farmington	\$23,015	Reserve	\$23,890	Glenwood	\$18,957
18	Belen	\$30,507	Ruidoso	\$22,980	Gallup	\$23,761	Reserve	\$18,921
19	Tularosa	\$30,283	Glenwood	\$22,924	Carrizozo	\$23,667	Las Cruces	\$18,904
20	Glenwood	\$30,168	Belen	\$22,917	Belen	\$23,549	Gallup	\$18,754
21	Farmington	\$30,010	Bloomfield	\$22,910	Alamogordo	\$23,413	Belen	\$18,698
22	Socorro	\$29,991	Alamogordo	\$22,893	Datil	\$23,352	Datil	\$18,593
23	Quemado	\$29,966	Quemado	\$22,846	Quemado	\$23,351	Quemado	\$18,566
24	Alamogordo	\$29,845	Datil	\$22,715	Las Cruces	\$23,290	Carrizozo	\$18,510
25	Anthony	\$29,836	Clovis	\$22,572	Tucumcari	\$23,287	Alamogordo	\$18,471
26	Datil	\$29,803	Las Vegas	\$22,463	Wagon Mound	\$23,250	To'hajiilee	\$18,415
27	Chama	\$29,765	Des Moines	\$22,344	Ruidoso	\$23,250	Roy	\$18,413
28	Ruidoso	\$29,649	Chama	\$22,214	Las Vegas	\$23,204	Wagon Mound	\$18,378
29	Fort Sumner	\$29,347	Clayton	\$22,189	Clovis	\$23,185	Chama	\$18,358
30	Clovis	\$29,264	T or C	\$22,142	To'hajiilee	\$23,131	Espanola	\$18,358
31	Las Vegas	\$29,235	Espanola	\$22,088	Roy	\$23,101	Socorro	\$18,335
32	T or C	\$29,076	Anthony	\$22,043	Socorro	\$23,095	Farmington	\$18,317
33	Shiprock	\$29,021	Shiprock	\$21,993	Portales	\$23,075	Ruidoso	\$18,300
34	Portales	\$28,866	Portales	\$21,805	Artesia	\$23,017	Bloomfield	\$18,297
35	Lordsburg	\$28,733	Socorro	\$21,783	Chama	\$23,006	Portales	\$18,284
36	Des Moines	\$28,649	Fort Sumner	\$21,714	Espanola	\$23,006	Shiprock	\$18,275
37	Espanola	\$28,586	Reserve	\$21,664	Farmington	\$22,924	Clovis	\$18,259
38	Clayton	\$28,418	Crownpoint	\$21,491	Tularosa	\$22,921	Artesia	\$18,228
39	Cuba	\$28,315	Lordsburg	\$21,376	Bloomfield	\$22,912	Las Vegas	\$18,209
40	Hatch	\$28,192	Wagon Mound	\$21,365	Lordsburg	\$22,902	Anthony	\$18,183
41	Grants	\$27,982	Roy	\$21,332	Anthony	\$22,888	Lordsburg	\$18,156
42	Santa Rosa	\$27,974	Santa Rosa	\$21,290	Shiprock	\$22,871	Tularosa	\$18,066
43	Reserve	\$27,947	Cuba	\$21,279	Hobbs	\$22,680	Hobbs	\$18,015
44	Deming	\$27,706	Grants	\$21,122	Deming	\$22,569	Deming	\$17,929
45	Artesia	\$27,348	Deming	\$20,950	T or C	\$22,484	Fort Sumner	\$17,877
46	Wagon Mound	\$27,208	To'hajiilee	\$20,930	Fort Sumner	\$22,432	T or C	\$17,837
47	Roy	\$27,177	Tucumcari	\$20,886	Cuba	\$22,403	Cuba	\$17,767
48	Crownpoint	\$27,008	Vaughn	\$20,546	Grants	\$22,349	Grants	\$17,735
49	Hobbs	\$26,547	Hobbs	\$20,517	Santa Rosa	\$22,327	Carlsbad	\$17,693
50	To'hajiilee	\$26,480	Hatch	\$20,495	Vaughn	\$22,311	Vaughn	\$17,652
51	Carlsbad	\$26,332	Artesia	\$20,494	Carlsbad	\$22,250	Santa Rosa	\$17,649
52	Vaughn	\$25,981	Carlsbad	\$20,412	Hatch	\$21,508	Hatch	\$17,135
Average		\$30,777		\$23,319		\$23,825		\$18,883
Median		\$29,784		\$22,403		\$23,250		\$18,414
FPL (2002) ²		\$18,100		\$15,020		\$15,020		\$11,940
Average as % FPL		1.70		1.55		1.59		1.58

¹ Rank is 1-52, highest to lowest

² FPL=Federal Poverty Level for this family type

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Chapter 7: Total Annual Bare Bones Budget by State Rank ¹ by Community

Family Type

Community	Father/mother, infant, child		Mother, 2 children		Grandparents, child		Retired couple	
	Rank	Budget Amt.	Rank	Budget Amt.	Rank	Budget Amt.	Rank	Budget Amt.
Alamogordo	24	\$29,845	22	\$22,893	21	\$23,413	25	\$18,471
Albuquerque	8	\$34,175	8	\$26,239	7	\$25,392	7	\$20,371
Anthony	25	\$29,836	32	\$22,043	41	\$22,888	40	\$18,183
Artesia	45	\$27,348	51	\$20,494	34	\$23,017	38	\$18,228
Belen	18	\$30,507	20	\$22,917	20	\$23,549	21	\$18,698
Bloomfield	4	\$37,765	21	\$22,910	39	\$22,912	34	\$18,297
Carlsbad	51	\$26,332	52	\$20,412	51	\$22,250	49	\$17,693
Carrizozo	17	\$30,639	14	\$23,768	19	\$23,667	24	\$18,510
Chama	27	\$29,765	28	\$22,214	35	\$23,006	29	\$18,358
Clayton	38	\$28,418	29	\$22,189	16	\$23,908	15	\$19,055
Clovis	30	\$29,264	25	\$22,572	29	\$23,185	37	\$18,259
Crownpoint	48	\$27,008	38	\$21,491	9	\$24,995	9	\$19,608
Cuba	39	\$28,315	43	\$21,279	47	\$22,403	47	\$17,767
Datil	26	\$29,803	24	\$22,715	22	\$23,352	22	\$18,593
Deming	44	\$27,706	45	\$20,950	44	\$22,569	44	\$17,929
Des Moines	36	\$28,649	27	\$22,344	14	\$24,192	11	\$19,313
Espanola	37	\$28,586	31	\$22,088	36	\$23,006	30	\$18,358
Farmington	21	\$30,010	17	\$23,015	37	\$22,924	32	\$18,317
Fort Sumner	29	\$29,347	36	\$21,714	46	\$22,432	45	\$17,877
Gallup	9	\$33,384	7	\$26,290	18	\$23,761	20	\$18,754
Glenwood	20	\$30,168	19	\$22,924	15	\$23,936	17	\$18,957
Grants	41	\$27,982	44	\$21,122	48	\$22,349	48	\$17,735
Hatch	40	\$28,192	50	\$20,495	52	\$21,508	52	\$17,135
Hobbs	49	\$26,547	49	\$20,517	43	\$22,680	43	\$18,015
Las Cruces	13	\$31,822	11	\$24,125	24	\$23,290	19	\$18,904
Las Vegas	31	\$29,235	26	\$22,463	28	\$23,204	39	\$18,209
Lordsburg	35	\$28,733	39	\$21,376	40	\$22,902	41	\$18,156
Los Alamos	2	\$44,356	1	\$35,586	1	\$30,423	1	\$23,719
Los Lunas	5	\$37,752	3	\$30,205	5	\$26,610	4	\$20,957
Moriarty	11	\$32,532	9	\$25,041	10	\$24,642	10	\$19,572
Portales	34	\$28,866	34	\$21,805	33	\$23,075	35	\$18,284
Quemado	23	\$29,966	23	\$22,846	23	\$23,351	23	\$18,566
Questa	10	\$32,875	6	\$26,710	4	\$26,650	5	\$20,653
Raton	12	\$31,935	10	\$24,231	12	\$24,266	13	\$19,147
Reserve	43	\$27,947	37	\$21,664	17	\$23,890	18	\$18,921
Rio Rancho	1	\$44,630	2	\$32,484	2	\$29,599	2	\$23,617
Roswell	15	\$31,413	12	\$24,021	8	\$25,352	8	\$19,736
Roy	47	\$27,177	41	\$21,332	31	\$23,101	27	\$18,413
Ruidoso	28	\$29,649	18	\$22,980	27	\$23,250	33	\$18,300
Santa Fe	6	\$37,375	4	\$29,471	3	\$27,161	3	\$21,745
Santa Rosa	42	\$27,974	42	\$21,290	49	\$22,327	51	\$17,649
Shiprock	33	\$29,021	33	\$21,993	42	\$22,871	36	\$18,275
Silver City	16	\$30,843	16	\$23,415	11	\$24,373	12	\$19,218
Socorro	22	\$29,991	35	\$21,783	32	\$23,095	31	\$18,335
Springer	14	\$31,629	15	\$23,615	13	\$24,266	14	\$19,147
Taos	3	\$39,280	5	\$28,802	6	\$26,535	6	\$20,592
To'hajiilee	50	\$26,480	46	\$20,930	30	\$23,131	26	\$18,415
Truth or Consequence	32	\$29,076	30	\$22,142	45	\$22,484	46	\$17,837
Tucumcari	7	\$36,801	47	\$20,886	25	\$23,287	16	\$18,971
Tularosa	19	\$30,283	13	\$23,906	38	\$22,921	42	\$18,066
Vaughn	52	\$25,981	48	\$20,546	50	\$22,311	50	\$17,652
Wagon Mound	46	\$27,208	40	\$21,365	26	\$23,250	28	\$18,378
Average		\$30,777		\$23,319		\$23,825		\$18,883
Median		\$29,784		\$22,403		\$23,250		\$18,414
FPL 2002		\$18,100		\$15,020		\$15,020		\$11,940
BBB as % FPL ²		1.70		1.55		1.59		1.58

¹Rank is 1-52, highest to lowest

²FPL=Federal Poverty Level for this family type

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Appendix 1: Study Methods by Expenditure Category

Housing

Rent and utilities were derived primarily from the federal Department of Housing and Urban Development (HUD) Fair Market Rents (FMRs) published in the Federal Register¹. Fair Market Rents are derived by HUD through use of census data, American Housing Surveys (conducted by the Census Bureau for HUD), and by Random Digit Dialing Surveys. The results are adjusted for inflation by the consumer price index, reported by metropolitan statistical areas (MSAs) and nonmetropolitan counties for single room and one to four bedroom rental houses. Fair Market Rents are monthly gross rent estimates including shelter rent paid by the tenant to the landlord and cost of tenant-paid utilities except telephone. Reported rental values are quoted at the 40th percentile unless specified otherwise as the 50th percentile.

Among the study communities, HUD FMRs were available for Albuquerque, Los Cruces and Santa Fe as MSAs. Fair Market Rents were available for most of the remaining study communities quoted by respective nonmetropolitan county. The counties where the MSAs were located did not have quoted county FMRs separate from the MSA FMRs. For this reason, FMRs were not available for those communities residing in counties shared by MSAs. These study communities were Anthony, Belen, Canoncito, Cuba, Hatch, Los Alamos, Los Lunas and Rio Rancho. Housing costs for those communities mandated an alternative method of derivation.

For Anthony, Belen, Cuba, Hatch, Los Alamos, Los Lunas and Rio Rancho housing costs were derived by using the median gross rent data which, like FMRs, include monthly rent paid plus utilities except telephone, reported for each community by the US Census². But because the census data were median costs for all rental housing sizes, each median gross rent figure was matched to its respective FMR where available, the factor by which each known median gross rent would be multiplied by to derive its respective FMR was calculated, then all such factors were averaged to obtain a statewide average factor correlating median gross rent census data with HUD FMRs. This correlating factor was then applied to the above mentioned communities to calculate each FMR using the available census gross rent data.

For Canoncito, where neither census gross rent data nor FMR were reported, the statewide average FMR including the mathematically derived FMRs was used in calculating that community's Bare Bones Budget housing costs.

Housing costs for one-bedroom and two-bedroom rental houses were tabulated to match the predetermined family compositions assuming that two children would share one bedroom separate from the adults in the family. All housing costs where FMRs were directly available were quoted at the 40th percentile except Albuquerque, which was reported by HUD at the 50th percentile.

Telephone service costs were obtained using Qwest basic service and long distance service rates. Cell phone services available to communities were surveyed (Sprint, Verizon and T-Mobile) but were found to be more expensive than Qwest regular service assuming cost for the first year of service. New Mexico telephone books held by the Albuquerque Public Library Main Branch were surveyed to identify companies apart from cell phone companies providing local telephone service.

Homes were assumed to have had telephone service in the past with cable lines outside the house already in place. Homes were assumed to need only one line. Purchase of a phone was not included in costs. Families were assumed to be in good financial standing with the telephone company permitting service without a deposit necessary. According to a Qwest representative (1-800-996-2347), as of February 2, 2002, Qwest no longer charges a "monthly zone increment charge" or "zone connection charge" for New Mexico residential home phone lines.

Food

Selected food items, price and quantity were factored into food expenditure. Survey design, survey pricing and calculation of dietary allotments are described below.

Survey Design

Selection of food items to survey involved four steps: 1. Formulating the initial comprehensive food item list, 2) Focus group input and list modification, 3) Pilot surveys and 4) Food list abbreviation.

The initial food item list was drawn from the U. S. Department of Agriculture (USDA) Center for Nutrition Policy and Promotions Thrifty Food Plan (TFP).³ The TFP is designed to reflect a variety of foods providing nutritious, well-balanced meals over a two-week period and is the basis for food stamp allocation.⁴ This comprehensive list was presented at a focus group of low-income women in Las Cruces. Suggestions from the focus group were used to modify the list. For instance, some food items such as molasses were deleted while other more culturally-based food items such as green chilies were incorporated into the list.

The modified comprehensive food list was then instituted in 27 stores of 21 different communities as a pilot study. Listings for grocery stores in each study community were obtained using Qwest Dex yellow pages. The pilot study survey consisted of 95 food items from the six USDA major food groups. Results of the pilot study were then entered in an Excel spreadsheet. By a process of elimination while maintaining representative food items for each major food group and preserving community-to-community cost differences, the food list was refined to twenty items (Table 1).

Table 1: Food Item List by USDA Major Food Category and Pricing Units	
Food Item	Pricing Unit
Grains	
Bread, whole wheat	1 lb. 8oz. Loaf
Corn flakes	12 oz. box
Corn tortillas	1 dozen (= 10 oz.)
Vegetables	
Peas, frozen	16 oz. bag
Lettuce	1 head (= 1 lb. 12 oz)
Fruits	
Orange juice concentrate	12 fl. oz. can
Bananas	1 lb.
Milk & milk products	
Milk, 1%	1 gallon (= 8 lbs)
Milk, whole	1 gallon (= 8 lbs)
Cheddar cheese	1 lb.
Meat & alternatives	
Chicken, fryer parts	1 lb.
Beef, lean ground	1 lb.
Peanut butter	18 oz. jr
Pinto beans, canned	15.5 oz. can
Eggs, large	1 dozen (= 10 oz.)
Other foods	
Tomato sauce	20 oz. can
Margarine, stick	1 lb.
Jelly	18 oz. jar
Green chile, chopped	4.5 oz. can
Vegetable oil	16 fl. oz. bottle

Survey Pricing

The abbreviated food list became the short survey instrument and was implemented to survey 33 stores (different from those surveyed in the pilot study) in 23 communities. Each item specified a brand and a standard purchasing unit amount. Volunteer surveyors were asked to complete the surveys on site according to the following guidelines:

Bare Bones Budget Grocery Survey General Guidelines

1. Generics were priced when they were comparable to the brand specified on the survey instrument whenever possible.
2. If generic products were not available but a lower priced product that was entirely comparable to the one specified was, it was priced instead.
3. If a lower priced product comparable to the one specified in the survey was not available, the brand and quantity specified in the survey instrument was priced.
4. When the brands and/or sizes specified on the instrument were not available, the closest comparable product at the lowest cost was priced noting the brand and size.⁵
5. Coupon prices were not used.
6. In stores that offered free membership cards, card prices were used.

Surveys were conducted on site in March, April, May and September of 2002. Day of the week was random. Combining the pilot and short surveys, a total of 60 stores was surveyed within 42 study communities. Ten communities were not surveyed and are listed with reasons for no survey in Table 2. For those communities without a survey, food costs were derived from the geographically closed study community where pricing was available. These sites are designated “alternate location” in Table 2.

Study Community	Reason for no survey	Alternate Location
Bloomfield	No listed supermarket	Farmington
To'hajiilee	No listed supermarket	Albuquerque
Datil	No listed supermarket	Socorro
Des Moines	No listed supermarket	Raton
Questa	No listed supermarket	Taos
Roy	No listed supermarket	Las Vegas
Ruidoso	No volunteer identified	Tularosa
Shiprock	No volunteer identified	Farmington
Springer	No volunteer identified	Raton
Wagon Mound	No listed supermarket	Las Vegas

Nine stores surveyed lacked one or more items specified on the instrument. One store lacked only one item (1% milk); whole milk price was used. One store lacked two items (peas and green chile); WalMart prices were substituted.⁶ Seven stores lacked greater than two food items (range 4-15, median = 10 items). Those stores lacking greater than two food items (> 10% of all food items on abbreviated survey) were excluded. In four study communities this exclusion left no available grocery store survey locally. In that instance, the closest available study community survey prices were substituted (Table 3).

Community	Alternative Site
Chama	Espanola
Glenwood	Reserve
Tucumcari	Santa Rosa
Vaughn	Santa Rosa

Dietary Allotment

The amount of each food item required by each family member from the BBB family types was determined using the simplified USDA TFP weekly market basket quantities by age and gender.⁷ The simplified USDA TFP market basket consists of 25 food items within six major food groups. This basket of food items is intended by the USDA to represent the nutrient requirements of individuals of specific gender and age groups. Therefore, the items represent nutritional values rather than a hypothetical list of ingredients for a week’s menu, per se. BBB food items surveyed were matched to TFP food items. Total quantities for each major food group were maintained with one exception. In the case of soft drinks included in the TFP “other food” group, orange juice was substituted, shifting that food quantity from the “other food” category to “fruits.” When shifting food items within a food category, relative proportions were preserved. BBB survey food items are listed by TFP major food group in Table 1.

Thrifty Food Plan Individual Dietary Category	Bare Bones Budget Family Member	Bare Bones Budget Family Type(s)
1 year old	infant	Father/mother, infant, child
6-8 years old	child	Father/mother, infant, child
		Mother, 2 children
		Grandparents, grandchild
9-11 years old	child	Mother, 2 children
Female, 20-50 years old	wife, mother	Father/mother, infant, child
		Mother, 2 children
Male, 20-50 years old	husband, father	Father/mother, infant, child
Female, 51+ years old	grandparent	Grandparents, grandchild
		Retired couple
Male, 51+ years old	grandparent	Grandparents, grandchild
		Retired couple

Individual types from the TFP used for BBB family members and types are summarized in Table 4. In the case of the BBB infant, 50% of the one year old food quantities was used.

Using the TFP food quantity for each individual and the BBB survey quantity for each food item, a correlating factor was calculated. This derived factor was then used to convert the BBB survey cost of each food item into cost for each BBB family member for one week in each study community. Appropriate family member costs were then added to tally weekly food costs per family type. These totals were multiplied by 52 to convert to annual costs. Finally, the annual costs were augmented by an age-gender specific factor converting TFP to the USDA reported Low Cost Plan.⁸ The USDA Low Cost Plan was selected over the TFP because the original intent of the TFP as defined by USDA was for “temporary or emergency use.”⁹

The USDA Low Cost Plan expenditures¹⁰ by BBB family type are summarized in Table 5. These cost standards were later used for food costs comparisons (see “Findings by Budgetary Expenditure Category”).

Father/Mother, infant, child	Mother, 2 children	Grandparents, grandchild	Retired couple
\$5,889	\$5,075	\$5,210	\$3,666

Transportation

Included in transportation costs were gasoline, maintenance, repairs, insurance and vehicle purchase cost.

Gasoline costs are dependent on miles traveled, gasoline cost per gallon and engine efficiency.

To estimate **annual household miles** traveled, family type and geographic location were considered. Data were obtained from the 1995 Nationwide Personal Transportation Survey (NPTS) Databook, the most recent available data.¹¹

NPTS is a nationwide survey sponsored by four Department of Transportation agencies.¹² The purpose of the survey is to collect trip-based data on the nature and characteristics of personal travel to provide policymakers with information for improving the safety and efficiency of the national transportation system. The 1995 survey involved a random-digit-dialing method of household selection resulting in 58,276 household travel diaries and 42,033 household telephone interviews.¹³

First, purpose of travel for the BBB was extracted from all purposes of travel from NPTS.¹⁴ The purposes of travel determined to be the minimum for a household and appropriate of inclusion in BBB were 1. to or from work, 2. shopping, 3. doctor/dentist, 4. other family/personal and 5. school/church. NPTS categories not included in BBB were business-related travel and all social/recreational travel. The percent of vehicle travel included in the BBB was 70.2% of all NPTS travel.

Family BBB vehicle miles traveled were calculated from NPTS annual vehicle miles traveled per household by household type. It was assumed that BBB families used no public transportation. This was reasonable given that Census 2000 reported that 0.8% of New Mexico workers used public transportation.¹⁵

Table 6 shows the NPTS household types comparable to the BBB family types and BBB vehicle miles traveled calculated using the 0.702 factor described above. The following assumptions were made in using the NPTS household types as representing BBB family types:

1. NPTS household types, although specifying “2 or more adults,” had only two licensed drivers and no unlicensed drivers drove.
2. NPTS household types had only one or two children per household as specified in BBB family types.
3. The BBB family of grandparents with one grandchild has a driving pattern consistent with parents rather than with retired adults.

NPTS Household Type	BBB Family Type	BBB Miles
2 or more adults, youngest child <6 yrs	Father, Mother, Infant, Child	19,417
Single adult, youngest child 6-16 yrs	Mother, 2 Children	9,497
2 or more adults, youngest child 6-15 yrs	2 Grandparents, 1 Grandchild	20,482
2 or more adults, retired, no children	Retired Couple	10,793

Families for the BBB were assumed to have only one vehicle per household. NPTS findings show households with annual income of \$10,000-\$20,000 average 1.3 vehicles per household.¹⁶ NPTS also reported variable odometer estimated mileage depending on household vehicle to driver ratios (<1, 1 or >1).¹⁷ In examining the BBB miles traveled by family type considering vehicle to driver ratios, BBB miles traveled by family type were proportionately consistent with NPTS vehicle to driver ration findings with no further adjustment indicated.

Finally, geographic variability was incorporated using NPTS data for size of community and person miles traveled per person. NPTS reported person miles traveled per person for six community population sizes, three of which applied to NM study communities. They were: 1. metropolitan statistical area (MSA)¹⁸ 250,000-999,999, 2. MSA <250,000, and 3. not MSA.¹⁹ Among the BBB study communities, the largest category listed above included only Albuquerque, the second category only Los Cruces and Santa Fe with all remaining study communities classified as “not MSA”. Recognizing that vehicle miles and person miles are not equal, NPTS person miles traveled per person were used only as relative ratios. With Albuquerque designated as 1,²⁰ the MSA < 250,000 ratio was 0.9978 and the not MSA ratio was 1.1287. These ratios were then used to weight the household vehicle miles traveled for each family type in each study community.

The **cost of gasoline** within each study community was obtained through a telephone survey. Gasoline stations listed through Qwest Dex were contacted by telephone for current gasoline prices in May 2002. When more than one quote within a community was obtained, the cheapest cost per gallon was used. On November 18, 2002, the current discounted gasoline price in Albuquerque was used to update gasoline prices throughout the state.²¹ Where gasoline prices were not available (e.g., no listing, no answer or would not divulge the information) the federal government assumed cost was used (\$1.40).²²

Engine efficiency (miles per gallon) was estimated from figures obtained for 1999 Ford F150 and Ford Taurus.²³ Although BBB families are assumed to own 1992 F150 or Taurus, 1999 figures for miles per gallon as the oldest available figures were used instead. The averaged city and highway combined mileage for 1999 Ford F150 and Taurus was 20 miles per gallon.²⁴

Annual gasoline costs were calculated by multiplying annual household miles traveled by cost per mile, which was found by dividing the price per gallon of gas by the vehicle miles per gallon.

Although **vehicle maintenance** can involve an extensive checklist, BBB included only routine oil changes. The cost of oil changes was estimated at \$20 per oil change every 3,000 miles of travel.

Cost of repairs was included in BBB because some degree of repairs would be expected for the ten year old car assumed owned by BBB families and transportation was assumed necessary for employment. Cost of repairs was estimated using survey results of self-reported owners of a 1992 Ford Taurus.²⁵ To compensate for probable reporting bias and resultant over-estimated repairs costs, BBB annual repair costs for a 1992 Ford Taurus were estimated to be \$514, one-third the \$1559 survey result. The BBB estimated annual vehicle repair costs were also well below the \$820 average annual cost for all ten year old American models, a finding from the same survey.

Automobile insurance annual premiums were derived from the “Get a Quick Auto Quote” online calculator on the Allstate²⁶ website (<http://buy.allstate.com/auto>) accessed through the website <http://moneycentral.msn.com/marketplace/home.asp> on October 29-31, 2002. The following basic assumptions at the time of application were required by Allstate:

- Good credit rating
- Five years continuous liability insurance
- Verifiable driving records
- All drivers 19 years old or older
- All drivers currently licensed continuously three years or more
- All vehicles driven 7500 miles or more per year

In addition to the above assumptions, the following profiles were used to obtain quotes for the study family compositions:

Two-Parent Family

- Two drivers, male and female, married, living together Both drivers 35 years old²⁷ (birth dates 10/29/67)
- Primary purpose of vehicle is for commuting to work/school (as opposed to the other two options, business or pleasure)
- Family owns only one vehicle
- Both drivers with no traffic violations or accidents over the preceding five years

Single-Parent Family

- Driver is female, single, divorced²⁸
- Driver is 35 years old (birth date 10/29/67)
- Primary purpose of vehicle is for commuting to work/school (as opposed to the other two options, business or pleasure)
- Driver owns only one vehicle
- Driver with no traffic violations or accidents over the preceding five years

For both family types described above, quotes were obtained for two vehicle types:

- 1992 Ford Taurus (GL, Sedan, 06 cyl, 2 drs.)
- 1992 Ford F150 pickup truck (Lrgp, 2WD, 06 cyl, 2 drs.)

Quotes were obtained using the above parameters for each study community by entering zip codes as prompted. When more than one zip code applied to a study community, the lowest zip code was entered.

Prompts asked for one-way commuting distances. Commuting distances were calculated using Census 2000 data reporting mean travel time to work (<http://factfinder.census.gov>) for each study community. After converting travel time from minutes to fraction of an hour, commuting distance was calculated assuming that the average travel speed was 45 miles per hour. In the instance where census data were not available (i.e., Canoncito, Datil, Quemado) the statewide mean commuting time to work as reported by the Census 2000 was used rounded off to the nearest minute (21.9 rounded to 22 minutes).

(For Glenwood where neither census data nor quotes were available, the statewide annual premium average was used when calculating Glenwood's Bare Bones Budget.)

The automobile insurance policy consisted of:

- Bodily Injury Liability (\$50,000-100,000 coverage limit per person per accident)
- Uninsured Motorists Insurance (same coverage limit as Bodily Injury Liability)
- Property Damage Liability (\$50,000 coverage limit per accident)
- Uninsured Motorists Insurance for Property Damage (same limit as Property Damage Liability)
- Medical Payments Coverage (\$5,000 coverage limit per person)
- No Collision Coverage
- No Comprehensive Coverage

The quote also assumed no multiple policy discount such as concurrent home owner's insurance.

The quotes for each of the two vehicle types were averaged for two drivers and for one driver to obtain an average annual premium cost for each respective family type for each study community. This was the automobile insurance premium reported for each study community. Two-driver and one-driver averages from all study communities were averaged separately for statewide two-driver and statewide one-driver average annual premiums.²⁹

Vehicle cost was calculated by obtaining quotes on eight different 1992 makes/models with 100,000, 130,000 and 150,000 mile odometer readings, in rough, average and clean condition.³⁰ All vehicle purchases were assumed to

occur in Albuquerque. The average cost across all makes/models, mileages and conditions was \$1,891. This cost was spread over a five year period so that the BBB annual vehicle cost was set at \$378 and was the same for all study communities.

Not included in BBB transportation costs were other maintenance costs besides oil changes such as spark plugs, belts, air filters, tune-ups and tires; drivers license fees; car depreciation; and financing.

Clothing

Clothing costs were obtained for each family member type from a single retail discount clothing store and applied by family member type to each family type equally across all study communities.

Table 7: Clothing Items and Annual Quantity by Family Member Type					
	Item	Quantity		Item	Quantity
Infant			Girl and Boy continued		
	Receiving blank	4		Shorts	2
	Heavy Blanket	1		Sweater	1
	Sleeper			Backpack	1
	0-3 months	3	Girl	Dress	1
	6-9 months	3	Woman	Underwear	5
	12 months	1		Socks	3
	T-shirt			Bra	1
	newborn	3		Shirts	3
	small	3		Pants	1
	medium	3		Shorts	1
	large	3		Skirt	1
	Socks			Dress	1
	0-6 months	6		Shoes	1
	6-18 months	8		Panty hose	1
	Shoes			Sweater	1
	12 months	1		Coat	1
	Pram Suit	1		Hat Pajamas	1
				Pajamas	1
Girl and Boy (quantities are per person)			Man		
	Undershirt	6		Underwear	3
	Socks	9		Socks	3
	Underwear	9		Shirts	3
	Shoes	2		Pants	2
	Pants	7		Shoes	1
	Shirts	7		Sweatshirt	1
	Coat	1		Coat	1
	Mittens	1		T-shirts	3
	Hat Pajamas	2			

A list of basic clothing requirements was made for each family member type, i.e., infant, girl, boy, woman and man. Adults were assumed to possess sufficient wardrobes and needing only replacements due to normal wear and tear. Clothing items and quantities by family member type are summarized in Table 7.

Clothing items were priced in fall of 2002 at a WalMart discount store in Albuquerque, New Mexico. Families were assumed to have transportation and be able to make clothing purchases in Albuquerque regardless of their home location. When quantity packaging of items was less expensive than single item purchases, the quantity price

was prorated and used as the cost for the item. Clothing costs by family type were calculated as the sum of clothing costs for each family member within that family type. An average cost of the girl and boy clothing was used as the cost of clothing for the children family members. Cost of diapers for the infant was included under miscellaneous costs for the appropriate family type.

Health Care

Health care costs included in the BBB were expenses relating to private health insurance, office visit co-pays for routine visits, hospitalization costs, dental expenses, and for the elderly, out-of-pocket (OOP) medical expenses not covered by Medicare. BBB families were assumed to have no employee-based health insurance coverage and the grandparents and retired couple were assumed to have only traditional (fee-for-service) Medicare as health insurance.

Private health insurance premiums were obtained for the Blue Cross Blue Shield “BlueChoice” plan.³¹ Adults were assumed to be 30 years old. Also, premium quotes for “no smoker in the house” were chosen. Premiums were selected for a \$500 annual deductible plan. These criteria and a zip code unique to each study community were used to derive insurance premiums for BBB family members. Private health insurance monthly premiums were multiplied by 12 for an annual cost for each person in the BBB families and added to the medical costs for their respective family type. (For grandparents and retired couple medical costs see Medicare OOP expenses derivation below.)

Office visit co-pays were calculated using the “BlueChoice” \$20 per visit fee.³² BBB included only routine visits for BBB family member, i.e., one annual visit per adult or child, and five well child check office visits for the infant. BBB families were assumed to have no expenses relating to acute or chronic illness such as additional office visits or prescription medications. Office visit co-pays were tallied for each BBB family member except grandparents and retired couple and added to medical costs for their respective family type.

Hospitalization costs were calculated as New Mexico annual per capita number of hospital days³³ by age group (less than or equal to 18 years old or 19-64 years old)³⁴ for each BBB family member except grandparents and retired couple. (For grandparents and retired couple medical costs see Medicare OOP expenses derivation below.) The annual per capita number of hospital days by age group was then multiplied by the cost of a hospital room by community when available.³⁵ For communities without a hospital, the closest hospital’s room charge was used. For communities where no hospital room charge was reported, the statewide average price of \$488.77³⁶ was used. The resultant annual per capita hospital room cost for each family member except grandparents and retired couple was added to the medical costs for each respective BBB family type.

Dental service costs for routine annual visits were ascertained by telephone survey. From October 15 through 21, 2002, a total of 83 telephone contacts were made to dental clinics listed in the internet yellow pages directory in 40 communities across New Mexico.³⁷ Twelve study communities did not have a dentist listed. Cost of a routine annual cleaning, exam and x-rays was surveyed for an adult and child. For a child cost of a routine fluoride treatment was also included. Adults and children were assumed to be first-time patients without dental insurance and requiring minimal cleaning and x-rays. All other dental services such as more extensive cleanings, fillings, crowns or root canals were not included in the BBB dental costs. For communities where more than one dentist were available, an average cost per visit for adult and child was calculated. For communities where no dental services were available (i.e., no dentist or local dentist not accepting new patients) dental costs for the closest study community where dental services were available were used. Discounted dental services requiring special qualifications such as race or income, where available, were not averaged into the community dental costs. Annual dental costs for family members were tallied and reported as dental costs within the health care costs for each respective BBB family type. No dental costs were included for the infant.

Medical care costs for grandparents and retired couple were estimated as average **out-of-pocket (OOP) medical expenses** by traditional (fee-for-service) Medicare beneficiaries.³⁸ Using the prompts on the website, zip codes were entered, then “Default Report Option” was selected. The default conditions used were person aged 65-69 years in good health. The quote was for 95% of beneficiaries of the traditional (fee-for-service) Medicare plan;

Medigap and Medicare+Choice quotes were higher than traditional Medicare in New Mexico. The quoted cost included all medical expenses such as premiums, co-pays and prescription drugs. Spot checks of various New Mexico and out-of-state zip codes showed the same quotes for traditional Medicare. Some variation by zip code occurred among Medigap and Medicare+Choice plans especially outside New Mexico.

The actual quote was \$251-\$300 per person per month with 5% of people 65-69 years old who are in good health experiencing monthly out-of-pocket costs greater than \$680. The monthly OOP range (\$251-\$300) was multiplied by 12 to obtain the annual range (\$3,012-\$3,600) and then averaged ($\frac{3,012 + 3,600}{2}$) so that the average annual estimated OOP Medicare costs are \$3,306 per person currently (Year 2002) for 95% of the Medicare population 65-69 years old in good health. For the remaining 5% whose monthly cost is greater than \$680 per month, a conservative estimate using \$680 multiplied by 12 months showed an annual cost of \$8,160 per person. The OOP medical costs for grandparents and retired couple used in the BBB was the weighted annual cost of \$3,548.70 per person ($\$3,306 \times 0.95$ plus $\$8,160 \times 0.05 = \$3140.70 + \$408$). This amount plus dental costs were used to calculate the health care costs for the adults in the grandparents, 1 child and retired couple BBB family types.

Not included in the BBB health care costs for all family members except the elderly were costs for prescription and nonprescription medications, acute care office visits, all hospitalization costs other than hospital room costs (e.g., doctors' fees, medications, supplies, and cost of medication administration), cost of prescription eye glasses and any dental care beyond basic, routine cleaning and exam.

Child Care

Child care costs were obtained by telephone survey of in-home child care service providers contracted by New Mexico Children, Youth and Families Department in the fall of 2002. Rates for both infant and school age child care were obtained. In those communities where more than one quote was obtained, the averages for infant and school age child care services were calculated separately. For 16 study communities no school age child care quotes were

Table 8: Study Communities Lacking Child Care Rates and Respective Alternate Sites

Study Community	Alternate Site	
	Infant care	School age care
Chama	Fort Sumner	Fort Sumner
Cuba	*	*
Datil	*	*
Des Moines	Reserve ¹	Reserve
Glenwood	*	*
Hatch	Fort Sumner	Fort Sumner
Los Alamos	Los Lunas	Los Lunas
Quemado	*	*
Questa	(available)	Fort Sumner
Raton	(available)	T or C
Reserve	Reserve ¹	(available)
Roy	Reserve ¹	Reserve
Ruidoso	T or C	T or C
Shiprock	Grants	Grants
Springer	Fort Sumner	Fort Sumner
To'hajiilee	Reserve ¹	Reserve
Tucumcari	Bloomfield	(available)
Vaughn	Reserve ¹	Reserve
Wagon Mound	Reserve ¹	Reserve

* Alternative used was annual mean survey rates for communities with population <2,000

¹Reserve infant rate used was Reserve rate for toddler and school age child care

available; for 17 communities no infant care quotes were obtained. For those study communities where child care quotes were not obtained, fees from communities similar in population size were applied or an average of quotes obtained from a group of communities of similar size was substituted. Table 8 shows study communities lacking data and alternative community used for child care costs.

Child care costs were assumed to be full time for the infant and half time for the school age child in the father/mother, infant, child family and half time for each school age child in the mother, 2 children family type. The grandparents, 1 child family type were assumed to have no child care costs as was the retired couple family type.

Miscellaneous

Personal items, household cleaning items, basic first aid items, infant equipment and supplies, and laundry costs are included in miscellaneous costs and are basic living expenses factored into the Bare Bones Budget (BBB).

Most miscellaneous costs were derived in parallel with food costs. The survey instrument was designed using the same four step process: 1. Formulating the initial comprehensive miscellaneous item list, 2. Focus group input and list modification, 3. Pilot surveys and 4. Miscellaneous list abbreviation. Also, surveys were conducted in the same manner and at the same time as food pricing. A total of 32 miscellaneous items were priced. (See Food Costs Methods for details.)

Table 9: Miscellaneous Items and Pricing Source			
Community Surveys			
Personal Items:			
dental floss	toothpaste	bar soap	tooth brush
razor	deoderant	tampons	baby shampoo
diapers			
Household Items:			
bleach	cleanser	dish soap	toilet paper
laundry soap	garbage bags		
First aid:			
antacid	aspirin	bandaids	hydrogen peroxide
rubbing alcohol	triple antibiotic ointment	children's Tylenol	diaper rash ointment
WalMart (Albuquerque)			
queen sheets	twin sheets	bath towel	wash cloth
baby crib	crib sheets	infant Tylenol	car seat
Other			
laundry (wash and dry)			

For most miscellaneous items, store survey prices were used. For a subset of miscellaneous items Albuquerque WalMart prices were used for all study communities instead. Laundry (wash and dry) costs were set at a standard cost of \$1.25 per load across all study communities. In four instances where the item in a particular store was available only in single-use packaging, WalMart pricing of the survey instrument quantity of that item was substituted. Table 9 outlines miscellaneous items and pricing source.

Table 10: Study Communities Lacking Miscellaneous Items and Respective Alternative Sites	
Community	Alternate Site
Chama	Espanola
Los Lunas	Albuquerque
Tucumcari	Santa Rosa

As with food surveys, ten communities without store listings or lack of volunteer were assigned alternate location prices (see Food Costs Methods for details). For those surveys lacking one or two items, Albuquerque WalMart prices were used for the missing prices. Three communities lacked surveys after excluding any surveys with greater than ten percent of the miscellaneous items missing (greater than two items). Those communities and the designated alternate sites for miscellaneous pricing are listed in Table 10.

Total miscellaneous costs by family type were calculated by adding cost of an annual quantity of each item for each family member within each family type. Only items typically used by a family type were included in that family's miscellaneous costs. For instance, infant Tylenol was included only in the father/mother, infant, child family type.

Taxes

Taxes expenditure category included state and local sales taxes, excise and motor vehicle taxes, and state and federal income taxes when applicable.

For the two non-elderly family configurations, taxes were estimated as follows. New Mexico levies a 5% gross receipts tax on the sale of most goods and services, including food, residential gas and electricity, clothing, non-prescription drugs, and medical care. Local governments impose "local option" gross receipts taxes as additions to the state base. Thus, the gross receipts tax rate varies across communities, from 5.125% in the unincorporated portion of Catron County to 7.25% in Red River. It averages about 6% statewide. Most of the goods and services not subject to the gross receipts tax are taxable under similar excise taxes, including the insurance premiums tax, the gasoline tax, and the liquor excise tax. State and local sales and excise taxes were estimated to be 5% of non-housing expenses. Vehicle registration fees of \$30 per vehicle per year were also included as state taxes.

Total BBB expenses including state and local sales, excise, and motor vehicle taxes were used to estimate income for purposes of state and federal personal income tax. State and federal personal income taxes were calculated using spreadsheet models. Tax rebates and credits such as the Earned Income Tax Credit were not included in the Taxes BBB expenditure category but were tallied on the individual Study Community Sheets for each family type at the end of this document. (See individual community pages for details.)

Income for the retired couple family type was assumed to be the 2002 average social security retirement benefit for a retired couple. Income for the grandparents and 1 child family type was the 2002 average social security retirement benefit for a retired couple with one child. These data are only available by county. Therefore, these data for each community were their respective county figures.

Appendix 1 Notes

¹ U. S. Department of Housing and Urban Development. "Fair Market Rents for Existing Housing", *Part II: Department of Housing and Urban Development Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2003; Notice* Federal Register, Vol. 67, No. 189, September 30, 2002 (www.hudclips.org/sub_nonhud/cgi/pdf/24619.pdf accessed November 5, 2002).

² <http://factfinder.census.gov/bf/> accessed October 16, 2002.

³ www.usda.gov/cnpp accessed November 26, 2002.

⁴ The TFP is only one of four food expenditure levels reported by the USDA. The others are low, moderate and liberal cost plans. For the BBB the final food costs, although based on the TFP food items, were ultimately up-graded to the Low Cost Plan expenditure level. See Dietary Allocation section for details.

⁵ In the case where product size specified by the survey instrument was not available and a product of a different size was priced, the quoted price was later adjusted to reflect the size specified by the survey instrument.

⁶ Substituting WalMart prices was chosen because for most other communities where more than one grocery store was available and one was a WalMart Super Store, WalMart Super Store prices were usually the cheapest. Also, BBB families are assumed to be capable of traveling and expected to make purchases at WalMart in other expenditure categories (see transportation and clothing sections).

⁷ Center for Nutrition Policy and Promotion, USDA. "The Thrifty Food Plan, 1999, Executive Summary," August 1999. <http://www.cnpp.usda.gov> accessed December 8, 2002.

⁸ Source: Official USDA Food Plans: Cost of Food at Home at Four Levels, US Average, August 2001 <http://www.cnpp.usda.gov> Issued September 2001.

⁹ Source: Fisher, GM. "The Development and History of the Poverty Thresholds," Social Security Bulletin, Vol. 55, No.4, 1992. <http://aspe.hhs.gov/poverty/papers/hptgssiv.htm> accessed November 27, 2002.

¹⁰ Source: "Official USDA Food Plans: Cost of Food at Home at Four Levels, US Average, October 2002", <http://www.cnpp.usda.gov> accessed December 8, 2002.

¹¹ Oak Ridge National Laboratory. *1995 NPTS Databook*, ORNL/TM-2001/248, October 2001, www.cta.ornl.gov, accessed November 7, 2002.

¹² The four Department of Transportation agency sponsors for 1995 were Federal Highway Administration, Bureau of Transportation Statistics, Federal Transit Authority and National Highway Traffic Safety Administration.

¹³ Oak Ridge National Laboratory. *1995 NPTS Databook*, ORNL/TM-2001/248, October 2001, www.cta.ornl.gov, accessed November 7, 2002.

¹⁴ *Ibid.*, Table 5.12, p. 5-22.

¹⁵ US Census Bureau. GCT-P12 Employment Status and Commuting to Work:2000, <http://factfinder.census.gov> accessed October 16, 2002.

¹⁶ *Ibid.*, Table 3.11, p. 3-21.

¹⁷ *Ibid.*, Table 3.16, p. 3-28.

¹⁸ Metropolitan statistical area (MSA) is a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (<http://factfinder.census.gov/servlet/BasicFactsServlet>).

¹⁹ *Ibid.*, Table 4.16, p. 4-30.

²⁰ Albuquerque was designated as the standard because NPTS used a telephone random number dialing method and the assumption was made that among the three geographic categories, Albuquerque most closely corresponds to a nationwide random telephone number selection of households.

²¹ Albuquerque gasoline price for update was \$1.37 which was 6.2% higher than prices from telephone survey. Therefore, prices from survey were increased by 6.2% for updated prices.

²² Source: www.fueleconomy.gov accessed November 18, 2002.

²³ Source: <http://www.fueleconomy.gov/feg/bymake> accessed November 18, 2002.

²⁴ Assumed 45% highway driving, 55% city driving

²⁵ Questionnaire completed by approximate 95,000 total (all make/model owners) visitors to website over the 12-month period in the year 2000 (<http://cartalk.cars.com/Survey/Results/Repair-Costs/rc-by-origin.html>) accessed November 14, 2002.

²⁶ Random check indicated State Farm quotes higher than Allstate. Progressive Insurance Co. webpage reported no available coverage in some areas of New Mexico, especially rural areas.

²⁷ Random check indicated premium quotes for 65 year old drivers insignificantly different from 35 year old drivers

²⁸ Random check indicated divorced female driver premium quotes equal to single, never married female option

²⁹ For Glenwood where neither census data nor insurance quotes were available, the statewide annual premium average was used when calculating Glenwood's BBB.

³⁰ Makes/Models were Ford Taurus, F150, Escort, Chevrolet Cavalier, Caprice, Pontiac Bonneville, Dodge Dynasty and Plymouth Acclaim; all with only standard equipment (www.edmunds.com) accessed September 26, 2002.

³¹ Source: www.bcbs.com accessed October 2, 2002.

³² *Ibid.*, Summary of Benefits.

³³ New Mexico Health Policy Commission. *Quick Facts 2002*, <http://hpc.state.nm.us> accessed September 27, 2002.

³⁴ Source: U.S. Census 2000 <http://factfinder.census.gov> accessed October 16, 2002.

³⁵ New Mexico Health Policy Commission. *Quick Facts 2002*, p. 3, <http://hpc.state.nm.us> accessed September 27, 2002.

³⁶ *Ibid.*, p. 3.

³⁷ <http://yp106.superpages.com> accessed October 15-21, 2002.

³⁸ "Medicare Personal Plan Finder" <http://www.medicare.gov/MPPF/secure/questions.asp> accessed October 28, 2002.

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Appendix 2: A Brief Description of Cost of Living Measures

Many cost of living measures are used in the public health, advocacy and policy arenas. Below are brief descriptions of some such measures. Each has different purposes and limitations that should always be considered when quoting such measures.

Consumer Price Index

The consumer price index (CPI) is “a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.”¹ There are at least three basic characteristics of the CPI that should be considered each time it is quoted. These are 1. the index is determined by the cost of a fixed market basket of goods and services, revised periodically, 2. it allows for comparisons over time, not across geographic locations and 3. only urban consumers are considered in the measure. CPI is not a total cost of living measure because by design the CPI, based on a fixed market basket of goods and services, does not include social and environmental conditions contributing to the total cost of living. Also, because of the design of the measure, the Bureau of Labor Statistics recommends that it not be used to estimate the rate of inflation experienced by special groups such as the elderly, the poor or rural consumers.¹

The CPI is used as: 1) an economic indicator in measuring governmental policies dealing with inflation, 2) a deflator to, for instance, adjust income tax brackets so that workers do not experience a rise in taxes due to inflation alone, and 3) an adjustment factor in determining both governmental and legal policies such as social security payments, military and federal civil service pensions, food stamp allocations, school lunch cost and child support payments. The CPI is modified by the findings from the Consumer Expenditure Survey, Point-of-purchase (market) surveys and US Census.

Consumer Expenditure Survey

The Consumer Expenditure Survey (CEX) is a survey of American households conducted by the Bureau of the Census for the Bureau of Labor Statistics and the Department of Commerce. The purpose of the survey is “to provide a current and continuous series of data on consumer expenditures and other related characteristics for use in determining the need to revise the Consumer Price Index and for use in family expenditure studies and other analyses.”² The total US civilian population is targeted. The random sample consists of nearly 9,000 residences, which may include students away from home selected from addresses in 101 urban and rural areas; a household need not have a telephone to be selected.

The survey consists of both a quarterly home visit interview and daily diary. It is conducted on an on-going basis with a fraction of the total sample completing the survey and introduction of new “consumer units” quarterly. To a limited degree, expenditures by particular subpopulations such as the elderly and low-income households are captured. The CEX is a survey of expenditures by American households and not a true cost of living index. That is, the CEX is what people spend, not what people need to maintain a specified standard of living. Some results of the CEX are used to update the CPI.

Federal Poverty Levels

The Federal Poverty Levels (FPL) (also known as the Federal Poverty Guidelines) are issued by the Department of Health and Human Services annually. They are parameters to be used in the coming year for determining family eligibility for certain federal programs such as Head Start, food stamps, free or reduced-price school breakfast and lunch programs and Job Corps. Federal poverty levels are simplified federal poverty thresholds taken from the previous year. Federal poverty thresholds are described in detail in “Defining a Poverty Measure” in this document.

Lower Living Standard Income Level

The Lower Living Standard Income Level (LLSIL) is “that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based on the most recent lower living family budget issued by the Secretary.”³ The most recent lower living family budgets were issued in 1981 and based on four-person urban family budget estimates published at that time by the Bureau of Labor Statistics. The figures are updated by the CPI annually. They are used by the Employment and Training

Administration (ETA) in defining a “low income individual,” “disadvantaged adult,” and “disadvantaged youth” as 70% LLSIL thereby setting qualifications for workforce investment programs.

LLSIL figures are considered by ETA as a “minimum level for establishing self-sufficiency...a minimum figure States must set for determining whether employment leads to self-sufficiency under WIA (Workforce Investment Act) programs.”⁴ LLSIL are reported for four geographic regions (i.e., Northeast, Midwest, South and West) and for metropolitan and nonmetropolitan areas within each region. LLSIL are higher than the FPL. For instance, the 2002 adjusted LLSIL for metropolitan West Region for a family of four was \$30,990⁵ compared to the family of four 2002 FPL of \$18,100.

Current Population Survey

The Current Population Survey (CPS) is a monthly survey of about 50,000 households conducted by the Bureau of Census for the Bureau of Labor Statistics to assess information on the American labor force, including employment and unemployment. The location is the tracking unit. When residents move, the new occupants at that address become the survey participants. Annually in March the CPS is expanded to include the Annual Demographic Survey which results in the annual “Population Profile of the United States.” This document reports detailed information on additional topics such as population mobility, educational attainment, fertility, income and wages, food security and poverty.⁶

Survey of Income and Program Participation

Whereas the CPS is the official governmental source of information on income and poverty, the Survey of Income and Program Participation (SIPP) is a more comprehensive survey conducted by the Bureau of the Census collecting national data on the labor force and income. In addition, SIPP covers questions relating to government program participation and eligibility, child care, disability and wealth. The survey covers 37,000 households with an over-sampling of households from areas with high poverty concentrations. SIPP surveys each occupant of the household 15 years and older, unlike the CEX where only the head of household answers all questions. Participants are interviewed every four months over a three year period. They are tracked even when they move unlike the CPS which stays with the same address, picking up new participants when they move in during the survey period. SIPP is primarily a longitudinal survey model although cross-sectional analyses can be conducted as well.⁷ SIPP has been suggested as the source of income information for updating and maintaining a revised FPL⁸

ACCRA

ACCRA, formerly the American Chamber of Commerce Researchers Association, is an index designed to measure cost of living at a defined standard in different communities across the country for a specific quarter. ACCRA utilizes market surveys conducted by volunteers, usually chambers of commerce, targeting the cost of the lifestyle for “moderately affluent professional and managerial households.”⁹ For instance, housing costs survey specifications clearly define size, location and age of the home or apartment to closely represent the home that a family with two college educated adults would wish to obtain. A market basket of goods and services reflecting that standard of living is held constant for every community for a given survey but may change from quarter to quarter. ACCRA is, therefore, designed to allow comparisons of communities but only for a given quarter. ACCRA comparisons across different time periods are not possible because, unlike the CPI, the market basket of goods and services change. And, unlike most other measures, ACCRA specifically targets an above average standard of living. ACCRA cost of living figures are frequently used by employers and employees when negotiating salaries.

Self-Sufficiency Standards

Self-Sufficiency Standards studies (SSS) are calculations of “how much money working adults need to meet their basic needs without subsidies of any kind.”¹⁰ The organization, Wider Opportunities for Women (WOW), and Dr. Diana Pearce, founder of the Women and Poverty Project at WOW and professor at University of Washington School of Social Work, have collaborated and assisted at least 29 states to calculate their SSS. Each state has used a basic format provided by Dr. Pearce to calculate budgets for a variety of family types. Data sources are national, state or community level depending on availability. The final report for each state is unique, reflecting

the characteristics and prominent issues of that state. Most reports lead to discussion of issues such as working wage and availability of entry level employment compatible with the local cost of living.

Bare Bones Budget

The Bare Bones Budget (BBB) is a study of the cost of living in 52 New Mexico communities in 2002. Initiated by the New Mexico Commission on the Status of Women and conducted through the New Mexico Voices for Children organization, BBB calculated what families of various types would need at a minimally adequate standard of living to be self-supporting (i.e., no federal, state or private subsidies). Data sources were national, state or community level with an emphasis on community level data as much as possible. Different from the SSS, the BBB included costs of child care and food costs obtained from community surveys. Table 1 illustrates comparison of data sources for BBB and SSS.

Table 2 summarizes expenditure categories included in several cost of living measures.

Table 1: SSS and BBB Comparison of Expenditure Categories by Level of Specificity		
Category	SSS¹	BBB²
Housing		
rent/utilities	CCCC	CCCC
telephone	a	SSSS
Food	NNNN	
Transportation		
vehicle cost	(not included)	SSSS
gasoline	CCCC	CCCC
maintenance	NNNN	NNNN
insurance	CCCC	CCCC
repairs	NNNN	NNNN
Clothing	a	SSSS
Health Care		
private insurance	CCCC	CCCC
Medicare	NNNN	NNNN
hospital utilization	SSSS ³	CC/SS
Child Care	NNNN	CCCC
Miscellaneous	a	CC/SS
Taxes	SSSS	CC/SS
¹ SSS: Self-Sufficiency Standard, D. Pearce. California as an example, www.sixstrategies.org/files/ACF147.pdf accessed November 26, 2002 ² BBB: Bare Bones Budget ³ SSS hospital utilization costs assumed to be a portion of SSS expenditure category "out-of-pocket medical expenses" for all family members ^a SSS telephone, clothing and miscellaneous costs were included in total as a calculated 10% of total SSS budget estimate		

Legend	
CCCC	Community level data
SSSS	State level data
NNNN	National level data

Expenditure Category	CPI¹	CEX²	ACCRA³	SSS⁴	BBB⁵
Food at home	X	X	X	X	X
Food away from home	X	X	X		
Alcoholic beverages	X	X	X		
Housing/utilities	X	X	X	X	X
Housing operations, furnishings & equipment	X	X	X		
Clothing	X	X	X	X	X
Transportation	X	X	X	X	X
Health Care	X	X	X	X	X
Health insurance		X	X	X	X
Entertainment	X	X	X		
Personal care products & services	X	X	X	X	X ⁶
Reading		X	X		
Education	X	X			
Tobacco	X	X	X		
Miscellaneous		X ⁷		X	
Cash contributions		X			X ⁸
Personal insurance (excluding health), pension & SS		X			
Child care		X ⁹		X	X
Taxes	X (sales)			X	X

¹ CPI: Consumer Price Index

² CEX: Consumer Expenditure Survey, <http://www.bls.gov.cex.csx801p.pdf>

³ ACCRA: formerly American Chamber of Commerce Researchers Association, www.accra.org

⁴ SSS: Self-Sufficiency Standard, D. Pearce, Wider Opportunities for Women, www.sixstrategies.org

⁵ BBB: Bare Bones Budget

⁶ Services limited to laundromat costs

⁷ CEX miscellaneous includes pet supplies, postage, film, photography equipment, dry cleaning, child care

⁸ BBB miscellaneous included household cleaning items, crib, car seat, sheets, towels

⁹ Included in CEX miscellaneous expenditure

Appendix 3: Study Community Demographics¹

Community	County	Population	Race/Ethnicity			Economic Indicators		
			% Hispanic	% White, nonHispanic	%Native Am.	pc income	% poverty ²	% single female parent ³
Alamogordo	Otero	35,582	32.0	57.8	1.1	14662	13.2	7.5
Albuquerque	Bernalillo	448,607	39.9	49.9	3.9	20884	10.0	5.3
Anthony	Dona Ana	7,904	96.4	2.9	0.9	6674	33.2	13.1
Artesia	Eddy	10,692	45.0	51.7	1.5	13911	15.7	8.2
Belen	Valencia	6,901	68.6	27.8	1.7	12999	23.2	11.2
Bloomfield	San Juan	6,417	27.5	53.8	16.7	14424	15.2	7.8
Carlsbad	Eddy	25,625	36.7	58.8	1.3	16496	13.1	6.0
Carrizozo	Lincoln	1,036	53.5	43.5	1.8	12242	21.0	10.3
Chama	Rio Arriba	1,199	71.2	26.9	2.7	16670	11.9	4.5
Clayton	Union	2,524	46.5	51.5	1.1	13967	14.2	8.8
Clovis	Curry	32,667	33.4	55.6	1.0	15561	17.2	8.9
Crownpoint	McKinley	2,630	1.2	8.3	89.1	9964	26.1	13.6
Cuba	Sandoval	590	60.3	12.0	26.8	11192	36.5	21.0
Datil	Catron	1,507	9.4	84.3	6.1	na	na	na
Deming	Luna	14,116	64.6	32.4	1.4	10943	28.5	13.3
Des Moines	Union	177	33.9	62.1	1.1	16254	25.6	12.8
Espanola	Santa Fe/Rio Arriba	9,688	84.4	11.8	2.9	14303	16.5	6.9
Farmington	San Juan	37,844	17.7	62.8	17.0	18167	12.9	6.6
Fort Sumner	De Baca	1,249	48.3	49.9	0.8	13327	20.4	10.0
Gallup	McKinley	20,209	33.1	26.9	36.6	15789	16.6	9.5
Glenwood	Catron	1,748	16.5	81.7	0.9	na	na	na
Grants	Cibola	8,806	52.4	32.5	12.0	14053	19.4	8.6
Hatch	Dona Ana	1,673	79.2	18.8	1.0	14619	28.5	11.7
Hobbs	Lea	28,657	42.2	48.9	1.1	14209	20.2	9.3
Las Cruces	Dona Ana	74,267	51.7	42.0	1.7	15704	17.2	9.6
Las Vegas	San Miguel	14,565	82.9	13.5	2.0	12619	24.3	13.5
Lordsburg	Hidalgo	3,379	74.4	24.2	0.8	10877	28.6	15.8
Los Alamos	Los Alamos	11,909	12.2	80.8	0.6	34240	2.4	1.0
Los Lunas	Valencia	10,034	58.7	37.0	2.6	14692	11.6	6.2
Moriarty	Torrance	1,765	40.8	55.4	2.5	13640	13.3	8.8
Portales	Roosevelt	11,131	38.1	56.6	1.1	12935	18.8	8.6
Quemado	Catron	na	na	na	na	na	na	na
Questa	Taos	1,864	80.5	17.8	0.7	13303	20.7	10.4
Raton	Colfax	7,282	57.0	40.7	1.6	14223	14.8	7.2
Reserve	Catron	387	40.6	56.6	0.5	14612	14.2	9.2
Rio Rancho	Sandoval	51,765	27.7	64.1	2.4	20322	3.7	1.9
Roswell	Chaves	45,293	44.3	50.9	1.3	14589	18.7	8.0
Roy	Harding	304	52.6	46.4	2.0	17651	11.7	9.6
Ruidoso	Lincoln	7,698	18.2	78.1	2.4	22721	9.5	3.5
Santa Fe	Santa Fe	62,203	47.8	47.1	2.2	25454	9.5	4.9
Santa Rosa	Guadalupe	2,744	81.2	14.0	1.7	11168	18.9	8.9
Shiprock	San Juan	8,156	1.3	2.0	96.7	7967	38.3	17.9
Silver City	Grant	10,545	52.4	44.5	1.1	13813	17.7	8.8
Socorro	Socorro	8,877	54.5	38.5	2.8	13250	24.1	15.3
Springer	Colfax	1,285	70.0	28.6	1.1	14606	14.9	9.6
To'hajiilee	Bernalillo	1,658	3.0	0.4	95.0	na	na	na
Taos	Taos	4,700	54.3	38.3	4.1	15983	17.9	10.4
T or C	Sierra	7,289	27.4	69.1	1.8	14415	15.6	7.7
Tucumcari	Quay	5,989	51.4	44.3	1.4	14786	19.1	8.4
Tularosa	Otero	2,864	56.1	38.8	4.3	12507	19.5	6.6
Vaughn	Guadalupe	539	87.0	12.1	0.4	11013	13.9	7.2
Wagon Mound	Mora	369	87.8	12.2	0.0	10459	23.8	11.9

¹Source: Census 2000

²PC = per capita

³As percent of all families

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Appendix 4: Annual Housing Cost Ranks by Size and Community
(based on HUD¹ Fair Market Rents² for existing housing)

2-Bedroom Rentals				
Community	Annual Cost	Descending Rank	Community	Annual Cost
Alamogordo	\$5,064	1	Rio Rancho	\$11,779
Albuquerque	\$8,052	2	Santa Fe	\$9,540
Anthony	\$5,109	3	Los Alamos	\$9,487
Artesia	\$5,064	4	Questa	\$8,100
Belen	\$6,233	4	Taos	\$8,100
Bloomfield	\$5,268	5	Albuquerque	\$8,052
Carlsbad	\$5,064	6	Los Lunas	\$7,269
Carrizozo	\$5,352	7	Belen	\$6,233
Chama	\$5,136	8	Silver City	\$6,036
Clayton	\$5,064	9	Tucumcari	\$5,688
Clovis	\$5,304	10	To'hajiilee	\$5,676
Crownpoint	\$5,580	11	Las Cruces	\$5,628
Cuba	\$3,328	12	Crownpoint	\$5,580
Datil	\$5,064	12	Gallup	\$5,580
Deming	\$5,412	13	Deming	\$5,412
Des Moines	\$5,064	14	Carrizozo	\$5,352
Espanola	\$5,136	14	Ruidoso	\$5,352
Farmington	\$5,268	15	Clovis	\$5,304
Fort Sumner	\$5,064	16	Bloomfield	\$5,268
Gallup	\$5,580	16	Farmington	\$5,268
Grants	\$5,064	16	Shiprock	\$5,268
Hatch	\$3,868	17	Roswell	\$5,232
Hobbs	\$5,064	18	Las Vagas	\$5,220
Las Cruces	\$5,628	19	Chama	\$5,136
Las Vagas	\$5,220	19	Espanola	\$5,136
Lordsburg	\$5,064	20	Anthony	\$5,109
Los Alamos	\$9,487	21	Alamogordo	\$5,064
Los Lunas	\$7,269	21	Artesia	\$5,064
Moriarty	\$5,064	21	Carlsbad	\$5,064
Portales	\$5,064	21	Clayton	\$5,064
Quemado	\$5,064	21	Datil	\$5,064
Questa	\$8,100	21	Des Moines	\$5,064
Raton	\$5,064	21	Fort Sumner	\$5,064
Reserve/Glenwood	\$5,064	21	Grants	\$5,064
Rio Rancho	\$11,779	21	Hobbs	\$5,064
Roswell	\$5,232	21	Lordsburg	\$5,064
Roy	\$5,064	21	Moriarty	\$5,064
Ruidoso	\$5,352	21	Portales	\$5,064
Santa Fe	\$9,540	21	Quemado	\$5,064
Santa Rosa	\$5,064	21	Raton	\$5,064
Shiprock	\$5,268	21	Reserve/Glenwood	\$5,064
Silver City	\$6,036	21	Roy	\$5,064
Socorro	\$5,064	21	Santa Rosa	\$5,064
Springer	\$5,064	21	Socorro	\$5,064
Taos	\$8,100	21	Springer	\$5,064
To'hajiilee	\$5,676	21	T or C	\$5,064
T or C	\$5,064	21	Tularosa	\$5,064
Tucumcari	\$5,688	21	Vaughn	\$5,064
Tularosa	\$5,064	21	Wagon Mound	\$5,064
Vaughn	\$5,064	22	Hatch	\$3,868
Wagon Mound	\$5,064	23	Cuba	\$3,328
Average	\$5,676			
Median	\$5,109			

1-Bedroom Rentals				
Community	Annual Cost	Descending Rank	Community	Annual Cost
Alamogordo	\$3,960	1	Rio Rancho	\$9,318
Albuquerque	\$6,444	2	Santa Fe	\$7,728
Anthony	\$4,041	3	Los Alamos	\$7,505
Artesia	\$3,960	4	Albuquerque	\$6,444
Belen	\$4,930	5	Questa	\$6,072
Bloomfield	\$4,224	5	Taos	\$6,072
Carlsbad	\$3,960	6	Los Lunas	\$5,750
Carrizozo	\$4,056	7	Tucumcari	\$5,052
Chama	\$4,176	8	Belen	\$4,930
Clayton	\$4,260	9	Las Cruces	\$4,740
Clovis	\$4,056	10	Silver City	\$4,716
Crownpoint	\$4,380	11	To'hajiilee	\$4,488
Cuba	\$2,633	12	Crownpoint	\$4,380
Datil	\$4,080	12	Gallup	\$4,380
Deming	\$4,224	13	Clayton	\$4,260
Des Moines	\$4,260	13	Des Moines	\$4,260
Espanola	\$4,176	14	Bloomfield	\$4,224
Farmington	\$4,224	14	Deming	\$4,224
Fort Sumner	\$3,972	14	Farmington	\$4,224
Gallup	\$4,380	14	Shiprock	\$4,224
Grants	\$3,972	15	Chama	\$4,176
Hatch	\$3,060	15	Espanola	\$4,176
Hobbs	\$3,960	16	Moriarty	\$4,140
Las Cruces	\$4,740	17	Datil	\$4,080
Las Vagas	\$3,960	17	Quemado	\$4,080
Lordsburg	\$3,960	17	Reserve/Glenwood	\$4,080
Los Alamos	\$7,505	18	Carrizozo	\$4,056
Los Lunas	\$5,750	18	Clovis	\$4,056
Moriarty	\$4,140	18	Raton	\$4,056
Portales	\$3,960	18	Ruidoso	\$4,056
Quemado	\$4,080	18	Springer	\$4,056
Questa	\$6,072	19	Anthony	\$4,041
Raton	\$4,056	20	Fort Sumner	\$3,972
Reserve/Glenwood	\$4,080	20	Grants	\$3,972
Rio Rancho	\$9,318	20	Roswell	\$3,972
Roswell	\$3,972	21	Alamogordo	\$3,960
Roy	\$3,960	21	Artesia	\$3,960
Ruidoso	\$4,056	21	Carlsbad	\$3,960
Santa Fe	\$7,728	21	Hobbs	\$3,960
Santa Rosa	\$3,960	21	Las Vagas	\$3,960
Shiprock	\$4,224	21	Lordsburg	\$3,960
Silver City	\$4,716	21	Portales	\$3,960
Socorro	\$3,960	21	Roy	\$3,960
Springer	\$4,056	21	Santa Rosa	\$3,960
Taos	\$6,072	21	Socorro	\$3,960
To'hajiilee	\$4,488	21	T or C	\$3,960
T or C	\$3,960	21	Tularosa	\$3,960
Tucumcari	\$5,052	21	Vaughn	\$3,960
Tularosa	\$3,960	21	Wagon Mound	\$3,960
Vaughn	\$3,960	22	Hatch	\$3,060
Wagon Mound	\$3,960	23	Cuba	\$2,633
Average	\$4,492			
Median	\$4,080			

¹ Source: Federal Register/Vol. 67, No.189/ September 30, 2002/Notices; Part 2, Department of Housing and Urban Development, Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2003

² Fair Market Rents (FMRs) are for existing housing for 40th percentile except Albuquerque which is for 50th percentile; FMRs=gross rent estimates including shelter rent paid by the tenant to the landlord and cost of tenant-paid utilities except telephone as determined by Census and survey data adjusted by consumer price index (CPI)

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**Appendix 5: Annual Community Food Costs by Family Type
(descending order)**

Community	Father/mother, infant, child	Community	mother, 2 children	Community	Grandparents, child	Community	Retired Couple
Los Alamos	\$7,867	Los Alamos	\$6,715	Los Alamos	\$6,877	Los Alamos	\$4,795
Roswell	\$7,188	Roswell city	\$6,040	Roswell	\$6,275	Roswell	\$4,382
Moriarty	\$6,810	Moriarty	\$5,775	Moriarty	\$5,931	Moriarty	\$4,140
Crownpoint	\$6,677	Crownpoint	\$5,671	Crownpoint	\$5,758	Crownpoint	\$4,008
Los Lunas	\$6,401	Los Lunas	\$5,519	Los Lunas	\$5,618	Los Lunas	\$3,907
Clayton	\$6,139	Clayton	\$5,222	Springer	\$5,312	Des Moines	\$3,691
Des Moines	\$6,034	Des Moines	\$5,180	Raton	\$5,312	Raton	\$3,691
Raton	\$6,034	Raton	\$5,180	Des Moines	\$5,312	Springer	\$3,691
Springer	\$6,034	Springer	\$5,180	Clayton	\$5,281	USDA(1)	\$3,666
USDA(1)	\$5,889	USDA(1)	\$5,075	USDA(1)	\$5,210	Cuba	\$3,605
Cuba	\$5,883	Cuba	\$5,003	Cuba	\$5,114	Clayton	\$3,600
Questa	\$5,619	Questa	\$4,781	Taos	\$4,879	Questa	\$3,366
Taos	\$5,619	Taos	\$4,781	Questa	\$4,879	Taos	\$3,366
Glenwood	\$5,510	Glenwood	\$4,581	Alamogordo	\$4,782	Alamogordo	\$3,354
Reserve	\$5,510	Reserve	\$4,581	Reserve	\$4,743	Glenwood	\$3,315
Alamogordo	\$5,395	Alamogordo	\$4,541	Glenwood	\$4,743	Reserve	\$3,315
Datil	\$5,368	Datil	\$4,526	Socorro	\$4,692	Datil	\$3,298
Socorro	\$5,368	Socorro	\$4,526	Datil	\$4,692	Socorro	\$3,298
Silver City	\$5,360	Silver City	\$4,518	Quemado	\$4,633	Quemado	\$3,234
Quemado	\$5,333	Quemado	\$4,509	Silver City	\$4,567	Las Vegas	\$3,197
Las Vegas	\$5,208	Carrizozo	\$4,407	Wagon Mound	\$4,560	Roy	\$3,197
Roy	\$5,208	Las Vegas	\$4,371	Roy	\$4,560	Wagon Mound	\$3,197
Wagon Mound	\$5,208	Roy	\$4,371	Las Vegas	\$4,560	Silver City	\$3,166
Carrizozo	\$5,160	Wagon Mound	\$4,371	Carrizozo	\$4,515	Carrizozo	\$3,121
Gallup	\$5,059	Gallup	\$4,285	Gallup	\$4,411	Gallup	\$3,044
Portales	\$5,024	Portales	\$4,272	Portales	\$4,394	Portales	\$3,034
Lordsburg	\$4,963	Santa Fe	\$4,196	Santa Fe	\$4,283	Ruidoso	\$2,986
Clovis	\$4,944	Clovis	\$4,188	Clovis	\$4,278	Tularosa	\$2,986
Ruidoso	\$4,940	Ruidoso	\$4,134	Tularosa	\$4,263	Las Cruces	\$2,983
Tularosa	\$4,940	Tularosa	\$4,134	Ruidoso	\$4,263	Lordsburg	\$2,967
Santa Fe	\$4,938	Lordsburg	\$4,125	Lordsburg	\$4,234	Santa Fe	\$2,961
Artesia	\$4,879	Artesia	\$4,086	Artesia	\$4,207	Artesia	\$2,943
Las Cruces	\$4,826	Anthony	\$4,069	Las Cruces	\$4,207	Anthony	\$2,930
Anthony	\$4,819	Las Cruces	\$4,065	Anthony	\$4,162	Clovis	\$2,928
Hobbs	\$4,747	Hobbs	\$3,963	Hobbs	\$4,097	Hobbs	\$2,871
Fort Sumner	\$4,642	Chama	\$3,900	Espanola	\$4,045	Fort Sumner	\$2,827
Chama	\$4,635	Espanola	\$3,900	Chama	\$4,045	Chama	\$2,826
Espanola	\$4,635	Fort Sumner	\$3,896	Fort Sumner	\$4,011	Espanola	\$2,826
Belen	\$4,563	Belen	\$3,888	Belen	\$3,973	Bloomfield	\$2,775
Bloomfield	\$4,562	Bloomfield	\$3,832	Shiprock	\$3,951	Farmington	\$2,775
Farmington	\$4,562	Farmington	\$3,832	Farmington	\$3,951	Shiprock	\$2,775
Shiprock	\$4,562	Shiprock	\$3,832	Bloomfield	\$3,951	Rio Rancho	\$2,749
T or C	\$4,515	Hatch	\$3,803	T or C	\$3,927	Hatch	\$2,738
Hatch	\$4,513	T or C	\$3,781	Hatch	\$3,916	Belen	\$2,731
Rio Rancho	\$4,466	Santa Rosa	\$3,773	Rio Rancho	\$3,892	T or C	\$2,730
Albuquerque	\$4,449	Tucumcari	\$3,773	Vaughn	\$3,864	Albuquerque	\$2,710
Canoncito	\$4,449	Vaughn	\$3,773	Tucumcari	\$3,864	Canoncito	\$2,710
Santa Rosa	\$4,400	Rio Rancho	\$3,748	Santa Rosa	\$3,864	Santa Rosa	\$2,686
Tucumcari	\$4,400	Albuquerque	\$3,738	Canoncito	\$3,853	Tucumcari	\$2,686
Vaughn	\$4,400	Canoncito	\$3,738	Albuquerque	\$3,853	Vaughn	\$2,686
Grants	\$4,306	Grants	\$3,592	Grants	\$3,706	Grants	\$2,540
Deming	\$4,060	Deming	\$3,415	Deming	\$3,522	Deming	\$2,479
Carlsbad	\$3,752	Carlsbad	\$3,187	Carlsbad	\$3,291	Carlsbad	\$2,301
Average	\$5,171	Average	\$4,370	Average	\$4,497	Average	\$3,137
Median	\$4,953	Median	\$4,192	Median	\$4,281	Median	\$2,986

¹USDA Low Cost Food Plan

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Appendix 6: Annual BBB Family Food Costs and State Rank¹ by Community

Family Type	Father/mother, infant, child		Mother, 2 children		Grandparents, grandchild		Retired couple	
	Community	Annual Costs	State Rank	Annual Costs	State Rank	Annual Costs	State Rank	Annual Costs
Alamogordo	\$5,395	11	\$4,541	10	\$4,782	10	\$3,354	10
Albuquerque	\$4,449	34	\$3,738	34	\$3,853	34	\$2,710	34
Anthony	\$4,819	25	\$4,069	23	\$4,162	24	\$2,960	24
Artesia	\$1,879	23	\$4,086	22	\$4,207	23	\$2,943	23
Belen	\$4,563	29	\$3,888	28	\$3,973	28	\$2,731	32
Bloomfield	\$4,562	30	\$3,832	29	\$3,951	29	\$2,775	29
Carslbado	\$3,752	38	\$3,187	37	\$3,291	37	\$2,301	38
Carrizozo	\$5,160	16	\$4,407	14	\$4,515	16	\$3,121	16
Chama	\$4,635	28	\$3,900	26	\$4,045	26	\$2,826	28
Clayton	\$6,139	6	\$5,222	6	\$5,281	7	\$3,600	8
Clovis	\$4,944	20	\$4,188	19	\$4,278	20	\$2,928	25
Crownpoint	\$6,677	4	\$5,671	4	\$5,758	4	\$4,008	4
Cuba	\$5,883	8	\$5,003	8	\$5,114	8	\$3,605	7
Datil	\$5,368	12	\$4,526	11	\$4,692	12	\$3,298	12
Deming	\$4,060	37	\$3,415	36	\$3,522	36	\$2,479	37
Des Moines	\$6,034	7	\$5,180	7	\$5,312	6	\$3,691	6
Espanola	\$4,635	28	\$3,900	26	\$4,045	26	\$2,826	28
Farmington	\$4,562	30	\$3,832	29	\$3,951	29	\$2,775	29
Fort Sumner	\$4,642	27	\$3,896	27	\$4,011	27	\$2,827	27
Gallup	\$5,059	17	\$4,285	16	\$4,411	17	\$3,044	17
Glenwood	\$5,510	10	\$4,581	9	\$4,743	11	\$3,315	11
Grants	\$4,306	36	\$3,592	35	\$3,706	35	\$2,540	36
Hatch	\$4,513	32	\$3,803	30	\$3,916	31	\$2,738	31
Hobbs	\$4,747	34	\$3,963	34	\$4,097	34	\$2,871	34
Las Cruces	\$4,826	24	\$4,065	24	\$4,207	23	\$2,983	20
Las Vegas	\$5,208	15	\$4,371	15	\$4,560	15	\$3,197	14
Lordsburg	\$4,963	19	\$4,125	21	\$4,234	22	\$2,967	21
Los Alamos	\$7,867	1	\$6,715	1	\$6,877	1	\$4,795	1
Los Lunas	\$6,401	5	\$5,519	5	\$5,618	5	\$3,907	5
Moriarty	\$6,810	3	\$5,775	3	\$5,931	3	\$4,140	3
Portales	\$5,024	18	\$4,272	17	\$4,394	18	\$3,034	18
Quemado	\$5,333	14	\$4,509	13	\$4,633	13	\$3,234	13
Questa	\$5,619	9	\$4,781	9	\$4,879	9	\$3,366	9
Raton	\$6,034	7	\$5,180	7	\$5,312	6	\$3,691	6
Reserve	\$5,510	10	\$4,581	9	\$4,743	11	\$3,315	11
Rio Rancho	\$4,466	33	\$3,748	33	\$3,892	32	\$2,749	30
Roswell	\$7,188	2	\$6,040	2	\$6,275	2	\$4,382	2
Roy	\$5,208	15	\$4,371	15	\$4,560	15	\$3,197	14
Ruidoso	\$4,940	21	\$4,134	20	\$4,263	21	\$2,986	19
Santa Fe	\$4,938	22	\$4,196	18	\$4,283	19	\$2,961	22
Santa Rosa	\$4,400	35	\$3,773	32	\$3,864	33	\$2,686	35
Shiprock	\$4,562	30	\$3,832	29	\$3,951	29	\$2,775	29
Silver City	\$5,360	13	\$4,518	12	\$4,567	14	\$3,166	15
Socorro	\$5,368	12	\$4,526	11	\$4,692	12	\$3,298	12
Springer	\$6,034	7	\$5,180	7	\$5,312	6	\$3,691	6
Taos	\$4,619	9	\$4,781	9	\$4,879	9	\$3,366	9
To'hajiilee	\$4,449	34	\$3,738	34	\$3,853	34	\$2,710	34
T or C	\$4,515	31	\$3,781	31	\$3,927	30	\$2,730	33
Tucumcari	\$4,400	35	\$3,773	32	\$3,864	33	\$2,686	35
Tularosa	\$4,940	21	\$4,134	20	\$4,263	21	\$2,986	19
Vaughn	\$4,400	35	\$3,773	32	\$3,864	33	\$2,686	35
Wagon Mound	\$5,208	15	\$4,371	15	\$4,560	15	\$3,197	14
USDA Low Cost Plan ²	\$5,889		\$5,075		\$5,210		\$3,666	

¹State rank: 1 is highest food cost

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Appendix 7: Annual Gasoline Costs by Community Rank¹

Rank	Father,mother,infant,child		Mother+2 children		Grandparents,grandchild		Retired couple	
1	Glenwood	\$1,929	Glenwood	\$943	Glenwood	\$2,034	Glenwood	\$1,072
1	Reserve	\$1,929	Reserve	\$943	Reserve	\$2,034	Reserve	\$1,072
2	Des Moines	\$1,688	Des Moines	\$825	Des Moines	\$1,780	Des Moines	\$938
3	Questa	\$1,644	Questa	\$804	Questa	\$1,734	Questa	\$914
4	Crownpoint	\$1,622	Crownpoint	\$793	Crownpoint	\$1,711	Crownpoint	\$901
4	Deming	\$1,622	Deming	\$793	Deming	\$1,711	Deming	\$901
4	Gallup	\$1,622	Gallup	\$793	Gallup	\$1,711	Gallup	\$901
4	Tucumcari	\$1,622	Tucumcari	\$793	Tucumcari	\$1,711	Tucumcari	\$901
5	Farmington	\$1,611	Farmington	\$788	Farmington	\$1,699	Farmington	\$895
5	Santa Rosa	\$1,611	Santa Rosa	\$788	Santa Rosa	\$1,699	Santa Rosa	\$895
6	Carrizozo	\$1,567	Carrizozo	\$766	Carrizozo	\$1,653	Carrizozo	\$871
6	Silver City	\$1,567	Silver City	\$766	Silver City	\$1,653	Silver City	\$871
7	Lordsburg	\$1,556	Lordsburg	\$761	Lordsburg	\$1,641	Lordsburg	\$865
8	Tularosa	\$1,545	Tularosa	\$756	Tularosa	\$1,630	Tularosa	\$859
9	Alamogordo	\$1,534	Alamogordo	\$750	Alamogordo	\$1,618	Alamogordo	\$853
9	Anthony	\$1,534	Anthony	\$750	Anthony	\$1,618	Anthony	\$853
9	Bloomfield	\$1,534	Bloomfield	\$750	Bloomfield	\$1,618	Bloomfield	\$853
9	To'hajiilee	\$1,534	To'hajiilee	\$750	To'hajiilee	\$1,618	To'hajiilee	\$853
9	Carlsbad	\$1,534	Carlsbad	\$750	Carlsbad	\$1,618	Carlsbad	\$853
9	Chama	\$1,534	Chama	\$750	Chama	\$1,618	Chama	\$853
9	Clayton	\$1,534	Clayton	\$750	Clayton	\$1,618	Clayton	\$853
9	Cuba	\$1,534	Cuba	\$750	Cuba	\$1,618	Cuba	\$853
9	Datil	\$1,534	Datil	\$750	Datil	\$1,618	Datil	\$853
9	Espanola	\$1,534	Espanola	\$750	Espanola	\$1,618	Espanola	\$853
9	Fort Sumner	\$1,534	Fort Sumner	\$750	Fort Sumner	\$1,618	Fort Sumner	\$853
9	Grants	\$1,534	Grants	\$750	Grants	\$1,618	Grants	\$853
9	Hatch	\$1,534	Hatch	\$750	Hatch	\$1,618	Hatch	\$853
9	Los Alamos	\$1,534	Los Alamos	\$750	Los Alamos	\$1,618	Los Alamos	\$853
9	Los Lunas	\$1,534	Los Lunas	\$750	Los Lunas	\$1,618	Los Lunas	\$853
9	Quemado	\$1,534	Quemado	\$750	Quemado	\$1,618	Quemado	\$853
9	Raton	\$1,534	Raton	\$750	Raton	\$1,618	Raton	\$853
9	Roy	\$1,534	Roy	\$750	Roy	\$1,618	Roy	\$853
9	Ruidoso	\$1,534	Ruidoso	\$750	Ruidoso	\$1,618	Ruidoso	\$853
9	Shiprock	\$1,534	Shiprock	\$750	Shiprock	\$1,618	Shiprock	\$853
9	Springer	\$1,534	Springer	\$750	Springer	\$1,618	Springer	\$853
9	Taos	\$1,534	Taos	\$750	Taos	\$1,618	Taos	\$853
9	T or C	\$1,534	T or C	\$750	T or C	\$1,618	T or C	\$853
9	Vaughn	\$1,534	Vaughn	\$750	Vaughn	\$1,618	Vaughn	\$853
9	Wagon Mound	\$1,534	Wagon Mound	\$750	Wagon Mound	\$1,618	Wagon Mound	\$853
10	Las Vegas	\$1,523	Las Vegas	\$745	Las Vegas	\$1,607	Las Vegas	\$847
10	Rio Rancho	\$1,523	Rio Rancho	\$745	Rio Rancho	\$1,607	Rio Rancho	\$847
11	Portales	\$1,512	Portales	\$740	Portales	\$1,595	Portales	\$841
12	Artesia	\$1,501	Artesia	\$734	Artesia	\$1,584	Artesia	\$834
12	Hobbs	\$1,501	Hobbs	\$734	Hobbs	\$1,584	Hobbs	\$834
12	Roswell	\$1,501	Roswell	\$734	Roswell	\$1,584	Roswell	\$834
13	Belen	\$1,446	Belen	\$707	Belen	\$1,526	Belen	\$804
13	Moriarty	\$1,446	Moriarty	\$707	Moriarty	\$1,526	Moriarty	\$804
14	Clovis	\$1,425	Clovis	\$697	Clovis	\$1,503	Clovis	\$792
15	Socorro	\$1,348	Socorro	\$659	Socorro	\$1,422	Socorro	\$749
16	Albuquerque	\$1,330	Albuquerque	\$651	Albuquerque	\$1,403	Albuquerque	\$739
17	Santa Fe	\$1,327	Santa Fe	\$649	Santa Fe	\$1,400	Santa Fe	\$738
18	Las Cruces	\$1,317	Las Cruces	\$644	Las Cruces	\$1,390	Las Cruces	\$732

¹Rank is from #1 (highest cost) to #18 (lowest cost)

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Appendix 8: Medical Costs¹ by Family Type and Community Rank²

Rank	Community	Father/mother, infant, child	Community	Mother, 2 children	Community	Grandparents, child
1	Roswell	\$4,975	Roswell	\$3,467	Roswell	\$8,005
2	Hobbs	\$4,753	Hobbs	\$3,308	Hobbs	\$7,957
3	Reserve	\$4,730	Alamogordo	\$3,291	Alamogordo	\$7,952
3	Alamogordo	\$4,730	Anthony	\$3,291	Anthony	\$7,952
3	Anthony	\$4,730	Artesia	\$3,291	Artesia	\$7,952
3	Artesia	\$4,730	Bloomfield	\$3,291	Bloomfield	\$7,952
3	Bloomfield	\$4,730	Carlsbad	\$3,291	Carlsbad	\$7,952
3	Carlsbad	\$4,730	Carrizozo	\$3,291	Carrizozo	\$7,952
3	Carrizozo	\$4,730	Chama	\$3,291	Chama	\$7,952
3	Chama	\$4,730	Clayton	\$3,291	Clayton	\$7,952
3	Clayton	\$4,730	Clovis	\$3,291	Clovis	\$7,952
3	Clovis	\$4,730	Crownpoint	\$3,291	Crownpoint	\$7,952
3	Crownpoint	\$4,730	Datil	\$3,291	Datil	\$7,952
3	Datil	\$4,730	Deming	\$3,291	Deming	\$7,952
3	Deming	\$4,730	Des Moines	\$3,291	Des Moines	\$7,952
3	Des Moines	\$4,730	Espanola	\$3,291	Espanola	\$7,952
3	Espanola	\$4,730	Fort Sumner	\$3,291	Fort Sumner	\$7,952
3	Fort Sumner	\$4,730	Gallup	\$3,291	Gallup	\$7,952
3	Gallup	\$4,730	Las Vagas	\$3,291	Las Vagas	\$7,952
3	Las Vagas	\$4,730	Lordsburg	\$3,291	Lordsburg	\$7,952
3	Lordsburg	\$4,730	Quemado	\$3,291	Quemado	\$7,952
3	Quemado	\$4,730	Questa	\$3,291	Questa	\$7,952
3	Questa	\$4,730	Raton	\$3,291	Raton	\$7,952
3	Raton	\$4,730	Roy	\$3,291	Roy	\$7,952
3	Roy	\$4,730	Ruidoso	\$3,291	Ruidoso	\$7,952
3	Ruidoso	\$4,730	Santa Rosa	\$3,291	Santa Rosa	\$7,952
3	Santa Rosa	\$4,730	Shiprock	\$3,291	Shiprock	\$7,952
3	Shiprock	\$4,730	Silver City	\$3,291	Silver City	\$7,952
3	Silver City	\$4,730	Socorro	\$3,291	Socorro	\$7,952
3	Socorro	\$4,730	Springer	\$3,291	Springer	\$7,952
3	Springer	\$4,730	Taos	\$3,291	Taos	\$7,952
3	Taos	\$4,730	Tularosa	\$3,291	Tularosa	\$7,952
3	Tularosa	\$4,730	T or C	\$3,291	T or C	\$7,952
3	T or C	\$4,730	Tucumcari	\$3,291	Tucumcari	\$7,952
3	Tucumcari	\$4,730	Vaughn	\$3,291	Vaughn	\$7,952
3	Vaughn	\$4,730	Wagon Mound	\$3,291	Wagon Mound	\$7,952
3	Wagon Mound	\$4,730	Reserve	\$3,291	Reserve	\$7,952
4	Hatch	\$4,684	Hatch	\$3,258	Hatch	\$7,942
4	Las Cruces	\$4,684	Las Cruces	\$3,258	Las Cruces	\$7,942
5	Los Alamos	\$4,680	Los Alamos	\$3,255	Los Alamos	\$7,941
6	Santa Fe	\$4,674	Santa Fe	\$3,251	Santa Fe	\$7,940
7	Farmington	\$4,602	Farmington	\$3,199	Farmington	\$7,924
8	Albuquerque	\$4,349	Albuquerque	\$3,022	Albuquerque	\$7,885
8	Belen	\$4,349	Belen	\$3,022	Belen	\$7,885
8	Los Lunas	\$4,349	Los Lunas	\$3,022	Los Lunas	\$7,885
8	Moriarty	\$4,349	Moriarty	\$3,022	Moriarty	\$7,885
8	Rio Rancho	\$4,349	Rio Rancho	\$3,022	Rio Rancho	\$7,885
9	To'hajiilee	\$4,343	Canoncito	\$3,018	Canoncito	\$7,884
9	Grants	\$4,343	Grants	\$3,018	Grants	\$7,884
9	Portales	\$4,343	Portales	\$3,018	Portales	\$7,884
9	Glenwood	\$4,343	Glenwood	\$3,018	Glenwood	\$7,884
10	Cuba	\$4,293	Cuba	\$2,982	Cuba	\$7,873

¹Does not include dental costs

²Rank is from #1 (highest cost) to #10 (lowest cost)

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Appendix 9: Annual Child Care Costs by Community Rank

Rank	Community	School Age Care	Community	Infant Care
1	Los Lunas	\$6,370	Bloomfield	\$10,400
2	Gallup	\$5,750	Rio Rancho	\$8,171
3	Rio Rancho	\$5,311	Taos	\$6,760
4	Taos	\$4,940	Los Lunas	\$5,287
5	Santa Fe	\$4,853	Albuquerque	\$5,280
6	Tularosa	\$4,615	Santa Fe	\$5,265
7	Las Cruces	\$4,305	Gallup	\$4,824
8	Albuquerque	\$4,199	Las Cruces	\$4,811
9	Moriarty	\$4,030	Belen	\$4,603
10	Farmington	\$4,020	Socorro	\$4,333
11	Carrizozo	\$3,900	Fort Sumner	\$4,160
12	Bloomfield	\$3,900	Raton	\$4,160
13	T or C	\$3,640	Farmington	\$4,077
14	Alamogordo	\$3,380	Moriarty	\$4,030
15	Belen	\$3,267	Anthony	\$3,958
16	Clovis	\$3,265	Carrizozo	\$3,900
17	Fort Sumner	\$3,120	T or C	\$3,900
18	Questa	\$3,120	Tularosa	\$3,786
19	Grants	\$3,120	Portales	\$3,718
20	Anthony	\$3,002	Alamogordo	\$3,675
21	Espanola	\$2,974	Grants	\$3,640
22	Silver City	\$2,914	Silver City	\$3,629
23	Portales	\$2,904	Lordsburg	\$3,484
24	Santa Rosa	\$2,873	Clovis	\$3,350
25	Las Vegas	\$2,760	Las Vegas	\$3,328
26	Lordsburg	\$2,569	Santa Rosa	\$3,315
27	Carlsbad	\$2,535	Deming	\$3,196
28	Socorro	\$2,526	Espanola	\$3,172
29	Deming	\$2,526	Roswell	\$3,017
30	Roswell	\$2,317	Artesia	\$2,912
31	Hobbs	\$2,088	Questa	\$2,600
32	Reserve	\$2,080	Carlsbad	\$2,588
33	Clayton	\$2,080	Hobbs	\$2,441
34	Artesia	\$1,846	Clayton	\$2,080
35	Tucumcari	\$1,560	Crownpoint	\$1,196
36	Crownpoint	\$1,196		

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Appendix 10: Annual Child Care Costs by Community Size

Community	Population	Cost	Mean by Pop.	Community	Population	Cost	Mean by Population	Mean Infant Cost minus Mean School Age
POP<2k			n ¹	POP<2k				
Reserve	387	\$2,080		Carrizozo	1036	\$3,900		
Carrizozo	1036	\$3,900		Fort Sumner	1249	\$4,160		
Fort Sumner	1249	\$3,120		Moriarty	1765	\$4,030	n=4	
Moriarty	1765	\$4,030	n=5	Questa	1864	\$2,600	\$3,673	\$423
Questa	1864	\$3,120	\$3,250					
POP 2k-5k				POP 2k-5k				
Clayton	2524	\$2,080		Clayton	2524	\$2,080		
Crownpoint	2630	\$1,196		Crownpoint	2630	\$1,196		
Santa Rosa	2744	\$2,873		Santa Rosa	2744	\$3,315		
Tularosa	2864	\$4,615		Tularosa	2864	\$3,786		
Lordsburg	3379	\$2,569	n=6	Lordsburg	3379	\$3,484	n=6	
Taos	4700	\$4,940	\$3,045	Taos	4700	\$6,760	\$3,437	\$391
POP 5k-10k				POP 5k-10k				
Tucumcari	5989	\$1,560		Bloomfield	6417	\$10,400		
Bloomfield	6417	\$3,900		Belen	6901	\$4,603		
Belen	6901	\$3,267		Raton	7282	\$4,160		
T or C	7289	\$3,640		T or C	7289	\$3,900		
Anthony	7904	\$3,002		Anthony	7904	\$3,958		
Grants	8806	\$3,120		Grants	8806	\$3,640		
Socorro	8877	\$2,526	n=8	Socorro	8877	\$4,333	n=8	
Espanola	9688	\$2,974	\$2,999	Espanola	9688	\$3,172	\$4,771	\$1,772
POP 10k-50k				POP 10k-50k				
Los Lunas	10034	\$6,370		Los Lunas	10034	\$5,287		
Silver City	10545	\$2,914		Silver City	10545	\$3,629		
Artesia	10692	\$1,846		Artesia	10692	\$2,912		
Portales	11131	\$2,904		Portales	11131	\$3,718		
Deming	14116	\$2,526		Deming	14116	\$3,196		
Las Vegas	14565	\$2,760		Las Vegas	14565	\$3,328		
Gallup	20209	\$5,750		Gallup	20209	\$4,824		
Carlsbad	25625	\$2,535		Carlsbad	25625	\$2,588		
Hobbs	28657	\$2,088		Hobbs	28657	\$2,441		
Clovis	32667	\$3,265		Clovis	32667	\$3,350		
Alamogordo	35582	\$3,380		Alamogordo	35582	\$3,675		
Farmington	37844	\$4,020	n=13	Farmington	37844	\$4,077	n=13	
Roswell	45293	\$2,317	\$3,283	Roswell	45293	\$3,017	\$3,542	\$259
POP 50k-100k				POP 50k-100k				
Rio Rancho	51765	\$5,311		Rio Rancho	51765	\$8,171		
Santa Fe	62203	\$4,853	n=3	Santa Fe	62203	\$5,265	n=3	
Las Cruces	74267	\$4,305	\$4,823	Las Cruces	74267	\$4,811	\$6,082	\$1,259
POP>100k				POP>100k				
Albuquerque	448607	\$4,199		Albuquerque	448607	\$5,280		
Statewide average		\$3,329		Statewide average		\$4,087		

¹"n" = number of communities in this population category

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Appendix 11: 52 Study Communities in Detail
(Alphabetical)

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