August 2021

COLORADO FUTURES CENTER

DOUBLED-UP HOUSEHOLDS IN COLORADO:

2019

PART 2: DEMOGRAPHIC UPDATE AND ECONOMIC & POLICY IMPLICATIONS

Doubled-up households continue to come in all shapes and sizes. They are family and non-family households. They are headed by single people, single parents, and married couples. They are located throughout Colorado, are housed in both renter and owner-occupied units, and vary in household income.

Data alone cannot explain fully WHY households are doubled up, but this follow-on update to the previous release (analyzing 2017 American Community Survey (ACS) data) better explains the role played by household income capacity in the decisions of doubled-up households. The latest data (2019 ACS) show that the number of doubled-up households continues to increase statewide and that doubled-up households now have higher combined household income than non-doubled households.

Doubling-up appears to be a strategy used by households to avoid housing cost burden. The additional household income from the doubled-up portion of the household is contributing to higher household incomes than for those not doubled-up. However, the data suggest a more nuanced story; doubling-up is more often supporting the doubled-up entity than acting as a pooling of funds to support housing costs. The results of a data simulation demonstrate that most of the household income in doubled-up households is contributed by what is considered the core household with a far more marginal contribution from the doubled-up entity. As a result of this uneven pattern in the incomes in doubled-up households, there is no notable policy implication to the HUD family income limits for affordable housing qualification.

This update refreshes the look at the number and demographic characteristics of doubled-up households and expands the inquiry to economic and policy implications. Also new with this update is the opportunity to hear from Coloradans who are living in doubled-up households. Through our partnership with Colorado Housing and Finance Authority (CHFA), we are looking forward to later incorporating stories to compliment the findings from the data.

Definitions

Household: The U.S. Census Bureau defines a household as all persons who occupy a housing unit as their usual place of residence. Persons not living in households are classified as living in group quarters, such as dorms, prisons, group homes, etc., and are not included in this analysis.

Non-doubled-up households: Any family relationship that includes both married and unmarried partners, with or without their own minor children, and single parents with their own minor children, or single persons living alone.

Doubled-up family households: A nuclear family, plus any other related family members not included in the above definition of non-doubled up households. This can include family members, such as children of legal age who could otherwise form their own unique household, siblings or parents of the head of household, or other familial relations.

Doubled-up non-family households: Any other legal age person who does not have a familial relationship with the head of household, where the head of household is the Census survey respondent. The predominant doubled-up non-family household is one containing roommates.

COLORADO'S DOUBLED-UP HOUSEHOLDS IN 2019

~470K
FAMILY

~210K
NON-FAMILY

WHO MAKES UP THE DOUBLED-UP HOUSEHOLDS IN 2019?

The majority of doubled-up households are with homeowners. Over a quarter of Colorado's children live in doubled-up households.

Households by Tenure

Owners vs. Renters: 60% of doubled-up households are in owner-occupied units.

~410K
Owners

~270K
Renters

Multigenerational Overview

Young vs. Old: Doubled-up households contain between 20% and 25% of very young children and the aging in Colorado.

1 in 5
Children Under 6

1 in 4
Children Under 19

1 in 5
Seniors Over 64

Who the Youngest are Living With

Family Structure: Half of children under the age of 6 living in doubled-up house-holds live with a single parent. Forty percent of them live with a grandparent.

50%
Single Parents

50%
Married or Unmarried Partnership

4 in 10
Grandparents Present

Adult Students

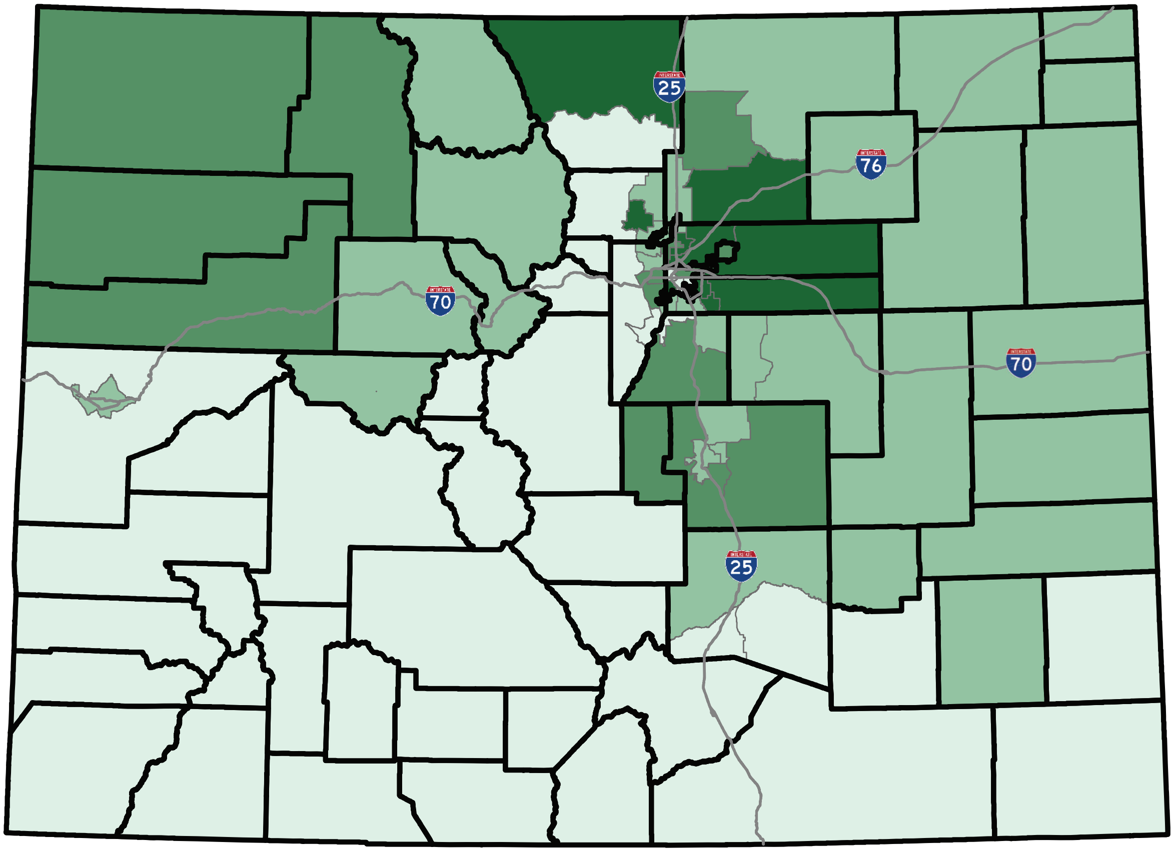
Students: Over 250K adult students live in doubled-up (family and non-family) households, 28% are 25 or older.

~183K
Aged 18-24

~70K
Aged 25+

WHERE ARE THE DOUBLED-UP HOUSEHOLDS IN 2019?

Statewide View



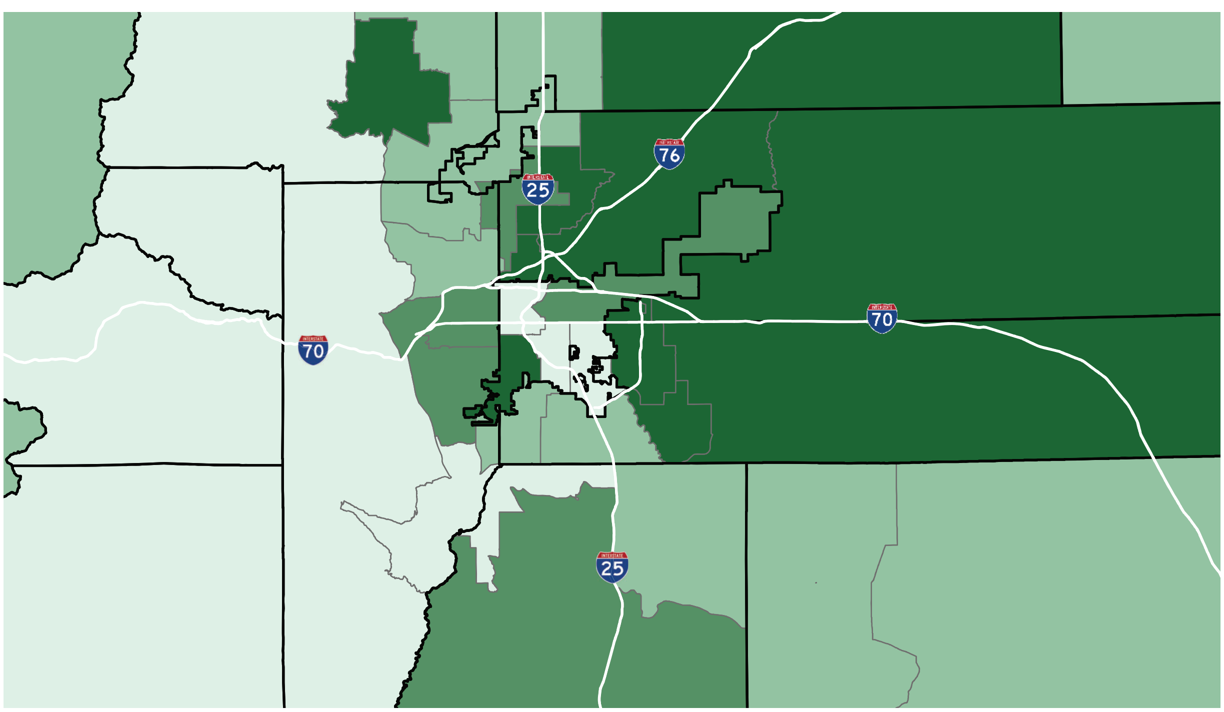
LEGEND

Doubled-up households share of all households

- 17% - 23%
- 24% - 29%
- 30% - 35%
- 36% - 59%

Note: County boundaries are shown for reference only. All analysis performed was at the Public Use Microdata Area (PUMA) geography.

Metro Denver View

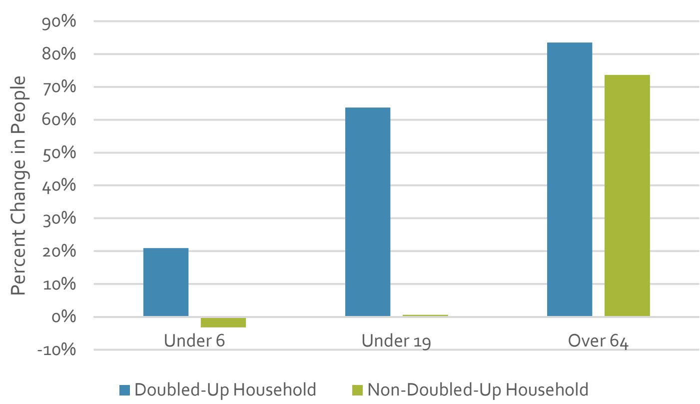


HOW HAVE THINGS CHANGED SINCE BEFORE THE GREAT RECESSION?

As of 2019, 30% of households are doubled-up. All of the growth in children under the age of 6 since 2006 occurred in doubled-up households.

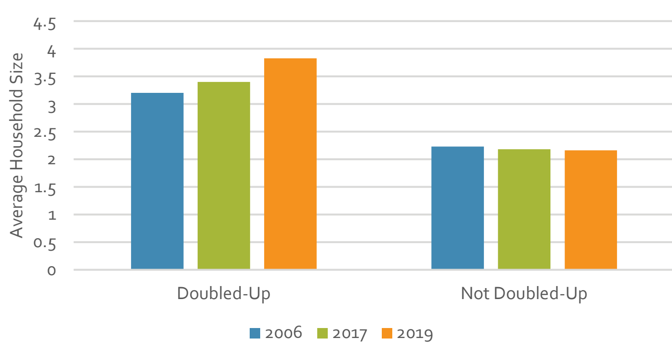
1 in 5	**1 in 4**	**3 in 10**
Doubled-Up in 2006	**Doubled-Up in 2017**	**Doubled-Up in 2019**

Change in Age Cohorts (2006-2019)



The majority of the growth in children occurred in doubled-up households. Since 2006, for children under 6 all of the growth occurred in doubled-up households. There are fewer children under 6 in non-doubled up households than in 2006. Growth in seniors continued to be in both doubled-up and non-doubled-up households.

Average Household Size & Change in Tenure Since 2006



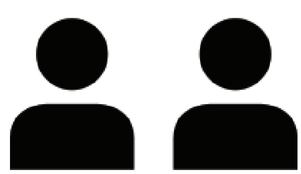
+52%
Owners

+83%
Renters

Doubled-Up Household Family vs. Non-Family Growth Since 2006

+50%

Family



+91%

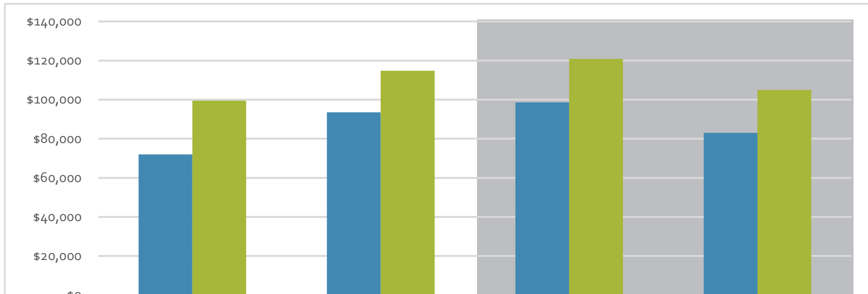
Non-Family

ECONOMIC AND POLICY IMPLICATIONS

At the conclusion of Part 1 of our 2019 doubling-up release, we posed a series of questions focused on better understanding the role that economic stress was playing in a household's decision to double up. We further posed the questions of whether doubled up households were artificially inflating family income and therefore the HUD income limits (our research shows they are not) and how doubling-up was masking the true demand for housing. This section explores these economic and policy considerations surrounding doubled up households.

Statistical analysis demonstrates that doubled-up households of all types in 2019 had higher mean and median incomes than non-doubled-up households. This is a reversal from 2006 when non-doubled-up households had higher mean incomes, suggesting that doubling-up is a strategy that more households are using as housing affordability becomes an increasing challenge.

Household Income Capacity by Type: 2019



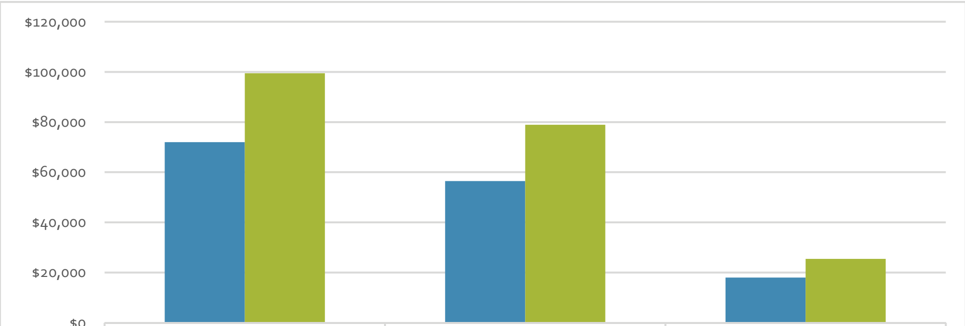
	Non Doubled-Up	All Doubled-Up	Doubled-Up Family	Doubled-Up Non-Family
Median	$72,000	$93,500	$98,600	$83,000
Mean	$99,470	$114,740	$120,870	$104,975

To better understand the doubling-up phenomenon and to have a basis for comparison, we simulated a scenario in Colorado in which all doubled-up households are separated into individual non-doubled households. The synthetic set of households that resulted from this simulation forms the basis for the analysis in the remainder of this brief.

Simulating Individual Households: Assessing their Economic Capacity and Policy Impacts

The simulation was designed to better understand the economic and policy impacts of doubled-up households in Colorado. Methodologically, existing doubled-up households were divided and classified as noted in the definitions box with the direct relations to the ACS survey respondent forming new "core" households and all other household members separated into "spinoff" households as made sense from the familial relations revealed in the survey. Note that the Census Bureau places no limits or guidance on who is the respondent to the survey so core households in this simulation exercise may be inconsistent based on who in the actual household responded directly to the survey.

Household Income Capacity of Synthetic Households



	Non Doubled-Up	Simulated Core	Simulated Spinoff
Median	$72,000	$56,500	$18,000
Mean	$99,470	$78,960	$25,460

Definitions

Core Household: The household containing the respondent to the ACS survey and any nuclear family relations (spouse, unmarried partner, child).

Spinoff Household: Any previously doubled up family or non-family households identified in the simulation as ones that meet the definition of non-doubled up.

Once divided, both the core and spinoff households have lower household incomes than households that never doubled-up. However, the core households have significantly more income capacity than the spinoffs. While all of the household income in previously doubled-up households appears to be contributing to housing affordability, the direction of support within the household appears to be toward the spinoff. The data do not support equal pooling of incomes in support of housing.

How Doubling-up is Affecting Core Households

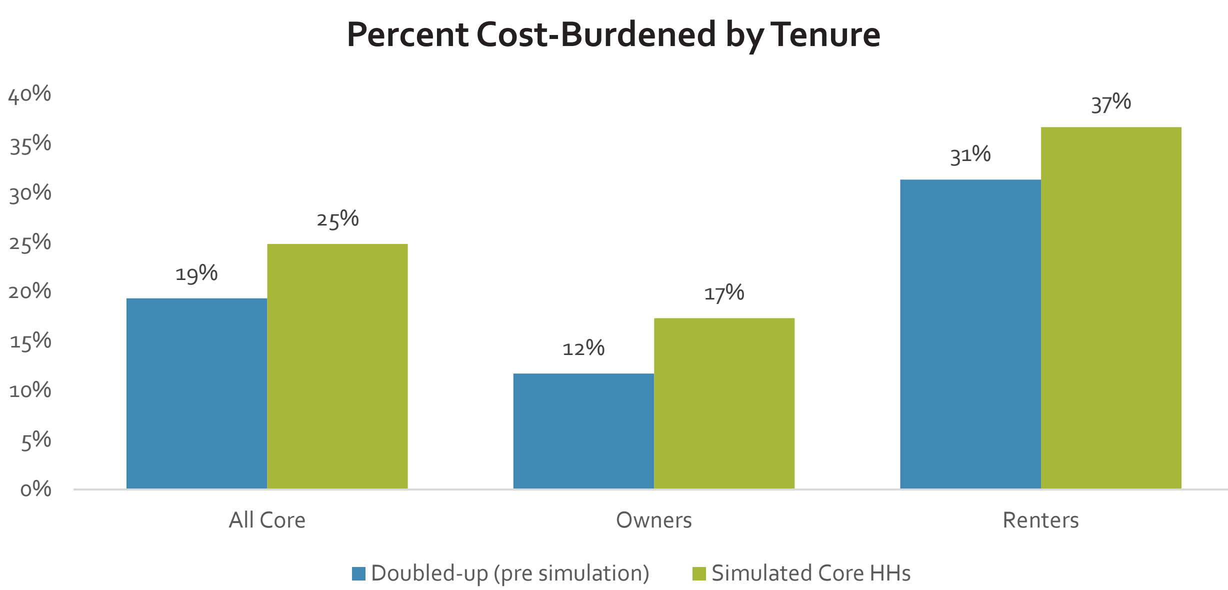
Currently 93,800 doubled-up households are housing cost-burdened. Simulating away the household income associated with the spinoffs increases the number of cost-burdended core households to 120,600.

Change in Housing Stability

93,800
Cost-Burdened
(doubled-up pre-simulation)

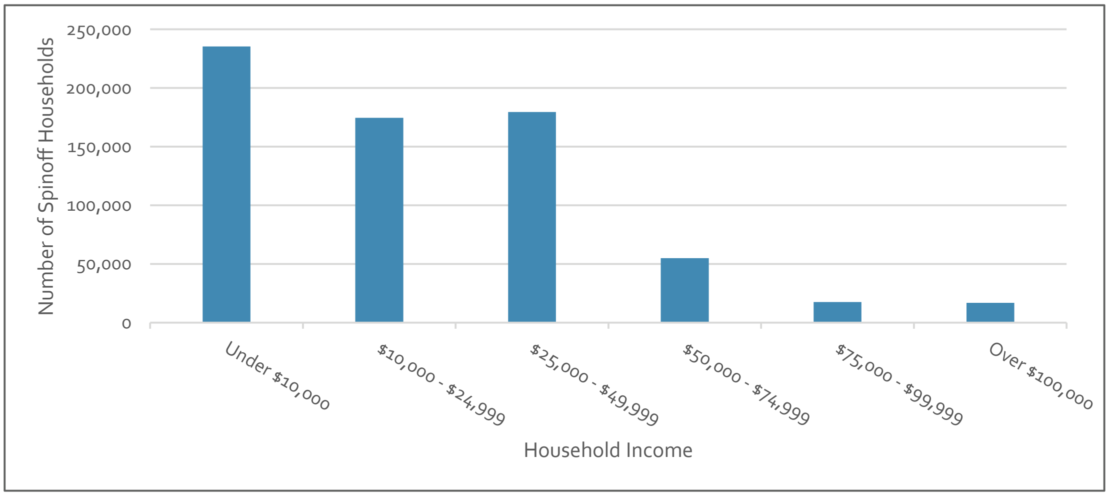
120,600
Cost-Burdened
(simulated core households)

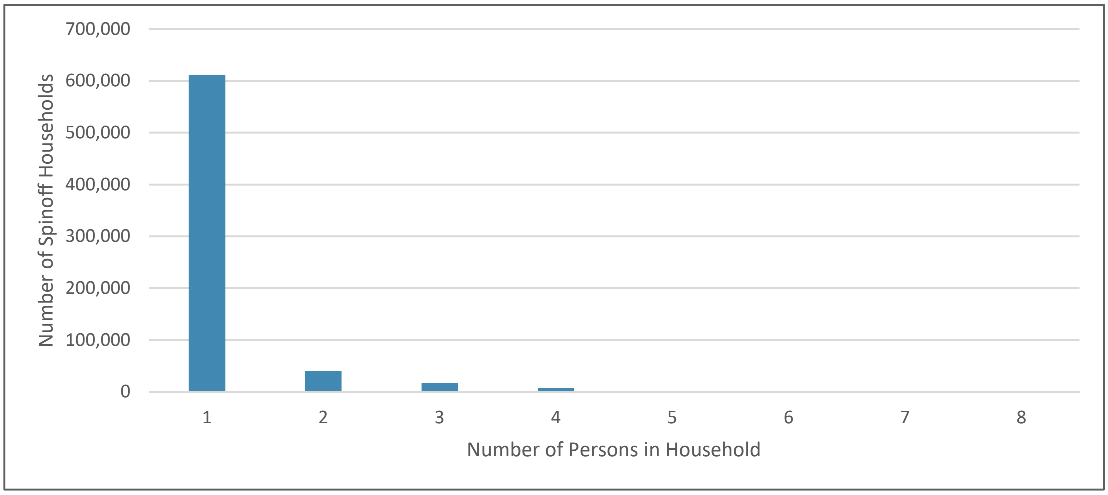
While the core households appear to be providing the majority of the income in doubled-up households, there is some evidence in the data that the support from the spinoffs is important. The results of the simulation show an approximate five percentage point increase in the share of core households that would experience housing cost burden without the additional income from the spinoff. The differential is fairly constant regardless of the tenure.

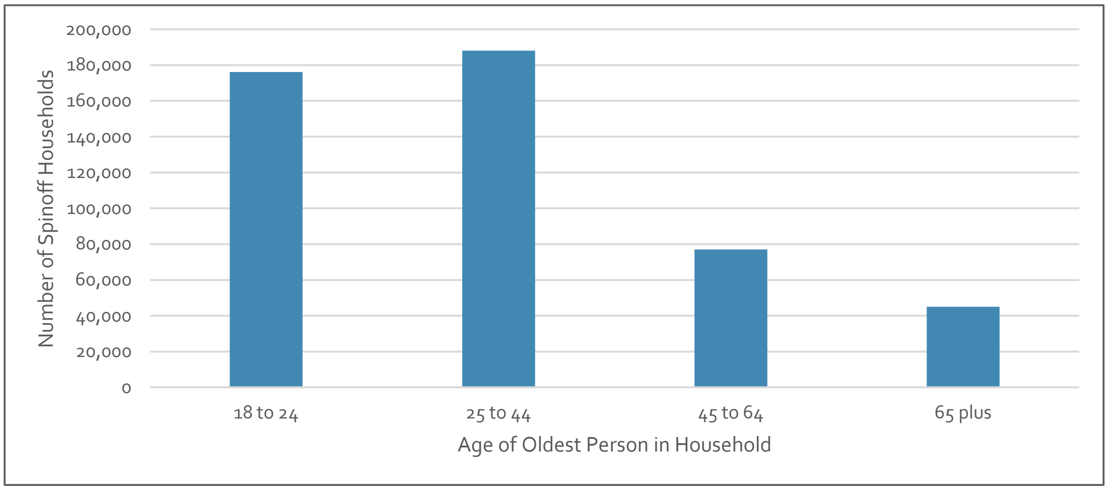


THE HIDDEN DEMAND FOR HOUSING:
A CLOSER LOOK AT THE SPINOFF HOUSEHOLDS

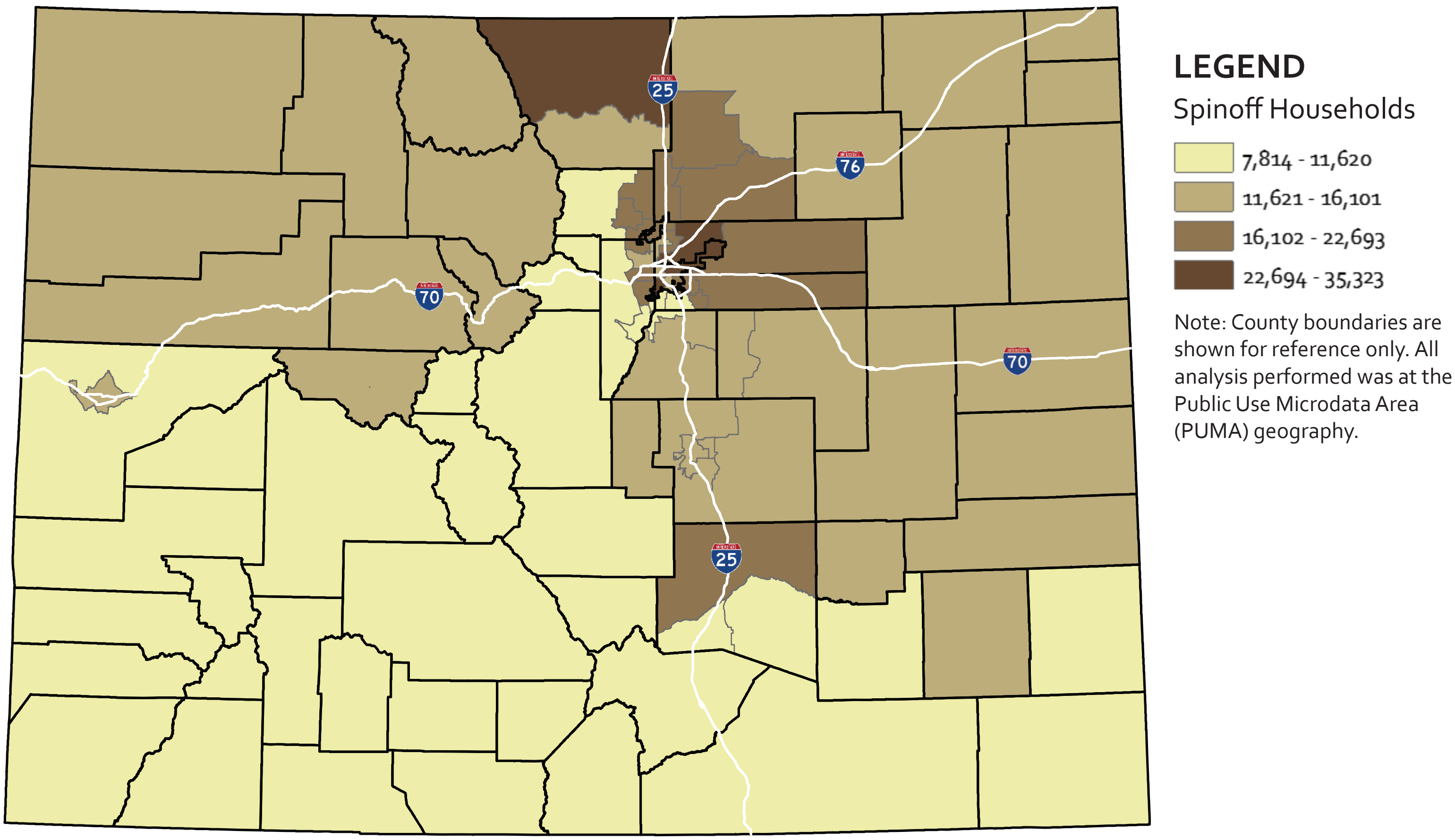
Spinoff households represent the majority of the hidden or masked demand for housing. They are disproportionately single person, headed by a person 44 years old or younger, low or very low income, and highly concentrated along the Front Range.







Outside of the large university communities in Boulder and Fort Collins in which doubled-up households contain students, the high populations of spinoff households are located in the Denver Metro region, North Pueblo County and Grand Junction.



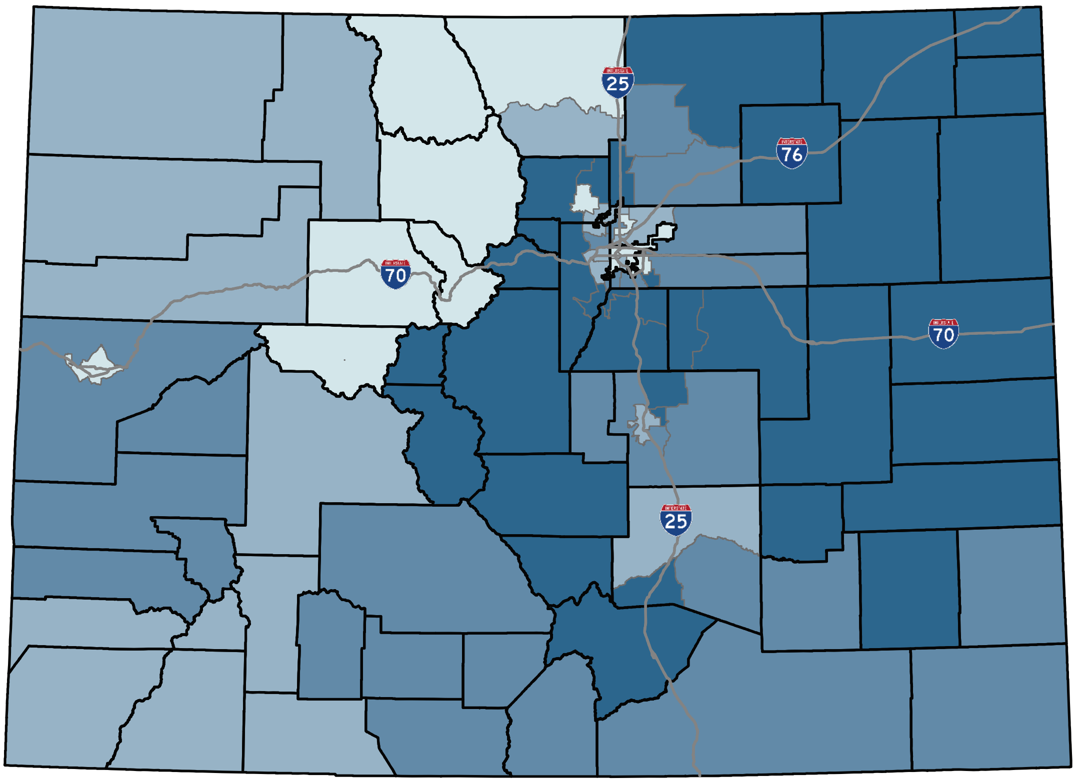
The masked housing demand potentially represented by the spinoff households is largely concentrated in housing affordable to households in the lowest income band based on the area median income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD).

The table below shows the number of one person households by AMI band for three selected submarkets in the state.

One Person Spinoff Households by Level of Affordability

	Grand Junction	North Pueblo County	Metro Denver (excluding City of Boulder)
<30% AMI	5,745	7,117	136,050
30-50% AMI	2,755	2,238	61,560
50-80% AMI	1,839	2,274	48,666

Doubled-up households are best understood by parsing them into core and spinoff households. As the following maps demonstrate, simulated core and spinoff households have significantly different capacity to afford rental housing in close proximity to where they are currently living.



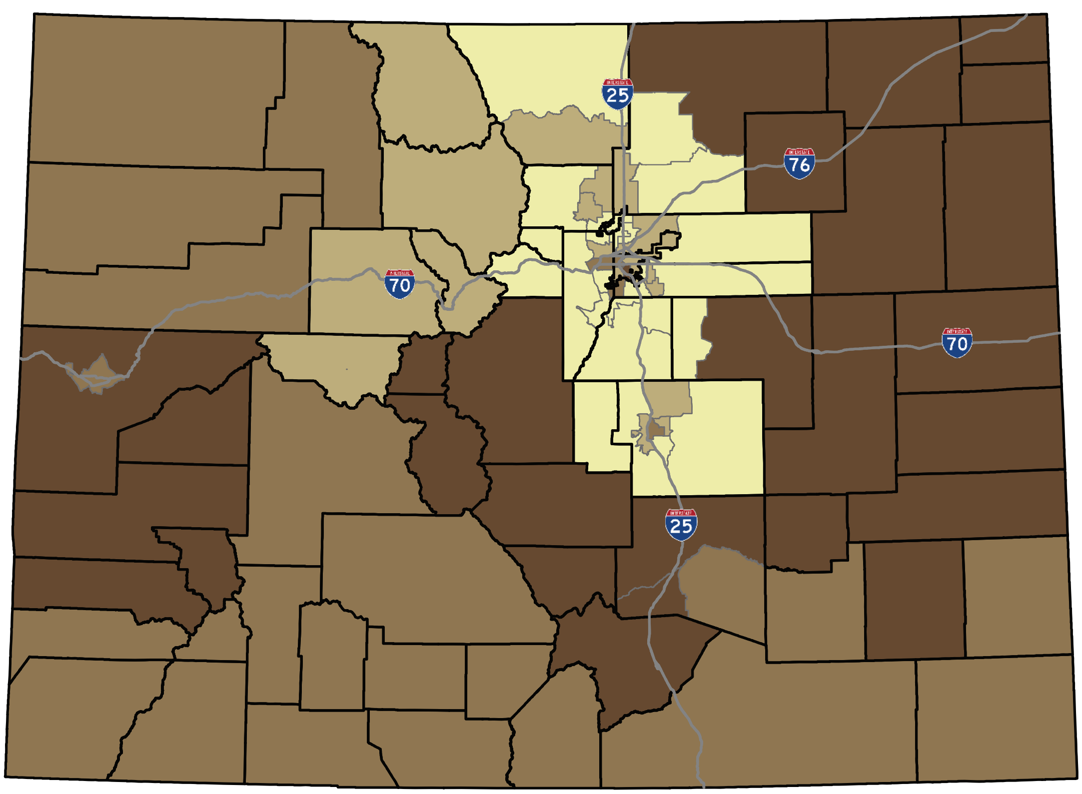
Simulated Core Households Who Can Afford Median Rent in the Area

LEGEND

Percent of core households who can afford median rent

- 29% - 53%
- 54% - 62%
- 63% - 67%
- 68% - 84%

Note: County boundaries are shown for reference only. All analysis performed was at the Public Use Microdata Area (PUMA) geography.



Simulated Spinoff Households Who Can Afford Median Rent in the Area

LEGEND

Simulated spinoff households share who can afford median rent

- 7% - 12%
- 13% - 17%
- 18% - 25%
- 26% - 47%

CONCLUSION:
DOUBLING-UP AS A STRATEGY FOR HOUSING AFFORDABILITY

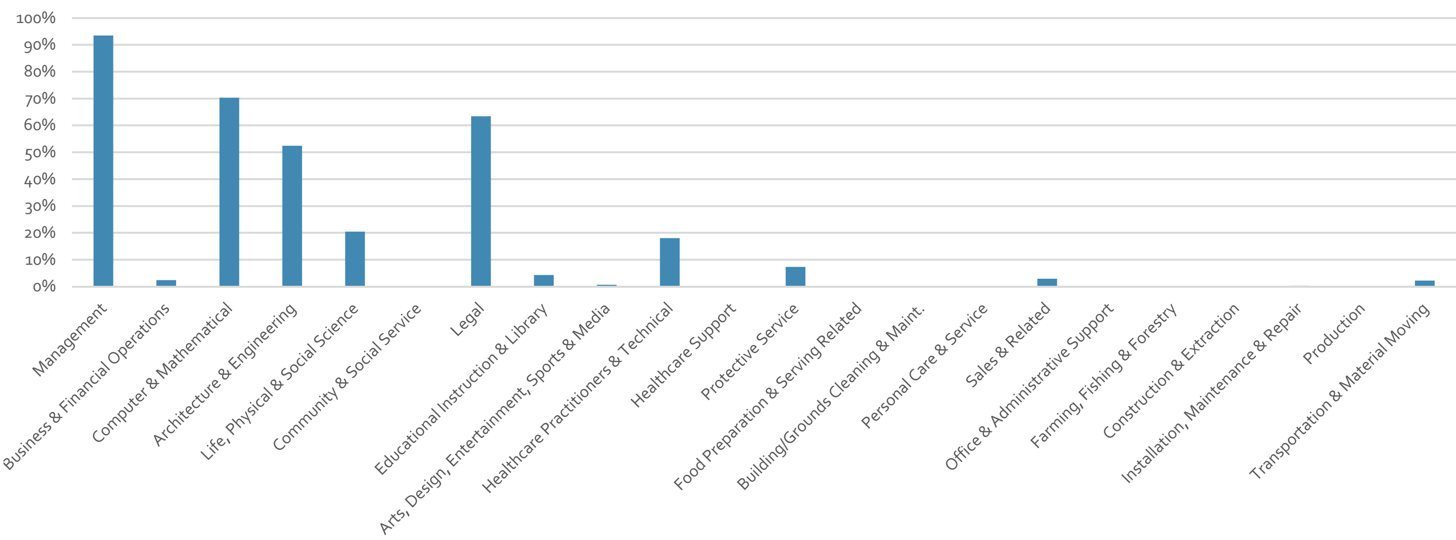
Housing affordability is a continuing challenge in Colorado. Among doubled-up households statewide, only three percent have household income sufficient to purchase a median priced home. By submarket, the stress is even greater. Particularly in the resort areas, just over one percent of the doubled-up households can afford the median priced home. Along the Front Range that percentage increases only marginally.

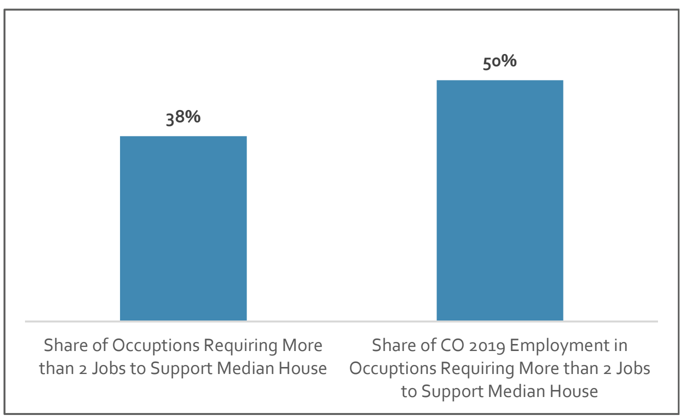
The price of housing is only one side of the equation. Wages are the other side. Statewide in 2019, only 11.6% of jobs by major occupational classification commanded a median wage supporting the median priced house.

Home Purchase - Affordability for Doubled-Up Households

State Submarket	Annual income to afford median	Share that can afford median priced home
Denver-Aurora-Lakewood	$90,920	2.8%
Colorado Springs	$80,760	3.8%
Fort Collins	$82,320	3.7%
Boulder	$128,360	1.3%
Greeley	$73,520	5.2%
Pueblo	$52,960	10.8%
Grand Junction	$70,840	5.4%
Glenwood Springs	$130,480	1.1%
Durango	$113,720	1.7%
Edwards	$117,280	1.5%
Canyon City	$64,000	7.1%
Montrose	$85,120	3.3%
Breckenridge	$118,080	1.5%
Fort Morgan	$50,520	11.7%
Steamboat Springs	$134,160	1.1%
Sterling	$39,000	20.9%
Craig	$47,120	13.8%
State Overall	$88,000	3.0%

Share of Jobs, by Major Occupation Group, with Median Wage Supporting Median Priced Home: 2019





A drilldown by detailed occupation demonstrates that 38% of occupations require more than two incomes (at the annual median wage) to support a median priced house. In 2019, half of Colorado's employment was in those occupations; one in two workers is in occupations with median wages requiring more than two incomes to afford the median priced home. It is no wonder that doubling-up in housing continues to increase.

Acknowledgements

Thank you to our funders, Housing Colorado and Colorado Housing and Finance Authority (CHFA) that made this research possible. In addition, we also are grateful for the thought partnership of staff from CHFA, Colorado Department of Local Affairs - Division of Housing and State Demography Office, and for social media support from Abigail Smith.

Coming soon: check back for a link to stories from doubled-up households.

Sources | Metadata

All findings are based on analyst calculations using the 2006, 2017 and 2019 1-year PUMS American Community Survey (ACS) sourced from the IPUMS-USA database: Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas and Matthew Sobek. IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. https://doi.org/10.18128/D010.V10.0, the Bureau of Labor Statistics, Occupational Employment Statistics 2019, and Zillow Research Data.

All point estimates contain margins of error and are rounded.

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