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Address the roots of Colorado's affordability woes

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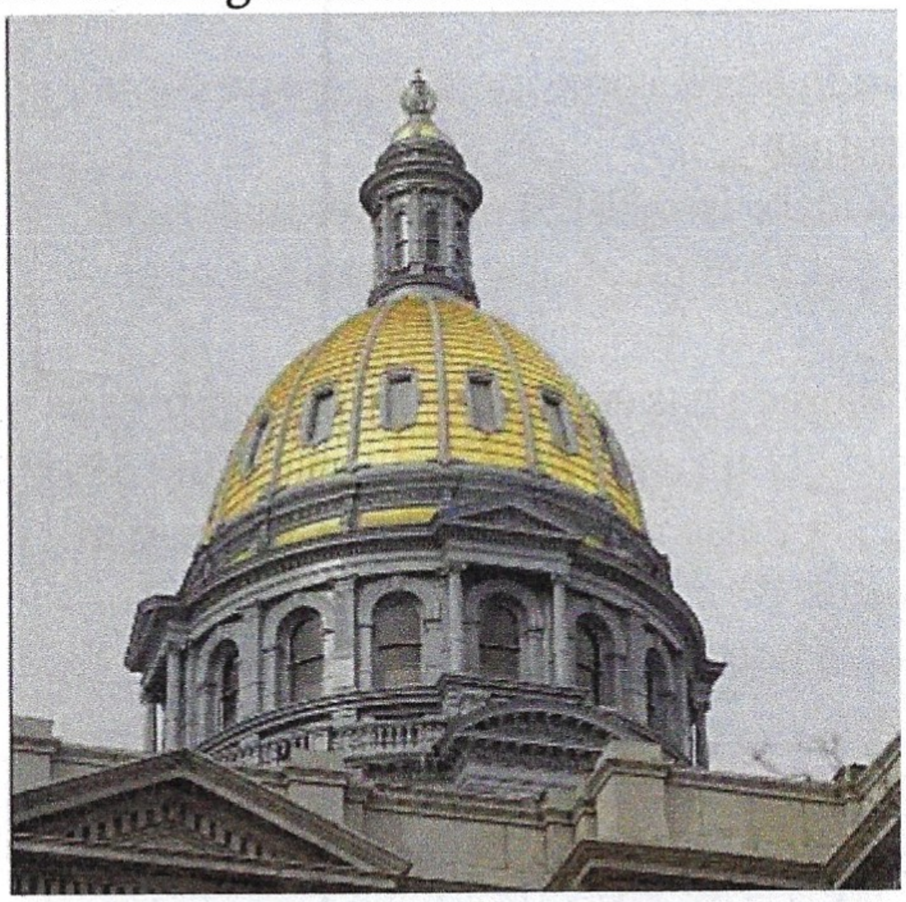
The Denver Gazette · 14 Jan 2026 · B4 · KELLY CAUFIELD Kelly Caufield is the executive director of the Common Sense Institute.

Colorado is at a crossroads just in time for today's opening of the Colorado General Assembly. Individuals and families are not choosing to move here as much as they were. Statewide net migration was 52.5% lower in 2025 than it was in 2015, when Colorado was one of the nation's most popular destinations for movers — and one of the nation's fastest-growing economies. Policymakers, regardless of political affiliation, should consider the data and facts about how the average Colorado household keeps shouldering heavier financial burdens.



Colorado housing remains some of the nation's most expensive, ranking 50th for affordability in the Common Sense Institute's Housing Affordability Index. Most Coloradans cannot afford to own a home where they live; in 2023, 60% of Colorado households did not earn enough to afford the average home available in the state.

Note

Keeping the lights on in Colorado homes is growing more expensive, as well. Electricity prices are projected to grow at more than three times the rate of inflation due to greenhouse gas emissions policies. By 2040, electricity prices will have increased to the point where Colorado households will pay up to $9,200 more.

Note

It's not just electricity bills. Colorado families are paying more in taxes and more in fees. Back in 1994, fee-based enterprises generated $742 million. By 2024, their revenue had increased by almost 3,400% to $25.8 billion.

The growth of tuition at four-year institutions continues to dominate, having reached roughly 300% since 2002, double that of the second-highest cost-increase item.

On the positive side, CSI research found that apparel, durables, and household furnishings remain affordable, though all are now nominally more expensive than they were in 2002. Food and beverages, which during the recent period of high inflation became less affordable than they were in 2002, is now back on pace with the general price level.

Childcare costs, however, make family life less tenable, even as dual-income households are necessary to bear housing costs. Colorado ranks 5th in the country for the most expensive infant care. The average monthly cost of child care across the 10 most populous counties in Colorado ranges from $911 (Pueblo County) to $1,645 (Boulder County) per child, according to a CSI analysis with Coors Economic Mobility fellow Tamra Ryan.

This expense compounds to household finances. Households are saving less than they did 10 years ago as their tax obligations have risen. Between 2016 and 2023, the average household's state, local, and federal tax/ fee obligation rose from $34,440 to $51,001, nearly double the percentage increase in income. Household savings fell to 5.1% of pre-tax income in 2023, down from the 7% average in the back half of the 2010s.

At the commercial level, simply operating a business in Colorado has become more expensive from a combination of inflation and the increased regulatory environment.

Greenhouse gas emissions policies have pinched utilities providers as well. CSI estimates that, as of 2023, state and local environmental policy has cost Colorado $18.3 billion of GDP, $13.8 billion of personal income, and $32 billion of output over the past 15 years.

Health-care regulations have been multiplying by the year. Colorado has enacted 182 new health-care bills since 2019, 89 of which directly regulate providers. These bills are currently costing the state $858 million per year, 36% of which is covered by federal funding. They also raise $271 million per year in direct fees and TABOR-refund reductions from the private sector.

Recent and upcoming legislative and regulatory proposals could potentially harm the economy further. Last year's proposed AI policy could drive up costs for technology growth. The limitation of load capacity by the Public Utilities Commission could stifle billions in GDP growth, and the return of the Labor Peace Act could have consequences both cost-of-living costs and for the general business climate.

The state itself has simply become more expensive to run as it has expanded rapidly in the past decade. The state has been dealing with a series of budget crunches in the last few two cycles and likely needs at least $800 million in cuts to programs to produce a balanced budget.

State policy has also shifted transportation dollars away from road-building transportation projects. Rising prices increase the cost of maintaining and improving transportation infrastructure. In particular, between 2019 and 2024, construction prices increased an estimated 45% while inflation overall was only 23%.

Colorado's leaders do not fail to see these trends, but perhaps may fail to see the through line in each of them. An overly regulated environment makes operations expensive for businesses who then pass those costs to consumers and for the state itself. Based on the data and facts, leaders have an opportunity this session to lighten the load for all the above.

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