



# Some Necessities Cost More, Others Don't

by Paul Cillo and Doug Hoffer

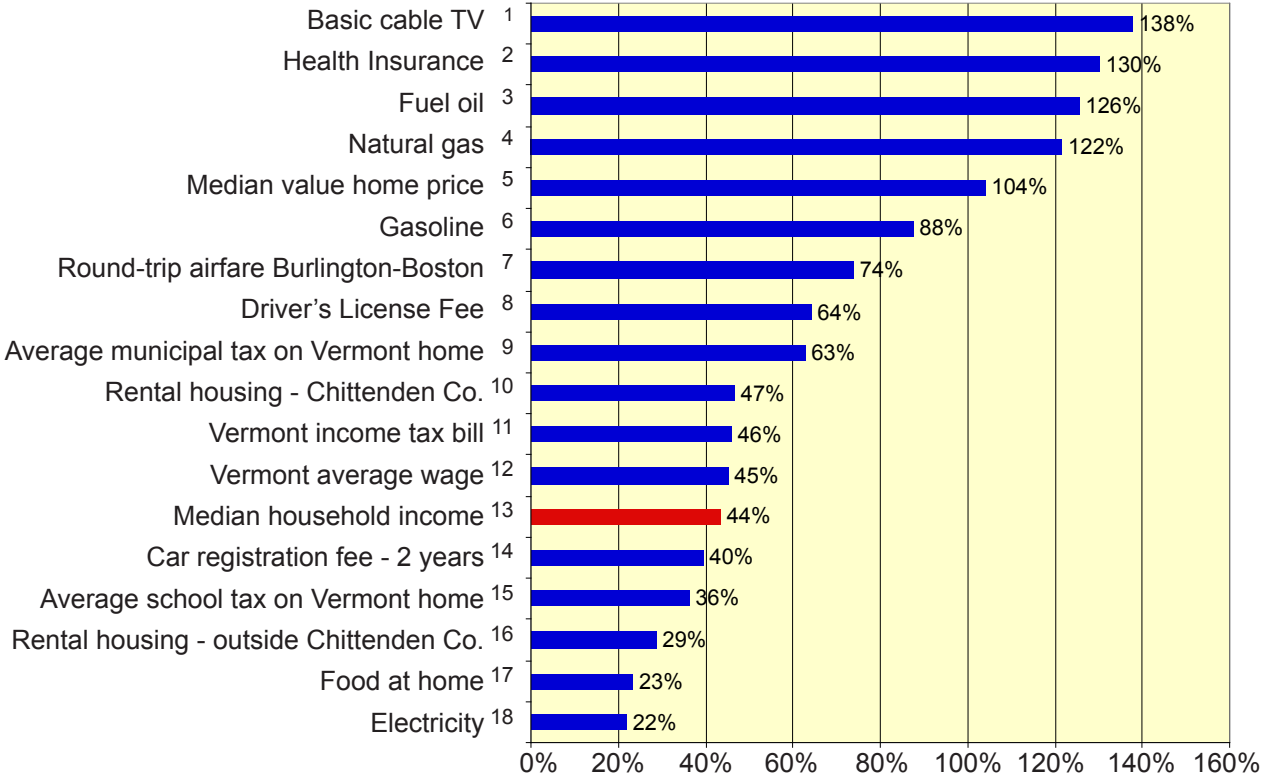
Average Vermont families have good reason to feel that the cost of living is going up. Their buying power increased from the mid-1990s to the mid-2000s. But it didn't grow as much as many of their biggest-ticket needs, such as health insurance, heating fuel, and housing.

The cost of health insurance, for example, jumped 130 percent, two and half times the increase in median income. The rise in fuel oil, natural gas, and gasoline also outstripped the increase in buying power.

The chart below shows changes in the cost of common household expenses between 1996 and 2006, the most recent decade for which data are available. For comparison, the red bar shows the change in median family income. The cost of items above the red bar grew faster than the typical family's income; those below it grew slower.

The change in food costs doesn't reflect the current spike in prices worldwide. During the period covered by the chart, food became more affordable for the typical family. School taxes for the typical family also increased less than income.

**Figure 1. Change in Vermont household costs, 1996 - 2006**



## END NOTES

- <sup>1</sup> The Hanson Index. Based on costs from Adelphia and Comcast.
- <sup>2</sup> Blue Cross Blue Shield, 4/21/08 communication; Vermont Freedom Plan, \$2,500 deductible.
- <sup>3</sup> U.S. Department of Energy, Energy Information Administration; #2 fuel oil, cents/gallon; data from December 1996 and December 2006.
- <sup>4</sup> U.S. Department of Energy, Energy Information Administration; residential cost /1,000 cubic feet.
- <sup>5</sup> Vermont Department of Taxes, property transfer tax.
- <sup>6</sup> U.S. Department of Energy, Energy Information Administration; Northeast average cost for regular gas (not reformulated); data from December 1996 and December 2006.
- <sup>7</sup> The Hanson Index. Based on tickets purchased 14 days in advance with a Saturday stayover.
- <sup>8</sup> Vermont Department of Motor Vehicles
- <sup>9</sup> Authors' calculations: average tax on house with less than six acres, data from Property Valuation & Review, equalization studies.
- <sup>10</sup> U.S. Dept. of Housing & Urban Development, Fair Market Rents; Chittenden County.
- <sup>11</sup> Vermont tax on median household income (married, filing jointly), Vermont Department of Taxes.
- <sup>12</sup> Vermont Department of Labor, Quarterly Census of Employment & Wages, unemployment insurance- covered employment.
- <sup>13</sup> U.S. Census Bureau, Table H-8B; three-year moving average adjusted with CPI-U-RS.
- <sup>14</sup> Vermont Department of Motor Vehicles
- <sup>15</sup> Authors' calculations: average tax on house with less than six acres, data from Property Valuation & Review, equalization studies.
- <sup>16</sup> U.S. Department of Housing & Urban Development, Fair Market Rents; weighted average for all Vermont counties except Chittenden.
- <sup>17</sup> U.S. Department of Labor, Bureau of Labor Statistics, CPI-U "food at home" for cities under 50,000; not seasonally adjusted.
- <sup>18</sup> U.S. Department of Energy, Energy Information Administration; average statewide cost (cents/kWh).

*Deb Brighton also contributed to this report.*

*This research was funded in part by the Annie E. Casey Foundation and the Public Welfare Foundation. We appreciate their support. The findings presented in this report are those of the Public Assets Institute and do not necessarily reflect the views of our funders.*

## Public Assets Institute



PO Box 942, Montpelier, Vermont 05601  
802-223-6677  
www.publicassets.org

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