Mountain Town Cost-of-Living Calculator

Problem:

Federal, state, and local benefits typically rely on some type of means testing to determine eligibility for assistance.

However, a one-size-fits all approach to quantifying "need" fails to account for the true costs for essential needs in mountain towns: housing, food, healthcare, transportation, daycare, recreation, retail goods, etc.

As a result, in a number of mountain towns across the western United States with uniquely expensive costs of living (COL), many residents find it hard to meet their basic needs even though they are earning, three, four, five times the federal poverty line.

In the end, people living in these unique geographic areas can suffer from food, housing, and health insecurity even though "on paper" they look to be solidly middle class.

Solution:

Develop a hyper-local cost-of-living calculator for mountain towns that

(1) adheres to the best practices within the scholarship of socio-economic measures of affordability,
(2) is tailored to the unique costs incurred by residents of geographic areas that sit adjacent to pockets of ultra-high wealth (like Aspen, CO)

Approach:

Creating such a tool would require both primary and secondary data collection.

Primary data: By speaking with residents through in-depth interviews and focus groups whose lived experiences are not accurately reflected by their income, we can learn the true nature of their everyday expenses, and possibly uncover additional expenses that aren't part of standard cost-of-living calculations.

Secondary: A number of cost-of-living calculators already exist, meaning a new methodology need not be created from scratch. To enhance the external validity of the tool, any alternative calculation methodology would require a robust scholarly support and justification.

Value-add:

To create a tool that is generalizable to other mountain towns and becomes an effective means to solicit additional grant funding for assistance programs for residence that would otherwise be deemed ineligible for aid.

Deeper dive:

How a "mountain town" cost-of-living tool would work:

- Let users enter home and work addresses to calculate commute time/distance and translate that into an annual dollar cost using standard models.
- Allow user to enter demographic data to identify costs centers: Number in household, ages of household members,
- Identify the nearest amenities (grocery, childcare, hospitals) and show realistic drive times to each. Our GIS expert has built a similar tool that calculates distance to the nearest SNAP authorized retailer in the DC Area.
- Ground all other living costs in the MIT Living Wage framework, adjusted for local inflation, so the approach is transparent and defensible for municipalities and grant reviewers.

New data sources:

- **Fuel:** Pull current gas price data from public sources like AAA Gas Prices or the U.S. Energy Information Administration, and combine with user-provided or average vehicle MPG to estimate annual fuel expense.
- **Vehicle wear and tear:** Add maintenance, insurance, depreciation, and other ownership costs using either the IRS mileage rate (a simple all-in estimate) or the U.S. Department of Energy's Vehicle Cost Calculator methodology, which provides detailed per-mile assumptions for maintenance, tires, and other ownership factors.
- **Childcare:** Reliable county- and state-level data exists in the National Database of Childcare Prices (U.S. DOL), supplemented by Child Care Aware reports and state market rate surveys.
- **Healthcare:** Local healthcare centers, including clinics, urgent care facilities, and hospitals, can be identified using OpenStreetMap data, or pulled from official sources like the HRSA Data Warehouse for federally qualified health centers. These locations can then be mapped and analyzed for drive-time access, similar to groceries and childcare.
- **True store-by-store prices:** Establish a partnership with existing food retailers. Calculate a USDA "thrifty food plan" basket price for each store in area, control for household size of user.

Goal:

This approach would give municipalities an open and transparent tool, focused on access and real travel costs, that can be updated annually as part of a service