THE COLORADO ESSENTIAL WEALTH METRIC

A NEW BENCHMARK FOR FINANCIAL SECURITY AND PROSPERITY

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INTRODUCTION: WHY WEALTH IS ESSENTIAL

When asked what is essential to their American Dream, most Americans name freedom of choice, a good family life, a comfortable retirement, and a home of their own.

All of these aspirations require wealth to achieve. Owning a home requires a down payment and the ability to sustain it. Retiring comfortably requires accumulated savings and assets. The freedom to make choices – to change jobs, to move closer to loved ones, to handle a medical bill, to invest in a child's education – requires financial security that income alone cannot provide.

In short, wealth is not just for the wealthy. It is necessary for everyone, and essential at every age.

Wealth is not just for the wealthy. It Is necessary for everyone.

The topic is especially pronounced in Colorado, where median net worth has grown dramatically since 2000, but with it, basic costs of living have risen, too. One of the top five wealthiest states in the country, Colorado has great prosperity, but it accrues most readily to those who own appreciating assets like homes, retirement accounts, businesses, investment accounts, or other forms of equity.[1] Without ownership of these kinds of assets that grow in value over time, many hard-working families, even with good jobs, fall behind.

Why prioritize wealth during an affordability crisis? Because it's a crucial part of the solution.

Families who hold assets absorb price shocks; families who don't absorb debt. That is why understanding what wealth does – and what baseline of wealth a household actually needs – is a precondition for ensuring that Coloradans everywhere can prosper, especially in a time of escalating costs.

The essential wealth metric is the first to concretely define a wealth standard for every household.

Released in June 2026, The Aspen Institute Financial Security Program's (Aspen FSP) essential wealth metric offers a new way to measure what families need not just to survive, but to thrive.[2] The essential wealth metric is the first to concretely define a wealth standard for every household.[3] Leveraging the national framework, this report is the first state-level assessment of essential wealth, measuring how many Coloradans own the assets they need to achieve financial resilience, prosperity, and well-being.

The headline finding is stark: The vast majority of Colorado households – two out of three – do not have essential wealth.

It's a fact as urgent as it is clarifying, and compels us to ask a new set of questions:

- **What would it take for Colorado to be the first state where all residents participate in the ownership economy?**
- **Could we double the number of families who achieve essential wealth in the next decade?**
- **Can we recapture the promise of the American Dream, right here at home?**

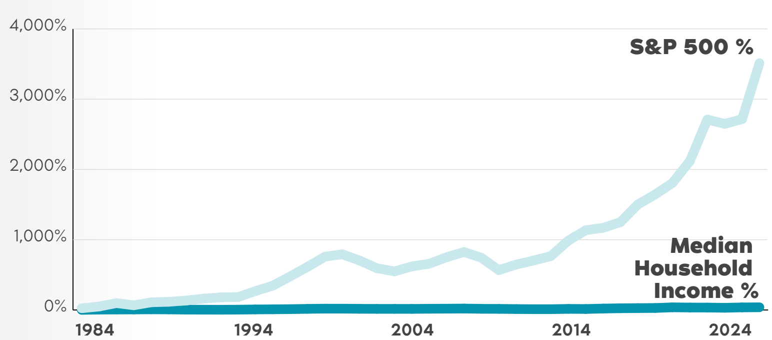
AFFORDABILITY & WEALTH IN COLORADO

Colorado has long had one of the strongest state economies in the country.[4] Median household income is higher than the U.S. average, and median wages, before inflation adjustment, have risen an impressive 65% in the last 25 years.[5] This is a state of remarkable abundance and opportunity.

And yet, for half of working families in Colorado, take-home pay simply has not kept pace with basic costs of living. In the last 25 years, healthcare is up 176%, child care 139%, rental housing 121% in the Denver metro area, and the price of home ownership has nearly tripled.[6] In sum, Colorado now ranks 47th in affordability.[7]

These are not trends that good jobs and wage growth alone can solve. For those who own assets, economic growth is an opportunity. For those who don't, it is nearly impossible to absorb costs of living that dramatically outpace median income growth. **If we are serious about solutions to affordability, we need a more complete formula, one that leverages the power of compounding assets, and links families to the broader prosperity of our state and country.**

Change in US Median Household Income vs. S&P 500



Sources: S&P 500 & Federal Reserve Bank of St. Louis

How might families be earners and owners at the same time?

A more complete formula: **Wages + Wealth = Economic Mobility**

We recognize that family economic mobility is a two-part equation: Wages + Wealth = Economic Mobility.

Wages matter. Day-to-day cashflow needs are real. And, wealth has a remarkable power not just to enable future goals and prosperity, but to help families weather financial needs in the here and now. A down payment converts an escalating rent into a fixed mortgage. A retirement account turns a longer life into security rather than risk. A modest cash cushion keeps a car repair or a hospital visit from becoming high-cost debt.

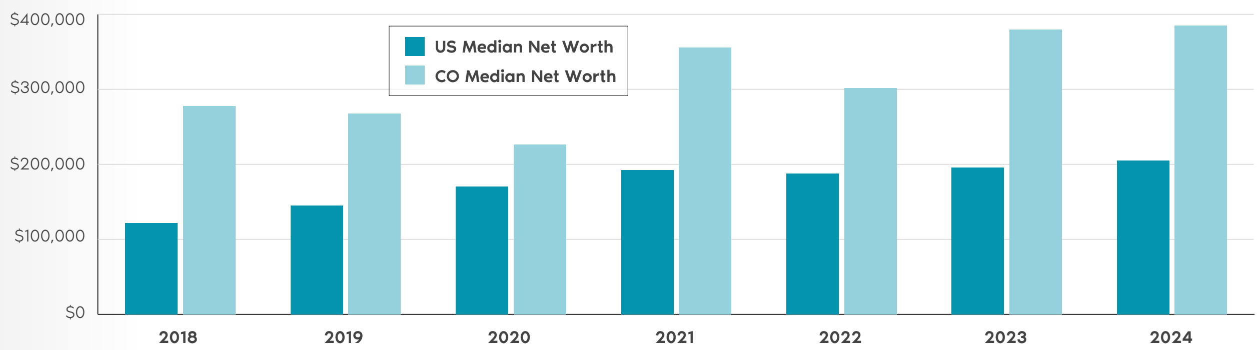
If families are to move from surviving to thriving, they simply must have access to compounding assets – not *after* they've become financially secure but *as a means to it*. In other words, families need ways to be earners and owners *at the same time*.

WEALTH IN COLORADO COMPARED TO THE UNITED STATES

What does existing data tell us about wealth in Colorado? Since 2000, Colorado has experienced one of the largest increases in median net worth of any state. Now at an all-time-high of $385,000, Colorado ranks among the top five wealthiest states in the country.[8]

Median Net Worth for the U.S. and Colorado, 2018-2024

Colorado's wealth has grown substantially, creating optimal conditions for more families to participate in the ownership economy.



Source: Survey of Income and Program Participation, Survey Years 2019-2025. U.S. Census Bureau. All dollar amounts are in 2024 dollars. While overall trends are reliable, year-to-year changes should be interpreted with caution, as samples shift annually, and year-to-year changes may just reflect changes in sample, rather than a meaningful change in net worth.

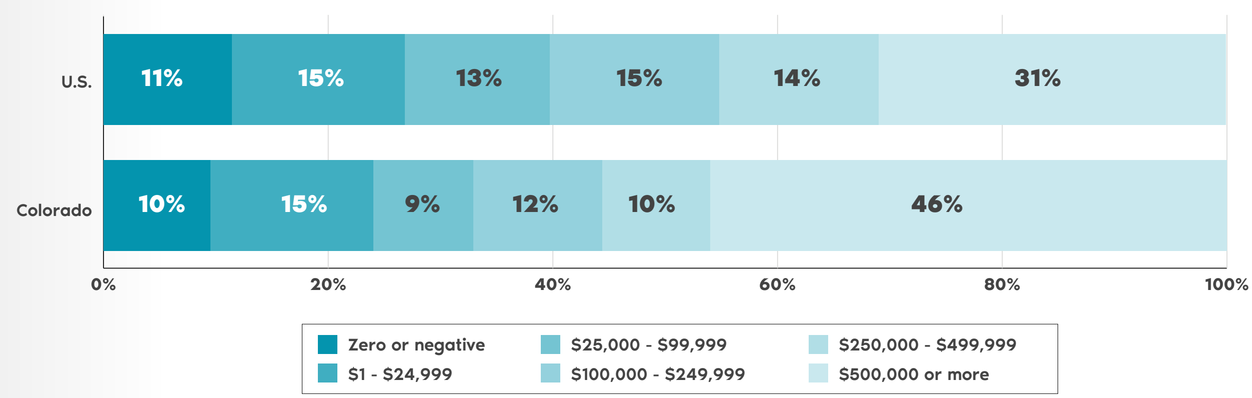
Across a broad set of proxy indicators for financial health and resilience, Colorado households compare similarly, if not slightly better, than national figures. This holds true even when the comparison is restricted to households below median net worth.

Homeownership Rate (2023)		**Percent with Retirement Accounts** (2023)	
Colorado	**U.S./National**	**Colorado**	**U.S./National**
62%	61%	62%	61%
Percent with >$2,000 in Emergency Savings (2022)		**Percent of Residents with Delinquent Debt** (2023)	
Colorado	**U.S./National**	**Colorado**	**U.S./National**
79%	73%	16%	23%

Sources: Urban Institute Financial Health and Wealth Dashboard. Homeownership rate is drawn from the American Community Survey (ACS). Estimates for percent with retirement accounts and percent with less than $2,000 in emergency savings are drawn from the Survey of Income and Program Participation (SIPP) and the American Community Survey (ACS). Estimates for percent of residents with delinquent debt drawn from credit bureau data.

While these figures paint the big picture, the wealth distribution below details the ways in which Colorado is both similar and distinct from the rest of the country. On the lower end of the distribution, about a quarter of households have very little if any net wealth. This is true in Colorado and the wider U.S. However, in contrast to the national distribution, a far greater portion of Colorado households are in the highest net wealth categories ($250K+), 56% in Colorado while nationally, this portion is closer to 45%.

Wealth Distribution for the U.S. and Colorado (2023)



Source: Survey of Income and Program Participation, Survey Year 2024, U.S. Census Bureau

How Colorado's Wealth Contributes to Affordability Challenges:

Taken together, these data suggest that Colorado's wealth is substantial but uneven. More than half of Colorado's population has meaningful net wealth, which means these households bring increased purchasing power to sectors with scarce and limited supply, such as child care, land, and housing. Because higher net wealth households are able to pay more for the limited goods and services that everyone needs, prices rise. **This makes Colorado's exceptional wealth growth and its affordability challenges two sides of the same coin.** For wealthy families, the cost of living may not be a primary concern. But for families that don't benefit from wealth and compounding assets, it's virtually impossible to keep up with rising costs.

THE FUNCTIONS OF ESSENTIAL WEALTH

As we begin to imagine a state where the ownership economy is for everyone, where all families have the wealth they need, we asked: What is essential? Sufficient for what?

People's financial goals and aspirations map onto three core functions of wealth – resilience, prosperity, and well-being – which are the basis for defining and measuring "essential" wealth.[9]

» Resilience

Families need basic security against financial shocks, such as job loss or significant unexpected expenses. Accessible, liquid savings and assets are necessary to weather shocks, plan for the future or take risks that can improve quality of life.

» Prosperity

Assets that grow in value over time empower families to improve their lifelong economic potential through investments in education, homeownership, retirement savings, financial assets, or entrepreneurship. Importantly, such opportunities can simultaneously improve income and reduce living costs through stabilized housing costs and avoided debt.

» Well-being

Well-being: Financial health creates a sense of freedom, agency, and peace of mind. The opportunity to retire with dignity, give back to one's community, take extended time away from work with a newborn child, care for aging parents, these are all quality of life choices unlocked by wealth, and which strengthen well-being.

KEY FEATURES OF THE ESSENTIAL WEALTH METRIC

In addition to designing for the three functions of wealth – resilience, prosperity, and well-being – the essential wealth metric considers wealth needs across different life stages and geographies, draws on existing approaches to measuring financial sufficiency, and marks progress through key milestones.

For these reasons, the metric is intentionally:

» 01. Linked to both liquidity and net wealth

Families need easy access to cash, as well as long-term appreciating assets to experience resilience, prosperity, and well-being. A household may own a home but lack cash to handle a medical bill. Another may have savings, but no appreciating asset that can grow over time. To reach essential wealth, families must have both: a usable financial cushion and enough net worth to participate in long-term asset growth.

People's financial goals and aspirations map onto three core functions of wealth – resilience, prosperity, and well-being.

» 02. Age-sensitive

A 25-year-old preparing for a first home or first investment does not need the same level of wealth as a 60-year-old nearing retirement. The framework therefore adjusts thresholds by life stage, recognizing that wealth needs change as families move from early adulthood to mid-career to retirement.

» 03. Anchored to housing costs for younger households

Because homeownership is often the first meaningful bridge into wealth-building, thresholds for households under 40 are set as a percentage of a typical home's value, rising from a minimum down payment for people in their 20s toward a more conventional one for people in their 30s.

» 04. Based on Colorado living wage multiples for mid-life households

For households aged 40 to 64, thresholds draw on Colorado living wage standards (based on local costs of living), and map to standard retirement savings benchmarks (such as the common guidance to have saved twice your income by your 40s).

» 05. Informed by the Elder Index for older households

For households 65 and older, thresholds are calculated using the Elder Index, a measure of economic security for older adults, multiplied by estimated remaining years of life, with a buffer for higher health-related costs.

Colorado Essential Wealth Thresholds by Age

	18-29	30-39	40-49	50-65	65+
Milestone	A downpayment's worth of wealth	A downpayment's worth of wealth + addt'l asset value	Building a nest egg	Growing the nest egg	Retirement well-being
Basis for Calculation	10% of median home sales price; 6 weeks liquid savings	20% of median home sales price; 6 weeks liquid savings	3x MIT Living Wage (annualized) in net worth; 6 weeks liquid savings	6x MIT Living Wage (annualized) in net worth; 6 weeks liquid savings	Elder Index plus 5 years; 6 weeks liquid savings
Illustrative Essential Wealth Thresholds	$56,000	$112,000	$218,000 *(no kids)* $336,000 *(w/ kids)*	$435,000 *(no kids)* $672,000 *(w/ kids)*	$891,000 *(for a couple with no mortgage)*

Note: These values are illustrative of the amount of net worth a particular household would need. These are not the thresholds everyone needs at these age ranges and will vary depending on household circumstances. For example, the amounts would vary depending on if households have children or if an older couple still held a mortgage.

Sources: Living wage data sourced from the Living Wage Institute at Massachusetees Institute of Technology via https://livingwage.mit.edu. Elder Index data sourced from the University of Massachusettes Boston at https://elderindex.org.

The table above names the essential wealth threshold for Colorado by age band. While we aim to establish clear essential wealth benchmarks for each, there is no assumption of a single path, or suggestion that every family must own a home. Rather, the thresholds identify what essential wealth should make possible at different stages of life: managing financial shocks, owning assets that build value, preparing for retirement, and having greater choice over time. The corresponding thresholds estimate the level of wealth households likely need to achieve such outcomes, across all stages of life.

WHAT THE METRIC TELLS US ABOUT COLORADO

At first glance, Colorado's essential wealth thresholds may appear unattainable – discouraging even – especially for the many families who live paycheck-to-paycheck. Yet, the metric reveals an important and sobering truth about what it takes to thrive in Colorado. If anything, the numbers sharpen our understanding of the true costs of education, savings, housing, health and retirement, placing new urgency on solutions that do not assume wages alone can fill the gap.

Although two-thirds of Colorado households fall short of essential wealth, it isn't the whole story. The majority of Coloradans are somewhere on the wealth-building path.

To better understand where households fall on the continuum, and to track progress no matter the starting point, the framework offers earlier wealth-building stages.

Shown here, a relatively small percentage of Colorado households have no savings or assets at all (14% below asset poverty) while more than 52% are on the path, but not yet achieving the full essential wealth benchmark.

Below is further detail on each stage, and insights about the realities families face at each.

» Has Essential Wealth

34% of Colorado families have essential wealth, which includes enough savings to weather a job loss and a major unexpected expense at the same time, plus enough net worth across multiple appreciating assets to comfortably take risks, plan for the future, and transfer wealth to the next generation. Across the milestones, this is the largest group in Colorado, made up of families that have just barely crossed the threshold, as well as those who far exceed it.

» Has Emergent Wealth

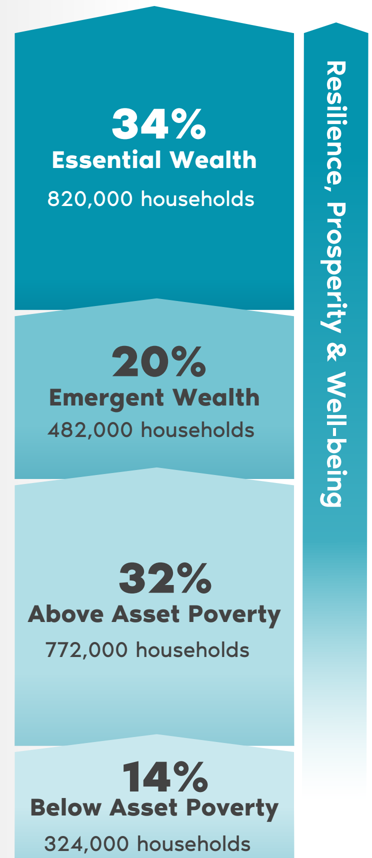
20% of Colorado families have achieved emergent wealth, which includes enough liquid savings to handle a typical unexpected expense, plus enough net worth to take a meaningful first step toward owning an appreciating asset, like a home or a retirement account.

These households have a real foundation and are moving in the right direction. Some are younger families who own homes and are building retirement savings. Others are older households who have saved steadily but kept more of their wealth in cash than assets. What they share is enough resilience to handle a typical shock and enough net worth to hold an appreciating asset, with essential wealth within reach.

» Above Asset Poverty

This is the wealth equivalent of the income poverty rate – today, 32% of Colorado families are at this ground level of wealth and financial well-being, having reached the earliest stage. While it marks a meaningful beginning,[10] households in or near asset poverty are financially vulnerable.

Who has essential wealth in Colorado?



Source: Aspen Institute Financial Security Program analysis of pooled 2022-2025 Survey of Income and Program (SIPP) data, U.S. Census Bureau.

The make-up of this group may be surprising. These are households who have some savings or assets, but haven't yet built a foundation for growth. It ranges from those just barely reaching asset poverty with few assets and little debt, to those closer to emergent wealth who own a home but don't have enough cash on hand to meet the savings requirement.

» Below Asset Poverty

14% of Colorado households are not at any stage of essential wealth building. In Colorado, this category of households is the smallest, and also the youngest by median age, suggesting there is untapped opportunity to help younger residents embark on a path to savings and appreciating assets that will serve them for the rest of their lives.

Percentage of Households Across Wealth Stages by Age

	18-39	40-64	65+	All Households
Has essential wealth	30%	34%	40%	34% (820K)
Has emergent wealth	22%	22%	15%	20% (482K)
Above asset poverty	29%	31%	37%	32% (772K)
Below asset poverty	20%	13%	**	14% (324K)
Total	100%* *770,000 households*	100%* *1,010,000 Households*	100%* *617,000 Households*	100%* *2,400,000 Households*

Source: Aspen Institute Financial Security Program analysis of pooled 2022-2025 Survey of Income and Program (SIPP) data, U.S. Census Bureau.
* Rows may not sum exactly to 100 percent due to rounding.
** Estimate not provided due to small sample size.

For the full methodology visit garycommunity.org/Colorado-essential-wealth-metric

A NEW APPROACH TO WEALTH BUILDING

Instead of asking individual families to make impossible financial choices, we're calling on philanthropy, institutions, policy-makers, and platforms to *create better options.*

We do not pretend that announcing a new metric will allow working families to save their way to essential wealth.

While a sequential journey was once common – one that started with stabilizing income, then saving, then eventually investing in assets – this assumption today has largely broken down. In an environment where costs rise faster than wages, asking individual families to set aside income for home ownership or stock market investments isn't just unreasonable, it's unlikely to work.

We propose a new set of assumptions about wealth and ownership.

Instead of asking individual families to make impossible financial choices, we're calling on philanthropy, institutions, policy-makers, and platforms to *create better options*. Options that, by design, are simple, transparent, automate enrollment, mitigate outsized risk, and qualify participants for real ownership stakes.

This kind of thinking moves beyond a single idea and calls for an abundant portfolio of solutions that provide on-ramps to wealth for an entirely new audience, meeting families where they are, through housing, work, public systems, financial platforms, and community development. Such a portfolio would include solutions across a broad set of asset types, such as:

» Homeownership & Real Estate

Homeownership remains one of the most important wealth-building pathways for families: and in Colorado, it is one of the hardest to access. Colorado policymakers, philanthropy, and financial institutions are already leaning in, spending more than $150 million per year in combined homeownership incentives, down-payment assistance, and permanently affordable housing investments. Together, there is more we can do to expand models that reduce the cost of entry, preserve affordability and ownership, recycle resources, and connect families to the generational security of homeownership.

» Employee Ownership

Employment can be a powerful pathway not only to wages, but to ownership. A broad set of employee ownership models – including employee stock ownership plans, cooperatives, employee ownership trusts, and profit-sharing structures – connect workers to the value they help create. The opportunity is especially attractive in Colorado, as retiring business owners have new system-level tax incentives to convert their companies into lasting and shared wealth for their employees.

» Individual Savings & Investment Accounts

Across the country, those who meaningfully participate in the stock market have seen the most increase in net wealth, even compared to families who own their homes. This is why families need direct pathways to savings and investment through advantaged accounts that optimize upside exposure and mitigate downside risk. The scalable opportunity is to make wealth-building accounts more automatic, more generous, and more connected across life stages. Children's savings accounts, 529s, 530A accounts, retirement accounts, first-time homebuyer accounts, and other public or quasi-public investment and savings platforms could become part of a seamless lifelong wealth infrastructure – one that helps all families begin building assets earlier, with more time to multiply.

» Community Ownership Models

There are countless examples of public and private developments and infrastructure projects that generate prosperity. Whenever public subsidies, zoning, or community proximity play a part, Colorado families should be included in the long-term gains. This could include revenue-sharing agreements, community investment trusts, neighborhood equity funds, tenant equity vehicles, or other models that position residents as fractional owners, connecting them to more than a one-time payout, but to the ongoing revenue generated.

Together, these lanes – homeownership, employee ownership, individual accounts, and community ownership – set the stage for a broader Colorado family wealth-building agenda.

USING THE METRIC TO DRIVE ACTION IN COLORADO

The launch of the Colorado Essential Wealth Metric is a starting point for action. An ambitious goal helps us take the first step.

The Goal: Double the number of families achieving essential wealth, from 815,000 to over 1.5 million families, in the next 10 years.

If we were to double the number of Colorado families who achieve essential wealth, it would cut the wealth gap in half. If successful, we would promote Colorado to an even greater "top wealth ranking" – one on which prosperity isn't just for some, but for all families.

For philanthropy, the metric can help assess whether grantmaking and impact investing are moving families toward meaningful growth of their household balance sheets. Are grantmakers taking bold steps to help families build toward essential wealth? Are investments designed for scale, durability, and family upside?

For policymakers, the metric informs a new wealth-building agenda. Down-payment assistance, baby bonds, renter shared-equity models, employee ownership incentives, retirement savings policies can all be evaluated against a clearer benchmark: do they help families build enough assets to matter and are they effectively targeted to those that lack emergent and essential wealth?

For financial institutions and platforms, the metric pushes leaders to consider more than product access, but product adequacy. The question is not only whether families can open an account, but whether products build liquidity, reduce extraction, and optimize exposure to appreciating assets.

For employers and business owners, the metric helps reframe compensation and retention strategies. Wages are essential, but employers can also support wealth through retirement access and matching contributions, ownership conversion, profit-sharing, emergency savings, and other tools that help workers have a stake in the value they help create.

For advocates, community leaders, and neighbors, the metric makes visible what families have long known: getting by is not the same as getting ahead. While the metric can help those elevating the voice of community pursue new savings and ownership goals on behalf of constituents, it is equally galvanizing of a new narrative, that wealth isn't just for the wealthy.

Nationally, the movement for family wealth is gathering new attention. This framework can help leaders everywhere make the case, design solutions, and track community impact. We think Colorado is the place to lead.

ENDNOTES

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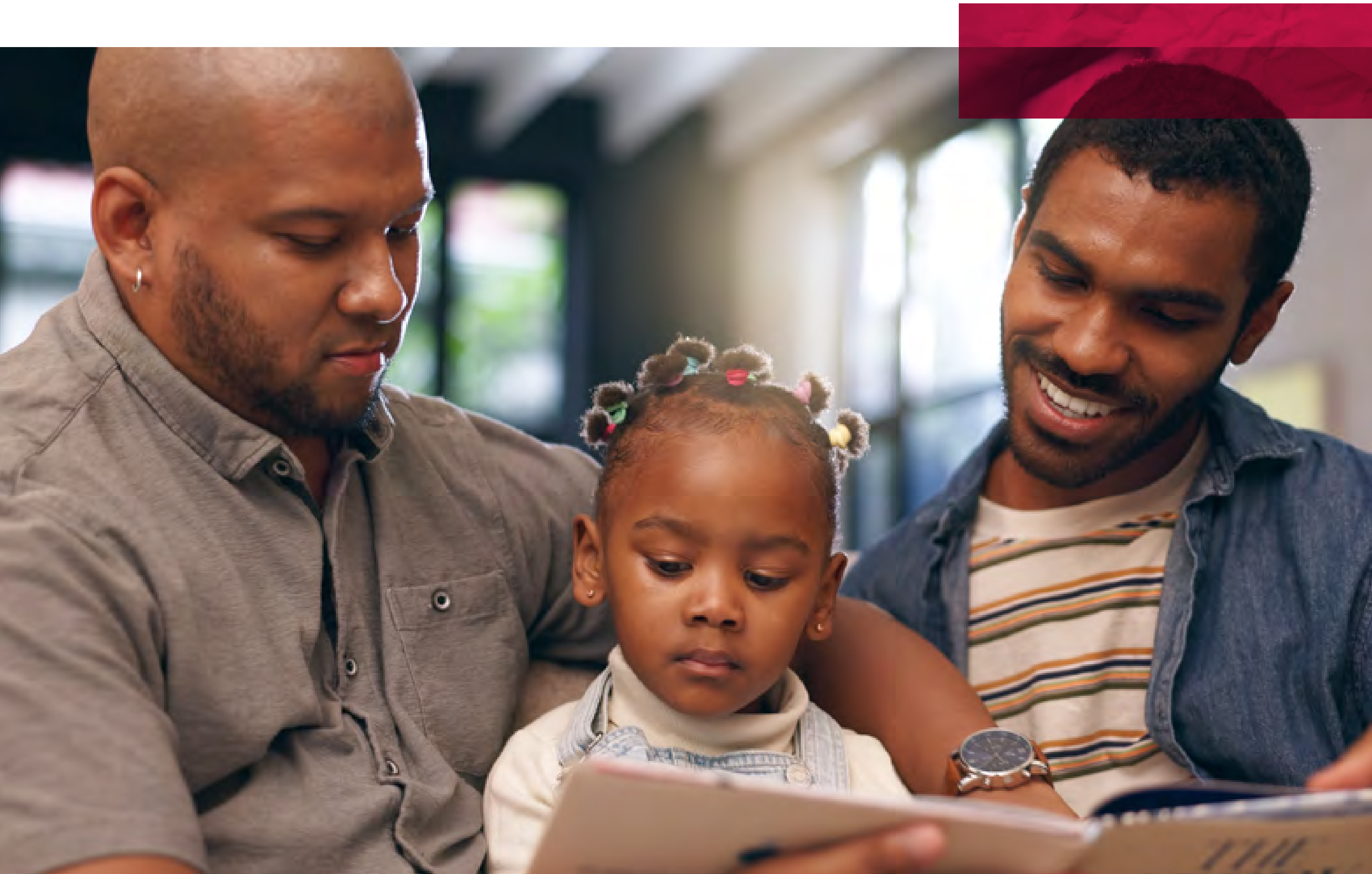

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» Gary Community Ventures

Gary Community Ventures is an impermanent philanthropic organization committed to using all of its resources by 2035 to transform systems and build wealth for Colorado kids and families. We use all of our tools – catalytic grantmaking, impact investments, policy and advocacy, and new ventures – to tackle complex challenges and create longer-lasting impact than any single approach could achieve alone. We partner with leaders across early childhood, education and workforce development, housing, benefits and more to ensure systems work best for the kids and families they serve and to invest in opportunities to help families build wealth and own assets that grow in value over time.

» The Aspen Institute Financial Security Program

The Aspen Institute Financial Security Program's (Aspen FSP) mission is to illuminate and solve the most critical financial challenges facing American households and to make financial security for all a top national priority. We aim for nothing less than a more inclusive economy with reduced wealth inequality and shared prosperity. We believe that transformational change requires innovation, trust, leadership, and entrepreneurial thinking. Aspen FSP galvanizes a diverse set of leaders across the public, private, and nonprofit sectors to solve the most critical financial challenges. We do this through deep, deliberate private and public dialogues and by elevating evidence-based research and solutions that will strengthen the financial health and security of financially vulnerable Americans. To learn more, visit AspenFSP.org, join our mailing list at as.pn/subscribe, and follow The Aspen Institute Financial Security Program on LinkedIn.

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