



## STUDY SESSION MEMORANDUM

**TO:** Mayor and Members of City Council

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**DATE:** August 22, 2024

**SUBJECT:** Regional Minimum Wage

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### EXECUTIVE SUMMARY

Following the adoption of state [House Bill 19-1210](#) which lifts the preemption on local minimum wage laws, communities across Colorado began exploring an increase to their local minimum wage. To date, new laws have been adopted in three communities – Denver, Edgewater, and unincorporated Boulder County.

On May 25, 2023 council voted to join regional partners (Cities of Longmont, Lafayette, Louisville, and the Town of Erie) in collectively exploring an increase to the local minimum wage in their respective communities, as allowed by state law, through research and community engagement to consider a specific minimum wage level that is competitive, responsive to current and future needs, and meets as many shared outcomes as possible. Council affirmed this decision at their August 24, 2023 council meeting and received an [information item update at their March 21, 2024](#) meeting.

The purpose of this discussion is to present the findings from community engagement and the consultant economic analysis and determine council's desire to pursue minimum wage. If council desires to move forward, staff seeks council direction on five key decision points (target wage, escalation, index for annual adjustments, exemptions, and enforcement) so an ordinance may be drafted and brought back to council for consideration.

## **KEY ISSUES IDENTIFIED**

Approaching this issue in collaboration with other municipal partners recognizes that:

- Changing the minimum wage in any community changes the regional economy.
- Many people live in different communities than where they work.
- Boulder-based businesses, nonprofits, and other organizations have operations and customers throughout the county.
- A regional approach to considering a minimum wage accounts for the needs of our unique and interdependent economies, while also providing consistency for employees and employers who may participate across multiple communities.

## **Questions for Council**

1. Does council wish to pursue a new local minimum wage ordinance for the City of Boulder as allowed by HB19-1210?

IF YES:

1. What should the target wage be?
  - a. Increase to align with Boulder County (scenarios B1 or B2)
  - b. Increase to align with Denver (scenarios D1 or D2)
2. How should escalation to a new target wage be approached?
  - a. Reach alignment target more aggressively, by 2030 (Scenarios B1 or D1)
  - b. Reach alignment target more gradually, by 2035 (Scenarios B2 or D2)
3. Does council support indexing the minimum wage in a way that is consistent with other city ordinances that use indexing?
4. Should an ordinance include any exemptions?
  - a. Unemancipated Minors
  - b. Independent Contractors
5. Does council support deferring enforcement to existing state mechanisms upon implementation, and reconsider local enforcement if the need arises from limitations to state enforcement capacity?

## **BACKGROUND**

Since August of 2023, two teams, the Economic Analysis Team and the Engagement Team, met to scope and implement strategies to better understand local economic conditions and community sentiment on the topic of minimum wage. Teams include one staff member from each of the five participating communities, members of Chambers of Commerce, members of the Self Sufficiency Wage Coalition, and members of nonprofits. Throughout the year-long process, the Human Relations Commission received three presentations with updates and feedback opportunities on project deliverables.

**The Engagement Team** developed a standard engagement model operating at the ‘Involve’ level of the public participation spectrum. While the model was consistent, there were differences in implementation strategies used in each community. Details regarding each municipality’s unique approach can be found in the five municipality-specific engagement reports. Engagement opportunities were available starting on February 14 until April 15, 2024, and community members were provided options to participate virtually or in-person, with English and Spanish options at one of 14 focus group sessions and through an online questionnaire (see **Attachment A**).

In total, the regional partners (Cities of Boulder, Longmont, Lafayette, Louisville, and the Town of Erie) collaboratively engaged with nearly 1,000 people through online surveys, and 200 individuals through focus groups. The information below reflects how many of those people self-identified as Boulder community members, as well as the additional strategies staff implemented that went beyond the standard engagement model.

<b>Engagement Strategy</b>	<b>Outcome</b>
Focus Group Sessions	Ninety-eight participants across six sessions
Online Questionnaire (390 total)	Two hundred sixteen community members responded in English Thirty-seven community members responded in Spanish One hundred thirty-one employers responded in English Six employers responded in Spanish
Business Canvassing	Two hundred fifty-two documented outreach conversations with local and small businesses, speaking with both business owners and employees
Emergency Family Assistance Association (EFAA) Food Bank Hours	Eight hours between four drop-in visits to the EFAA food bank

Feedback themes fell into two broad categories - key themes were those that were consistently repeated across responses in both the questionnaire and focus groups, while unique themes were those that were mentioned less frequently but shared a potential outcome that would be particularly impactful to a specific subgroup of individuals.

	<b>Key Themes</b>	<b>Unique Themes</b>
<b>Community Member</b>	<ul style="list-style-type: none"> <li>• Increased Ability to Meet Basic Needs</li> <li>• Improved Quality of Life for Minimum Wage Earners</li> <li>• Economic Growth</li> <li>• Higher Wages make Boulder an Attractive Place to Live, Work, and Play</li> <li>• Concerns about Inflation and Rising Cost of Goods &amp; Services</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce Wealth Gap</li> <li>• Benefits Cliff</li> <li>• Better Environmental Outcomes</li> <li>• Greater Societal Benefits</li> <li>• Union Leverage</li> <li>• Enable Students to Stay in Boulder</li> <li>• Childcare Expenses</li> </ul>

<b>Employer</b>	<ul style="list-style-type: none"> <li>• Increased Pressure on Local and Small Businesses</li> <li>• Businesses Forced to Increase Prices</li> <li>• Reduction in Employee Hours, Benefits, and Opportunities</li> <li>• Wage Inequity and Compression</li> <li>• Changing Character of Boulder</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Leasing Costs</li> <li>• Exploitation of the Vulnerable</li> </ul>
<b>Industry Specific</b>	N/A	<ul style="list-style-type: none"> <li>• Restaurants/Tip-based Industries</li> <li>• Nonprofit Service Providers</li> <li>• Agriculture</li> <li>• Childcare Providers</li> </ul>

## ANALYSIS

The **Economic Analysis Team** oversaw the development of an economic analysis conducted by a third-party consultant, ECONorthwest. The team engaged the consultant in studying the potential economic effects of a regional minimum wage increase on local businesses, employers, workers, and overall local socio-economic indicators (see Attachment B). ECONorthwest’s report includes five major components:

- **Existing conditions** exploring the socioeconomic conditions of the five municipalities and the region including study of macroeconomic indicators such as population growth, unemployment, and inflation, as well as more-detailed examinations of employment, worker, and household characteristics.
- **Comparative analysis** of other similar municipalities that have enacted minimum wage increases.
- **Literature review** summarizing recent research on the minimum wage, with a focus on economic impacts.
- **Impact analysis** of each scenario using the Berkeley IRLE Minimum Wage Model estimating the magnitude of impacts and trade-offs across employment, prices, operating costs, productivity, poverty, and inequality.
- **Recommendations** regarding the minimum wage target, escalation schedule, and indexing mechanism.

The economic analysis considered five scenarios (Baseline, B1, B2, D1, D2) described in more detail below in the **Target Wage and Escalation** section. In general, the quantitative analysis found that an increase in minimum wage would have the following impacts to Boulder’s employment:

- Reductions in employment through 2030 ranging from 1,101 workers (or 1.0%) in Scenario B1 to 396 workers (or 0.4%) in Scenario D2.
- Increased earnings through 2030 ranging from 8,541 workers (or 8.0%) in Scenario B1 to 999 workers (or 0.9%) in Scenario D2.
- Reduction of people in poverty through 2030 ranging from 179 people (or 0.17%) in Scenario B1 to 0 people in Scenario D2.

Due to limitations of the data, some estimates could not be disaggregated by municipality. Nonetheless, the analysis found that an increase in minimum wage would have the following impacts to the region's economy:

- A regional increase in prices through 2030 ranging from 0.09% in Scenario B1 to 0.03% in Scenario D2.
- A regional increase in GDP through 2030 ranging from 0.001% in Scenario B1 to 0.0% in Scenario D2.
- A regional increase in local sales tax revenue ranging from \$20,853 in Scenario B1 to \$0 in Scenario D2.
- A regional increase in payroll costs across industries through 2030 ranging from 2.7% in Scenario B1 to 0.8% in Scenario D2. However, payroll costs for service-based businesses are significantly higher: by 2035, payroll costs for restaurants are expected to increase by 21.7% for scenarios B1 and B2.
- Increases in annual family income for families earning below 299% of the Federal Poverty Level (less than \$46,717/year for a family of four) ranging from 1.9% to 0.1% by 2030.
- Decreases in annual family income for families earning above 500% of the Federal Poverty Level (more than \$216,446/year for a family of four) ranging from -0.04% to -0.02% by 2030 for scenarios B1 and D1.

Please refer to **Attachment B** and **Attachment C** for more detailed economic analysis for the region and the City of Boulder, respectively. Attachment D includes feedback from community representatives on the process for engagement and economic analysis.

## **MATRIX OF OPTIONS**

If council desires to move forward with the enactment of a new local minimum wage ordinance for the City of Boulder, staff seeks council direction on five key decision points (target wage, escalation, index for annual adjustments, exemptions, and enforcement) so an ordinance may be drafted and brought back to council for consideration.

Along with the analysis, ECONorthwest made three recommendations on target, escalation, and index for annual adjustments. Each decision point includes a combination of consultant recommendations, staff recommendations, pros/cons, and other considerations.

### **Target Wage and Escalation**

The economic analysis modeled five scenarios to inform each municipality's elected body and staff on the impacts of increasing the minimum wage regionally. Two scenarios assume a minimum wage that increases to meet unincorporated Boulder County and two scenarios assume increases that reach Denver. Both sets of scenarios reflect a range of increases from relatively slow to as quick as possible under state law.

Importantly, these are not the only options available to council, but instead represent a spectrum of possibilities for target wage and an escalation schedule in an ordinance:

- Baseline (No change) – Remain at state minimum wage, \$14.42 in 2024, increase annually with Consumer Price Index for All Urban Consumers (CPI-U).
- B1 – Testing the upper limits of the legislation, this scenario maximizes the allowable 15 percent increases to match unincorporated Boulder County, continuing along with an increase schedule until reaching \$25 in 2030, and increasing based on inflation after that.
- B2 – Matching unincorporated Boulder County on a slower escalation schedule with a longer time horizon, reaching \$28.98 by 2035, and increasing based on inflation after that.
- D1 – Testing the upper limits of the legislation, this scenario maximizes the allowable 15 percent increases to match Denver, with annual increases until reaching \$21.84 in 2030, and increasing based on inflation after that.
- D2 – Matching Denver on a slower escalation schedule with a longer time horizon, reaching \$25.32 in 2035.

HB 19-1210 provides an upper limit for allowable increases, “up to one dollar and seventy-five cents or fifteen percent, whichever is higher, until the local minimum wage reaches the amount enacted by the local government.”

*Consultant recommendation No. 1 – reach unincorporated Boulder County in 2035 (B2)*  
“The slower ramp-up period of scenario B2 relative to scenario B1 provides a degree of predictability and certainty that would allow individuals, businesses, and governments to adapt to the new economic landscape with minimal disruption. Narrowing, and then eliminating, the gap in wages between unincorporated Boulder County and the five municipalities over the long term would help increase the consistency of the economic landscape across the region.”

- Pros: prioritizes minimizing disruptions and increasing predictability for businesses and governments.
- Cons: may also minimize benefits for low-income workers and the community in general; may not be the best option for Boulder alone if other cities do not move forward with an increase.

*Consultant recommendation No. 2 – mid-cycle evaluation*

“Conduct a mid-cycle evaluation of scenario B2 in 2030 to assess the degree to which the benefits and costs of the higher minimum wage have come to fruition. To the extent that the anticipated outcomes fall short of expectations, the planned escalation in the minimum wage could be adjusted between 2030 and 2035.”

- Pros: provides an opportunity to tailor the policy to local conditions and mitigate substantial reallocation of labor and businesses.

- Cons: if reassessment led to reducing or slowing down pieces of the law, community members who depend on minimum wage or support low wage earners may become further distressed.

## **Index for Annual Adjustments**

Other City of Boulder ordinances that use indexing increase based on “the Colorado consumer price index or a similar index that is tied to the annual rate of inflation in the state or Denver.” Indexing would occur after the target wage is reached in an ordinance.

### *Consultant recommendation No. 3 – index based on the regional CPI-U in the Denver-Aurora-Lakewood area*

“Given the relatively moderate level of inflation over the past year, our recommendation is to index the minimum wage to prices annually, based on the Consumer Price Index for All Urban Consumers (CPI-U) in the Denver-Aurora-Lakewood area. The regional value for the CPI-U is important because the cost of living in Colorado is higher than that of the country as a whole and, going forward, changes in the CPI could differ between Colorado and the US.”

### *Staff recommendation*

Maintain consistency with other City of Boulder ordinances that use indexing. Staff can assess and make a recommendation in a proposed ordinance that comes before council.

- Pros: as prices for goods and services change over time, indexing the minimum wage helps workers at those wage levels to maintain their purchasing power.
- Cons: indexing from a low level keeps it at a low level, valuing work too little and leaving low-wage workers unable to support themselves and their families; during periods of economic downturn or high inflation, price-based indexing leads to a runaway minimum wage that can cause economic harm.

## **Exemptions and Tipped Worker Restriction**

The state legislation remains silent on local minimum wage ordinances for unemancipated minors and independent contractors, which gives the city flexibility in addressing the topics. The state law does **require** that the local minimum wage include the tip credit. This section explores those details.

### Unemancipated Minors

A person under the age of 18 and still under the legal custody of a parent/guardian is considered an unemancipated minor. The state law requires minimum wage to be paid to adults and emancipated minors but is silent, meaning the law allows local jurisdictions to exempt, unemancipated minors from a higher local minimum wage.

Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. Most working minors (under 18 years old) are employed in low-wage industries and low-wage occupations (Attachment B, Exhibit 25).

Across the region, unemancipated minors who earn the minimum wage are most likely to live in households with two adults (60 percent of all working unemancipated minors). The majority of these unemancipated minors are white and identify as male. Further, a relatively higher share of Hispanic and Latino workers versus other racial groups are unemancipated minors. This trend is particularly pronounced for Hispanic and Latino workers in low-wage industries.

The community engagement highlighted opposing viewpoints on young workers: One view was that unemancipated minors are often supported by other means (e.g. families) and did not need the higher wage. The other view was that minors in minimum wage jobs may make significant contributions to their family’s abilities to meet basic needs.

Pages 7-11 in **Attachment A** explore this topic in further detail.

Attachment C, Exhibit 3.

<b>Change in Employment Relative to Baseline, 2030</b>				
<b>Scenario</b>	<b>Teenagers &amp; Young Adults</b>	<b>Adults</b>	<b>All Workers</b>	<b>Share of Current Employment</b>
<b>Scenario B1</b>	-949	-152	-1,101	-1.0%
<b>Scenario B2</b>	-571	-90	-662	-0.6%
<b>Scenario D1</b>	-684	-90	-774	-0.7%
<b>Scenario D2</b>	-343	-52	-396	-0.4%

*Other considerations – themes from engagement feedback*

- Unemancipated minors do not need increased wages as they are often supported by other means and do not count on wages to live, and they should be exempted from a higher minimum wage.
- Raising the minimum wage may result in overpaying people who do not rely on the minimum wage to survive (often minors, college students with family support, or individuals using second jobs solely for additional disposable income) and disincentivize acquiring the skills and education needed to move into higher paying jobs
- Minors in minimum wage jobs may make significant contributions to their families’ abilities to meet basic needs, wealth building, and/or planning for their own futures.

Independent Contractors

The city has flexibility in what requirements are adopted for independent contractors. The state law requires that all “adult employees and emancipated minors” be paid not less than the minimum wage enacted by the local government. “Employee,” under the law, does not include “an individual primarily free from control and direction in the



performance of the service, both under his or her contract for the performance of service and in fact, and who is customarily engaged in an independent trade, occupation, profession, or business related to the service performed.” C.R.S. § 8-4-101(5). In other words, an independent contractor is not included in the state requirement for payment of local minimum wage, but a local government may enact a law for any individual “performing, or expected to perform, four or more hours of work for an employer in any given week within the geographic boundaries of the local government’s jurisdiction.”

Boulder County exempts independent contractors from its ordinance and Edgewater does not address the issue in its ordinance, although other provisions of their codes do not include independent contractors in the definition of employee. The City of Denver exempts a defined set of independent contractors.

#### *Staff recommendation*

Maintain consistency with neighboring jurisdictions by exempting independent contractors. A regional approach would ensure that those employees who live outside the city are treated similarly to those residents of the city who work in other locations in Boulder County.

#### Tipped Workers

Issues around tipped wages were raised often during the community engagement process, however it is important to note that state legislation does not give local governments authority to change the \$3.02 state tip credit on its local minimum wage.

#### **Enforcement**

The city has the option to defer enforcement to existing state processes with the Department of Labor and Employment (CDLE) or create a new local enforcement system. While a local enforcement system may be able to better serve Boulder community members, doing so would require additional time and resources to create, which would include impacts to the budget for potential additional staffing. More cities adopting new local wage policies will increase the demand on state enforcement needs. The state has anticipated more staff time with the adoption of HB19-1210, as evidenced by the [legislation’s fiscal note](#). If the city relies on state enforcement at ordinance onset, local enforcement could be explored in the future, potentially in partnership with Boulder County or other metro partners.

#### *Staff recommendation*

Defer enforcement to CDLE, if there is a mid-cycle assessment consider local enforcement needs at that time.

- Pros: cost effective to use the existing, well-established processes within CDLE to take complaints and pursue investigations.
- Cons: Boulder community members would be subject to generalized state processes.

## ADDITIONAL CONSIDERATIONS

### Minimum Wage and Internal Budget Impact

In 2024 the city, as part of its internal employment policies and practices, adjusted the living wage for full-time and part-time regular, fixed-term, and temporary employees and certain service contractors based on the 2022 Colorado Self Sufficiency Standard, increasing the rate by 28 percent, from \$17.42/hour to \$22.44/hour for eligible staff.

While the minimum wage applies to all employees in the organization, it is most relevant for positions not covered by the living wage policy, those being seasonal and varied employees. Examples of the types of positions directly impacted include entry-level positions (lifeguards, junior ranger crews, recreation instructor I) in the Parks and Recreation and Open Space & Mountain Parks departments that employ predominantly 14-18 year olds in these roles to help deliver city services and programs. The state minimum wage applies to these positions at \$14.42/hour, not the city's living wage.

As shown in Tables 1 and 2, city staff modeled the fiscal impact increasing the minimum wage to \$16.57/hour in 2025 and reaching \$25.00/hour by 2030. Staff modeled the direct effects of an increased minimum wage, as well as the effects of wage compression. Wage compression fiscal impacts account for an increase in pay ranges for titles related to those impacted by minimum wage. As reflected in the below tables, the budgetary impact is less significant in the short-term, but grows to an estimated \$1.3M-\$2.1M in 2030. The enabling legislation does not include funding, and if council implements a minimum wage policy, staff will need to consider future year funding to support the increases and wage compression associated with the escalation of minimum wage.

Table 1.

<b>Minimum Wage Estimated Fiscal Impact 2025-2030 - Direct Increase</b>						
<b>Services</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Parks & Recreation	\$27,000	\$122,000	\$294,000	\$515,000	\$776,000	\$1,080,000
Open Space	\$19,000	\$48,000	\$81,000	\$117,000	\$156,000	\$198,000
Utilities	\$0	\$0	\$2,000	\$7,000	\$13,000	\$20,000
<b>Total</b>	<b>\$46,000</b>	<b>\$170,000</b>	<b>\$377,000</b>	<b>\$639,000</b>	<b>\$945,000</b>	<b>\$1,298,000</b>

Table 2.

<b>Minimum Wage Estimated Fiscal Impact 2025-2030 - Direct Increase + Address Wage Compression</b>						
<b>Services</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Parks & Recreation	\$215,000	\$483,000	\$788,000	\$1,126,000	\$1,491,000	\$1,887,000
Open Space	\$27,000	\$55,000	\$88,000	\$124,000	\$163,000	\$205,000
Utilities	\$0	\$0	\$3,000	\$10,000	\$17,000	\$26,000
<b>Total</b>	<b>\$242,000</b>	<b>\$538,000</b>	<b>\$879,000</b>	<b>\$1,260,000</b>	<b>\$1,671,000</b>	<b>\$2,118,000</b>

## **NEXT STEPS**

- Based on council direction, staff will work with the City Attorney's Office to draft a proposed ordinance.
- Staff will then return to council at a regular meeting later this year for council consideration of the proposed ordinance.

## **ATTACHMENTS**

- A – Regional Minimum Wage Engagement Report (with appendices A-B)
- B – Regional Minimum Wage Economic Analysis Report
- C – Municipal Summaries Minimum Wage Economic Analysis (with appendices A-E)
- D – Feedback from Community Representatives



**EXPLORING REGIONAL**  
**MINIMUM WAGE**



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# ENGAGEMENT BY THE NUMBERS



**213**

Focus Group Participants



**2-Month**  
Engagement Window

**14**

In-Person Focus Group Sessions



**993**

Questionnaire Responses



**1,849**

Visitors to the Project Website

**101**

Visits to the Spanish version of the website

**4**

drop-in visits at the EFAA food bank

**29**

individuals reached through a tabling event in Erie

**252**

conversations with local & small businesses in Boulder

To learn more about what we heard, including the unique themes from each community go to <https://bldr.fyi/minimum-wage>





# WHAT WE HEARD



Participants in focus group sessions and questionnaires expressed thoughtful input on the possible impacts of a regional minimum wage. Seven main themes emerged.



## Regional Economic Impacts

- Belief that higher wages may lead to increased spending in the region, stimulating economic growth and supporting businesses.
- Concerns that higher wages may drive up inflation and lead to an increase in the cost of goods and services for the whole community, including minimum wage earners.

## Attracting Businesses and Workers

- Belief that higher wages may attract employees and result in higher employee satisfaction and reduced turnover.
- Concerns that higher wages may force businesses, especially small businesses, to close or move to other communities as well as terminate or reduce hours and benefits for employees.

## Role of Government

- Belief that increasing the minimum wage is not the role of local government.
- Belief that local governments should focus on other policies that address affordability and the cost of living, especially housing.

Read the full report



# EXPLORING REGIONAL MINIMUM WAGE



# WHAT WE HEARD



## Minimum Wage Earners

- Increased ability to meet basic needs
- Improved quality of life

## Community

- Economic growth
- Concern about inflation and rising costs of goods & services

## Small Businesses

- Increased labor costs may push local and small business owners to sell, close, or move
- Forced to increase prices
- Reduction in employee hours, benefits and opportunities
- Wage inequity and compression
- Any positive aspects would be short lived

## Purpose

- Belief that minimum wage should enable people to afford their basic needs, improving human dignity and a sense of community.
- Belief that the minimum wage is not meant to be a living wage but instead a training wage for inexperienced workers as they gain greater knowledge, education, and skills.

## Read the full report

To learn more about what we heard, including the unique themes from each community, go to [bldr.fyi/minimum-wage](http://bldr.fyi/minimum-wage)







# Exploring an Increase to Minimum Wage

## Regional Engagement Summary





## Executive Summary

Community engagement for the Exploring Regional Minimum Wage project was a collaborative, multi-jurisdictional process conducted by the cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie. The process included 14 focus group sessions with 213 total participants, an online questionnaire with 993 total respondents, and several additional smaller, city-specific engagement strategies. The project engaged hundreds of community members between all five municipalities over a two-month engagement period.

The regional engagement summary provides a high-level overview of the themes, and varied perspectives within those themes, that engagement staff heard consistently across the region from community members and employers. These four themes included:

- Purpose of Minimum Wage
  - Belief that minimum wage should enable people to afford their basic needs, improving human dignity and a sense of community.
  - Belief that the minimum wage is not meant to be a living wage but instead a training wage for inexperienced workers as they gain greater knowledge, education, and skills.
- Building an Attractive Community for Both Workers and Businesses
  - Belief that higher wages may attract employees and result in higher employee satisfaction and reduced turnover.
  - Concerns that higher wages may force businesses, especially small businesses, to close or move to other communities as well as terminate or reduce hours and benefits for employees.
- Regional Economic Impacts
  - Belief that higher wages may lead to increased spending in the region, stimulating economic growth and supporting businesses.
  - Concerns that higher wages may drive up inflation and lead to an increase in the cost of goods and services for the whole community, including minimum wage earners.
- Role of Government
  - Belief that increasing the minimum wage is not the role of local government.
  - Belief that local governments should economic focus on other policies that address affordability and the cost of living, especially housing.

While this captures broader regional themes, each municipality created its own engagement report which includes greater detail and nuanced information specific to each community.



## Regional Engagement Strategy

In the summer of 2023, elected officials from the Cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. Since August of 2023, regional teams have met to scope and administer these next steps. Teams include one staff member from each of the five participating communities as well as three community representatives: one representative from the Latino Chamber of Commerce (in representation of the business community), a representative from the Self Sufficiency Wage Coalition (in representation of the workers and faith community), and a representative of Emergency Family Assistance Association (in representation of human service nonprofits). The economic analysis, which explores quantitative economic data as well as quantitative engagement data, will be provided in a separate consultant report.

A standard engagement model operating at the ‘Involve’ level of the public participation spectrum was administered across the five participating communities. While the model was consistent, there were some differences in implementation strategies that each community used. Details regarding each municipality’s unique approach can be found in the five municipality-specific engagement reports. Engagement opportunities were available between mid-February until April 15th, and community members were provided options to participate virtually and in-person, with English and Spanish options at one of 14 focus group sessions and through an online questionnaire.

## Engagement by Numbers and Quantitative Questionnaire Data

The online questionnaire asked a series of open and close ended questions of respondents, including the places they worked or owned businesses, their current salary, their preferred adjustment to the local minimum wage, their sentiments about changing the minimum wage, and more. The project’s economic analysis consultant, ECONorthwest, analyzed the close-ended questions, which are attached as Appendix A to this regional engagement report. The rest of this report summarizes qualitative, sentiment-based feedback from focus group conversations and the open-ended questions on the online questionnaire.

## Key Regional Themes

Throughout the project’s engagement window, the regional team received thousands of comments through the online questionnaire and focus group sessions, both of which asked the same series of three questions of participants:



1. *What do you think the positive impacts of increasing the minimum wage could be for you, (your family / your business), and your community?*
2. *What do you think the negative impact of increasing the minimum wage could be for you, (your family / your business), and your community?*
3. *Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?*

While there was immense variety in the responses that participants provided in the questionnaire and focus group sessions, several key themes emerged across the region. Each partner municipality produced its own engagement report to describe the key and unique themes that emerged in their respective communities. Each report explores the unique strategies and community characteristics that led to variation in engagement implementation and reporting across the region. This section summarizes key regional themes, each of which contains several key points that often conflict with one another due to the incredible complexity of this policy issue. Importantly, the project’s engagement reporting directly reflects the feedback that the regional team received and is based on community sentiments and perceptions, which may or may not align with the literature review and economic analysis produced by the project’s consultant. Each individual report contains additional details about how these themes took shape in each municipality.

The regional engagement model was not structured to yield scientifically representative results. Rather, the engagement team opened participation in the questionnaire and focus groups to all interested employers and community members and summarized the feedback into key themes and unique themes. **Key themes** were those that were consistently repeated across responses in both the questionnaire and focus groups, while **unique themes** were those that were mentioned less frequently but shared a potential outcome that would be particularly impactful to a specific subgroup of individuals. From there, key themes and unique themes from each municipality were further synthesized into the highest level, key regional themes presented in this regional summary report. Themes are not categorized by the frequency with which participants mentioned them, an approach that acknowledges the persistent barriers to participation and brings visibility to the perspectives shared without a thorough account of their frequency. That said, the consultant analysis of close-ended questionnaire data depicts a quantitative representation of the results of the regional engagement process.

*Purpose of Minimum Wage*

Across the region, quality of life for minimum wage earners emerged as a top concern and topic of interest. The key points of this theme included A) Improve Human Dignity and Sense of Community and B) Minimum Wage vs. Living or Self Sufficiency Wage.

Key Points	Summary of Regional Sentiment
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<p>A. Improve Human Dignity and Sense of Community</p>	<ul style="list-style-type: none"> <li>- Minimum wage should enable people to afford basic needs and a dignified quality of life amid the rapidly increasing cost of living</li> <li>- Higher wages could help minimum wage earners achieve greater work-life balance, spend more time with families and in the community, and improve their physical and mental health outcomes</li> <li>- Minimum wage earners could become less reliant on safety net services provided by public and non-profit partners if their incomes increase</li> <li>- Increasing the minimum wage could help minimum wage earners afford to live and work in the same place, increasing a sense of community for minimum wage earners and keeping their contributions to the local economy within the community they work</li> </ul>
<p>B. Minimum Wage vs. Living or Self Sufficiency Wage</p>	<ul style="list-style-type: none"> <li>- The minimum wage is not meant to be a living wage or self-sufficiency wage but instead as a training wage for youth and inexperienced workers as they acquire experience, skills, training, and education</li> <li>- Raising the minimum wage may result in overpaying people who do not rely on the minimum wage to survive (often minors, college students with family support, or individuals using second jobs solely for additional disposable income) and disincentivize acquiring the skills and education needed to move into higher paying jobs</li> </ul>

*Building an Attractive Community for Both Workers and Businesses*

Regional engagement revealed that one of the most immediate concerns relates to each community’s business environment. The key points regarding a minimum wage increase and how it impacts the region’s ability to build an attractive community for both workers and businesses included A) Factors that Attract and B) Factors that Repel.

Key Points	Summary of Regional Sentiment
<p>A. Factors that Attract</p>	<ul style="list-style-type: none"> <li>- Higher wages may result in higher employee satisfaction and reduced absenteeism, leading to reduced employee turnover and greater efficiencies</li> </ul>



	<ul style="list-style-type: none"> <li>- Higher wages may lead to greater workforce attraction across the region and state, resulting in an influx of available workers</li> </ul>
B. Factors that Repel	<ul style="list-style-type: none"> <li>- Businesses might close or move to other communities due to an inability to absorb further labor cost escalations</li> <li>- In addition to a potential minimum wage increase, businesses have experienced additional increases to the cost of doing business, including supply chain issues, raw goods and ingredients, rent and utilities, property taxes, state-mandated benefits, and more, resulting in additional strain</li> <li>- Larger corporations and box chains would likely be able to afford labor increases, while small businesses may be operating on much smaller profit margins</li> <li>- Additional costs to address wage compression from raising the wages of those not currently making minimum wage to ensure a competitive pay structure, which could be devastating for small businesses</li> <li>- Potential impacts to employees, including termination of jobs, greater automation in the workplace, and fewer employee hours and benefits; the jobs that may be most impacted are entry-level opportunities for inexperienced workers</li> </ul>

### *Regional Economic Impacts*

Regional economic impacts were frequently mentioned as a longer-term concern and/or opportunity. The two key points in this theme were A) Spending and B) Inflation.

Key Points	Summary of Regional Sentiment
A. Spending	<ul style="list-style-type: none"> <li>- Higher wages may lead to greater disposable income among minimum wage earners, resulting in higher consumer spending</li> <li>- Spending stimulates economic growth and could support businesses</li> </ul>
B. Inflation	<ul style="list-style-type: none"> <li>- Businesses may increase the cost of goods and services to offset higher wages, including price increases for both basic needs as well as tourism and leisure activities</li> </ul>



	<ul style="list-style-type: none"> <li>- Price increases could hurt minimum wage earners more than increased wages will help them</li> <li>- Consumers may respond to price increases by shopping in other communities where higher wages and other operating costs have not driven up the cost of goods and services</li> </ul>
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*Appropriateness of a Change to the Local Minimum Wage*

Government’s role in minimum wage policymaking was a common regional theme, with the key points A) Role of Local Government and B) Other Policy Strategies to Address Affordability.

Key Points	Summary of Regional Sentiment
A. Role of Local Government	<ul style="list-style-type: none"> <li>- The federal and state governments already set a wage floor</li> <li>- Market forces, and how businesses respond to them, should determine wages, not local governments</li> <li>- Higher levels of government set public benefit eligibility criteria, and if local governments increase the minimum wage, people who rely on these services could be subject to the “benefits cliff” phenomenon</li> </ul>
B. Other Policy Strategies	<ul style="list-style-type: none"> <li>- Local governments should focus their efforts on other policies that will effectively address the larger affordability challenges in the region, especially related to housing</li> <li>- Local governments should prioritize additional resources for small businesses, especially if they implement a higher local minimum wage</li> </ul>

*Sector-specific Impacts*

In addition to the above key regional themes, each of which displayed a spectrum of opinion, several industries throughout the region shared sector-specific impacts that would uniquely affect each of them. These included:

1. **Restaurants/Tip-Based Industries:** The hospitality industry, and specifically restaurants and those that use tip-based wages, shared concerns over a minimum wage increase due to both incredibly thin profit margins and wage equity concerns. Tipped wage earners (referred to as ‘front of house’) already earn significantly more than non-tipped minimum wage earners (referred to as back of house’) despite a lower base wage due to the state’s tip credit. Because the state legislation that enables local government to set a higher minimum wage does not allow for any



variation in the state tip credit, these wage inequities could deepen as front of house staff receive the same gross wage increases as back of house employees.

2. **Childcare:** An increase to the minimum wage may impact childcare providers' ability to provide essential childcare services to individuals and families at current prices, which are already cost prohibitive for many families.
3. **Agriculture:** Employers in agriculture, in particular, expressed concerns over their business viability should the minimum wage increase.

## Data from Additional Communities

The regional online questionnaire that was used to collect community feedback allowed individuals from Unincorporated Boulder County, additional Boulder County communities, and outside Boulder County to submit responses. Because the form allowed respondents to select multiple municipalities in which they owned a business or were employed to capture accurate feedback from individuals with multiple business locations or jobs, several responses across municipalities were repeated.

In addition to the five municipalities participating in the regional study (Boulder, Erie, Lafayette, Longmont, and Louisville), this section reports on feedback received from respondents in other places.

### *Unincorporated Boulder County*

Particular attention was paid to engagement data from respondents who identified themselves as being employed or owning a business in unincorporated Boulder County due to their firsthand experience with the County's 2024 increase. In general, the feedback that was received from individuals in unincorporated Boulder County largely mirrored the regional themes above, with the only unique note being that the overall sentiment toward a local increase was more negative for both employers and employees than in other parts of the county.

Most respondents from Unincorporated Boulder County described the impacts of a higher minimum wage in hypothetical terms, likely due to the increased minimum wage in unincorporated Boulder County only having been in effect for two-four months during the engagement period. A few comments did speak to the impacts of the 2024 increase, which are included below. Importantly, these comments are not scientifically representative of the sentiment in unincorporated Boulder County at large, but they do provide an interesting data point as decision makers consider an increase to the local minimum wage.

- "I am based in unincorporated Boulder County. I have already taken steps to purchase new equipment that will automate part of our process. This equipment will replace what I previously relied on three entry level workers to do."





- “The higher minimum wage has already impacted my business in that previously I had competition for my jobs that paid better than fast food, taught a marketable skill, had greater variety, and was brainy-er work. Now I have trouble finding people who are disciplined enough to learn the work when they can be on their phones, and talking to their friends all day at fast food jobs for the same pay.”

### *Additional Boulder County Municipalities*

These municipalities include the towns of Jamestown, Lyons, Nederland, Superior, and Ward. The number of respondents across these municipalities ranged between two and 18. After reviewing respondent feedback in these five towns, regional engagement staff did not identify any additional or unique themes. As such, the key regional themes above reflect feedback from not only the five municipalities who participated in the regional study, but also the feedback received from additional Boulder County municipalities.

### *Outside Boulder County*

Through the online questionnaire, feedback was received from other municipalities outside Boulder County, including Denver Metro cities like Denver, Golden, Englewood, Aurora, and more, as well as a small number of out-of-state municipalities. As with the additional Boulder County municipalities, the regional themes identified above largely capture the feedback provided by respondents outside Boulder County.

One interesting point to note is that there was a particular emphasis in many of these responses on other policy strategies, Key Point B in the regional theme titled “Appropriateness of a Change to the Local Minimum Wage” above. Specifically, many respondents emphasized rent control and price increase caps on essential goods. While these policy tools are not within local governments’ authority to implement, they speak to a wider interest in policies that address the impacts of high housing costs and inflation.

## Engagement Data Collected Outside Formal Engagement Window

At the end of 2023, through the beginning of 2024, several community organizations and partners shared feedback on a minimum wage increase in anticipation of action by elected officials in the region. Much of this feedback was received when unincorporated Boulder County decided last fall to accelerate their local increase and moved forward with a January 2024 implementation timeline, rather than the 2025 timeline regional partners had been discussing. Community members and organizations advocated in favor of or in opposition to an expedited timeline for other communities in the region. Recognizing the value of this feedback and the effort community partners spent collecting and reporting it, this feedback is summarized below.

### *Emergency Family Assistance Association (EFAA)*



EFAA provided substantial feedback on a proposed minimum wage increase prior to the official project engagement window from February-April of this year through an official policy position, their annual wellbeing dashboards, and their own questionnaires. This section summarizes the information they have previously shared through engagement outside the project's formal engagement window.

EFAA has advocated for an accelerated minimum wage increase to meet the needs of the lowest paid workers in Boulder County and strongly advocated for a January 2024 increase in line with unincorporated Boulder County. They shared that their number of program participants has increased dramatically since the COVID-19 pandemic, and the ongoing impact of inflation continues to increase the number of individuals and families requiring EFAA support. Even as EFAA supports more individuals with their rent, utilities, and food assistance, evictions in Boulder County continue to increase.

The gap between the minimum wage and a self-sufficiency wage in Boulder County puts strain on their ability to adequately serve the community, and an increase to the minimum wage would benefit the community's lowest paid workers, decrease their reliance on the local safety net, and enable individuals and families to make ends meet. These positive impacts would address known wage equity issues, as a greater proportion of their Spanish-speaking program participants report earning less than \$20 per hour compared to all program participants, and Latino and Black Boulder County residents are more likely to live in poverty than other residents.

EFAA's program participant survey in 2023 largely revealed that most all the individuals and families that EFAA serves support a minimum wage increase to:

- Better meet basic needs
- Ensure human dignity for minimum wage earners
- Enable people to work less and spend more time with family and in the community
- Address the rapidly increasing cost of living in Boulder County

#### *Human Services Alliance of Boulder County*

The Human Services Alliance of Boulder County also conducted a survey regarding a minimum wage increase, and they received 33 responses from human service nonprofit organizations in October of 2023.

- 78% of respondents favored a 15% minimum wage increase
- 13% of respondents opposed a 15% minimum wage increase
- 9% of respondents were unsure

When asked about the potential negative impacts of a higher minimum wage on their organization, respondents often noted the following:

- Many nonprofits operate on tight budgets, and an increase may result in the need to freeze hiring, terminate jobs, rely more heavily on volunteers, and prioritize additional fundraising efforts to absorb the cost of higher wages



- Concerns about the benefit cliff effect for nonprofit program participants
- Potential negative impacts to nonprofits' abilities to provide free or low-cost services
- Negative impacts of wage compression, as many nonprofits currently pay above the minimum wage for employees with specific credentials and certifications and will need to increase their wages commensurate with employees making the minimum wage

When asked about the potential positive impacts of a higher minimum wage on their organization, respondents often noted the following:

- No impact due to already paying staff above the minimum wage
- Potential for less strain on the local safety net due to a higher regional wage
- Increased attraction and retention of employees
- Dignity for the individuals that nonprofits serve

### *Northwest Chamber Alliance*

The Northwest Chamber Alliance, a coalition of chambers of commerce across Boulder and Broomfield counties, conducted a survey of business owners and employers in the region last fall in response to conversations about accelerating a minimum wage increase to a 2024 implementation timeline. In their summarized survey results, they shared that 254 respondents were concerned about increasing the minimum wage in 2024, while 107 were not concerned. Most respondents operated businesses in Boulder (190) or Longmont (143), and smaller numbers of respondents participated from Broomfield, Lafayette, Louisville, Superior, and unincorporated Boulder County.

In the qualitative feedback from the Northwest Chamber Alliance, several respondents indicated that minimum wage increases, in combination with existing pressures on small businesses such as rent and raw material increases, would almost certainly result in price increases for consumers. Business viability was an additional concern for many respondents. One respondent indicated that they already pay above the minimum wage and that increases would not impact their business negatively.

## Attachments

Appendix A – EConorthwest Questionnaire Analysis

Appendix B – Municipality-Specific Engagement Reports

- Appendix B1 – City of Boulder Engagement Report
- Appendix B2 – City of Longmont Engagement Report
- Appendix B3 – City of Lafayette Engagement Report
- Appendix B4 – Town of Erie Engagement Report
- Appendix B5 – City of Louisville Engagement Report

## Primary Results

The minimum wage questionnaire garnered 993 responses. Across both English (94 percent of the total) and Spanish (6 percent of the total), 84 percent of respondents answered all of the questions. The analysis below includes responses across both languages. A majority of the partial responses were mostly complete. The analysis includes responses from incomplete questionnaires to provide as much information as possible regarding respondent's opinions. As a result, respondent totals will not match across all exhibits. Most charts include response counts in parentheses.

In addition, some respondents did not answer all questions consistently. For example, one question asked respondents what kind of employment best describes their own, to which 246 responded “business owner.” However, a later question directly asked “Are you a business owner?” to which 275 responded affirmatively. Therefore, depending on the exhibit, the total number of business owners may vary.

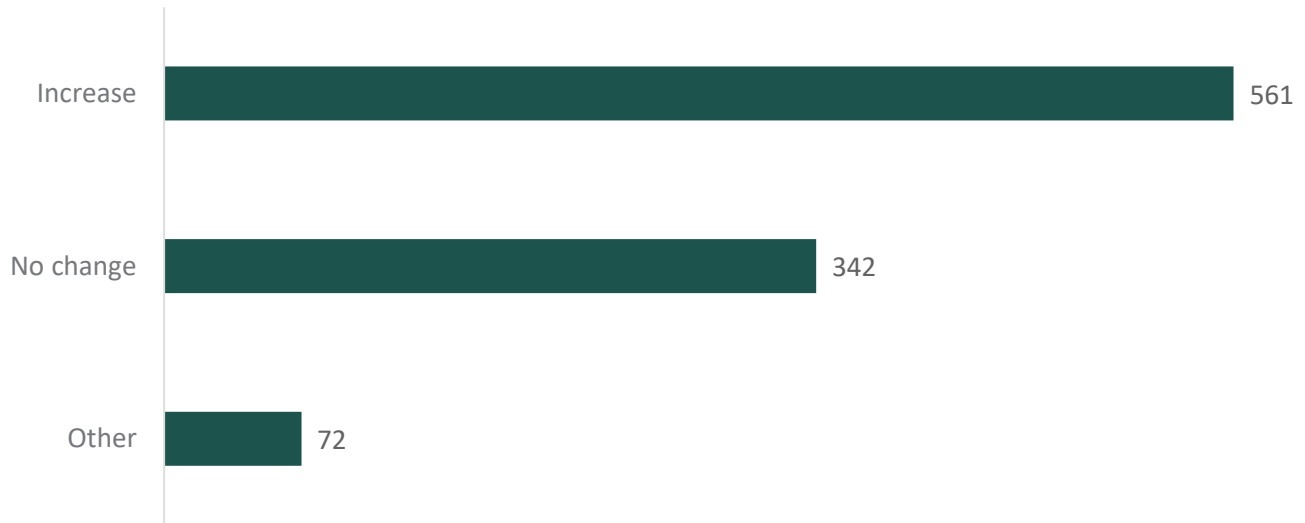
The minimum wage questionnaire asked respondents to indicate their preference regarding increasing the local minimum wage. Respondents were given three specific scenarios for an increase as well as an open-ended option to provide a different preferred increase. Respondents were also able to indicate a preference for no increase, and to express no opinion regarding an increase. The minimum wage increase scenarios were as follows:

1. Match unincorporated Boulder County (\$15.69 in 2024, increasing every year to reach a minimum wage of \$25 by 2030 and increasing based on inflation after that)
2. Match the City/County of Denver's minimum wage (\$18.29 in 2024, increasing each year based on inflation)
3. Match the current Boulder County staff hourly wage (\$23.23 in 2024)
4. Some other increase provided as a write-in response



Combining all responses that indicated support for an increase indicates that those who support some kind of increase (561 respondents, or 58 percent) significantly outnumber those who support keeping the minimum wage as is (36 percent), as shown in Exhibit A1. A minority of respondents (7 percent) favored some other action, such as abolishing the minimum wage entirely. In general, however, these latter responses could not easily be categorized as in favor of or opposed to an increase.<sup>130</sup>

**Exhibit A1. Do questionnaire respondents favor increasing the minimum wage, or keeping it the same?**



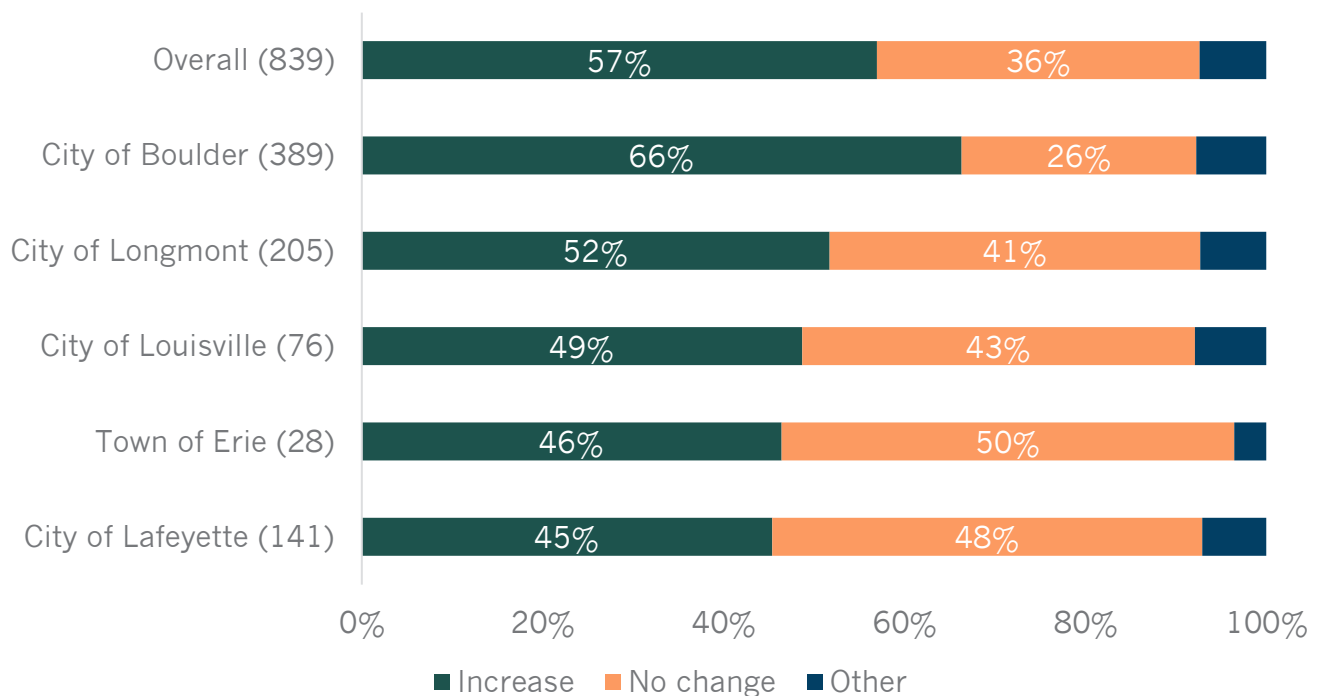
<sup>130</sup> About half of those who responded "other" could be recategorized as in favor or opposed to a minimum wage increase. The remaining half (72) expressed unclear or altogether different views, such as support for eliminating the minimum wage



Exhibit A2 shows the level of support by reported location of work. This exhibit includes individuals who reported “business owner” as their employment type and who identified a location of work. It excludes self-identified business owners who did not report an employment type or location, as well as respondents who reported work only in other areas, such as unincorporated Boulder County. In addition, as individuals were allowed to identify multiple work locations an individual’s response may appear in multiple locations.

Overall, 57 percent of respondents included in this exhibit supported increasing the minimum wage, similar to the share identified in Exhibit 1. The strongest support came from respondents who reported a work location in the cities of Boulder and Longmont, with 66 percent and 52 percent in favor, respectively. Less than half of respondents from Louisville, Erie, and Lafayette supported an increase.

**Exhibit A2. How does support for increasing the minimum wage vary by work location?**



Note: Exhibit excludes responses from individuals who reported working in a location other than one of the five municipalities.



For simplicity, we combined reported employment type into the following categories:

1. Student = Full-time students + part-time students
2. Self-employed = Self-employed + consultants
3. Wage worker = Full-time + part-time employees
4. Retired = Retired + fixed-income respondents

Exhibit A3 displays support for a minimum wage increase by category of employment. The chart excludes individuals who did not report an employment type, such as some self-identified business owners. As respondents were allowed to identify multiple employment types, an individual’s response may appear in multiple categories, leading to the higher overall response count.

The questionnaire revealed broad support for increasing the minimum wage across many employment types, with the significant exception of business owners. This latter group strongly favored no change to the minimum.

**Exhibit A3. How does support for a minimum wage vary by type of employment?**

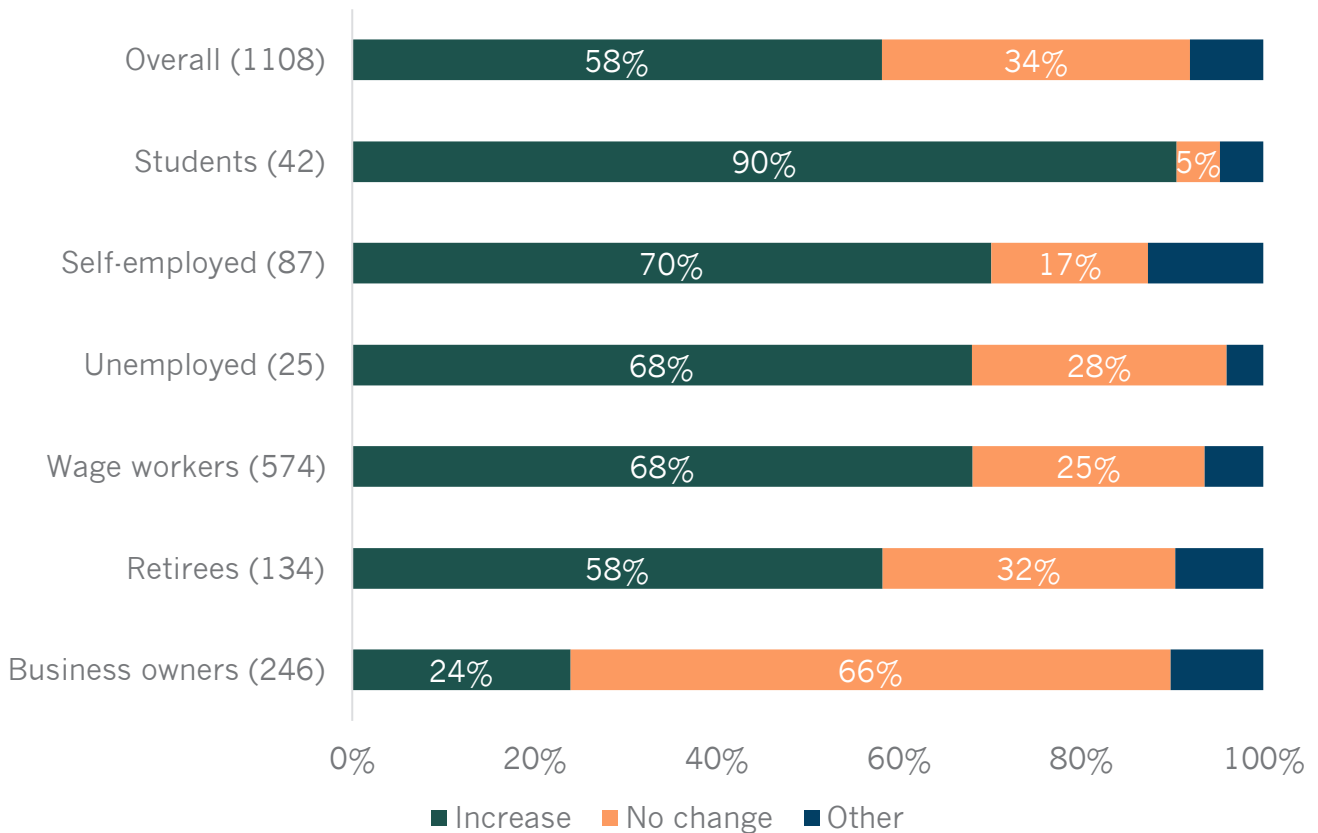


Exhibit A4 shows the number of employees that business owners in the questionnaire reported having, and their support for increasing the minimum wage. The results show no discernible pattern between business size and support for increasing the minimum wage, although it is notable that the owners of the largest businesses (over 250 employees) are nearly evenly split on the question.

**Exhibit A4. How does business size affect business owners' support for increasing the minimum wage?**

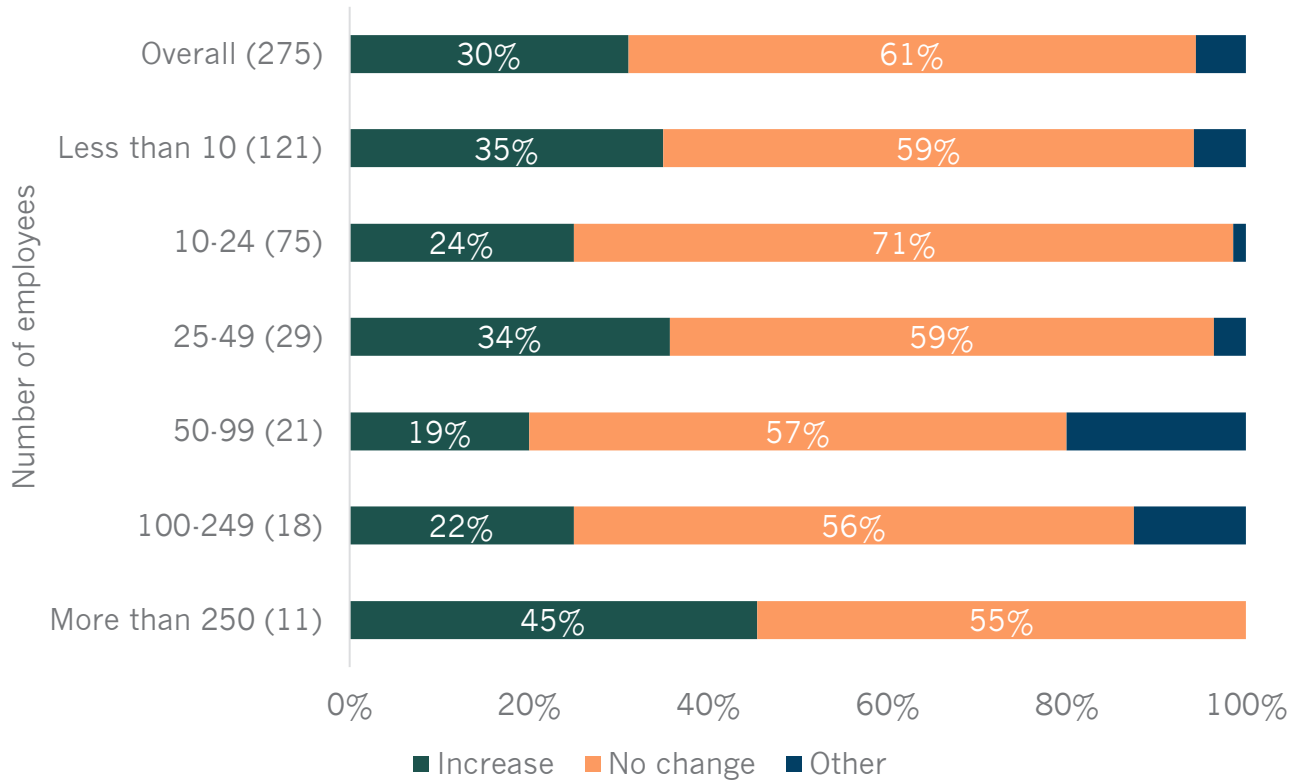




Exhibit A5 shows the percent of questionnaire respondents who are business owners in each of the study areas, including both self-identified business owners and individuals who reported “business owner” as their type of employment (two different questions) (parentheses show the number of business owners in each area). An individual’s responses may appear in multiple categories.

Exhibit A5 provides additional context for differences across municipality reported in Exhibit A3. Although Longmont appears an exception, a higher prevalence of business owners in a municipality generally correlates with lower support for a minimum wage increase.

**Exhibit A5. What percent of respondents from the study area are business owners?**

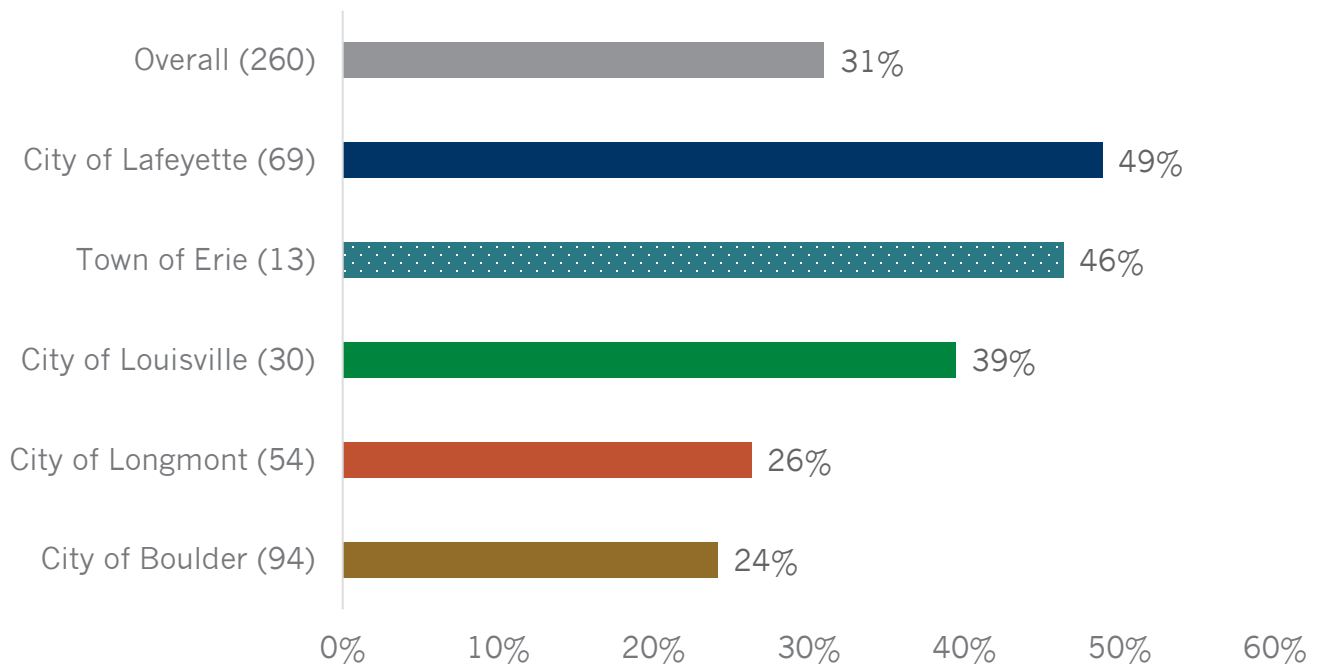


Exhibit A6 shows support for increasing the minimum wage by reported industry of employment. An individual’s responses may appear in multiple categories. Workers in some relatively low-wage industries, such as retail, indicated relatively low support for an increase.



**Exhibit A6. How does support for increasing the minimum wage vary by job industry?**

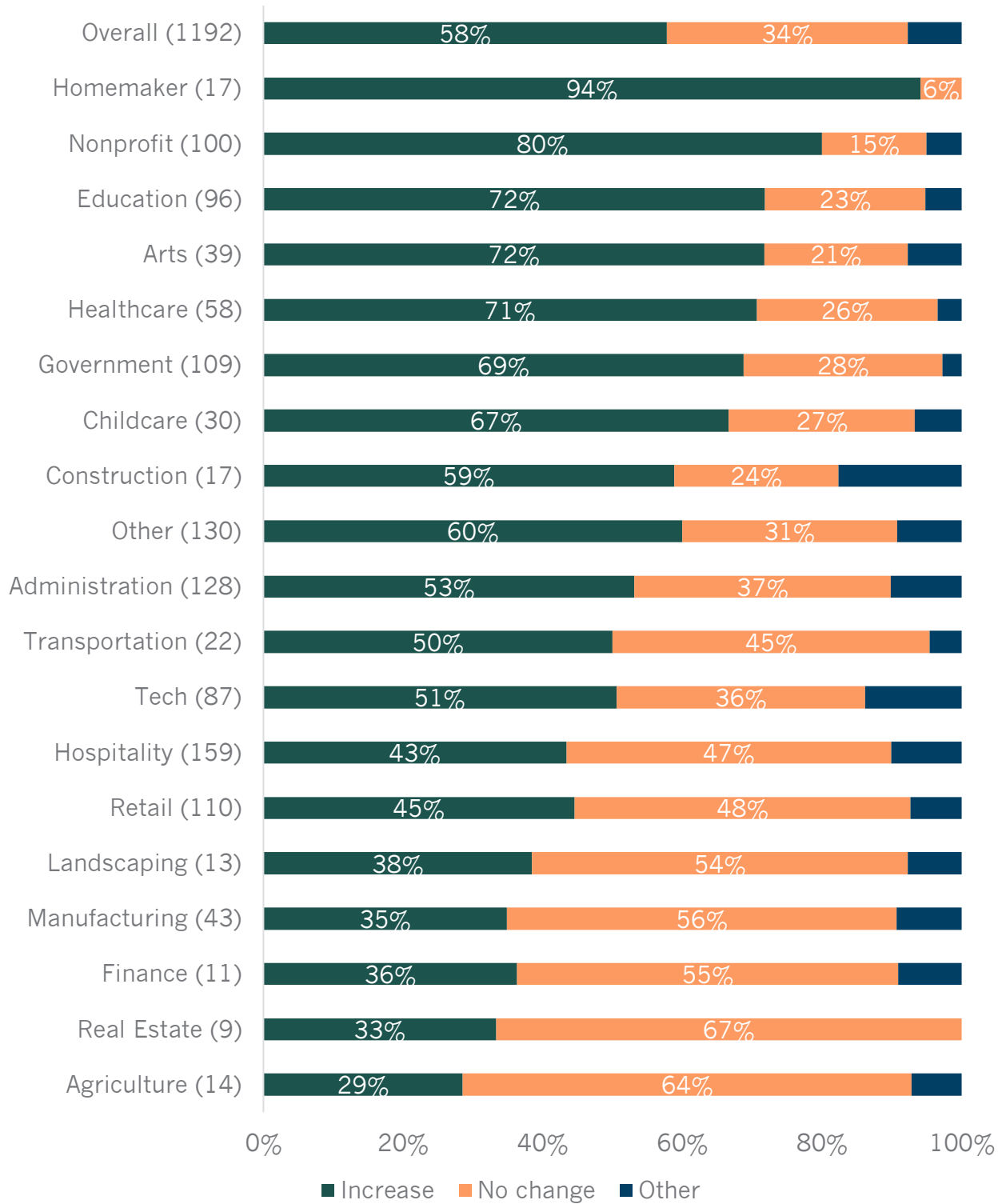


Exhibit A7 provides context for the patterns exhibited in the prior exhibit. Perhaps surprisingly, questionnaire responses indicate the strongest support for increasing the minimum wage is among higher wage earners. Narrow majorities of lower wage workers (making up to \$16 per hour) support increasing the minimum wage, while roughly two-thirds of higher wage workers (making between \$16 and \$40 per hour) support an increased minimum wage. Among lower



wage workers who do not support increasing the minimum wage, approximately 30 percent work in the restaurant industry and are likely earning tips on top of their reported wage.

**Exhibit A7. How does support for increasing the minimum wage vary by worker’s hourly wage?**

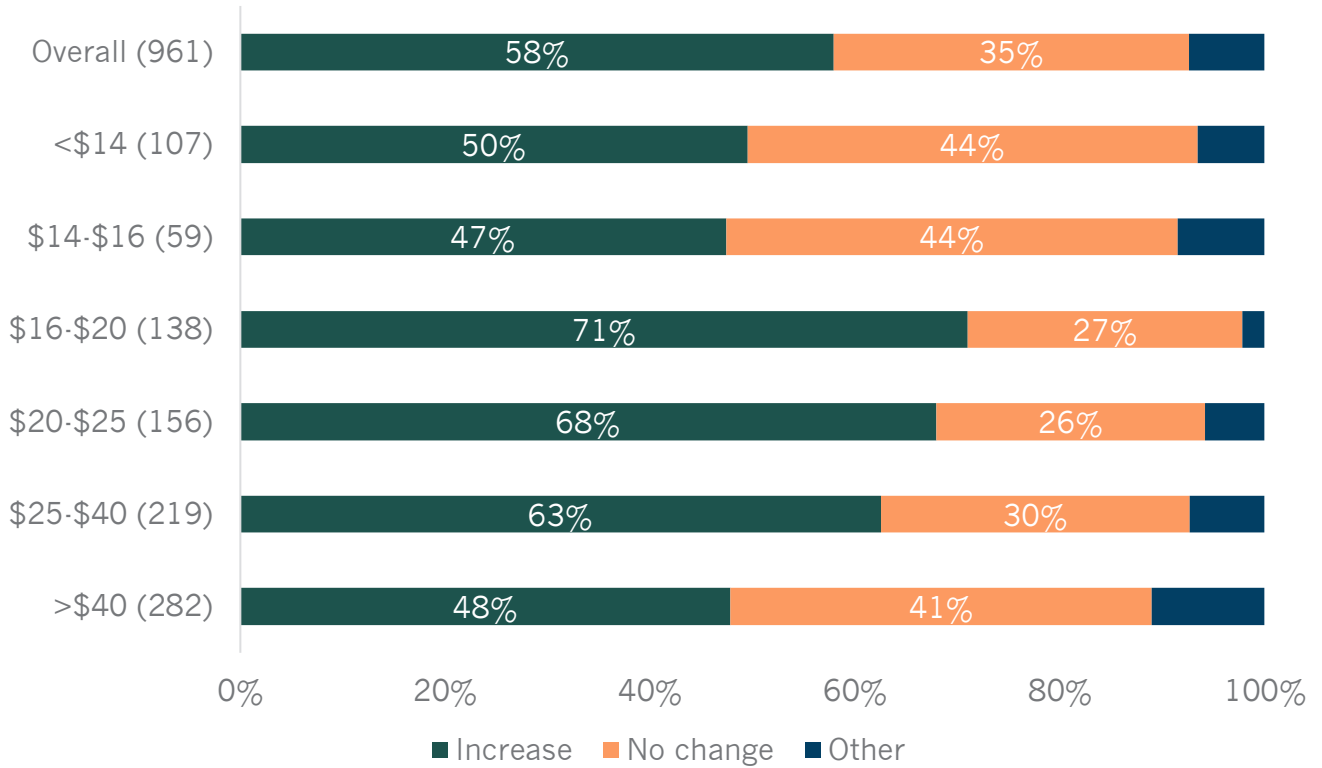
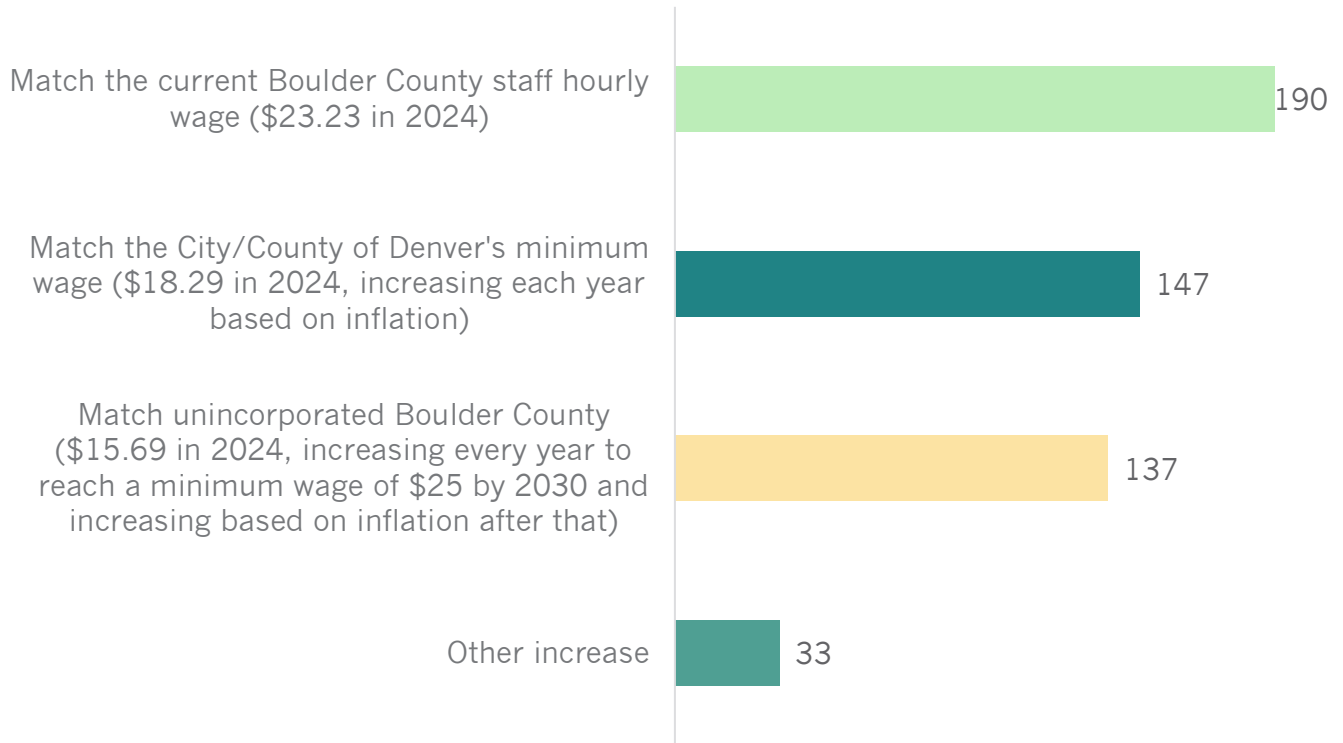


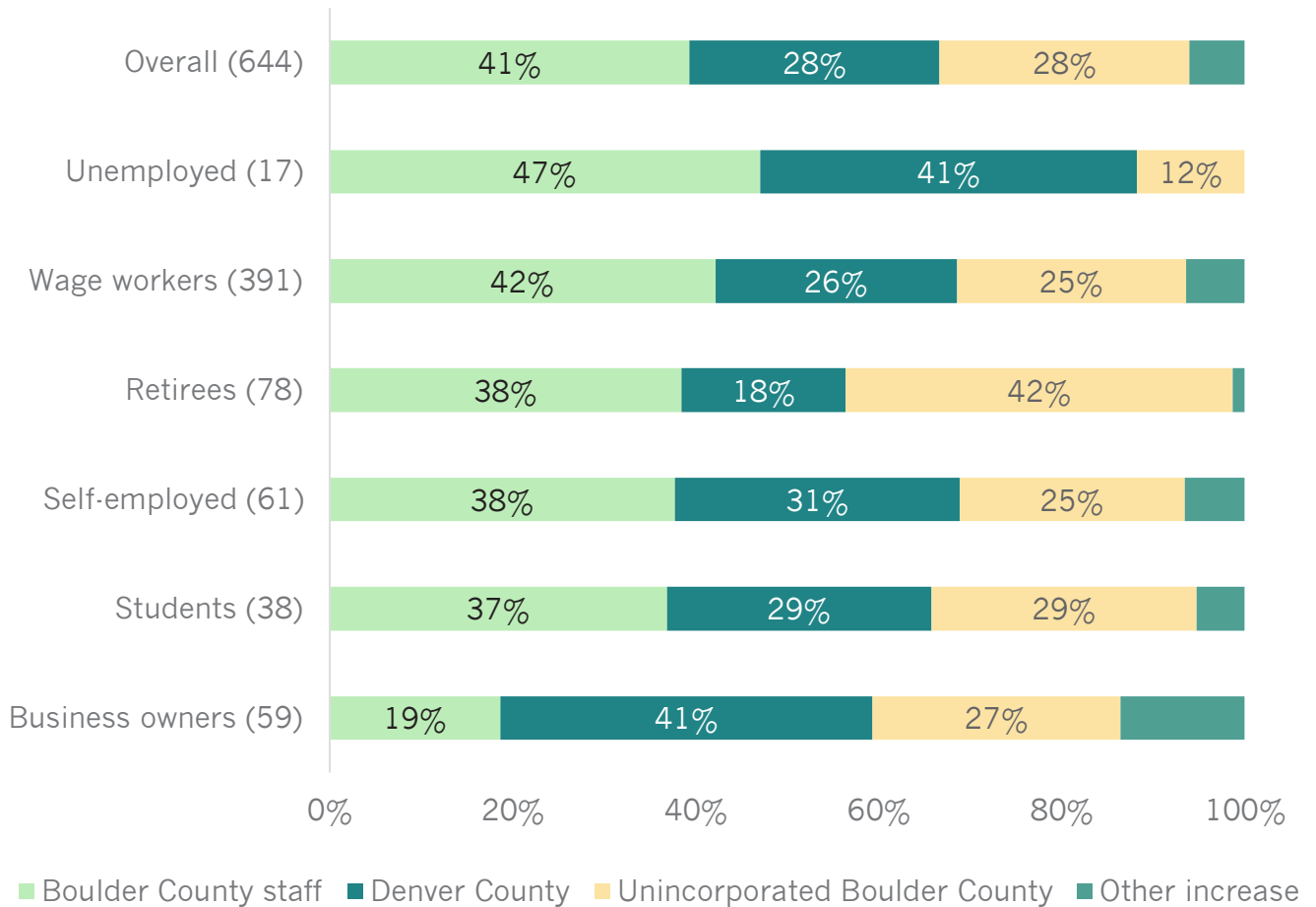
Exhibit A8 shows the most favored wage increase scenario was to match Boulder County staff wages of \$23.23 per hour (37 percent support). However, there does not appear to be a clear consensus as which scenario is best, as the City/County of Denver (29 percent support) and unincorporated Boulder County’s (27 percent support) scenarios also received significant support. A small minority of respondents (7 percent) wrote in support for other wage increases.

**Exhibit A8. Among supporters of an increased minimum wage, what is the preferred new wage?**



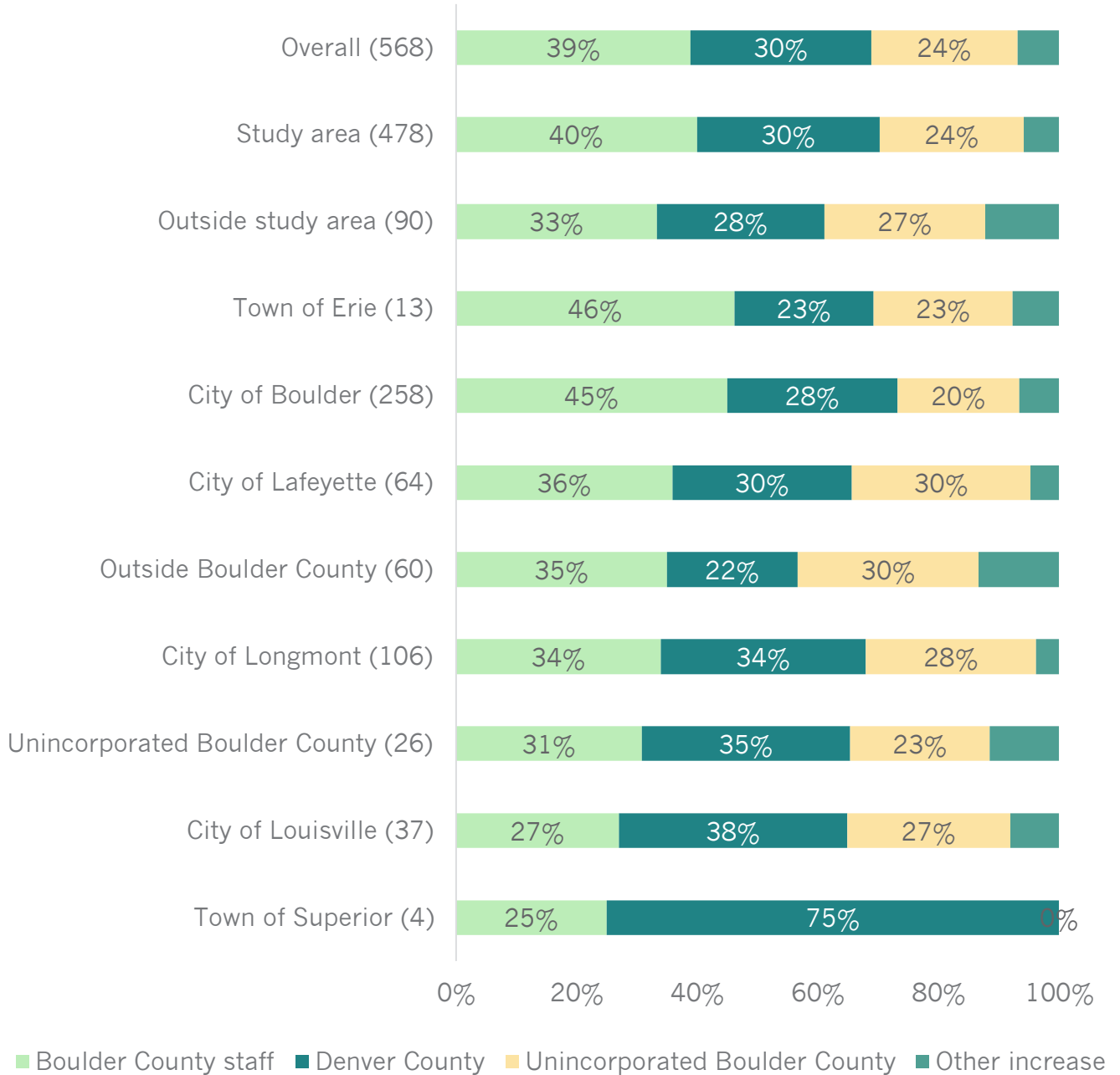
Separating supporters of each minimum wage increase level by their employment type shows some interesting variation (see Exhibit A9). For example, among business owners who support increasing the minimum wage, the most favored scenario was to match Denver’s wage of \$18.29 per hour in 2024 (and increasing based on inflation thereafter). An individual’s responses may appear in multiple categories.

**Exhibit A9. Among supporters of an increased minimum wage, what is the preferred new wage according to employment type?**



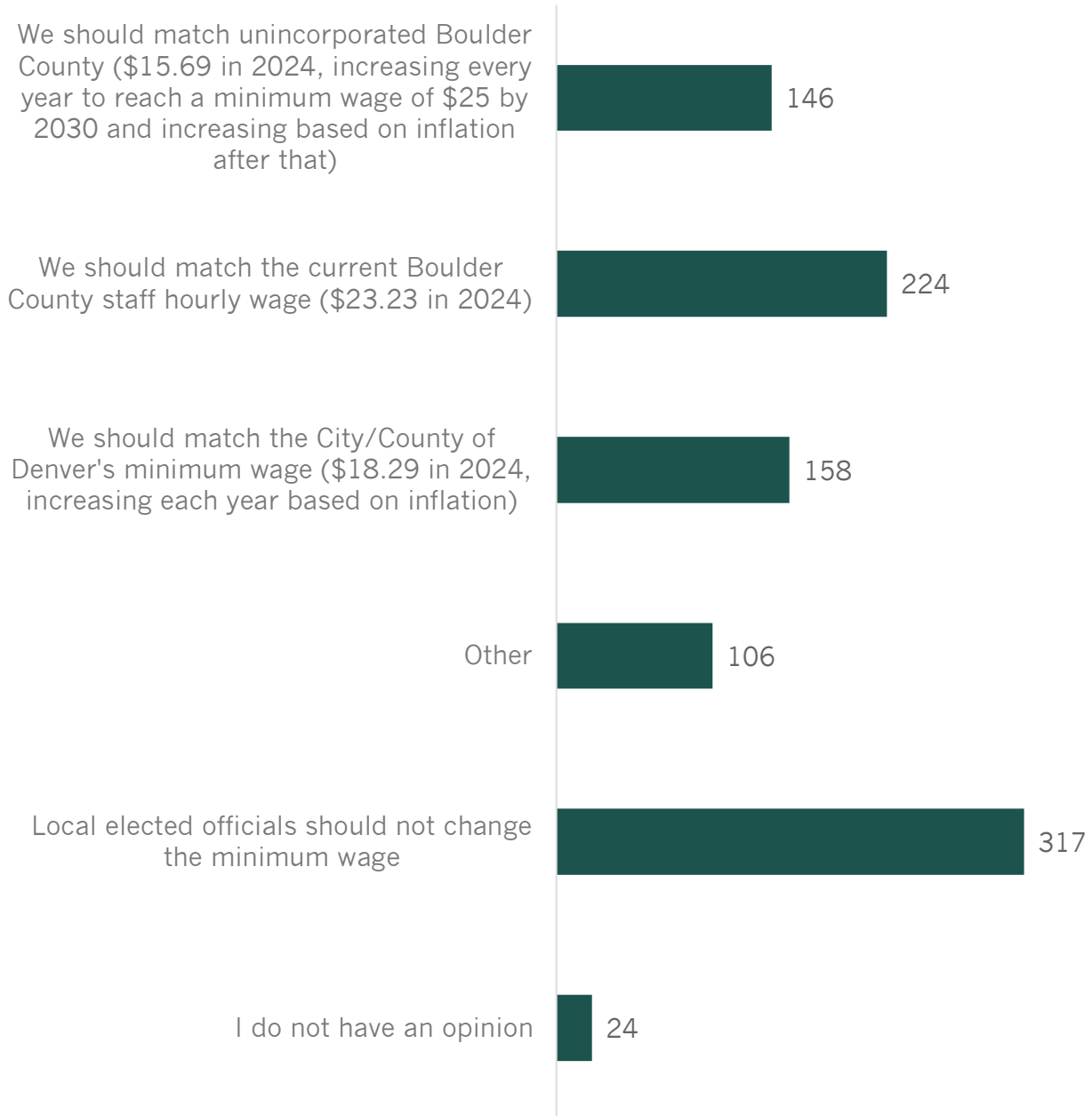
Finally, Exhibit A10 displays respondents’ preferences over minimum wage increase scenarios by reported location of work (“Study area” refers to the five municipalities party to the minimum wage economic analysis).

**Exhibit A10. Among supporters of an increased minimum wage, what is the preferred new wage according to work location?**

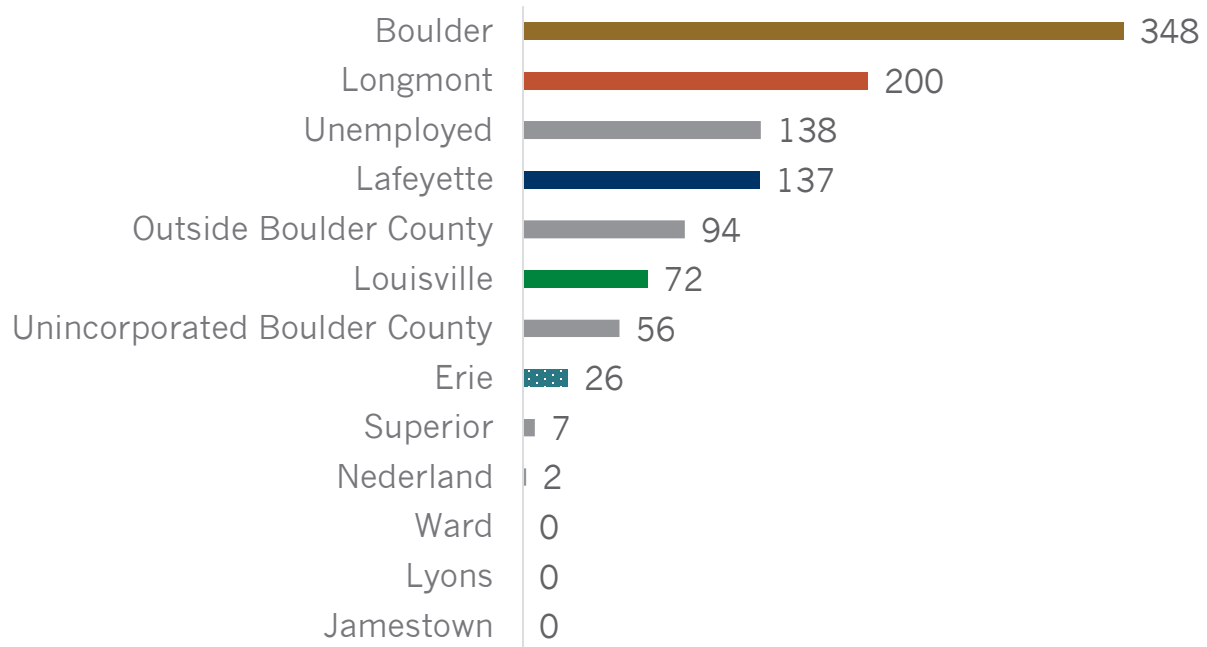


## Additional Detail

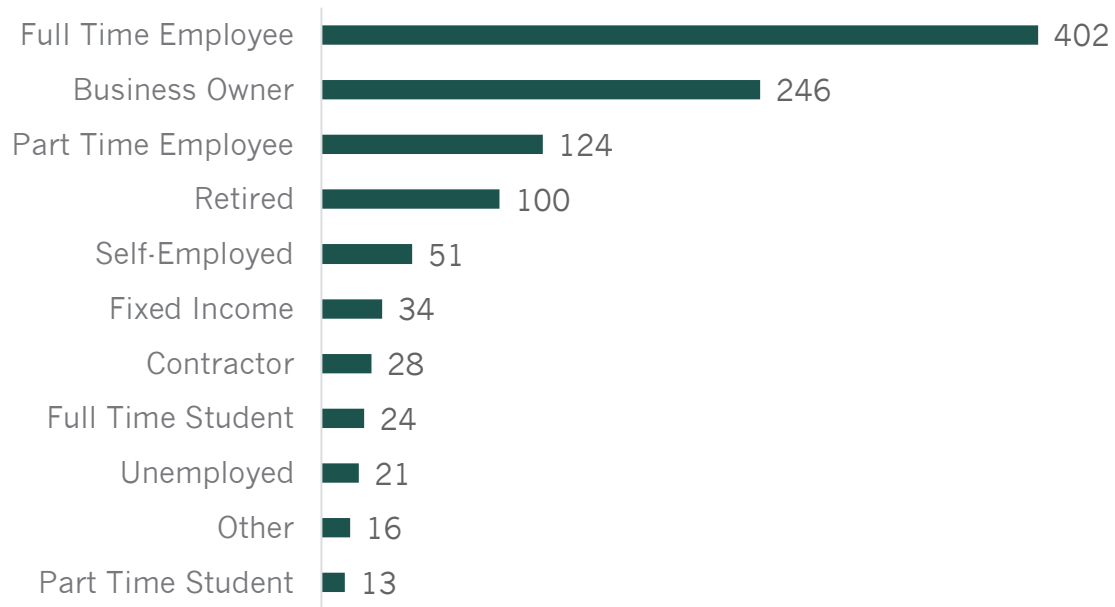
**Exhibit A11. Which statement best describes your feeling about a possible change in the minimum wage?**



**Exhibit A12. If you are employed, where do you work?**

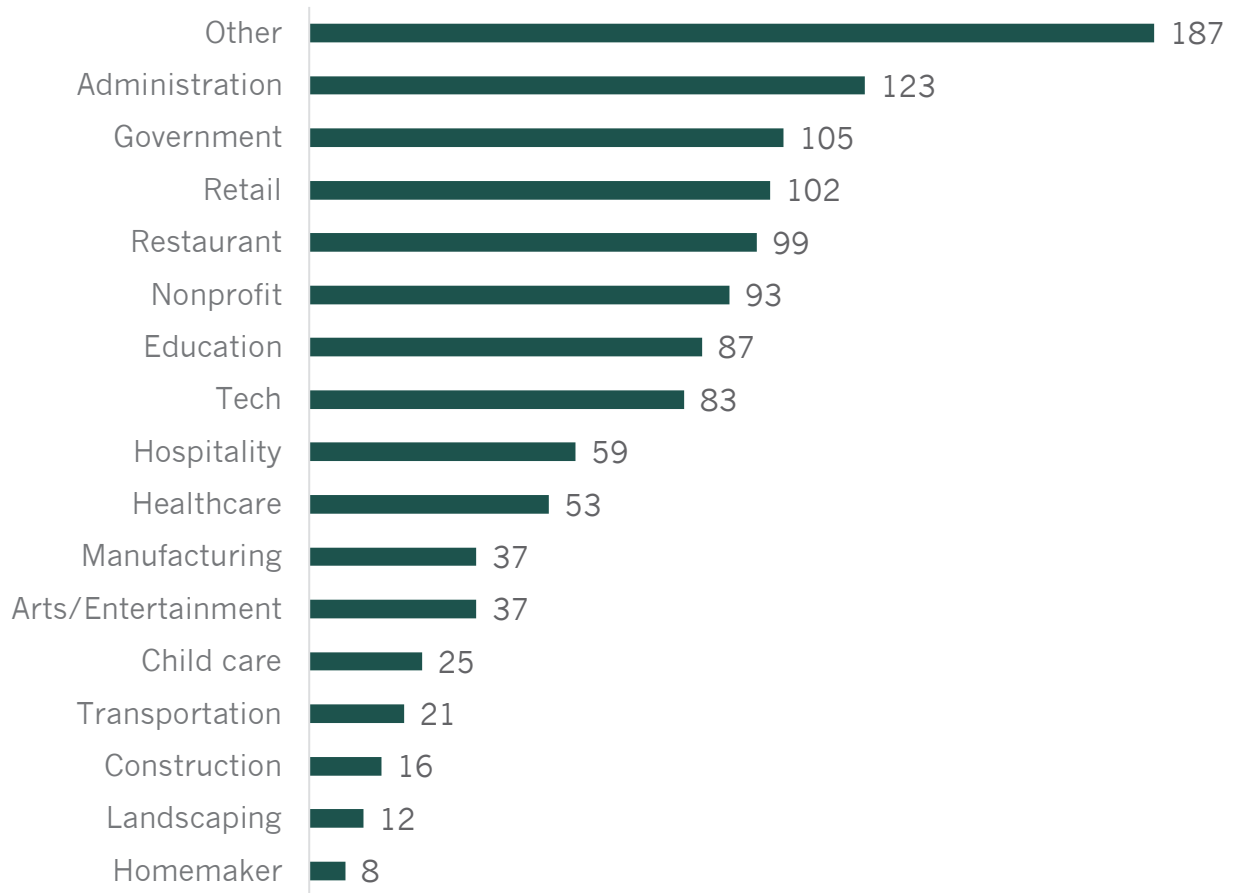


**Exhibit A13. Which of the following describe you?**

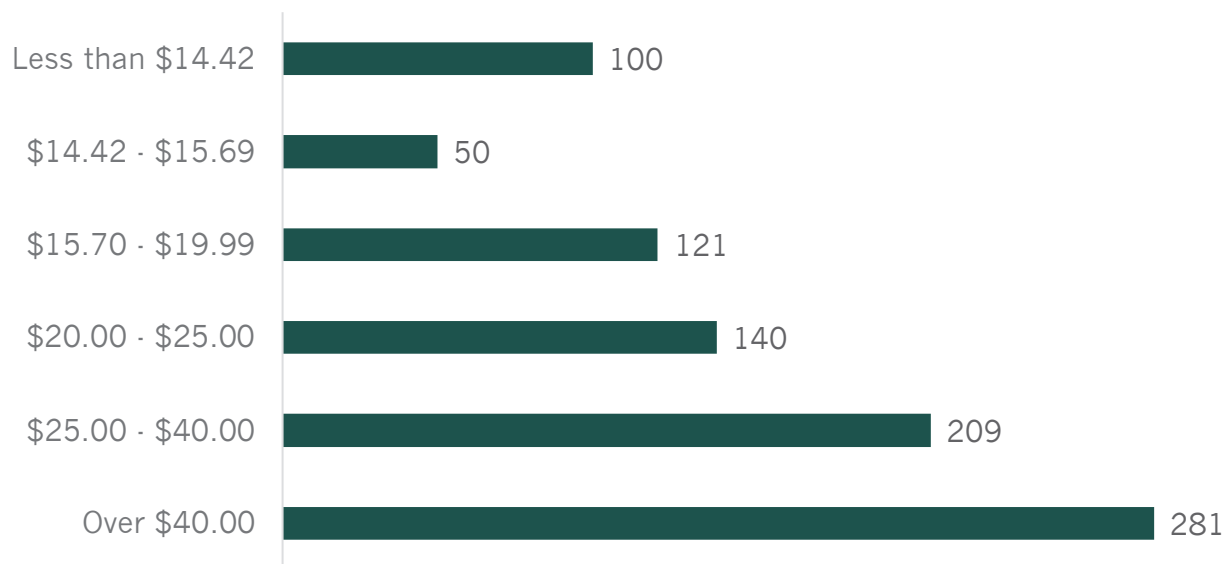




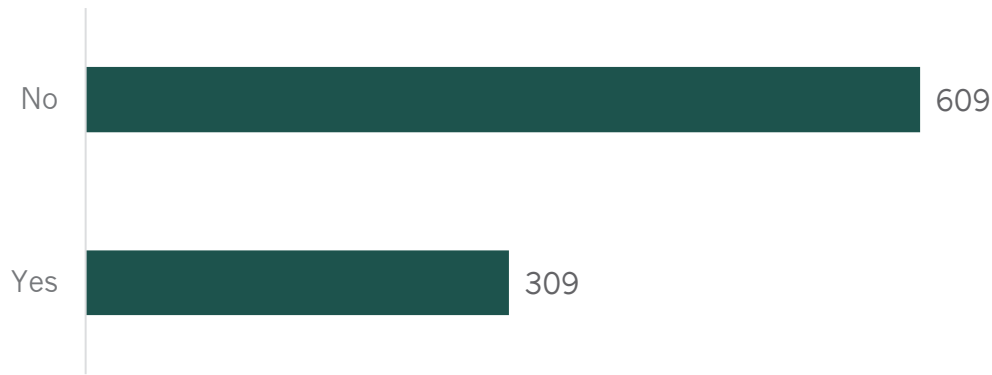
**Exhibit A14. Which of these best describes your job?**



**Exhibit A15. Which category includes your hourly wage before taxes, deductions and tips?**

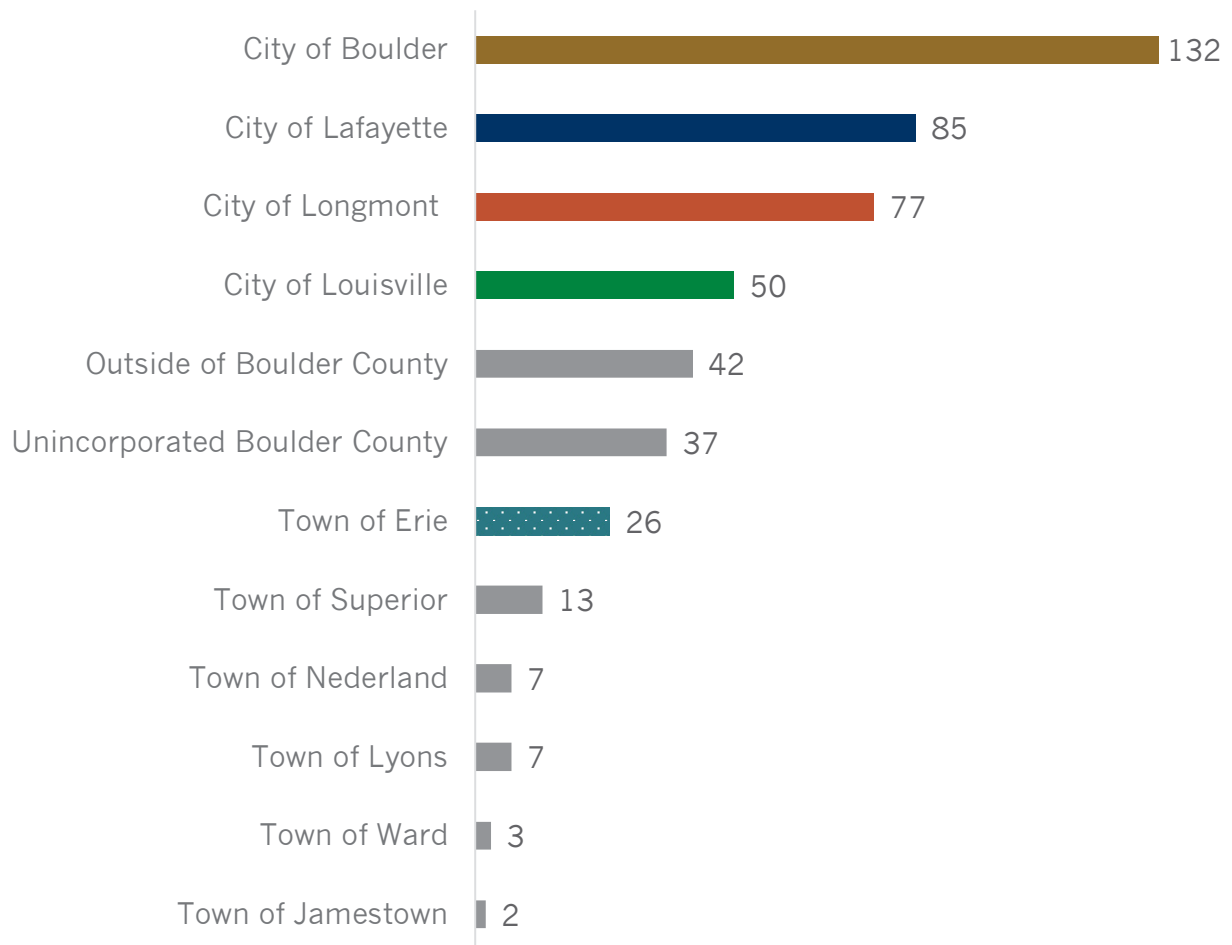


**Exhibit A16. Are you a business owner?**

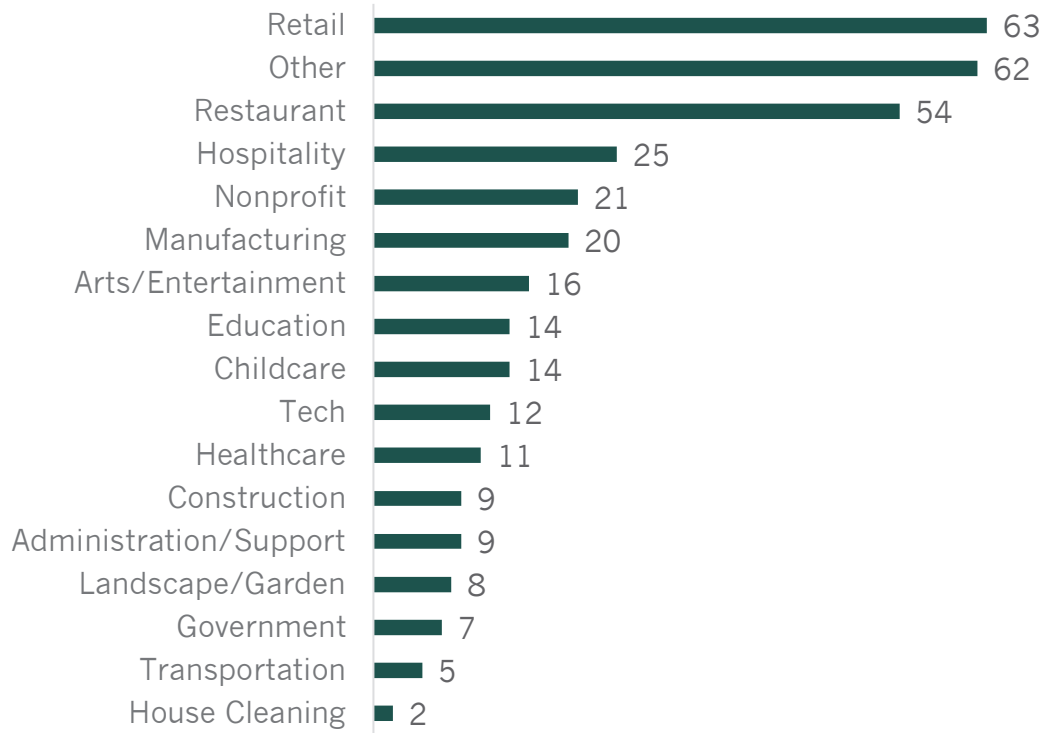


**BUSINESS OWNER RESPONSES**

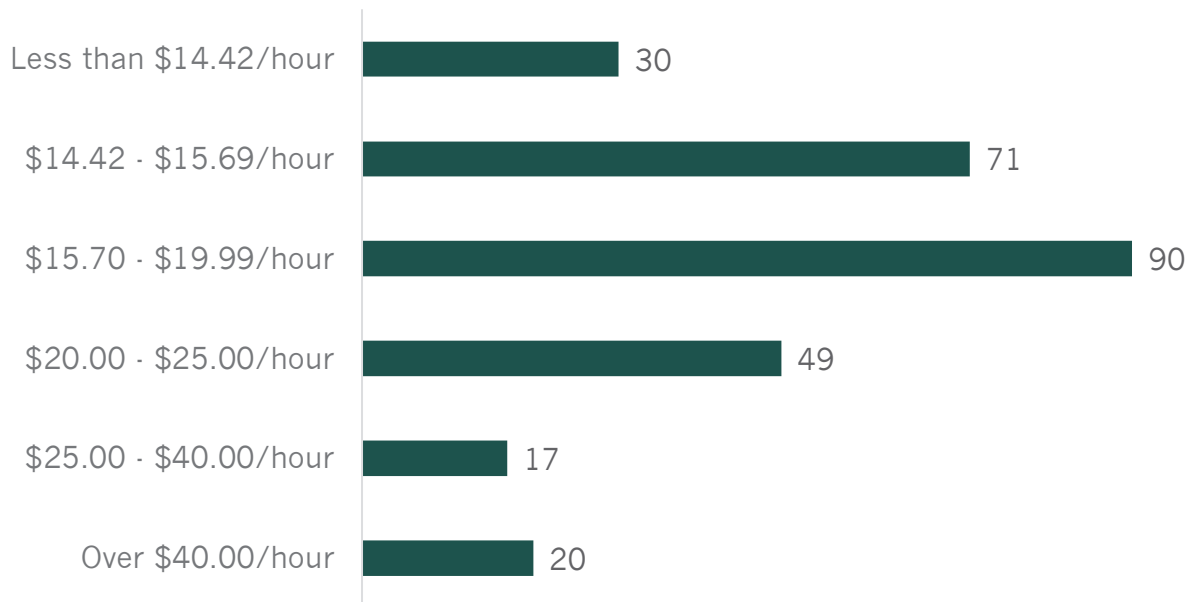
**Exhibit A17. In which Boulder County cities/towns is your business or organization located? (respondents could select multiple cities/towns)**



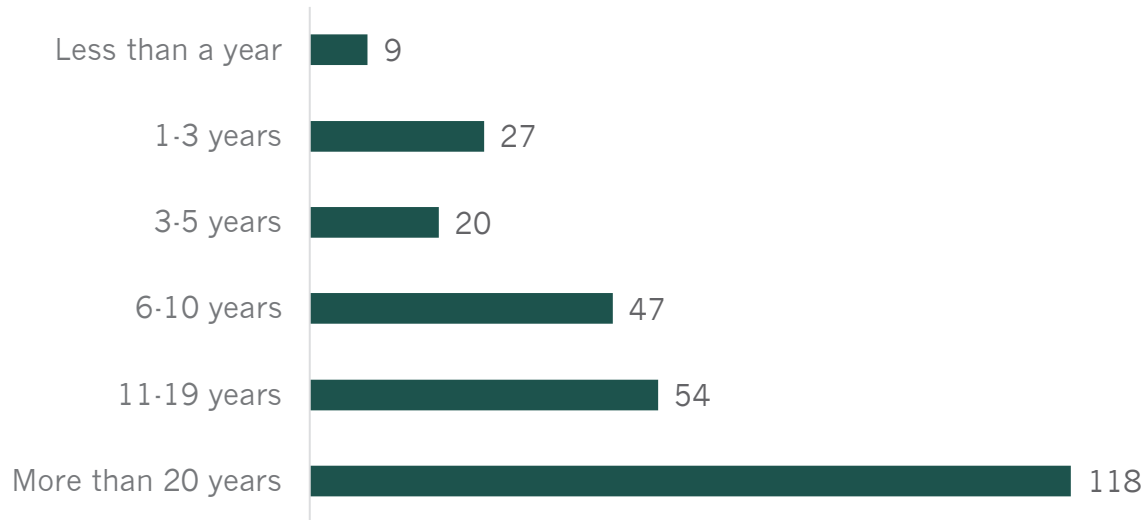
**Exhibit A18. Please indicate the type of business you own**



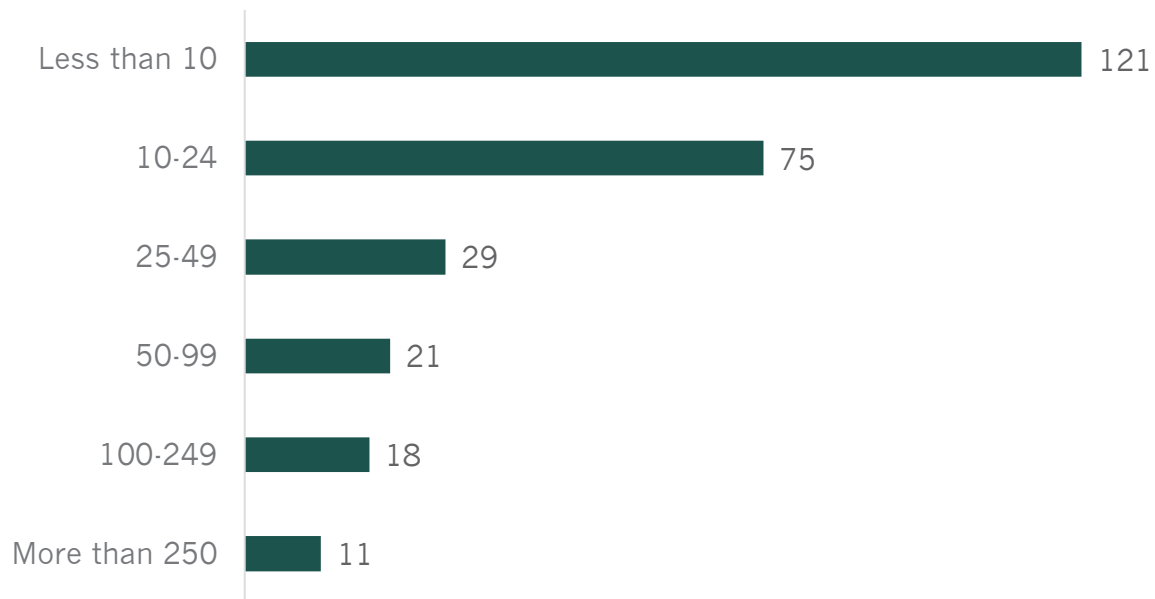
**Exhibit A19. What category includes the hourly wage for your lowest paid employees before taxes, deductions and tips?**



**Exhibit A20. How long has your business been in operation?**



**Exhibit A21. How many workers do you employ?**





## Executive Summary

An increase to local minimum wage in Boulder would have far reaching impacts, with the greatest impact being felt by minimum wage earners and business owners.

Over the course of three months, community members were invited to provide their thoughts virtually and in-person, with English and Spanish options at one of 14 focus group sessions and through an online questionnaire.

Among the 200 individuals that engaged in focus groups throughout the region, 98 were Boulder community members. Among the approximately 1,000 questionnaire responses, 390 respondents self-identified as Boulder community members and/or employers.

Feedback themes fell into two broad categories - key themes were those that were consistently repeated across responses in both the questionnaire and focus groups, while unique themes were those that were mentioned less frequently but shared a potential outcome that would be particularly impactful to a specific subgroup of individuals.

This report contains many positive and negative impacts for Council to consider as they prepare to make a decision whether and how to move forward with ordinances regarding local minimum wage.

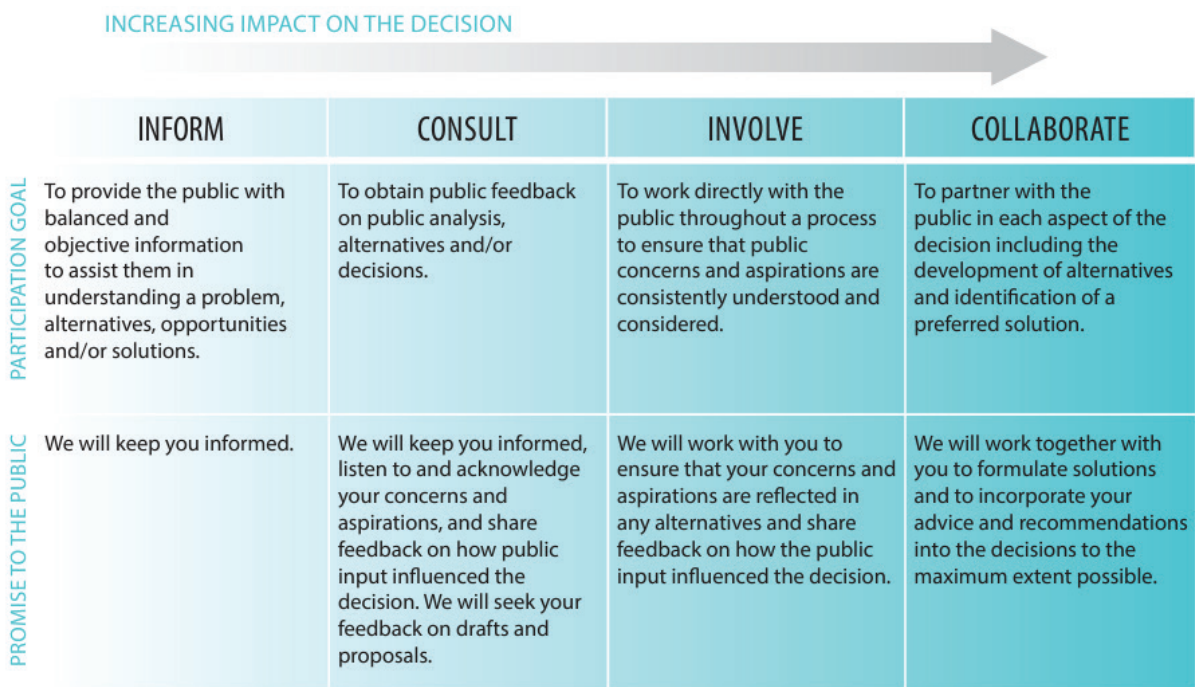
## Regional Model for Engagement Strategy

In the summer of 2023, elected officials from the Cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. Since August of 2023, regional teams have met to scope and administer these next steps. Teams include one staff member from each of the five participating communities as well as three community representatives: one representative from the Chamber of Commerce (in representation of the business community), a representative from the Self Sufficiency Wage Coalition (in representation of the workers and faith community), and a representative of Emergency Family Assistance Association (in representation of human service nonprofits).



## City of Boulder Regional Minimum Wage Engagement Report

A standard engagement model operating at the 'Involve' level of the public participation spectrum was administered across the five participating communities. Engagement opportunities were available between mid-February until April 15th, and community members were provided options to participate virtually and in-person, with English and Spanish options at one of 14 focus group sessions and through an online questionnaire. The economic analysis, alongside the close-ended feedback from the engagement questionnaire, will be provided in a separate consultant report.



ADAPTED FROM CIAIP2 INTERNATIONAL FEDERATION 2014.





## City of Boulder Regional Minimum Wage Engagement Report

### How the City of Boulder Implemented the Model

The City of Boulder’s engagement strategy focused on meaningful, inclusive, and equitable engagement opportunities for both business owners and community members. Boulder’s specific strategies and implementation included:

Hosting six focus group sessions: four centering community members and two centering employers and business owners, 5 in English with Spanish translation and one in Spanish with English translation for community. One session was offered online via Zoom (see Attachment A – Engagement Opportunities Flyer).

Promoting the project’s online questionnaire through its dedicated Regional Minimum Wage project website and social media channels. The questionnaire was available in both English and Spanish for both community members and business owners.

To address some geographic and socioeconomic challenges to participation, City of Boulder staff implemented two additional proactive outreach strategies:

A focused canvassing effort to spread awareness about engagement opportunities to businesses outside of the downtown area.

Drop-in engagement hours at the Emergency Family Assistance Association (EFAA) food bank to encourage questionnaire and focus group participation, recognizing the immense barriers to engagement for many of the community members who would be most impacted by an increase to the local minimum wage. Staff spent eight hours at the EFAA Food Bank during four drop-in visits doing direct outreach with program participants. Staff outreach included administering questionnaires, answering questions, advertising focus group opportunities, and providing information about the minimum wage project.

Importantly, the regional team received valuable feedback from community partners at the end of 2023, prior to the project’s formal engagement window. This feedback is summarized in the regional engagement report.

Both the focus group sessions and the questionnaire asked the same three questions of employers and community members. This engagement report focuses on themes that emerged from the qualitative feedback data of these three questions from people that self-identified their participation in Boulder’s economy:

***What do you think the positive impacts of increasing the minimum wage could be for you, (your family / your business), and your community?***

***What do you think the negative impact of increasing the minimum wage could be for you, (your family / your business), and your community?***

***Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?***

### Analysis

In addition to the open-ended questions above, the online questionnaire asked a series of close-ended questions gathering economic data about respondents’ current wages, industries, and more. These data were analyzed by the project’s economic analysis consultant, ECONorthwest, and will be reported separately. The themes reported below resulted from city staff analysis of open-ended and freeform feedback related to the perceived positive and negative impacts of increasing the minimum wage.

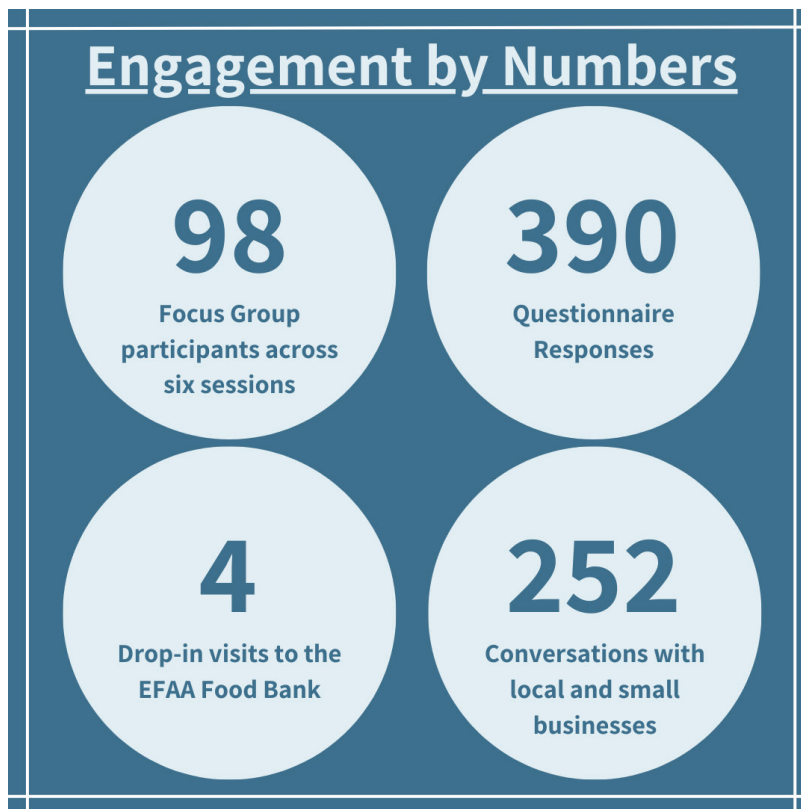


## City of Boulder Regional Minimum Wage Engagement Report

### Methods

Among the 200 individuals that engaged in focus groups throughout the region, 98 were Boulder community members. Among the approximately 1,000 questionnaire responses, 390 respondents self-identified as Boulder community members and/or employers.

Even though the engagement model was not structured to yield scientifically representative results, staff analysis used a hybrid method to organize the high volume of comments into a descriptive storytelling report. An initial scan of response data identified 25 unique topic areas, and from there comments were categorized and coded into themes. Feedback themes fell into two broad categories - key themes were those that were consistently repeated across responses in both the questionnaire and focus groups, while unique themes were those that were mentioned less frequently but shared a potential outcome that would be particularly impactful to a specific subgroup of individuals. This approach acknowledges the persistent barriers to participation, and brings visibility to the perspectives shared without a thorough account of their frequency.







## City of Boulder Regional Minimum Wage Engagement Report

Engagement Strategy	Outcome
Focus Group Sessions	98 participants across six sessions
Online Questionnaire	216 community members responded in English 37 community members responded in Spanish 131 employers responded in English 6 employers responded in Spanish
Business Canvassing	252 documented outreach conversations with local and small businesses, speaking with both business owners and employees
EFAA Food Bank Hours	Eight hours between four drop-in visits to the EFAA food bank

### Key Themes

While the analysis revealed immense variation in participants’ feelings across both employers and community members, many common themes emerged according to whether a participant identified themselves as an employer or community member. While the focus group session feedback was more balanced, the questionnaire responses revealed more distinct feedback between community members and employers, respectively.

This report separates community member and employer feedback, but this organizational structure is not meant to suggest binary opposition between employers and community members given the complexity of responses and the immense variety of perspectives within each group. Employers, too, are community members, and separating their feedback from the rest of the community’s responses enables staff and decision makers to understand their unique perspective on this issue. This engagement process revealed that both workers and employers participate in the economy in multiple ways, individuals often hold multiple perspectives, and every single person and organization possesses unique lived and learned experience related to the minimum wage.

The key engagement themes are listed here and explained in greater detail below.

### Key Themes – Community Member Feedback

#### *Theme A – Increased Ability to Meet Basic Need*

Higher wages may enable more people to afford housing, food, utilities, health insurance, transportation, childcare, education, retirement savings, and other necessities. With additional income, minimum wage earners may not live paycheck to paycheck or rely on their savings to pay their bills, and people may be able to take on less debt.

Fewer individuals and families that rely on the minimum wage would live in poverty.

Minors in minimum wage jobs could make significant contributions to their families’ abilities to meet basic needs.



## City of Boulder Regional Minimum Wage Engagement Report

### *Theme B – Improved Quality of Life for Minimum Wage Earners*

With higher wages, minimum wage earners could have fewer jobs or work fewer hours, enabling them to spend more time with their families, in their communities, and taking care of themselves.

Children could spend more time with their parents/guardians and less time alone if higher wages result in the ability to work fewer hours, especially in single-parent households.

People will experience improved mental and physical health outcomes if higher wages result in less financial stress.

Increased wages may enable people to invest in recreation, vacations, and leisure activities that they currently cannot afford.

“More disposable income means more money spent in the community. And if people are better able to make ends meet it will mean a better quality of life. It will also help promote diversity if more people can afford to live in Boulder County communities.”

### *Theme C – Economic Growth*

Additional disposable income would allow individuals and families to spend more money at Boulder businesses and restaurants, increasing their participation in the local economy.

Increased consumer spending in Boulder would result in higher city sales tax revenue.

Higher wages and the resulting pressure on businesses and nonprofits might spur greater innovation.

Fair compensation would result in higher productivity, better employee retention, increased business profits, and ultimately job growth.

Minimum wage earners could rely less on public assistance programs offered through public and nonprofit organizations, alleviating pressure on these service providers.

### *Theme D – Higher Wages make Boulder an Attractive Place to Live, Work, and Play*

Higher wages may enable current Boulder workers to live in Boulder rather than commute from neighboring cities.

Additional workers may begin commuting from nearby communities due to attractive, competitive wages.

A higher minimum wage could strengthen a sense of community and make the city more diverse, resilient, welcoming and vibrant.

### *Theme E – Concerns about Inflation and Rising Cost of Goods & Services*

Increased wages could result in inflationary increases to the costs of rent, food, utilities, childcare, and other

## City of Boulder Regional Minimum Wage Engagement Report

goods and services.

Some community members remarked that this is a price they are willing to pay for fair wages, while others, especially those on fixed incomes from retirement, disability benefits, or other sources, are concerned about higher costs without a simultaneous increase to their incomes.

### Community Member Feedback on Negative Impacts

While community members most often cited the positive impacts from a minimum wage increase (Key Themes A, B, C, and D), many also acknowledged the possibility for negative or unintended consequences. In addition to the widespread concern about inflation and the rising cost of goods and services (Key Theme E), community members often noted fears surrounding negative impacts to small businesses, reduced employee hours and benefits, and an increased minimum wage not being the appropriate solution to address the cost-of-living crisis (explored in more detail below).

### Key Themes\* – Employer Feedback

\*Importantly, increased labor cost was a prominent theme in employer responses. It is not included as a key theme below since it is offered as the main driver of more specific impacts and thus woven throughout Themes F, G, H, I, and J.

#### *Theme F – Increased Pressure on Local and Small Businesses*

The most common theme among business owners was that increased labor costs may push local and small business owners to sell, close, or move their business outside of the City of Boulder/Boulder County into a community where the cost of doing business is lower.





## City of Boulder Regional Minimum Wage Engagement Report

Many business owners emphasized that while their business may be able to survive, profit margins would be tighter, they would have to drastically increase their own working hours to make ends meet, and it may not be worth the additional stress to continue operating.

### *Theme G – Businesses Forced to Increase Prices*

Speaking to the same challenge as Theme E (Concerns about Inflation and Rising Cost of Goods & Services), a large share of business owners warned that an increased minimum wage would force them to raise their prices to maintain business viability.

Increased prices could result in lower sales due to individuals shopping online or in other communities.

### *Theme H – Reduction in Employee Hours, Benefits, and Opportunities*

Many employers expressed the possibility of terminating jobs, reducing employee hours, or eliminating employee raises and benefits programs.

Employers emphasized that they do not want to implement these strategies to absorb higher labor costs, as both employees and customer service could suffer.

Employers may automate employee functions where possible, potentially resulting in fewer job opportunities.

Several employers that intentionally hire individuals with little or no work experience, youth, or individuals in recovery from mental health challenges or justice-system involvement may not be willing to provide these opportunities.

Entry-level positions, internships, and training jobs for inexperienced workers could be eliminated due to lower return on investment.

### *Theme I – Wage Inequity and Compression*

An increased minimum wage would result in wage compression, meaning that the pay gap between minimum wage earners and higher earners would decrease, in many cases pressuring employers to raise all employees' wages to remain competitive.

If employers cannot raise all employee wages, they may only be able to afford to hire inexperienced workers at the floor set by the local minimum wage.

In addition to wage equity between employees, business owners shared fears that they would have to lower their own pay checks to an unsustainable amount or even skip paychecks to absorb the cost of a higher minimum wage.

Many employers who currently make a conscious effort to pay above the minimum wage may lose their competitive advantage if the wage floor is raised for the whole community.

### *Theme J – Changing Character of Boulder*

Business owners feared that Boulder may become a city with primarily large chain stores and restaurants that can more easily afford increased labor costs, resulting in the loss of unique character and quality of service that small, local businesses bring.



## City of Boulder Regional Minimum Wage Engagement Report

This may negatively impact tourism.

It could result in excess commercial space vacancies downtown and thus reduced economic vitality.

### Employer Feedback on Positive Impacts

While the positive impacts of a minimum wage increase were most often shared by community members rather than employers, some employers agreed with several of the positive impacts described in Key Themes A, B, C, and D. When asked about the positive impacts of a minimum wage increase, employers most often mentioned the possibility for increased buying power among consumers, attracting and retaining employees, and helping employees meet their basic needs and improve their quality of life. Many employers included the caveat that any positive impacts of an increased wage would be short-lived.

“I don’t see positive effects, because when the minimum salary increases, goods and rents also increase, and the purchasing power of families decreases.” (translated from Spanish)

### Unique Themes

The themes detailed in this section represent items that were not frequently mentioned but that represent additional perspectives and could have a large impact on a specific group, community, or industry.

#### Unique Themes – Community Member Feedback

**Reduce Wealth Gap:** Increasing the local minimum wage could reduce the wealth gap between several groups, including employers and employees; white workers and people of color; and working class and middle/high income individuals.

**Benefit Cliff:** For individuals who qualify for and use public benefits, an increased minimum wage could increase their income past eligibility caps without providing enough additional income to backfill or exceed the value of these public benefits. For these individuals, a higher wage could result in the loss of benefits.

Importantly, some community members shared the perspective that many individuals who qualify for public assistance programs may not currently use them. For these individuals, a higher wage could result in additional income without loss of benefits.

Relatedly, several community members shared that their current wage is just high enough to disqualify them from public assistance, but not enough to thrive. For these individuals, a higher wage could result in additional income without loss of benefits.



## City of Boulder Regional Minimum Wage Engagement Report

**Better Environmental Outcomes:** If more individuals can live closer to where they work because of an increased minimum wage, the city would be reducing vehicle miles travelled and thus lower the community's carbon footprint.

**Greater Societal Benefits:** Since raising the minimum wage could help more people meet their basic needs, this policy change could alleviate larger societal issues linked to poverty such as theft, crime, violence, homelessness, and financial stress linked to changes in household structure, such as divorce.

**Union Leverage:** Unions could use a higher minimum wage as leverage for better bargaining.

**Enable Students to Stay in Boulder:** Higher wages may enable students to stay in Boulder after graduating from CU or Naropa.

**Childcare Expenses:** For some parents, the cost of childcare exceeds their hourly wage, making it more expensive to work than to stay home. A higher wage may enable these individuals to better afford childcare and participate in the workforce if desired.

“The effects would be positive, because here, in Boulder County, the cost of everything has increased, everything is very expensive, but our salaries remain the same, and now we don't have enough money to afford many things. Everything goes up, except our salaries.” (translated from Spanish)

### Unique Themes – Business Owner Feedback

**Commercial Leasing Costs:** Several employers commented that, should they need to close or move their organization because of higher labor costs, their commercial lease may not match up with their closure/moving timeline, resulting in additional sunk costs.

**Exploitation of the Vulnerable:** A less common but recurring theme was the potential connection between higher wages and exploitation of the most vulnerable community members. For example, while large corporations often pay more, they also share less profits with employees. Undocumented individuals without paperwork may be paid less to compensate for higher wages for documented employees. Finally, some minimum wage earners may need to work additional hours to keep up with inflationary increases to the cost of goods and services.

### Unique Themes – Industry-Specific Feedback

**Restaurants/Tip-based Industries:** Restaurant owners shared near universal concern over increasing the tipped minimum wage alongside the non-tipped minimum wage. Redirecting resources to increase pay for front of house employees who are already making far more than back of house employees results in greater inequity between restaurant workers.

**Nonprofit Service Providers:** Both EFAA and the Human Services Alliance shared detailed feedback.



## City of Boulder Regional Minimum Wage Engagement Report

EFAA shared that many of their program participants will spend up to 70% of their wages on housing, which could be alleviated by a higher wage. They shared that people who receive rental assistance from EFAA receive about \$2,000 per household on average and that even a \$1 per hour increase for a full-time minimum wage worker would exceed the amount they currently receive in rental assistance.

In 2023, before the project’s formal engagement window, the Human Services Alliance (HSA) of Boulder County circulated a questionnaire among human service nonprofit organizations. Many organizations shared that a minimum wage increase may help the individuals their programs serve and lessen the strain on the local safety net as well as help their organizations attract and retain employees. They also shared concerns about the benefit cliff phenomenon for their program participants. Moreover, many human services nonprofit organizations shared that increased labor costs may result in less hiring, greater reliance on volunteers and fundraising efforts, wage compression issues, and an inability to provide free or low-cost services to program participants.

**Agriculture:** Leaders in the agriculture industry shared that local farmers will have an incredibly difficult time keeping up with labor needs and costs if the minimum wage increases, potentially resulting in the closure of several farms in the county. Additionally, it may be more difficult for farmers to employ seasonal workers via the national H-2A visa program for temporary agricultural workers.

**Childcare Providers:** Childcare industry professionals stated that they currently employ many high school and college youth to provide childcare and summer youth programs, and increasing the minimum wage may result in fewer of these positions, less childcare availability, or increased prices for childcare.



### Additional Feedback and Considerations

The third question that engagement staff asked in both the focus group sessions and online questionnaire (Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?) yielded a high quantity of suggestions, perspectives, and questions. While these comments often reflected the key and unique feedback themes above, hundreds of comments resulted in additional feedback and considerations outside the binaries of positive and negative impacts, summarized below. Finally, several participants included questions for city council, city staff, and fellow community members in their responses. These questions are included in Attachment B - Complete List of Questions from Community Members in Focus Groups and through the Online Questionnaire.



## City of Boulder Regional Minimum Wage Engagement Report

**Cost of Living and Operating:** Related to minimum wage conversations, community members emphasized the incredibly high cost of living, especially for housing and groceries, in both Boulder and Colorado. Employers also emphasized rapidly increasing operating costs, including high property taxes; state-mandated paid family and medical leave and sick time; statewide minimum wage increases for the past several years; and increasing costs associated with credit card fees, insurance, rent, utilities, and goods and supplies.

**Sharing Cost Burdens with the Business Community:** Due to the increasing cost of doing business, many employers suggested implementing programs that share the burden of increased operating costs, especially if council decides to raise the minimum wage. These could include:

- Lower, cap, or provide rebates on property taxes, sales taxes, rent, utility bills, etc.

- Local government-sponsored “buy local” campaigns.

- Use any increased sales tax revenue that results from workers’ additional disposable income to support businesses.

- Investment in apprenticeship and upskilling programs for workers.

- Move to an incentive-based policy that rewards businesses and organizations that pay higher than the minimum wage.

**Differing Perspectives on the Purpose of Minimum Wage:** People shared varying perspectives on the purpose and function of minimum wage jobs, including:

- Minimum wage work is not meant to support a family.

- Unemancipated minors do not need increased wages as they are often supported by other means and do not count on wages to live, and they should be exempted from a higher minimum wage.

- Relatedly, some participants and respondents indicated a desire for local minimum wage exemptions for businesses by size and industry.

- “Unskilled” labor differs from “skilled” labor, and individuals who have experience and receive training and education should be paid more for their work. Accordingly, higher wages for all may disincentivize businesses from hiring youth and “unskilled” workers.

- Some individuals with few skills and little work experience may not display a work ethic deserving of a higher minimum wage.

**Local Government’s Role in Minimum Wage Policymaking:** While some participants believed that Boulder elected officials should be active leaders on this issue and advocate for workers, others believed that local governments should not involve themselves in minimum wage policymaking and should let the market regulate hourly wages.

**Regionalism:** There were differing perspectives on a regional approach to increasing the minimum wage, with some participants preferring that Boulder act alone to increase competitiveness in the labor market and with other participants preferring a regional increase to provide predictability and consistency in local economic impacts.





## City of Boulder Regional Minimum Wage Engagement Report

**Policy Timing:** While some individuals emphasized the urgency of increasing the minimum wage, others called for slow implementation that enables businesses to better prepare.

**Complexity of the Issue:** People commonly remarked upon the complexity of this policy issue and implored council to learn more about the tipped wage credit/tipping system; consumers’ willingness to pay inflated prices; policy evaluation/success metrics; additional policy tools to address affordability in the areas of healthcare, childcare, and housing; the interplay between the micro and macro economies; and case study data from other communities.

### Spanish-Speaking Community Feedback

City staff made an intentional effort to engage Spanish-speaking community members to better understand how an increased minimum wage may specifically impact the Spanish-speaking Hispanic/Latine employers and community members. Through the online questionnaire, staff received 37 Spanish-speaking community member responses and 6 Spanish-speaking employer responses. At the online focus group session hosted on Zoom, there were 5 Spanish-speaking participants. Additionally, 9 people attended the in-person focus group hosted in Spanish, though not all these individuals identified as members of the Hispanic/Latine community. Of note, many Hispanic/Latine employers and community members preferred to share their feedback in English at focus group sessions and in the online questionnaire, and this section of the report specifically summarizes responses from the Hispanic/Latine community that were provided in Spanish.

While Spanish speakers’ feedback aligned closely with the key themes described above, engagement staff noted the following in the analysis of their feedback:

Many Spanish-speaking employers noted potential positive impacts of increasing the minimum wage.

Spanish-speaking community members overwhelmingly cited Key Themes A and B (Increased Ability to Meet Basic Needs and Improved Quality of Life for Minimum Wage Earners) as positive impacts of increasing the minimum wage. The potential negative impact shared most often was Key Theme E (Concerns about Inflation and Rising Cost of Goods & Services).

### Quotes

Staff pulled quotes from focus group sessions and questionnaire responses to demonstrate the many perspectives of community members and business owners. While these are only a sampling of the hundreds of comments that staff received, they are representative of many of the perspectives shared.

*“The effects would be positive, because here, in Boulder County, the cost of everything has increased, everything is very expensive, but our salaries remain the same, and now we don’t have enough money to afford many things. Everything goes up, except our salaries.” (translated from Spanish)*

*“I could finally pay my rent AND afford groceries and my family would finally be able to put a sustainable amount of food in [our] fridge. We have been living on soup, boxes of pasta and cereal for months.”*

*“Minimum wage workers deserve to live a quality life. They deserve to not have to stress about whether they can afford rent and food each month. They deserve to be able to have a little extra income to do fun things*



## City of Boulder Regional Minimum Wage Engagement Report

*and enjoy their lives instead of wasting away working several jobs. They deserve to be able to save some money."*

*"More disposable income means more money spent in the community. And if people are better able to make ends meet it will mean a better quality of life. It will also help promote diversity if more people can afford to live in Boulder County communities."*

*"Hopefully, it would make it easier for low wage workers (ie: minimum wage workers) to afford to live closer to where they work in higher cost of living areas such as Boulder. With employees being able to live closer to where they work, they & their families could enjoy, participate and contribute in the community where they work and spend the majority of their time. Cutting back on commutes by car would have a positive financial impact for employees, the community and the environment."*

*"I don't see positive effects, because when the minimum salary increases, goods and rents also increase, and the purchasing power of families decreases." (translated from Spanish)*

*"Small businesses like my own are having a hard enough time making ends meet this will only put more strain on us. Rent and cost of goods are increasing, sales are decreasing and now you want us to pay even more for labor."*

*"Wages increase, so therefore supplier costs increase - and then so do retail prices. The worker then pays the new, much higher retail price for goods and services, and is therefore in the same or worse place than before."*

*"Our business will reduce headcount and reduce benefits. We cannot raise prices or we will lose customers."*

*"As a professional in a field that is already underpaid (masters degree in Early Childhood Education), I am curious to see how cities can ensure that all employees making a thriving wage, but also to give value to teachers, nurses, caregivers, and others in fields that are not currently even at what the new minimum wage would be."*

*"In a traditional sit-down restaurant, tipped employees are making the most. Keeping tips on top of their minimum wage, they average \$37/hr, including a base rate of \$15/hr plus tips. Other folks, the lowest paid, including line cooks and dishwashers, typically make minimum wage. If the business has to redirect resources to the front-of-house people, that means there will be less money left for back of house staff."*

*"Do we want a city of big box stores? Or do we want a city full of small businesses. Mom and pop shops make the city unique, and we don't want to lose the character of the city."*

*"Teenagers & those with no work experience do not deserve \$16-\$25 per hour."*

*"The people we are talking about also are dependent on certain public benefits (housing, food, etc.) If the city does go ahead with this: hey, you'll get an extra \$3 dollars here, but you'll lose \$1000 in childcare or section 8 housing."*

Attachment A – Engagement Opportunities Flyer

Attachment B – Complete List of Questions from Community Members in Focus Groups and through the Online Questionnaire






## ESTUDIO DEL SALARIO MÍNIMO REGIONAL






Comparta sus opiniones sobre los impactos positivos y negativos de un posible aumento del salario mínimo en nuestra región. No es necesario inscribirse para participar.


### Conversaciones - Sector Comercial




**Martes 27 de febrero** Boulder Chamber  
2440 Pearl St 5:30 - 7 p.m.  




**Miércoles 27 de marzo** Restaurant Association  
Velvet Elk Lounge  
2037 13th St 2:30 - 4 p.m.  




-  Refrigerio ligero
-  Cuidado infantil
-  Interpretación (inglés/español)

### Conversaciones - Comunidad

**Martes 12 de marzo** Sesión virtual (Zoom)  
<https://blldr.fyi/MWes>  
5:30 - 7 p.m. 

**Miércoles 13 de marzo** Tate Building, Room N101  
1777 Broadway 5:30 - 7 p.m.   

**Jueves 4 de abril** Recreation and Senior Center  
900 Via Appia Way, Louisville, CO. 80027  
5:30 - 7 p.m.   

**Sábado 13 de abril** North Boulder Recreation Center  
Salón Bison  
3170 North Broadway  
**\*Evento en español\***   



Responda a este cuestionario para compartir su opinión:  
[blldr.fyi/salario-minimo](https://blldr.fyi/salario-minimo)

No es necesario confirmar asistencia.  
**Para más información** contacte a Angela Maria Ortiz Roa  
[OrtizRoaA@bouldercolorado.gov](mailto:OrtizRoaA@bouldercolorado.gov) o (720) 512-1597

**¡Asista al evento que le sea más conveniente!**






## EXPLORING REGIONAL MINIMUM WAGE






Share your thoughts on the positive and negative impacts of a potential minimum wage increase in our region, no registration required to participate.



### Business-Focused Conversations

**Tues. Feb. 27** Boulder Chamber  
2440 Pearl St  
5:30 - 7 p.m.   



**Wed. Mar. 27** Restaurant Association  
Velvet Elk Lounge  
2037 13th St  
2:30 - 4 p.m.   





-  Light refreshments
-  Supervised care for children
-  Interpretation (ENG/SPA)











Share your thoughts by completing this questionnaire.  
[bldr.fyi/wage-questionnaire](https://bldr.fyi/wage-questionnaire)

### Community-Focused Conversations

**Tues. Mar. 12** Virtual Meeting (Zoom)  
<https://bldr.fyi/MW>  
5:30 - 7 p.m.  

**Wed. Mar. 13** Tate Building, Room N101  
1777 Broadway  
5:30 - 7 p.m.    

**Thurs. Apr. 4** Recreation and Senior Center  
900 Via Appia Way,  
Louisville, CO. 80027  
5:30 - 7 p.m.    

**Sat. Apr. 13** North Boulder Recreation Center  
Bison Room  
3170 North Broadway  
10 - 11:30 a.m.    

**\*Evento en español\***

No RSVP required

**For more information,** contact Angela Maria Ortiz Roa at [OrtizRoaA@bouldercolorado.gov](mailto:OrtizRoaA@bouldercolorado.gov) or (720) 512-1597

**Events are open to all, join the session that works for you!**



## Attachment B – Complete List of Questions from Community Members in Focus Groups and through the Online Questionnaire

1. Did Boulder County increase based on their understanding of the future cost of living in the county?
2. Is the City of Boulder looking at trends happening in other cities, like Denver, after increases were implemented?
3. How can the government absorb some of the negative impacts of this increase?
4. How does this decision impact the future culture of Boulder?
5. What are we trying to accomplish here?
6. Are businesses still experiencing COVID-related difficulties?
7. Do you want the County to look at the Walmarts of the county differently from how we look at small businesses?
8. With an aging community, do we have more workers entering the workforce?
9. Do we need to look at different sectors?
10. If there was a MW that adjusted yearly, is there a metrics that we should look at to activate the breaks?
11. Does Council have the accurate data they need to make an informed decision?
12. How many people are actually even making the minimum wage? What is their demographic? Are they parents? Do they live in a single person household?
13. What issue are we trying to solve? If it's cost of living, is this the correct tool to address that? What is going to be solved/achieved by increasing minimum wage to compare it to our outcomes.
14. Can we pay unemancipated minors less?
15. What will a local minimum wage increase look like to investors? Will they choose Boulder vs. another community?
16. Is the proposed idea to get to where Denver is now or is it to get to \$25?
17. Align with Denver?
18. Is there a 3rd better option?
19. How does MW treat part-time, seasonal and full-time employees?
20. Unincorporated BC did establish \$25 by 2030, what is the schedule for Denver? When are they going to get to \$25?
21. Is the city considering to actual implement the minimum salary for business to meet the threshold of having 30+ employees to actually have this minimum salary? Especially for large companies such as Target that could potentially manage the fiscal costs.
22. We just got done with a five year, year over year increase, where is a sweet spot to build up?
23. When does minimum wage apply? For example if a company is registered in Erie, but does work in Boulder, is there a way to request or have those businesses also meet the minimum wage require-



ments.

24. Is there a reluctance to a carve-out model?
25. Is there a way to have the city be the compliance on whether businesses are actually meeting already the minimum wage without having to actually implement minimum wage?
26. Should a minimum wage go up, how could the rental leases for businesses be lowered so that there is an incentive and not add more burden?
27. Impacts on small business workers- who is actually still paying only the current minimum wage \$14.42?
28. People who serve Boulder are here because they love it, and they should be able to afford living in Boulder. Do elected officials have the power to cap the rent?
29. What is exactly the plan? What are the short- and long-term goals?
30. What is the Chamber of Commerce's position?
31. Will people without papers obtain any benefit from this?
32. Which minimum wage is the city trying to reach? It should be higher than what is being proposed.
33. What will reporting out of engagement data look like?
34. Is there any correlation between living costs and minimum wage?
35. What happened when the state raised minimum wage and how did it effect Boulder?
36. Are there incentives the government can do to fix the affordability problem?
37. Can we get lower sales taxes?
38. Is the city paying MW already? How many city employees can even afford to live in Boulder?
39. What are the indicators to tell us to engage the brakes?
40. Consider what is the positive? Would like to see something on paper to tell the community why this would be a positive?
41. How would we know this is going to benefit individuals, community, business owners, etc.
42. Need to look holistically with other increases. Raw ingredients are going up. Arbitrarily, property taxes are going up. Ask city and county to be a partner by freezing property taxes for next five years. Look at profit and loss statements, what are the lines that you and I are sharing – rent, NNN, utilities – can we create some offset for small businesses from the city and county to help with utility bills, to help with labor costs? If there's a 25% labor cost increase, can we reduce in other areas to help a business stay whole? If I'm losing money, you're losing money, too, so if we work together maybe we can help the community.
43. Minimum wage employees are entry level, lower skilled. If we invest in apprenticeship programs, the training could mean they earn more. Could the government help workers upskill by helping offset training costs?
44. Is the change big enough to change the local economy?
45. Is there any data of what people are currently making?
46. Has a tip-base increase been considered?
47. Would a \$3 increase per worker per hour, what are the effects?



48. If Council is really going to go through this, what is going to be the compromise? What will we as the city give back to business owners in order to ensure businesses could still thrive and could offset the costs for paying min wage?
49. Is it workforce entry wage or living wage?
50. Is there an opportunity to charge a fee for businesses delivering/shipping goods and services into our communities (to relieve the burden on our small businesses)?
51. Is it possible for cities to set different minimum wage for different industries? There are some jobs that we can't live without as a society.
52. business that has vulnerable workers (ex. sectors like landscaping and restaurants), how would this increase affect these types of businesses?
53. How much it would affect the business overall instead of letting the market weight out?
54. Is there data on how many people (businesses, groups) would it affect?
55. Whether if we are raising the minimum wage, would it have a negative affect?
56. What happens with compression?
57. What are other choke points for these companies that are worried about being affected by the increase? Can we change these if they aren't related to wage? (i.e rent prices, materials)
58. What damage will this do for small businesses?
59. What can we learn from Denver's change? Is it successful?
60. Can some counties titrate with CCAP? Can we up the maximum income allowable so people can keep their benefits?
61. Are there any studies on places i.e. Denmark on McDonalds where the minimum wage is higher, but the food prices are lower... how does that work?
62. Which companies actually have the means to pay their employees more and just keep the profits?
63. What is the percentage of boulder county that are small businesses? Who are ACTUALLY small businesses?
64. What will happen to rent or the usage of health care?
65. How does this effect Weld County? Broomfield? Superior?
66. When companies are asking for tips, how do we know they are getting paid a fair wage, or are we paying on top of the livable wage?
67. What are current minimum wages in the regional partnership cities?
68. What is the increase target/escalation target? Are we trying to match Boulder County?
69. Where are we in the process?
70. What are local businesses saying? Especially minority owned businesses?
71. How are we engaging and protecting people who have benefits?
72. If increasing the wage will put someone in danger, who is going to advocate for adjusting benefits eligibility?



73. How does the minimum wage relate to living wage and what employee groups are eligible for each - ie, Regular, Temporary, Seasonal, Intern, etc
74. I'm wondering why there are more sessions for businesses rather than the community when there are many more community members.
75. Again, I have not seen any businesses only offering to pay minimum wage. They are all offering higher wages than minimum wage, that I have seen, and they still are having trouble finding workers. So, if no business in Boulder County is currently paying minimum wage, and they are all already paying higher than minimum wage, what will be the point in raising the minimum wage?
76. What taxes are collected by local government that can be reduced to be able to offset the increase in minimum wage?
77. Have you ever tried to support a family on minimum wage?
78. This has to have buy in to work, how do we get enough buy in to make it work.
79. It's not just about more money. It's about small business support. We need to transform this whole system. Even the government has prevailing wage contracts – who does those agreements? It's all siloed.



## Considering an Increase in Local Minimum Wage

### Community Engagement Executive Summary

In the summer of 2023, elected officials from the cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. This work consisted of:

- An economic analysis provided by an independent contractor
- Community engagement designed and implemented by City staff
  - Questions focused on what participants felt would be the positive and negative impacts of an increase in local minimum wage
  - Participants also were given an opportunity to share what they thought was important for elected officials to know while considering this increase

The community engagement design consisted of two parts:

- Focus groups from members of the business community and employees/public
  - 45 business owners participated in the focus groups and 31 employees/members of the public, during 8 focus groups
- A questionnaire designed to quickly get feedback from the business community and employees/public
  - 79 business owners participated in the focus groups and 136 employees/members of the public, results of the questionnaire can be found in the appendix

### Longmont Business Owner Feedback Key Themes

Business owners shared some benefits from the raise in a local minimum wage (more staff retention, happier staff, better debt ratio), but overall felt that any positive aspects would be short-lived, as any increase in labor would just increase the cost of everything. Approximately 30% of the business owners did employ staff at the minimum wage level, but generally these were seasonal or entry level positions, generally staffed by unemancipated minors, retirees or people just entering the workforce. Once staff were trained, they are given raises, generally 30-60 days after hire. Most felt that the changes in State requirements around providing sick leave and health care, along with the increases in rent, insurance and goods have made it even more difficult for particularly small businesses to thrive and some stated they would go out of business if the minimum wage was increased to the higher levels (\$25/hour proposed by Boulder County in 2030 for example). There was also a general belief that the market has dictated wages, particularly since 2020 when you could not hire people if you did not pay them the market wage. Many business owners acknowledged the high cost of living but thought raising the minimum wage was not the solution and thought either local or higher forms of government should address housing affordability and other drivers of high costs.

## Longmont Employee/Public Feedback Key Themes

Employees and the Public Open Focus Group participants discussed the importance of making enough money to live where you work, stimulating the economy through increased wages, and the dignity and reduction in stress that would be afforded people when they could work only one job to make ends meet. It was acknowledged that the cost of living will also go up as businesses charge more for goods and services, but this was considered by some a necessary market adjustment with others expressing concerns about increased costs negating benefits of increased wages. There was also concern for the local small business who may have significant challenges to a change and an encouragement for Shop Local campaigns and other forms of support to be created by local governments.

## City of Longmont Engagement Report

### Regional Model for Engagement Strategy

In the summer of 2023, elected officials from the Cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. Since August of 2023, regional teams have met to scope and administer these next steps. Teams include one staff member from each of the five participating communities, members of Chambers of Commerce groups, members of the Self Sufficiency Wage Coalition, and members of nonprofits. The economic analysis will be provided in a separate consultant report.

A standard engagement model operating at the 'Involve' level of the public participation spectrum was administered across the five participating communities. Engagement opportunities were available between mid-February until May 9, 2024, and community members were provided options to participate virtually and in-person, with English and Spanish options, at one of 14 focus group sessions and through an online questionnaire, which closed on April 15, 2024.

### How City of Longmont Implemented the Model

After analysis of the various questionnaires that had been issued by other entities, the Boulder County Consortium engagement team found that employees and businesses that would be most affected by a raise in minimum wage were not a focus of their data collection. The team determined two paths for community engagement would allow councils/boards from the various local government entities to better understand the potential pros and cons:

1. Wider spread questionnaire to reach more people in the region, based on the Boulder County questionnaire in order to compare results. Longmont is also focusing on these results to represent the employee point of view.
2. Focus groups, particularly targeting businesses in the industries that would be impacted the most. The targeted industry list was created by looking at information from the Longmont Economic Development Partnership about how much various jobs pay in all of the industries in Longmont. Industries targeted included restaurants/bars, other service industries and retail.

### Longmont Focus Groups Methodology

In partnership with the Longmont Chamber of Commerce and City Sustainable Business Program, staff held eight focus groups. English-speaking business owners made up five of the groups. The other focus groups were made up of Spanish-speaking business owners, Spanish-speaking employees and a general public meeting.

During the English-speaking focus groups, 38 business owners participated, mostly from the following industries:

- Restaurants/bars/breweries
- Service Industries (pet services, personal services, auto)
- Manufacturing
- Retail

During the Spanish-speaking business focus group, seven people participated from the following industries:

- Restaurants/grocery stores
- Service industries (salon)
- Consulting

## Business Owner Focus Groups

Business owners were generally from local, small companies, or local franchises. Staff shared the history of this project to date and asked the following questions:

1. What do you think the positive impact of increasing the minimum wage could be for you, your business, and your community? i.e. decrease employee turnover, increase employee productivity
2. What do you think the negative impacts of increasing the minimum wage could be for you, your business, and your community? i.e. reconsider staffing/benefits offered, increase prices
3. Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

## Employee/Public Open Focus Group

Engagement staff worked with the Sustainable Business Program staff to bring Spanish-speaking employees to the focus group, particularly focused on the industries that pay closest to minimum wage. The challenge is that people who are working at minimum wage-paying jobs are often not able to attend focus groups, often due to family commitments or working more than one job. Staff determined that the questionnaire option would be the best way to get engagement from this group and it was sent to our health and human service agencies to help disseminate, in addition to the public notices.

At the request of participants in the first employee focus group, staff set up a second public meeting and advertised it more widely.

Staff shared the history of this project to date and asked the following questions:

1. What do you think the positive impact of increasing the minimum wage could be for you and your community? i.e. decrease employee turnover, increase employee productivity
2. What do you think the negative impacts of increasing the minimum wage could be for you and your community? i.e. reconsider staffing/benefits offered, increase prices
3. Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

## Longmont Questionnaire respondent methodology

Engagement staff supported the distribution of the regional questionnaire through sharing the questionnaire with local internal and external partners that engaged the target audience, including the Longmont Multicultural Action Committee, our social service organizations, Longmont Economic Development Partnership, Longmont Chamber of Commerce, Latino Chamber of Commerce and advertised on social media, City Talk column and featured in “This week in Longmont”. Total participation numbers from Longmont are listed below.

Econorthwest, the economic analysis consultant, analyzed the multiple choice questions. Longmont City staff analyzed the following free response questions for the analysis below. Staff only analyzed responses from business owners and employees who either hired or worked for less than \$19.99/hour to prioritize those who may be most impacted by the decision. Staff also excluded those who stated that they attended a focus group in Longmont to avoid any duplication of comments.

Longmont business owners’ free response questions analyzed:

- What do you think the positive impact of increasing the minimum wage will be for you, your business, and your community? Please explain
- What do you think the negative impact of increasing the minimum wage will be for you, your business, and your community? Please explain
- Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

Longmont employees/public' free response questions analyzed:

- What do you think the positive impacts of increasing the minimum wage will be for you, your family, and your community? Please explain.
- What do you think the negative impacts of increasing the minimum wage will be for you, your family, and your community? Please explain.
- Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

## Engagement by the Numbers

### Focus Group Participants

- Longmont business owners:
  - Total: 45
    - English 38
    - Spanish 7
- Employees/public
  - Total: 31
    - Spanish 4
    - English 27

### Questionnaire Respondents

- Longmont business owners:
  - Total: 79
    - English: 76
    - Spanish: 3
  - Total lowest wage workers make less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour and who did not attend a Longmont Focus group (the total that was analyzed for the section below): 41
    - English: 40
    - Spanish: 1
    - Types of businesses:
      - Primary responders: Restaurants and Retail
      - Other industries: Childcare, Manufacturing, Hospitality, Transportation, Healthcare, Agriculture, Nonprofits, Landscape/Garden, Arts and Entertainment, Government, Education
- Longmont employees:
  - Total: 136
    - English: 132
    - Spanish: 4
  - Total making less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour AND did not attend a Longmont focus group (the total that was analyzed for the section below): 28
    - English: 27
    - Spanish: 1
    - Job sectors:
      - Primary responders: Education, Retail, Administration/Support, and Manufacturing
      - Other sectors: Recreation, Hospitality, Engineering, Government, Restaurant, Transportation, Childcare, Nonprofit

## Key Themes

### Businesses

#### Business Focus Groups

Business owners shared some benefits from the raise in a local minimum wage (more staff retention, happier staff, better debt ratio), but overall felt that any positive aspects would be short-lived, as any increase in labor would just increase the cost of everything. Some of the focus groups could not think of a positive aspect. Approximately 30% of the business owners did employ staff at the minimum wage level, but generally these were seasonal or entry level positions, generally staffed by unemancipated minors, retirees or people just entering the workforce. Once staff were trained, they are given raises, generally 30-60 days after hire.

#### Key themes heard in the business focus groups included:

- If there is an increased labor cost, it will lead to an increase sales cost. Profit margin too small to absorb that, especially for a small, local business owner.
- If the minimum wage is increased, it may create a lack of incentive to become a skilled worker. There will no longer be a “training wage.”
- If minimum wage increases, all wages must increase. It also removes the ability to provide higher wages and other benefits (e.g. employee discounts, bonuses) for employees.
- The competition with Weld County will be difficult, since people can buy things cheaper there.
- There seems to be a misconception that business owners don’t take care of their workers, hence the increase in minimum wage. Small businesses care about their employees and care about providing good customer service (if not they wouldn’t survive). Wish businesses didn’t get such a bad rap.
- The market will adjust the wages and has since COVID, as very few people will apply for a job at minimum wage when everyone is paying more. Businesses felt that the government did not need the government to make the adjustment and if the government does, it will create an expectation that people want to be paid even more (staff do not want to be paid min wage).
- All costs have gone up recently, some based on government action:
  - the State minimum wage went up to \$14.42 in January of 2024,
  - property taxes increased significantly (which affects property owners and renters),
  - healthcare increase,
  - insurance coverage increase,
  - the addition of the State FAMLI program,
  - State requirement for paid sick leave,
  - supply chain increases,
  - State plastic bag/Styrofoam ban,
  - Universal Recycling Ordinance, etc.
- The service industries will move more under-the-table work (landscaping, dog walking, cleaning, etc.)
- Automation may help offset labor costs, but expensive to invest in and is not as customer-service oriented, plus would result in less jobs.
- If minimum wage went to \$25/hour (the proposed Boulder County wage in 2030), businesses are going to have to leave or close.
- If labor costs increase, they will likely cut the entry-level jobs. Entry-level jobs for unskilled workers will not be available which will mean in the future we will not have people skilled in the trade.

- If changing the minimum wage, also provide resources for businesses to help them grow so they can pay a higher minimum wage (lower property taxes, buy local campaign, regulate delivery apps that charge high commissions, compensate businesses impacted by City construction, landlords charge for rent, support with FAMLI, etc.)
- Supply chain impacts are continuing from COVID. Impossible to predict costs right now. For example, salt just rose from \$12 to \$18 for a 50 lb bag.
- Businesses chose to open in Longmont, trust them. Let them set their brand, the levels they pay workers and the benefits they provide. Multiple attending had employees who have stayed with them from 5 to 20 years.
- City Council should support businesses in thriving (campaigns, incentives, etc.). Strong local, small business leads to a strong community.

## Questionnaire Respondent Themes

Longmont Business Owners (Total lowest wage workers make less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour and who did not attend a Longmont focus group)

- Most did not see positive impacts.
  - A few spoke to positive impacts of benefits to employees, with some highlighting that they would only be short term. Some spoke to how it could support a better work life balance for their employees.
- Many spoke to concerns about the impacts to small businesses and restaurants and that it would lead to them closing,
- Many spoke to how they would have to increase costs and pass those on to the consumers.
  - Some mentioned they've already had to increase costs and have gotten negative feedback by customers or are concerned about losing customers.
- Respondents mentioned increases in recent additional increases in fees and expenses.
- Concerns about tipped wages and how restaurant staff already make significantly above minimum wage.
- Concerns about the intent of minimum wage and how it could lead to overpaying high school students, second earners and nonskilled workers.
  - There were a couple (but in the minority) that spoke to minimum wage should be a living wage.
- Job impacts from businesses closing, having to cut jobs, loss of opportunities for unskilled workers.
- Remove incentives for workers to get higher education, worker harder in their job or move to fields that require skills.
- Multiple respondents spoke to how the market instead of government should set minimum wage and that the government should instead focus on:
  - Regulating rents and housing (and other items that impact cost of living).
  - Addressing property tax increases.

## Employee/Public

### Employee/Public Open Focus Group

Employees and the Public Open Focus Group participants discussed the importance of making enough money to live where you work, stimulating the economy through increased wages, and the dignity that would be afforded



## Certifications and Unemancipated Minors

When asked about increased minimum wage based on particular certifications during the focus groups, business owners generally felt that the market takes care of this. They can only hire unskilled workers at minimum wage, and as they add value to the company or obtain education/certification, the businesses pay more for those skills. They also mentioned it would be difficult to regulate what certifications are required in each industry.

There were differing opinions about unemancipated minors having a different wage, because each employee situation is different (some may be working for spending money, and some may be supporting their family).

## Income Inequality

Participants asked about why the minimum wage increase is being considered, and groups discussed income inequality. When asked what else may help with income inequality, participants felt:

- The work with affordable housing is critical as those increases create pressure on families
- Tax reform is an important aspect
- Programs that deal with the root cause of poverty can help (mental health, addiction)
- Worker training programs and life skills workshops can reduce the gap
- It was also noted that raising just the minimum wage will not solve wide-spread social issues

## Unique themes from Questionnaire Respondents:

Longmont Business Owners (Total lowest wage workers make less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour and who did not attend a Longmont Focus group)

- A childcare facility spoke to being twice impacted by raising minimum wage and “UPK and CCCAP”, state funded childcare.
- One local organic farmer spoke to the difficulty of small family farmers, highlighted that farmers are often sacrificing paychecks or receive supplemental food benefits or need an additional full-time job.
- One non-profit was worried about the benefits cliff and low-income households losing government benefits while at the same time the non-profit may have to cut free services and close buildings.

Longmont Employees/Public (making less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour AND did not attend a Longmont focus group (the total that was analyzed for the section below)

- One respondent highlighted how it will increase their access to advanced education for their family while another mentioned how it will allow them to be able to earn more without needing further education or taking on more work.
- Concern about increased travel if their job moved to a different community.
- One respondent mentioned that the impact will depend on whether private equity raises rents and stated that private equity should not have been allowed to buy homes and hospitals.

## Quotes of Interest

### Businesses

#### Focus Group Participants

Participants in the focus groups were passionate about their businesses and about the Longmont community. They were extremely thankful for the City Council and Consortium for taking the time to truly listen to their feedback when making this decision. Overall the feeling was that a strong community is a partnership, built on strong business, amazing people and supportive local government. A few quotes from the process:

- The Strongmont grant during COVID saved my business.
- If you study how employees feel appreciated, it's not always monetary. A good boss takes care of people in different ways: provide a culture if you can't monetary. There are a lot of little things of showing value to a person, more than just paying bills.
- We want to purchase local, but it's much cheaper to buy from neighboring states. Are we going to start being environmentally friendly? We cannot afford a dishwasher so we use plastic silverware. We are making poor sustainably decisions because wages are still high.
- Working at min wage made me realize it wasn't what I wanted to do for the rest of my life and was an incentive for more training and education.
- Cost of doing business has gone a lot in the past three years: COVID, fees, taxes, products, deliveries. Every category, costs increased.
- A strong business community is a strong community.
- People in our community should have the ability to earn a wage that allows them to live and work in Longmont.
- The economy will adjust and businesses will be able to adjust to this change. They may need to look at different business models, but they will be able to sharpen their tools and adapt.
- Boulder County/Boulder is tough to live in and when I moved there, I realized what it meant to not live in your community where you live. We are more community, we live here and this is our home and we are at a tipping point where we may be able to strengthen or weaken our sense of community.
- Change is hard but inevitable.

#### Questionnaire Respondents

Longmont Business Owners (Total lowest wage workers make less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour and who did not attend a Longmont Focus group)

- "Because we share tips with the kitchen, per federal mandate, we must pay the full minimum wage in our local community and are not allowed to offset any of that with tip income. Our restaurant workers are making more money than so many professionals in our community - is that the career path you want to incentivize? Should some of the best paying jobs in the community be at restaurants??? It used to be that we were the training ground for our young workforce - we provide the foundation that helps every employer after. But now they don't want to leave because they are making \$30-\$40/hr after a few years. I love our employees. But is their work more valuable than nurses and teachers and EMTs and electricians and plumbers and and and?"
- "Do not raise the tipped minimum wage. Most of those staff members already earn \$30-\$40 per hour including tips. \$20-\$25/ hour for high school kids with no experience is not appropriate. And I have been forced to give them about a \$.90 raise every year for the past seven years. The tipped employees do not need more money. What we need is a fair enough way for me to legally share tips with the kitchen staff, without having to pay everyone the full minimum wage (which cost way

too much). The multiple state mandated tipped minimum wage increases are ruining full service restaurants, and benefitting the counter service restaurants. It's just become too difficult with high wages and product cost to run a full service restaurant. This is ruining my business model and why I opened restaurants in the first place."

- "While I feel like everyone deserves a living wage and that will have positive impacts on my employees, I feel that the unintended consequences outweigh the positive effects."
- "There are so many businesses already closed, this will lead to more. We are all struggling because of the policies that are being made. This will have only a negative impact."
- "Let business decide what a fair wage is."
- "Please consider that lower-income people will lose access to benefits. Access to health care will go away, access to subsidized childcare will go away, many other income based benefits will not longer be available potentially plunging these folks further into poverty because they cannot afford their medical care, childcare, food and other benefits. For my business, we will likely have to make a radical change in our business model and reduce the amount of childcare slots we are able to offer to the community, we may need to start charging for care where we are currently free, and we may close buildings. I am also concerned about flattening of wages where employees may be making the same amount of money as those with lesser qualifications, experience and job requirements. " and "How are elected officials going to offset losses in services that are offered by non-profits? Will you grant us more money so that we can pay our employees the new wage and not close our services down? How will you help us address issues related to flattening wages among those with varying education and experience?"
- "Consider what an actual living wage in this area is. People should haven't to work more than 40 hours per week or multiple jobs to just barely make ends meet."

## Employees/General Public

### Questionnaire Respondents

Longmont Employees (making less than \$14.42/hour, \$14.42 - \$15.69/hour and \$15.70 - \$19.99/hour AND did not attend a Longmont focus group (the total that was analyzed for the section below)

- "It's pointless to give us a raise if you increase everything else we NEED to SURVIVE, if you give us a raise, please don't increase everything else"
- "Will provide needed income for my family."
- "The cost of living is so expensive I can barely afford anything other then rent"
- "Para mi como madre soltera sería una gran ayuda ya que la vivienda, comida, luz y demás son más caros para nuestro salario."
- For me as a single mother it would be a great help since housing, food, electricity and so on are more expensive than our salaries.
- "Que cuando suben los salarios también suben los precios"  
When wages rise, prices also rise.
- "I would worry my company will move out of this community to a place where the government is not doing this and I would have to drive far to get to it then."
- "Everyone suffers when those employed in "low wage" jobs cannot afford to live in the communities where they work. To maintain a diverse community, everyone needs a living wage."
- "Many of my bills will increase because of the inflation that will be caused by the increase in wage cost for the local businesses."

- “The positive impacts are increased job satisfaction and self worth. When the minimum wage varies between jurisdictions it makes the lower wages entities much less desirable to work at and may lead to significant employee turnover as employees look for better wages.”



## Appendix

Graphs from Longmont's Questionnaire Results

Comments for Council Consideration – Employee/Public Open Focus Group

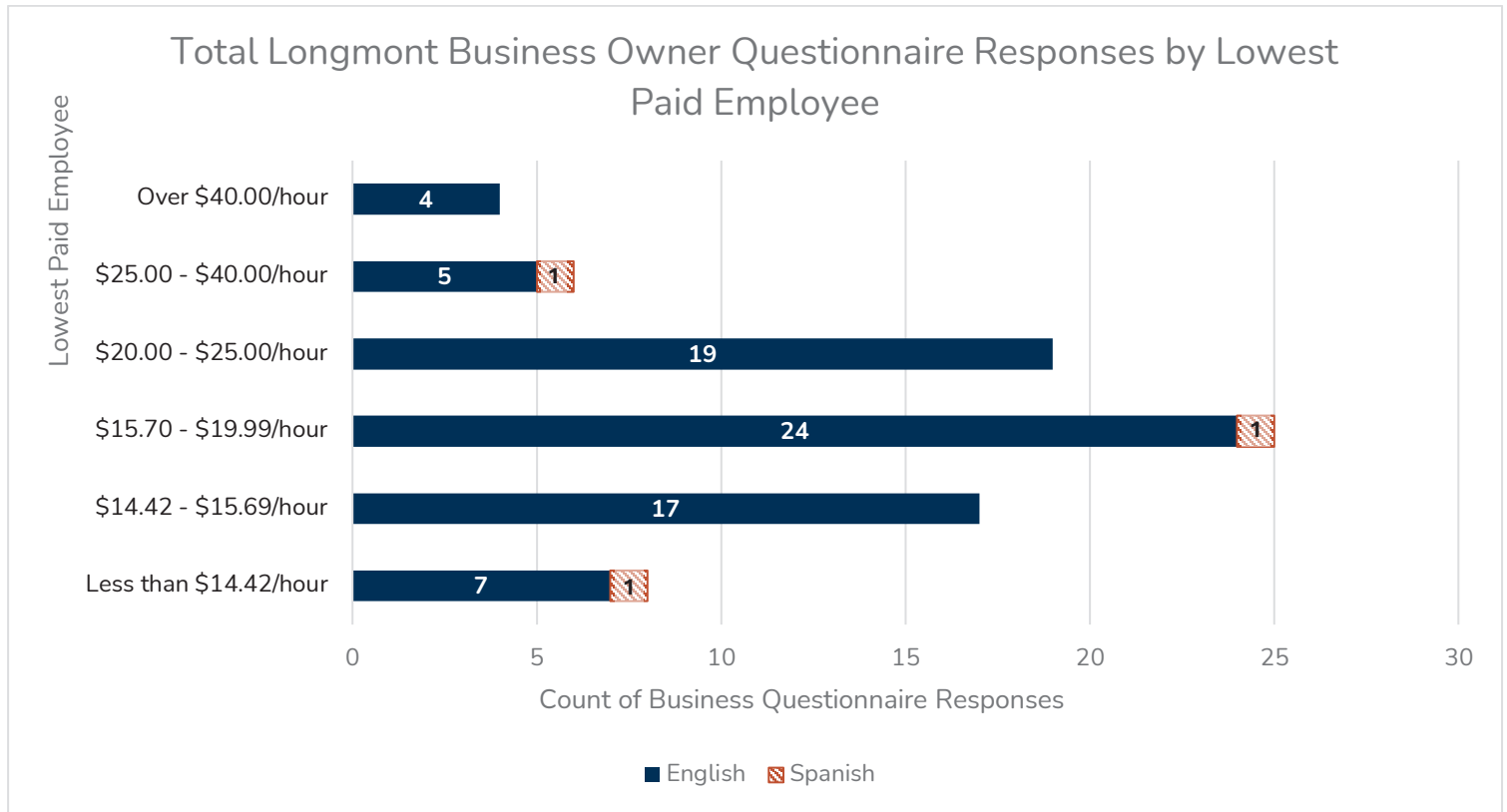
E-mail for Council Consideration from Abigail and Joshua Miller, owners of Bloom Montessori, a licensed child care facility in Longmont on the subject of minimum wage

## Questionnaire Responses

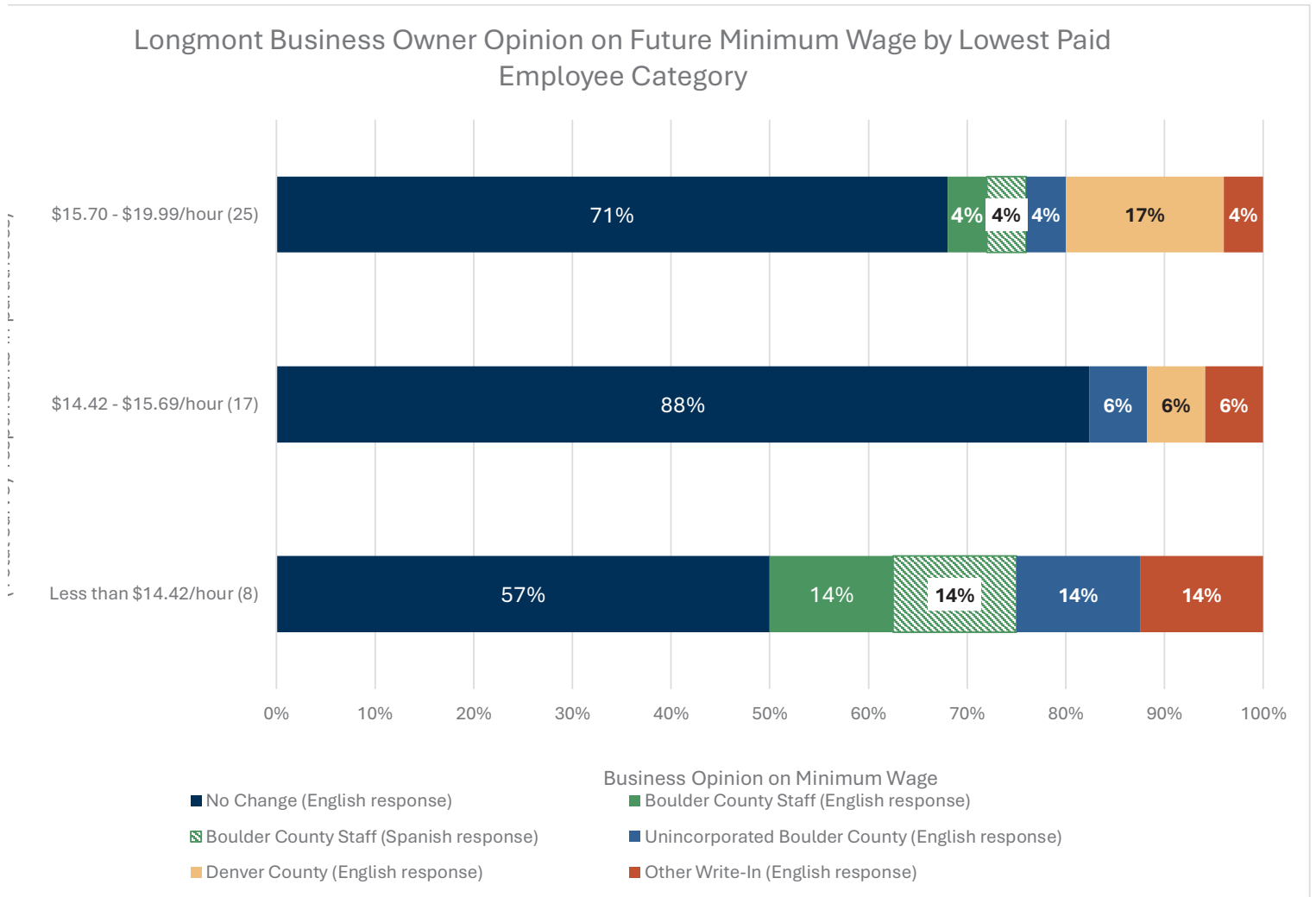
Respondents that completed the questionnaire in Spanish are listed under the “Ciudad de Longmont” section for all graphs.

## Longmont Business Owners

Graph 1: Total Longmont business owner questionnaire responses by lowest paid employee

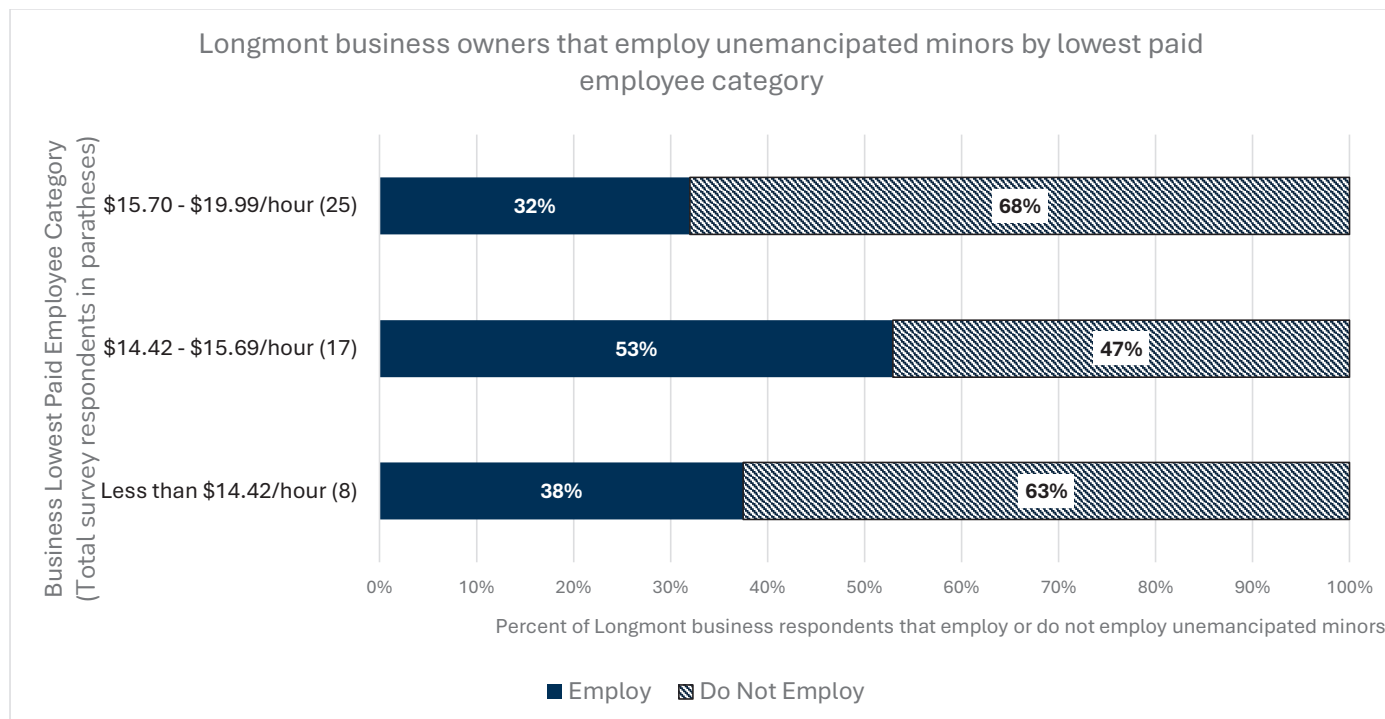


:: Longmont Business Owner Opinion on Future Minimum Wage by Lowest Paid Employee Category



Graph 3: Count of Longmont Business Owners that employ unemancipated minors by lowest paid employee category

Out of the eight respondents that paid less than \$14.42 per hour, only one respondent filled out the survey in Spanish and did not employ unemancipated minors. Out of the 25 respondents that paid employs between \$15.70 - \$19.99 per hour, only one respondent filled out the survey in Spanish and they did employ unemancipated minors.





Graph 4: Count of number of respondents with a specific business size by lowest paid employee

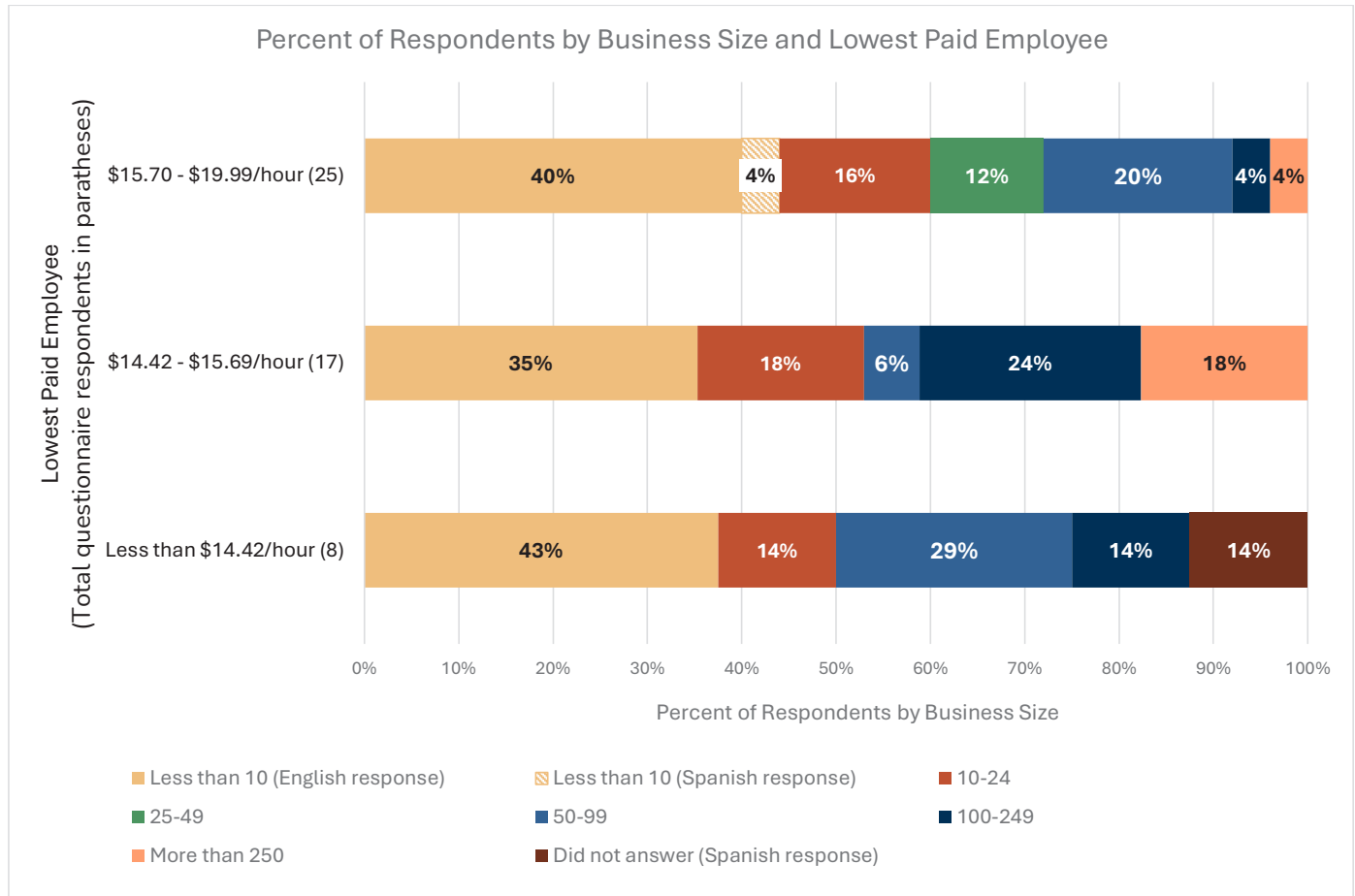


Table 1: Longmont employee job categories by income

This table details the type of business whose lowest employee makes less than \$19.99 per hour (it includes those who also attended focus group meetings). Respondents who completed the questionnaire in Spanish are listed under columns that state “/hora” instead of “/hour.”

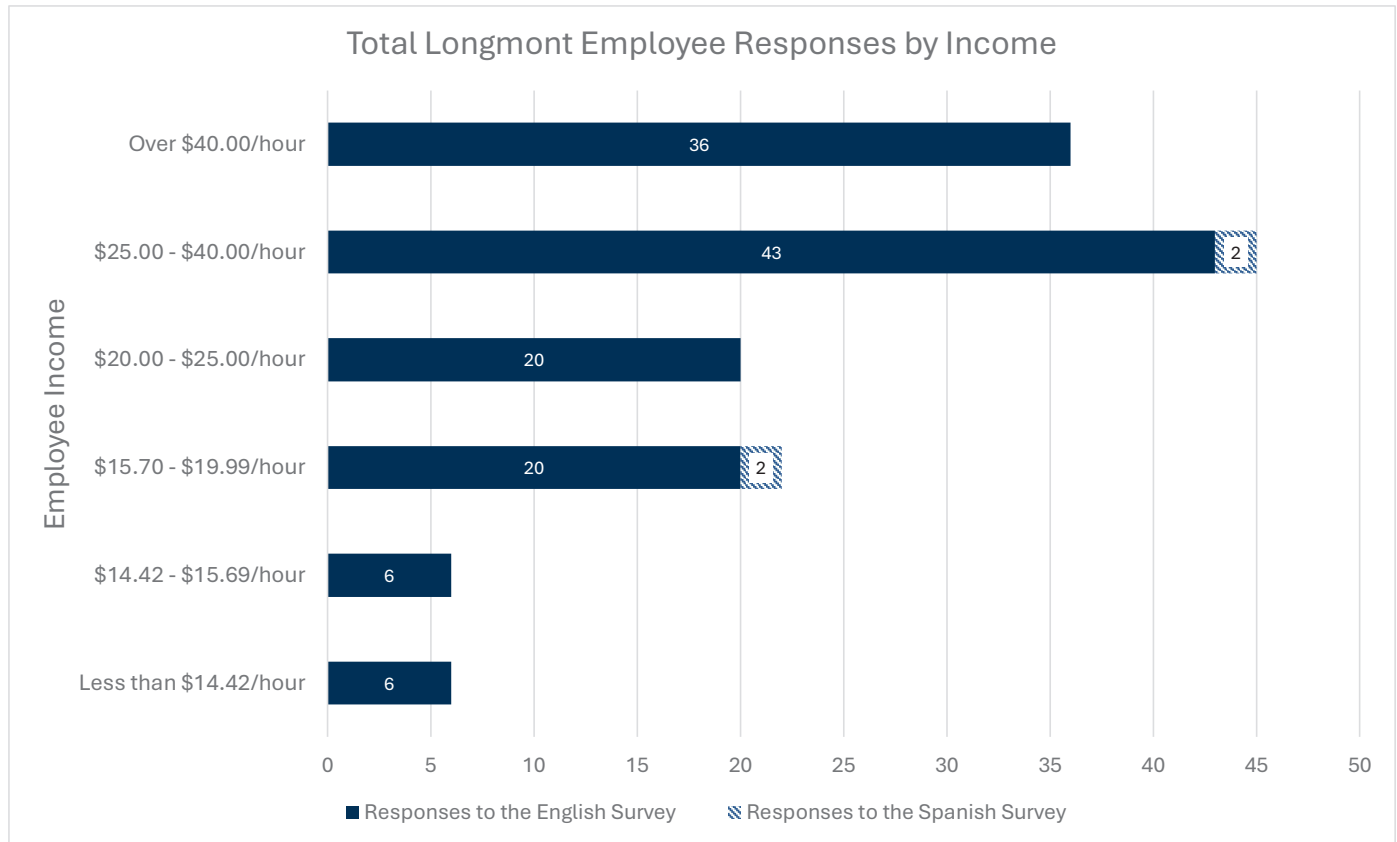
Type of Business	Less than \$14.42/hour	Menos de \$14.42/hora	\$14.42 - \$15.69/hour	\$15.70 - \$19.99/hora	\$15.70 - \$19.99/hour	Grand Total
Administration/Support, Arts/Entertainment, Recreation, Government					1	1
Agriculture					1	1
Arts/Entertainment, Recreation			1			1
Arts/Entertainment, Recreation, Childcare, Nonprofit			1			1
aviation					1	1
Childcare			1		1	2
Childcare, Education, Nonprofit					1	1
Education, Tech, Animal Care	1					1
Financial					1	1
Government			1			1
Government, Healthcare, Manufacturing, Retail, Tech			1			1
Healthcare					1	1
Hospitality, Manufacturing, Retail			1			1
Hospitality, Real Estate					1	1
Hospitality, Restaurant, Coffee Shop/Bakery			1			1
Hospitality, Restaurant, Retail					1	1
House Cleaning		1				1
Landscape/Garden					1	1
Manufacturing					2	2
Manufacturing, Restaurant	1					1
Nonprofit					2	2
packaged foods					1	1
Real Estate & Property Management			1			1
Rental property	1					1



Type of Business	Less than \$14.42/hour	Menos de \$14.42/hora	\$14.42 - \$15.69/hour	\$15.70 - \$19.99/hora	\$15.70 - \$19.99/hour	Grand Total
Restaurant	3		5		3	11
Retail	1		3		4	8
Retail, Organic farming/agriculture			1			1
Translation Services				1		1
Transportation					2	2
<b>Grand Total</b>	<b>7</b>	<b>1</b>	<b>17</b>	<b>1</b>	<b>24</b>	<b>50</b>

Longmont Employees/Public

Graph 5: Total Longmont employee questionnaire responses by income



Graph 6: Longmont employee questionnaire opinions on future minimum wage by income

This table details the employees making less than \$19.99 per hour (it includes those who also attended focus group meetings).

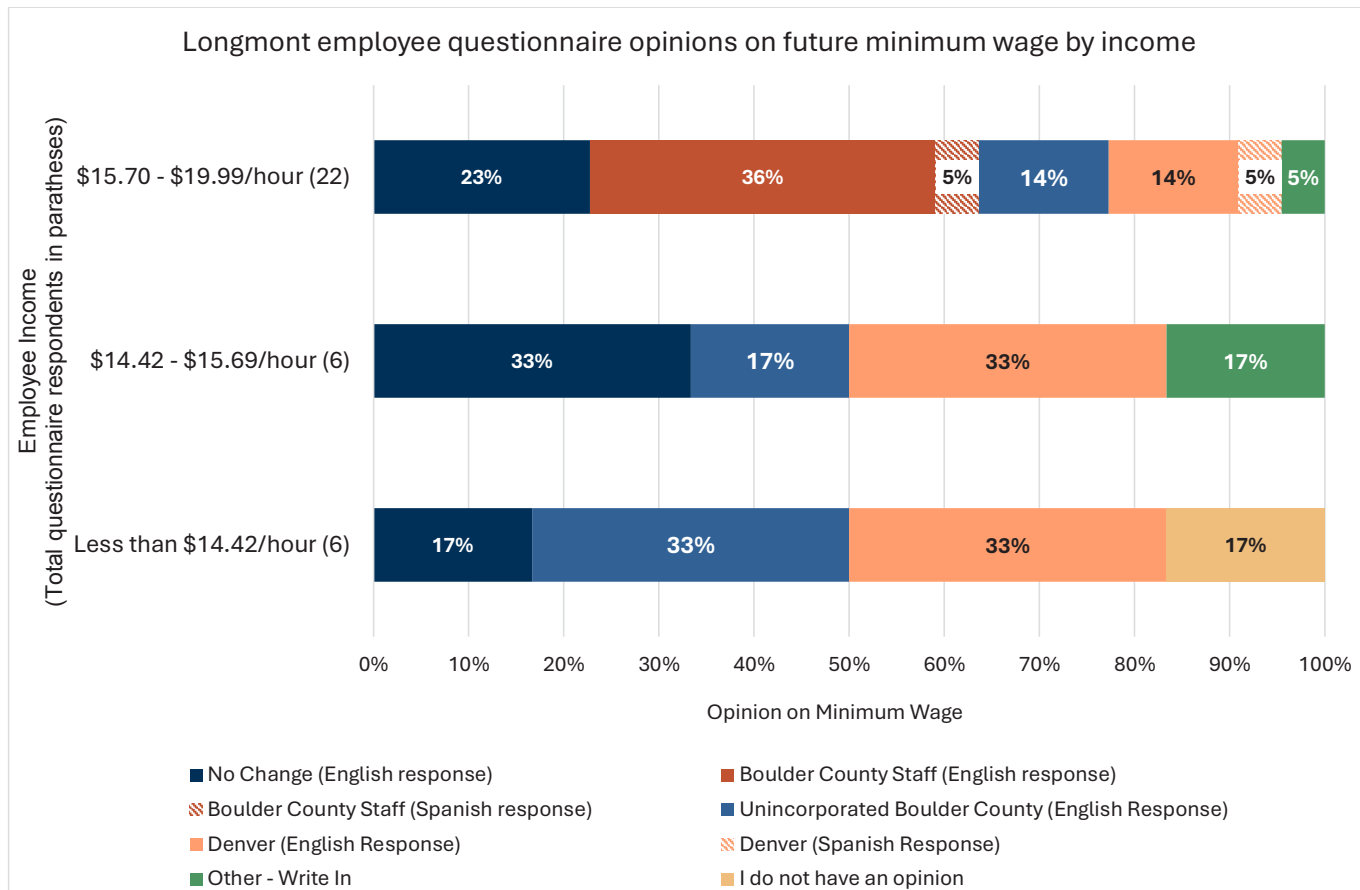


Table 2: Longmont employee work situation by income

Longmont employees work situation for those making less than \$19.99 per hour (it includes those who also attended focus group meetings). Respondents who completed the questionnaire in Spanish are listed under the column that states “/hora” instead of “/hour.”

What best describes your work situation?	Less than \$14.42/hour	\$14.42 - \$15.69/hour	\$15.70 - \$19.99/hour	\$15.70 - \$19.99/hora	Grand Total
Business Owner	1				1
Business Owner, Full Time Employee			1		1
Business Owner, Self-Employed/freelancer/gig worker			1		1
Contractor	1				1
Contractor, Part Time Employee			1		1
Full Time Employee	2	2	2	2	8
Part Time Employee	1	3	14		18
Retired	1				1
Retired, Part Time Employee, substitute teacher			1		1
Unemployed		1			1
<b>Grand Total</b>	<b>6</b>	<b>6</b>	<b>20</b>	<b>2</b>	<b>34</b>

Table 3: Longmont employee job categories by income

Longmont employees job type for those making less than \$19.99 per hour (it includes those who also attended focus group meetings). Respondents who completed the questionnaire in Spanish are listed under the column that states “/hora” instead of “/hour.”

What Best Describes Your Job?	Less than \$14.42/hour	\$14.42 - \$15.69/hour	\$15.70 - \$19.99/hour	\$15.70 - \$19.99/hora	Grand Total
Administration/Support		2	1		3
Administration/Support, Education, Tech			1		1
Administrative/Support, Hospitality			1		1
Administrative/Support, Tech			1		1
Arts/Entertainment, Recreation			1		1
Arts/Entertainment, Recreation, Childcare, Healthcare, Homemaker, Landscape/Garden			1		1
Childcare		1			1
Education		1	3		4
Engineering		1			1
Government			1		1
Healthcare	1				1
Library staff			1		1
Manufacturing	1		2		3
Manufacturing, Retail			1		1
Nonprofit, Yoga Instructor			1		1
Property Manager			1		1
Restaurant			1	1	2
Restaurant, Retail			1		1
Retail		1	2		4
Retired- volunteer work	1				1
Tech	1				1
Transportation	1				1
Hospitality, Restaurant				1	1
<b>Grand Total</b>	<b>6</b>	<b>6</b>	<b>20</b>	<b>2</b>	<b>34</b>

## Comments for Council Consideration – Employee/Public Open Focus Group

These are written comments from the last employee/public open focus group on the last question to the group. These are submitted to this report as the focus group ran out of time to have a verbal discussion on this specific question.

### For increase -

- Raising the minimum wage to a livable wage will ensure that some of the most marginalized people in our community can live and stay here in Longmont with dignity. Without this, we will continue to push low wage workers out of Longmont.
- I think our municipalities should help subsidize the small businesses, and not subsidize big businesses like Walmart or Costco. I favor raising the minimum wage to \$25 by 2030, but I don't want to hose our small businesses. Buy local campaign.
- Don't let fear of small businesses going out of business keep you from raising the minimum wage.
- We need a living wage for all adult residents, but we also need annual increases to be staggered so small businesses and nonprofits can adjust. There needs to be government and foundational support for small nonprofits to raise wages proportionally!
- Please raise the minimum wage according to the proposal.
- Sustainable wage dignity is a justice issue, as a society/city we must pay living wages to our lowest paid neighbors, who are hurting deeply.
- Raise the minimum wage but not for unemancipated minors.
- Tell state legislators to change tip laws so all tips can be pooled for all employees.
- I support increasing minimum wage but think there need to be some exceptions.
- It is important to raise the minimum wage in order to have people who work in Longmont be able to live and be able to afford transportation from where they now live.
- This is an important lever that City Council has to improve our economy and help the most impacted workers in our community.

### Against increase -

- Do not raise the tipped minimum wage. They are already making WAY more than their skill + work level.
- No barrier programs don't qualify for most large government grants/funding due to reporting requirements. Proof of residency, red tape, paperwork, barriers.
- I feel that tip minimum wage shouldn't go up. I feel it is unconscionable to not pay people a living wage.
- Please reach out to your small business owners, questionnaire them, you will lose so many small businesses who are the heart of the community.
- Minimum wage increase is a real impact to small businesses, some will not survive. Please don't support.



The following e-mail was sent to the Minimum Wage Coordinating Group for inclusion in the feedback.

From: admissions@bloommontessori.com <admissions@bloommontessori.com>

Sent: Thursday, April 11, 2024 10:16 AM

To: commissioners@bouldercounty.gov; Christina Pacheco <Christina.Pacheco@longmontcolorado.gov>

Subject: Effects of Increasing Minimum Wage on Boulder County Child Care Facilities and Families

I am an owner of Bloom Montessori, a licensed child care facility that has operated in Longmont since 2009.

My small business has survived in an incredibly challenging environment- a 100 year flood, a global pandemic, the resulting labor shortages and supply shocks (the child care industry is suffering from a workforce crisis), the 42% increase in property taxes that resulted from the repeal of the Gallagher Amendment, and widespread inflation but it would not likely survive the proposed increase in minimum wage.

Parents whose children attend our facility are largely residents of the County, 2 parent working households, and their children are in care 8-5:30, or 57 ½ hours a week. The parents pay \$7/hour for this care, which is an incredibly low hourly rate, but likely one of the largest household expenses for the family.

More than ½ our business expenses, 65%, are labor. Labor is our biggest expense (teaching young children is labor intensive) and these costs are passed on directly to working families. Child care facilities operate on extremely small margins (an industry average is 3%), margins that have gotten even smaller due to increased property taxes and inflation.

Under the proposal, over the next 6 years, wages would have to increase by a minimum of 62.75%. This means that we would have to raise the amount of tuition that we charge families by a similar amount (and more if inflation continues and there is no property tax relief). And, of course 62% is the basal number—if someone can make \$25 an hour at Starbucks, an employee whose job (under current CDHS Regulations) requires three background checks, an occupational physical, qualifications like 2 early childhood college courses or equivalent and 1 year of experience, 20 hours of first aid and emergency training, stressful emotional labor, and job duties which include changing diapers and assisting with toileting, careful supervision and instruction of children, working with children with disabilities and children with minor illnesses, to serve as a “floater” (changing diapers), an assistant, or a staff aide would expect to make more... and the teacher would expect to make a lot more. It would exacerbate the workforce shortage that already exists in the industry and has been closing classrooms and programs. The State estimates that 10% of child care workers left the industry in the last 2 years.

This change, and in particular, the fact that this minimum wage increase would only affect businesses located in Boulder County, would lead to many unintended effects:

- Closure of many child care facilities. There have already been numerous closures in the County this year (Bright Horizons in Longmont is closing at the end of the year- that’s 119 fewer child care slots for next year- because the corporation determined it was not profitable, Countryside Montessori, Sunshine House, Smiling Faces).

- Child care is not a free market. State mandated ratios and group sizes would not take into account the County's change in minimum wage:  
In my facility, I charge \$7/child/hour for care:  
A preschool aged classroom has a maximum group size of 20 students; meaning, the most revenue my classroom can generate at my current rates is \$140/hour and State regulations require 2 teachers (a 1:10 ratio- and this is considered poor quality and a high ratio). Under these changes, at least (assuming I paid the lowest minimum wage) \$50/hour would go to fixed labor expenses.  
A toddler classroom has a maximum group size of 14 students; meaning, the most revenue my classroom can generate at my current rates is \$98/hour and State regulations still require 2 teachers (a 1:7 ratio- and this is still considered poor quality). Under these changes, the most this classroom would make is \$98/hour and \$50/hour would be fixed labor costs.  
An infant classroom has a maximum group size of 10 students; meaning, the most revenue my classroom can generate at the current rates is \$70/hour and State regulations still require 2 teachers (a 1:5 ratio- which is considered very poor quality). Under these changes, the most this classroom would make is \$70/hour and \$50/hour would be fixed labor costs.  
It is self apparent that infant/toddler programs would be the hardest hit by these regulations, and the County would likely experience a reduction in infant toddler providers and slots (there already exists a shortage in the State and the County and several providers, like Guidepost Montessori, were forced to close infant toddler classrooms this year). This would result in fewer mothers being able to enter the workforce and an increase in unlicensed/unregulated child care.
- High quality child care (places with lower class sizes and lower ratios- meaning less tuition dollars per teacher salary), infant/toddler care (there are already shortages of this), because of their low ratios (1 teacher to 3-4 infants), and programs for children with disabilities (because of the low ratios required) will be the hardest hit. Already, Imagine and many organizations for the disabled have had to suspend services because of labor shortages and the labor expenses required to operate programming.
- Increasing minimum wage will cause child care facilities to increase ratios and class sizes, decreasing structural quality, because they will need more students, and more tuition dollars, to pay each teacher.
- Increased cost of child care for working families. While they might be earning more in wages, facilities will have to raise rates to offset the increased labor expenses (especially since classroom sizes are capped by the State.
- Movement of businesses (especially labor intensive businesses, like child care and construction) out of the County into nearby Broomfield and Weld County.
- It will result in reduced CCAP, Colorado Child Care Assistance placements, in the County for the poorest families for two reasons: 1) Because the State's payments will not keep pace with these minimum wage increases which are unique to Boulder County and do not apply to the rest of the state; and 2) CCAP rates are based on a "tiered reimbursement system," in which facilities get paid a slightly higher rate for increasing quality by reducing group sizes and ratios. Boulder County providers will need to maximize group sizes to remain solvent, so their CCAP

reimbursement rates will decline because they will be considered to be of “lower quality,” in a lower quality tier. There already exists such a shortage of providers that the State is offering \$2,000 incentives. Boulder County providers would be uniquely disadvantaged in this system.

- Similarly, it will result in reduced UPK, Universal Preschool, placements in the County for the same reasons- because the State’s payments will not keep pace with the minimum wage increases which are unique to Boulder County and do not apply to the rest of the state; and because they employ the same tiered reimbursement system. Boulder County providers would be uniquely disadvantaged in this system.
- Public schools would have more expensive labor costs. They would have to increase wages for the people that staff before and after school programs (Community Schools) and support services (custodians, paraprofessionals, cafeteria workers). If these individuals wages increase 62%, teachers will also expect similar wage increases. This will ultimately have to lead to increased property taxes, especially since the wage increases will be unique to Boulder County.
- Inflation has been rampant since 2020; already, we have not felt like we could raise our tuition as parents are already stressed over costs. If we were to add standard 3% increases we will have to raise our tuition almost 60% over the next 6 years in order to stay in business.
- It will result in general inflation in the County.

What you are contemplating is a perfect storm of fatal challenges for small businesses (increased property taxes, increased supply costs/inflation, and now increased labor costs)- and it will only apply to businesses in the County (parents can drive to Erie, Broomfield or Frederick and pay less). This will harm the competitiveness of Boulder County businesses, reduce access to child care in the county, dramatically increase rates for working families, increase the number of children in unlicensed/unregulated care, and reduce maternal workforce participation.

Boulder county will become like Telluride or Vail; no one who provides services to the residents will be able to afford to live here and they will have to commute to provide services for the rich. You will be making this a County where people will want to work, but where families cannot afford to shop, live, or operate a business due to the added costs (which will be significantly lower one county away).

I encourage you to employ an agency (Augenblick) to perform cost modelling on the effects this would have for the child care sector so that you can have an informed understanding before voting, to reject this proposal, and to support reduced property taxes for child care facilities.

Abigail & Joshua Miller



In the summer of 2023, elected officials from the Cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. Since August of 2023, regional teams have met to scope and administer these next steps. Teams include one staff member from each of the five participating communities as well as community representatives from Chambers of Commerce, members of the Self Sufficiency Wage Coalition, and members of human services nonprofit organizations.

A standard engagement model operating at the ‘Involve’ level of the [public participation spectrum](#) was administered across the five participating communities. Engagement opportunities were available between mid-February until April 15 of 2024, and community members were provided options to participate virtually and in-person, with English and Spanish options, at one of 14 focus group sessions and through an online questionnaire.

## City of Lafayette Engagement Strategy

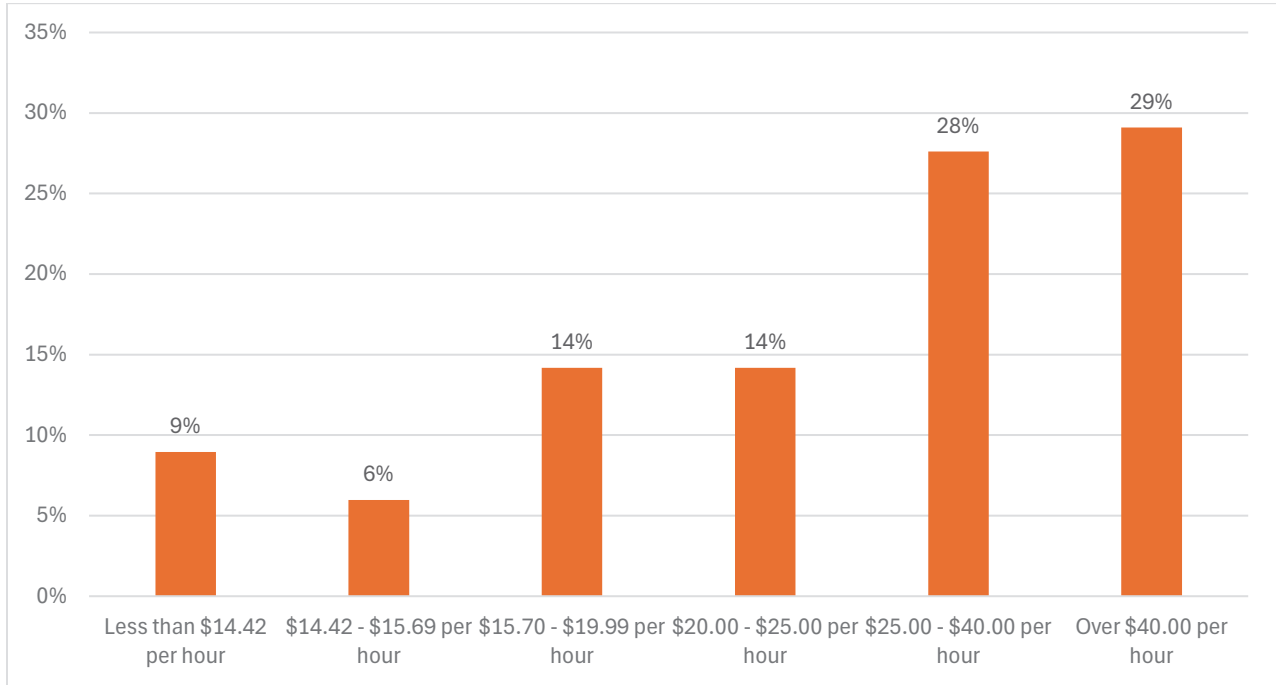
The City promoted the engagement opportunities through a variety of means but primarily focused on businesses, including:

- Direct emails to businesses registered with the City’s business license database (629 emails), businesses who have participated in the Small Business Capital Grant program (19 emails), and businesses located in Old Town (60 emails)
- Promoting the effort as the lead article in the April “Lafayette Connection” newsletter (which was mailed to all utility customers)
- An email from the Lafayette Chamber of Commerce to all Chamber members
- Communication to Lafayette businesses from the Small Business Development Center
- Promotion on the [project webpage](#)
- A [newsflash](#) on the City’s website and emails to news subscribers
- Digital banner on the screen at Highway 287/Baseline
- Flyers posted at various City facilities and Sister Carmen Community Center
- Posts on social media throughout the engagement period

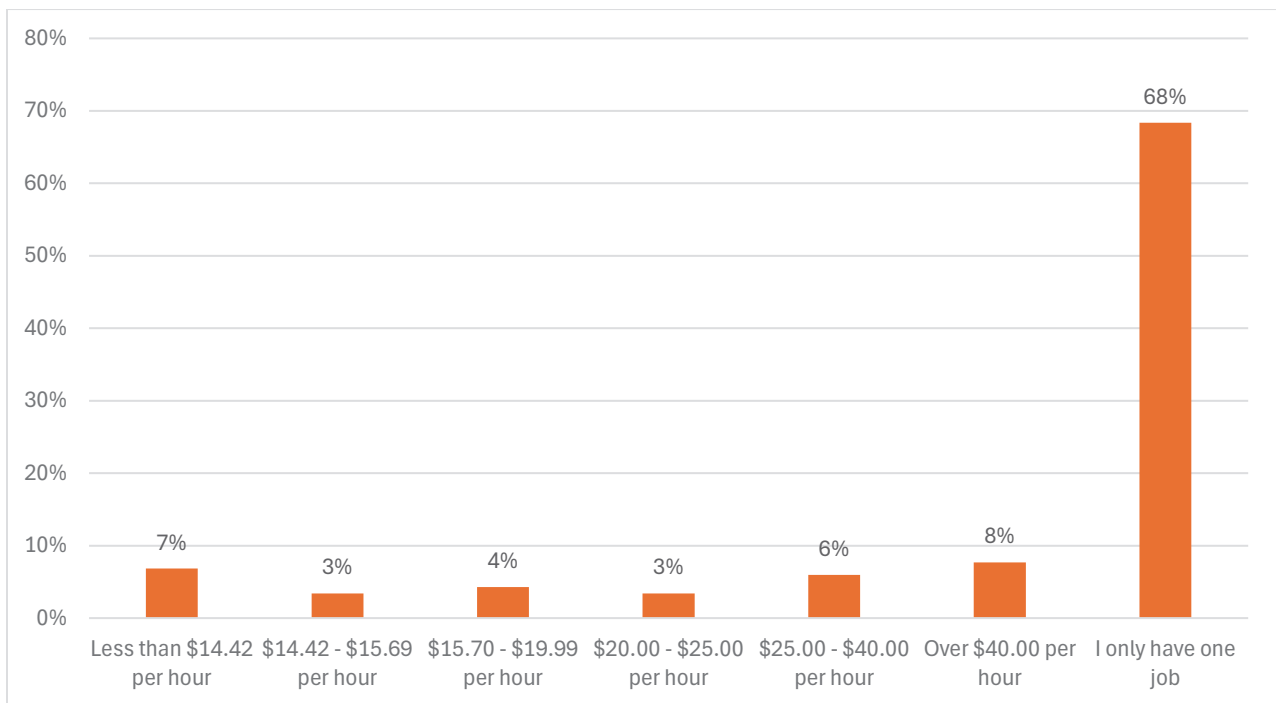
## Engagement by the Numbers

The City of Lafayette hosted two of the 14 sessions in partnership with Louisville. In total, the 14 sessions engaged 213 participants, but the two sessions co-hosted by Lafayette/Louisville engaged nearly 40 people. Further, 142 (137 in English and 5 in Spanish) of the questionnaire respondents identified as being either a Lafayette community member or Lafayette business owner. The survey asked close-ended (quantitative) and open-ended (qualitative) questions. Responses to the close-ended questions from Lafayette respondents are summarized below.

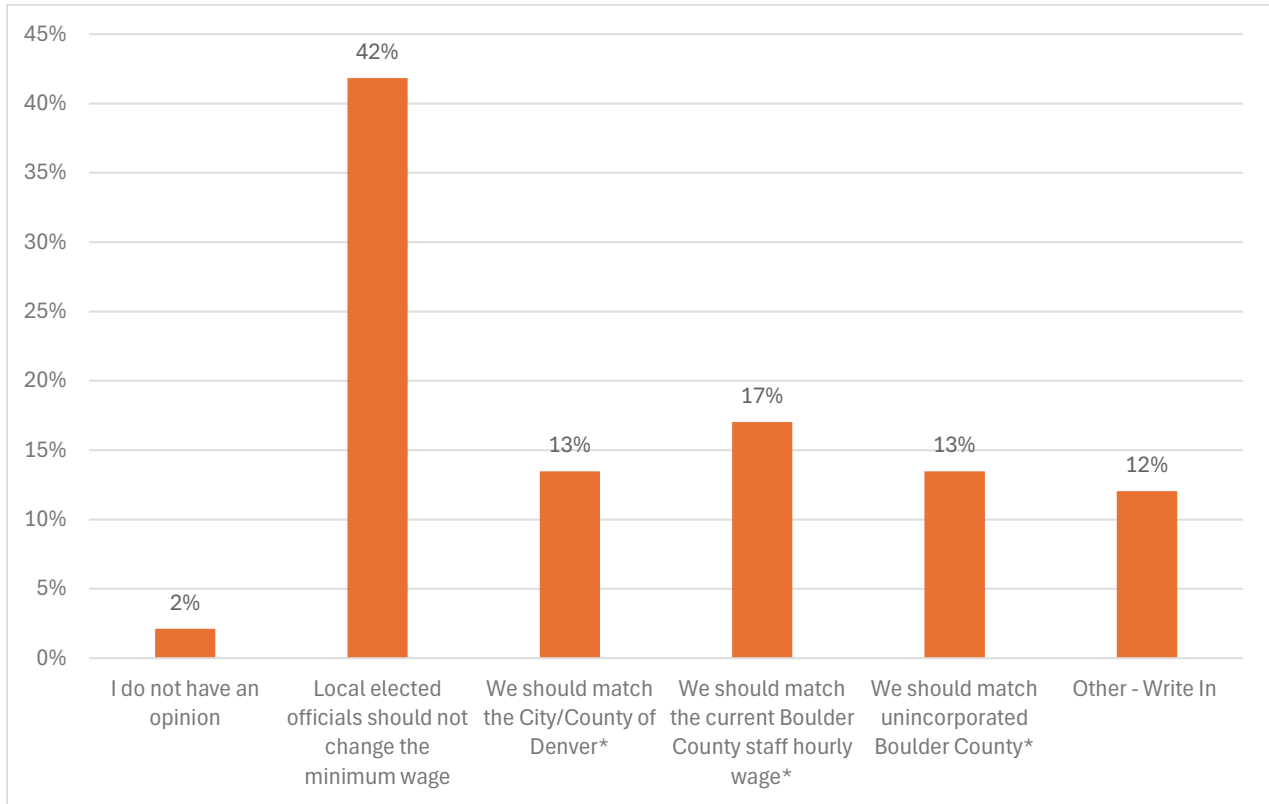
## #1 – What is your hourly wage before taxes, deductions, and tips? (n=139)



## #2 – If you have more than one job, what is your hourly wage before taxes, deductions, and tips at your second job? (n=119)



### #3 – Which statement best describes your opinion about a possible change in the minimum wage? (n=141)



\*The varying minimum wages referenced in the survey are:

- City and County of Denver – \$18.29 in 2024, increasing annually with inflation
- Boulder County staff hourly wage – \$23.23 in 2024
- Unincorporated Boulder County - \$15.69 in 2024, increasing to \$25 by 2030

#### Other – Write In

leave the wage where it is. let the market decide.

Minimum wage should be \$0.00. Let the employer determine the value of the output of each worker. Government has no need to set a minimum wage.

As a small business owner, it is incredibly hard to hire multiple people at \$17-18/hour minimum wage. I do not agree with such a large increase. Especially, my employees make commission so it is even more difficult if the minimum wage is that high. Plus, since Covid, as small business owners, we have to pay so much more in unemployment and there is lots of unemployment fraud.

We should NOT increase the Minimum Wage for a while.

Minimum wage should be increased AND there needs to be a limit on price inflation for housing and necessities

**Other – Write In**

I'm not sure what to think. Minimum wage's effect on cost of living and ability for people to meet their needs is complicated. It's a component, but businesses pass on costs, so I'm not sure continuing to raise the minimum wage is a viable, sustainable, long-term strategy to help people. Not that it shouldn't be done, but...

Increase to \$18 and evaluate the result before coming to further increases

Local officials should not change the minimum wage. Small businesses are struggling. Raising minimum wage will reduce the number of people employed by a business as is happening in CA.

We are a small family owned business that employees youth and this would devastate our business. We pay our employees at tipped employees and they make great tips from our awesome community. We pay 11.60 plus tips currently. Most our employees are under 18. We believe this would hurt many of our small businesses.

Make it affordable to live where you work.

Keep it at \$14.42. You will bankrupt local restaurants.

While I pay much more than minimum wage; minimum wage jobs are not meant to be a "living wage" or a sole source of income

Inflation will eat away any increase in minimum wages. Then the small business, employees will leave and finally so will the tax revenues.

Minimum wage should not be raised for tipped employees. It's putting small business out of work

Lower the minimum wage.

living wage (at this moment about \$25/hr)

Note that the ECONorthwest survey summary coded some of the “Other” responses if they clearly aligned with the sentiment of another question option, so there are minor discrepancies between the survey summary figures in Exhibit 2 compared to the graph above.

**Key Themes**

Survey respondents were asked to respond to three open-ended questions related to potential positive impacts of an increased minimum wage, potential negative impacts of an increased wage, and any other feedback they would like to share with City Council. Respondents could self-select as either a Lafayette community member or Lafayette business owner. The responses below are organized by seven key themes from the survey responses and in-person engagement sessions. The themes are listed in no particular order and include both community member and business owner perspectives; however, the verbatim questionnaire responses are included in Appendix A and delineated by community member or business owner.



### **Theme #1 – Minimum wage earners could likely expect increased income and an improved quality of life.**

- If hours worked remained the same or similar, employees could expect increased income. Increased income will allow people to afford basic services and an ever-increasing cost of living more easily (housing, food, childcare, etc.).
- People could be more likely to afford to live where they work, which would have social, economic, and environmental benefits through an increased sense of community, keeping money spent within a single economy, and reducing emissions from fewer miles traveled to work.
- There may be more disposable income within the community and therefore increase the consumption of goods and services.
- If employees are more able to meet basic needs, there would be less of a strain on the region’s safety net services.
- Employees earning minimum wage may need to work less and could therefore experience better work-life balance.
- There are potential “spillover” benefits, including reduced crime, reduced poverty, improved health, and a greater sense of community if people could afford to live where they work.

### **Theme #2 – Businesses may experience improved employee retention and satisfaction.**

- Businesses may experience improved employee retention with higher wages.
- Employees earning a higher wage may experience increased pride in their work.

### **Theme #3 – An increased minimum wage could exacerbate inflation.**

- If income increases, prices of goods, services, and experiences could increase due to higher personnel and product costs.
- The general cost of living, including housing, may continue to increase if people have more income.

### **Theme #4 – Employers would have to grapple with wage compression if the minimum wage increased.**

- High-performing employees who have been provided a raise may be at or near a new minimum wage and could therefore either (1) feel less motivated or (2) expect a proportionate wage increase, thus increasing the wage pressures from more than just employees earning a minimum wage.
- Many businesses state that they are already paying a living wage but increasing the “floor” will reduce the impact of that business’s conscious effort to provide a higher wage to employees.

**Theme #5 – Businesses (especially small businesses) could be forced to close, lay off staff, or invest in another community to afford the costs of an increased minimum wage.**

- Increased wages, and thus an increase in the cost of doing business, may give businesses a reason to construct and invest in neighboring communities that do not have a higher minimum wage.
- Many small businesses are already on the brink of closure and an increased minimum wage may force them to close.
- Businesses may have to reduce the number of positions they can offer and therefore the number of jobs available in the city.
- Businesses may have to lay off staff to afford increased payroll costs.
- Small businesses in particular would feel the burden more than larger corporations who could absorb the costs in ways that small businesses cannot.
- Small businesses are continuing to struggle after COVID-19. This would put an extreme and unnecessary burden on these businesses, many of which are restaurants that allow their employees to receive tips on top of the minimum wage.
- Increasing the minimum wage will make it even more difficult for someone to start a small business by increasing the barrier to entry.
- Costs of doing business in Boulder County are already high with significantly increasing property taxes. An additional burden such as increased minimum wage would push many businesses to close or reduce their workforce.
- Businesses who are voluntarily offering competitive benefits (i.e., paid healthcare) may no longer be able to provide such benefits.

**Theme #6 – There are disagreements on the purpose of minimum wage.**

- A minimum wage is not the same as a self-sufficiency wage.
- Minimum wage is designed for entry-level workers to develop skills, not jobs serving as a lifetime career.
- Businesses should have the freedom to determine the value their employees bring to an organization within the confines of what the business can afford.

**Theme #7 – It is not local governments’ responsibility to increase minimum wages.**

- This is not the role of local governments or local elected officials, especially those who do not own a business. It should be managed on a statewide basis to reduce localized impacts.
- Political capital is better spent on programs or initiatives more directly addressing the affordability crisis.
- If a higher minimum wage is approved, governments should provide incentive programs to offset the increased burden for small businesses.
- Focus on other areas, such as affordable housing. Local governments should be focused instead on how to lower rents and/or increase supply of housing to improve affordability.

## Sector-Specific Themes

In addition to the general themes above, there was feedback related to specific sectors as outlined below.

### Childcare

- Childcare is already tremendously expensive (typically a “second mortgage” for many families) and increasing wages will make childcare more expensive than housing in many cases.
- If childcare is less accessible, there could be a labor shortage for employees with children for whom it makes more financial sense to not work than work and spend most of their income on childcare costs. This tends to have a disproportionate impact on women.

### Restaurants

- Tipped wage earners are already earning an average wage significantly higher than minimum wage. They should be excluded from any minimum wage increase.

### Marijuana Dispensaries

- Lafayette’s specific marijuana excise tax ensures that prices are already higher than most other communities.
- Most of the product comes from a small number of growers, so there is very little price competition across the state. Thus, any additional price burden that is specific to a city or region will have a significant impact on local dispensaries.

### Agriculture

- Increased wages will result in exported labor for produce growing and processing. Boulder County has one of the best open space and agricultural land preservation programs in the world but that cannot be capitalized on if farmers cannot afford labor to grow produce on the land.

## April 11 Engagement Session



## Appendices

Appendix A – Questionnaire Responses

Appendix B – Other Written Feedback

The following responses are organized by each open-ended question from the questionnaire. Questions 1, 2, and 5 were asked of people who identified as Lafayette community members, and Question 3, 4, and 5 were asked of people who identified as Lafayette business owners. Responses demarcated with an asterisk (\*) were submitted using the Spanish questionnaire and translated to English using a third-party translator.

## #1 (Community) – What do you think the positive impacts of increasing the minimum wage will be for you, your family, and your community?

C1	The cost of living is so expensive I can barely afford anything other then rent
C2	Less food insecurity, less dependence on social welfare programs. Ability for work life balance
C3	Additional income provides greater opportunities. However, my position could be eliminated if the cost of wages is more than the city of Lafayette can afford.
C4	More people able to pay their bills with their take home pay. People willing to get out there and work for a "decent" pay.
C5	I don't think you can increase wages enough to match all of the increases in all the other expenses a person has to incur.
C6	The wages have not kept up with cost of living. People are struggling and having to move out of Boulder County. It is a crisis. We need an economy to work for all.
C7	I could get paid more money.
C8	quality of life
C9	None
C10	By increasing the minimum wage there will be a lower gap between wages and expenses. Low income families have a lower chance of qualifying for government benefits and would allow them to buy/obtain food, house, resources solely on their wages. It will not only benefit them but the government as well. By increasing the minimum wage everyone else would get an increase in their wage as well which it would benefit a lot of us to be able to afford a good living.
C11	Less unhoused individuals creating stability in families, the ability to not be living paycheck to paycheck,.
C12	As someone who works at a local nonprofit helping people experiencing poverty I think it would be extremely beneficial. Most times we are people needing help who are working but still can't make ends meet working multiple jobs. The county, local organizations, and taxpayers ultimately end up picking up the tab when families can't afford to eat or pay for other basic needs. It would benefit our community to make sure people are paid closer to a living wage.
C13	Better meet high cost of leaving in Boulder County: rent, food, medication.
C14	With the high rise in costs of food, housing, and everything it's tough for people to stay afloat with the low wages given that are not proportionate to the cost of living

## #1 (Community) – What do you think the positive impacts of increasing the minimum wage will be for you, your family, and your community?

	in Colorado. It takes a community approach to fix this and a piece of that is raising the minimum wage.
C15	More people will earn a living wage.
C16	If the minimum wage doesn't keep up with inflating prices, there will be more people needing assistance from the county to survive and feed their families. This gives them the chance to provide a living for themselves.
C17	none. The market pays what is demanded or else companies are unable to hire and/or keep workers
C18	Having a living wage will allow citizens to simply live and to live simply. The cost of items to live, eat and enjoy our community have gone up to the point it causes depression, anger, and the need to move away. Living to work has become the norm.
C19	It's not clear. There aren't any direct, since no one in my family is a minimum wage hourly employee. I think the theory is that this has spillover effects in the community (reduced crime, reduced poverty, reduced bad health care outcomes, etc etc) but I'm not sure to what extent that really happens. The gap between minimum wage and cost of living here is huge.
C20	Positive- help low wage workers. Negative- it could be hard for small business owners.
C21	Being able to keep pace with inflation especially with increasing food, transportation and property tax costs.
C22	Positive impacts: Workers may be able to afford to live closer to where they work. Especially relevant for service workers. Negative impacts: may cause housing costs and other living costs in Boulder County to raise even higher
C23	It's incentivizing for all and gives people a reason to work in their own communities.
C24	N/A
C25	Being able to afford the expenses of living without having to obtain more than one job. As someone who works for the city of Lafayette, I've had many coworkers who have to work more than one job regardless of being a full time employee. I've unfortunately had to see a huge turnover rate in our employment. Most people truly enjoy their job, unfortunately we lose great people to neighboring towns because they offer more at a starting rate, than we do.
C26	Greater living conditions for everyone. Life is very expensive in our areas. The minimum wage HAS to be a living wage. Otherwise we're just encouraging poverty. NOT OK!
C27	None.
C28	more income for those being priced out of Boulder County. Minimum wage workers will have better options. Multiple job holders can scale back. Workers may stay at jobs longer.

## #1 (Community) – What do you think the positive impacts of increasing the minimum wage will be for you, your family, and your community?

C29	Raising the minimum wage just raises the prices of everything. Not all jobs are meant to support you. It ruins the economy to over pay people.
C30	Living In a community that values workers and living eages
C31	It would help people afford to live in this community. However, the cost of goods will continue to rise to accomodate paying employees more.
C32	None. Please leave at \$15. This is an entry level position.
C33	good morale and economic impact!
C34	It will create longevity within those who want to live here and pay wages to keep families above the poverty line.
C35	Nothing...none
C36	Entry level workers can improve their economic conditions to allow for even greater improvements
C37	More financial stability. Buying a house could possibly be a reality here for working class households.
C38	The ability to participate in my local community would increase dramatically if my community has the means to pay for more than rent and groceries. Creative works, live experiences, dining and entertainment depend on disposable income. That income will not come from business owners willingly, because it is a prisoner's dilemma- whoever keeps wages lowest outcompetes others. This is avoided by mandating a minimum wage for all business owners.
C39	The ability to participate in my local community would increase dramatically if my community has the means to pay for more than rent and groceries. Creative works, live experiences, dining and entertainment depend on disposable income. That income will not come from business owners willingly, because it is a prisoner's dilemma- whoever keeps wages lowest outcompetes others. This is avoided by mandating a minimum wage for all business owners.
C40	People being able to live where they work. Being able to pay all bills every month without having to go into debt. Being able to afford healthcare instead of barely being able to for medical insurance and then not being able to afford to actually use it.
C41	No positive impacts
C42*	More financial resources to meet the current increase in prices for basic services (rent, power, food).
C43*	We would have a bit more money to cover all the expenses that a family and a home have, such as food, rent, electricity, water, and more things that a family needs to survive.



**#2 (Community) – What do you think the negative impacts of increasing the minimum wage will be for you, your family, and your community?**

<b>C1</b>	Na
<b>C2</b>	Increased cost of living
<b>C3</b>	Higher cost of going to fast food restaurants and places like Target or WalMart.
<b>C4</b>	As prices increase in every sector of our lives we will have to cut back our expenses. If businesses have to keep raising prices to meet all the increases in the expenses that affect their business I feel we will see more businesses close. The minimum wage increase won't matter much if there are less businesses to employ people.
<b>C5</b>	It could be harder to find a job, and the cost of basic goods and services could rise. It could become even more unaffordable to eat at a restaurant or shop at a grocery store.
<b>C6</b>	poverty
<b>C7</b>	The only negative impact that I can think of is that since the minimum wage is increasing, businesses would try to increase their prices as well.
<b>C8</b>	Higher prices for everything. A minimum wage does not reflect a worker's true value. Let the employer decide how much they can afford to pay. If they aren't able to keep workers, then the market will determine what an appropriate wage is. Government should stay out of this transaction. It is also proven that when the minimum wage is increased that jobs disappear (please see California). We need these jobs for teens and those starting out in the working world. Minimum wage jobs are not meant to be lifetime careers and shouldn't be treated as such.
<b>C9</b>	The only negative impact that I can think of is that since the minimum wage is increasing, businesses would try to increase their prices as well.
<b>C10</b>	Everything else might become more expensive
<b>C11</b>	I think it will be difficult for nonprofit organizations or small businesses to be able to cover the increased expense but ultimately if a business can't afford to hire a person a decent wage then they can't afford to hire someone. It's just the cost of doing business.
<b>C12</b>	There are no negative impacts of increasing the minimum wage.
<b>C13</b>	The negative side is that employers have to cover the costs of those wage increases. Therefore, there should be some tax benefits to employers or programs that help subsidize some of those costs.
<b>C14</b>	Some prices will be increased
<b>C15</b>	Things will not improve if there's not a limit or ceiling imposed on how much prices can increase on housing and necessities. Every time the minimum wage goes up, prices go up; it defeats the purpose, and keeps people just barely managing to get

## #2 (Community) – What do you think the negative impacts of increasing the minimum wage will be for you, your family, and your community?

	by. We need livable wages for our community AND we need to make sure that everyone can afford the things they need to survive (notice I said survive, not thrive. There needs to be bigger changes for this to be a possibility for many)
C16	Discouraging companies, particularly small business and/or restaurants from locating in our town.
C17	Wage compression. Increased prices.
C18	Some businesses will not be able to pay more as it will take from their own pockets. Causing change in living standards for a business owner brings resentment as they may not be managing their finances well.
C19	Also unclear. I think there's a risk that this only serves to continue to drive up the cost of living. It's a bit of a treadmill, isn't it? Sort of like house prices: if I want to live in the area, if house prices go up, then sure, I can sell my house for more, but I have to live somewhere, and the house I buy will also be more expensive. What I really need is for my own income to increase faster than housing prices increase. Raising the minimum wage locally is only really helpful in the long run if prices and hiring stay the same, but that's not how it works - businesses will fire people and raise prices to compensate, so what's the net effect? I think it's sort of hard to know. I'm not really taking a stand one way or the other, but assuming that the goal is helping people, I sort of feel like political capital is probably better spent on programs with a more clear impact. Maybe I'm wrong. The minimum wage needs to exist to help avoid exploitation, but marginal increases to it I'm not sure really move the needle all that much on the things we want to make better for people. But what do I know.
C20	Only if it could affect small business owners
C21	Businesses will likely raise prices to cover their increased payroll.
C22	Negatives: goods, services, and restaurant foods may increase in price.
C23	I'm assuming it means higher taxes?
C24	Payroll expenses for businesses, may have inverse effect then intended
C25	None
C26	Increased prices. I think state government should set minimum wage, not counties and cities.
C27	Businesses will lay off to offset increase in minimum wages. Workers will become overworked in understaffed workplaces. Decrease in benefits, small businesses will not be able to survive. Minimum wage will increase but customer base and sales will remain the same, therefore a loss for small businesses.

## #2 (Community) – What do you think the negative impacts of increasing the minimum wage will be for you, your family, and your community?

C28	The cost of me trying to make it!
C29	None
C30	This could force small businesses out of our community. It would be difficult to maintain that kind of overhead. As stated above, the cost of items will continue to rise to accomodate paying employees more, creating a cycle that isn't solution oriented.
C31	Continued higher costs for everyone.
C32	affordability!
C33	None.
C34	This is only done to increase tax revenue...and will hurt everyone. THIS IS WHAT CAUSES INFLATION! This will close businesses! This will reduce jobs! This will only INCREASE PRICES! This is not to help people! THIS IS ONLY TO INCREASE TAX REVENUE (the more you pay the more tax is paid) Look at CA...it is a horrible idea! Business are laying off people, raising prices, and closing left and right! City council should stay out of determing wages! IT IS NOT YOUR JOB!!!!!!!!!!!!
C35	Possible raise in prices when CEOs raise the wages but don't lower their salaries
C36	I'm sure some businesses may go out of business. But really not many I can think of.
C37	I believe that business owners will react poorly, possibly moving their business to an area of lower wages or paying for regressive political candidates.
C38	Depending on how this is set up, businesses could move out of the area if they are forced to pay their employees more.
C39	More businesses closing, more inflation, more unemployment. Let the market decide.
C40*	None.
C41*	That the cost of everything will increase: food, housing, and many other things one needs to survive.
C42*	I think more than \$30.

**#3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?**

B1	no positive effect. any increase will be offset by negative community ripples.
B2	There are none
B3	The individuals may feel a short-term boost in their take home pay (but once pricing adjusts, their spending power is ultimately no better).
B4	Mke it possible for people to live here. Make families not have to choose between child care and medicine.
B5	I pay anyone that works for me a contracted rate. Minimum wage increase will cause those rates to increase.
B6	It could possibly lead to a wider potential customer base as consumers in our area have more spending money, however, I think this effect will be quickly outpaced by our need to raise prices so after a few years, those consumers will have the same spending power that they have now as localized inflation catches up to wages.
B7	People deserve to make enough money to provide for themselves without having to work multiple jobs or more than 40 hours per week. This could provide that opportunity.
B8	huge uplift in fundraising burden
B9	I believe that there will be a negative impact on the economy. Higher wages required mean higher expenses which translate into a higher cost of goods to operate for business owners. Prices will need to be raised to match the required increase in wages which means those same employees will be paying more for their goods across the board. This will be a cycle that could not end ever.
B10	None, it takes away the choice of a business owner to pay what they feel they can for a job.
B11	There is no positive impact. Business owners in a free market economy should be allowed to set wages based on market conditions. Government employees should not dictate a minimum wage for hourly employees.
B12	It would be a living wage
B13	We are a safety net agency, so we would see lower income households more able to meet their basic needs through employment.
B14	Overall, I don't think a mandatory minimum wage is a useful pursuit. Costs incurred by a business are simply passed on to consumers thereby increasing upward pressure on prices contributing to an inflationary environment across the economy.
B15	None
B16	A better wage typically brings pride in the job. When a person feels compensated for what they do, we hope they function to their fullest ability to produce positive results. We are very specialized and it costs my business \$8k to train EACH one doing the work we do...then we have to recertify QYR...not cheap.

## #3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?

<b>B17</b>	Employees.
<b>B18</b>	It will be a negative for business owners, employees and the general public. Just look at Seattle or San Francisco to see how it has destroyed businesses and jobs. The first to go are the restaurants. These are the jobs where many entry level workers start their work experience.
<b>B19</b>	Literally None.
<b>B20</b>	dumb idea
<b>B21</b>	It will not be positive. It will mean we will higher fewer employees, increase unemployment, price our cost of produce out of competitive levels with sources of products from out of Boulder, and shut down small businesses. You increase our property tax, take our tools away, increase our labor costâ€¦ take a hint from the European nations experiencing farmer protests. There is a breaking point and we are at it. Leave the labor market alone.
<b>B22</b>	None. Although minimum wage will potentially increase the amount of money people have to spend in the short term it will be offset by the increase in prices needed to pay for the increase in labor costs. This creates a dog chasing its tail scenario.
<b>B23</b>	None
<b>B24</b>	If you keep raising minimum wage, we will have to increase prices to cover those wages and people just go to another city to save money. It'll drive business down and drive prices up. No restaurant or business will want to come and set up Schoup where their prices have to be extremely high to cover wages, when they can go to another city and set up shop for much cheaper
<b>B25</b>	None
<b>B26</b>	Without a proper study, this is not a fair question to ask of individuals.
<b>B27</b>	Will help with those that do not work in a field where experience and annual pay increases are not common if not mandatory.
<b>B28</b>	None
<b>B29</b>	Our employees are like family and they will feel safer in their ability to rent where they work.
<b>B30</b>	We already pay a living wage at our company but we would like our town to function. In order for this to happen, all people employed need to make enough to live. I don't want the Taco Bell closed because no one can afford to work there. Instead of investing in affordable housing (which we should do) we need to first ensure that all aspects of life can be affordable for residents.

## #3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?

B31	I have yet to see any positive impact.
B32	None.
B33	I do not think it is is possitivie. I believe unemployment will rise...it will drive inflation
B34	None
B35	The cost of childcare will increase drastically with the cost of payroll cost, payroll insurance, human resource services, accounting services, employee insurance, and umbrella insurance. Childcare is already a mortgage payment, and an increase would require another 1/2 of a mortgage payment. I feel that you could destroy the families and developments of the community with this large impact. I would look at reducing the property tax so we could pay more for teachers helping all business and families.
B36	Employees would make more money, which would be good.
B37	I do not believe there are positive impacts of increasing the minimum wage. We give our workers their tips so they make more than the minimum wage would be but we'd have to stop doing this if we are mandated to pay more per hour
B38	There will be NO positive impact in raising the minimum wage. All this will result in is increased costs for businesses and residents. Minimum wage is not meant to be a living wage. At some point these increasing costs will result in companies being unable to hire staff and opting for automation. This is a losing proposition for all concerned.
B39	Decreased employee turnover, increased living standards for workers
B40	There is no positive impact. Study after study has shown this. California and Washington state are examples of this. Our incredibly fast rising fast food joints are examples of this. The cost of goods at the businesses forces to raise minimum wage will increase, workers will be fired and those left behind will receive a temporary raise that will mean nothing once the cost of goods catch up in less than a year. Rinse and repeat the cycle of stupidity.
B41	I can not think of a positive impact. We have always paid at least \$3/hr over minimum wage. Is minimum wage a law that is meant to prevent employers from abusing their power and paying people too little? Is minimum wage supposed to be a living wage? I have seen it as a protection for the lowest paid workers but not something that automatically pays workers regardless of how little productivity they produce.
B42	Colorado is an expensive state to live in and our wages need to support a living wage.

## #3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?

B43	Our staff will be able to afford to live in Boulder County while working for our organization. It will increase the financial burden on the organization but will result in less staff turnover, which ultimately will benefit the organization.
B44	N/A
B45	There would not be aa positive for our business. We would not be able to afford payroll if this happens as we are a seasonal business but open year round.
B46	None
B47	There is not any positive impact. It appears to offer sustainable wage...but it will drive businessess out and it will decrease the number of entry or first timejobs availble in the market.
B48	There is no positive impact. The wage should be a contract between the employeee and the employer and the government should not get involved in this process.
B49	None
B50	I think this applies to management and full time workers who do not live at home..
B51	Please do not do this. Our bartenders make between \$25-\$65/hr at \$12/hr+ tips as their take home pay after taxes.
B52	None. If minimum wage is raised, the HS kids I employ will have a little more cash, but my food prices will go up. The parents will suffer, because the cost of everything will go up.
B53	None
B54	No positive impact. Higher Food prices to pay for it. Harder to find workers and lots of local businesses will go out of business.
B55	I see no positive impact of increasing minimum wage. Please note that minimum wage and living wage are two different things. Minimum wage is designed for entry-level workers to begin their careers and develop skills to promote themselves into living wage jobs. Our expectation should not be that an entry-level worker with little to no skills should be making a livable wage.
B56	I respect increasing minimum wages for some industries. All of our employees are tipped and make more than the proposed new minimum wage.
B57	None
B58	None
B59	Better wages mean happier employees
B60	We already pay above the minimum wage and we have no turnover. We are a team and that is what has helped us in being successful.

## #3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?

B61	I think it's important that people making minimum wage be able to support themselves without having to work 2 full jobs.
B62	Employees more able to cover the costs of living. Less strain on the local safety net.
B63	Increasing the minimum wage would create opportunity for those already living and working in the community, and would allow more people to attain quality housing and have a higher quality of life. Minimum wage needs to increase in proportion to housing and food costs in order to be a livable wage.
B64	No positive impact only negative. Small businesses can't navigate this and stay in business. This should not be decided by the city council
B65	There is nothing positive about politicians who don't own or understand how a business operates dictating to a business owner how they pay their staff if they have staff at all
B66	Short-term gain. Longterm pain.
B67	none
B68	I don't think there is a positive impact.
B69	Do not raise the tipped minimum wage. Most of those staff members already earn \$30-\$40 per hour including tips. & \$20-\$25/ hour For high school kids with no experience. And I have been forced to give them about a \$.90 raise every year for the past seven years. The tipped employees do not need more money. What we need is a fair enough way for me to legally share tips with the kitchen staff, without having to pay everyone the full minimum wage (which cost way too much). The multiple state mandated tipped minimum wage increases are ruining full service restaurants, and benefitting the counter service restaurants. It's just become too difficult with high wages and product cost to run a full service restaurant. This is ruining my business model and why I opened restaurants in the first place.
B70	There will be no positive impact on my business if the minimum wage is increased. My business will fail if the minimum wage increases to \$25/hr which is more than I make as a business owner. Lafayette and Boulder County are ensuring that small business will fail with this initiative. They should look toward rental costs in the county and living expenses rather than passing the buck to small business owners.
B71	Can't think of any positive aspect for me personally.
B72	There will be no positive impact, we are struggling to keep our doors open. If anything, we will need to work more hours and lay off employees.
B73*	If the economic situation of the working class improves, the local economy gets stronger. Workers would have better incomes without having to do double shifts or exhausting, long hours. If there's more free time, that time can be spent with family, on recreational activities, on quality leisure opportunities, etc. Countries with better salaries and quality of life have societies with less crime, less domestic



### #3 (Business) – What do you think the positive impacts of increasing the minimum wage will be for you, your business, and your community?

	<p>violence, and fewer social problems like substance abuse. It is important to include reforms that allow an increase in the minimum salary and also attend to other aspects of our wellbeing, such as a regulation of the housing costs and mortgages, and not only for residential purposes, but also for commercial ones, so that both workers and employers could actively participate in the local economy and thrive regionally, above all in Boulder, where housing and commercial spaces are not affordable for families or small businesses.</p>
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### #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

B1	<p>I will need to raise my prices and the community can't afford it. Higher wages will possibly translate in my closing especially since taxes and doing business in Lafayette is so expensive.</p>
B2	<p>Increased prices for food - just look at Denver. Overpays high school workers. Min wage should not equal livable wage. It should allow for flexibility in compensation for folks just entering the workforce and recognize the life skills restaurants teach young workers. Additionally, our Boulder County workers earn an average of \$12 per hour in tips on top of the minimum wage. This makes dining out unreasonably expensive for our guests.</p>
B3	<p>I think it will be a struggle at first, but it was a struggle when slavery was abolished. Businesses need to find a way to make it, paying a liveable wage.</p>
B4	<p>The cost of goods and services of my vendors will increase, thusly I will be required to raise my rates. If the market cannot absorb my rate increase, I will lose income.</p>
B5	<p>1. We will need to raise prices in order to keep up with the cost of labor which could lead to decreased revenues as consumers pursue cheaper options outside of the county or through large retail chains that are better equipped to absorb those costs.</p> <p>2. Our competition in Weld, Larimer, and Broomfield Counties and those large national retailers will have a competitive advantage as we have to contend with higher relative wage costs. Those companies still serve the Longmont area and our customers will find cheaper options with those companies outside of our county. If this effect begins to hurt our business too much we will be forced to consider a move to a location east of County Line Road.</p> <p>3. We will be forced to reduce hours and not hire our "non-essential" employees. We have always had high school-aged students, employees with intellectual disabilities, and part-time retirees on our staff. Their productivity often does not match their wage but we like to give those folks opportunities and our whole staff benefits through the diversity. If the minimum wage moved to \$25 per hour, we could not continue to employ these inexperienced workers and would instead pass that work to the rest of our highly productive staff.</p>

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

	4. Our current employees who are making \$20-30 per hour will rightly expect a raise forcing us to raise prices across the board.
B6	None.
B7	Continued injustice, poverty, food insecurity, homelessness
B8	Raising the minimum wage would mean that expenses will go up in a business and therefore the cost of goods sold will need to rise. Those same employees will then be spending more of their raise for the same amount of goods if not more as a percentage. Inflation will go up locally and surpass the national average. Businesses will suffer many small businesses will most likely go out of business and close their doors. Businesses will have to operate on a smaller staff and therefore employees may lose their jobs. I don't think this move will create more financial well-being for the majority.
B9	Likely none. We start workers above the current minimum wage because of current economic conditions.
B10	Inflation. If you raise minimum wages, business will adjust their cost of goods. The consumer ultimately determines prices and all you will do is drive up the cost of goods and services. It looks good on paper but it simply leads to cost inflation.
B11	I think it forces small businesses to overpay for entry-level people.
B12	It will be a challenge for small businesses to balance a higher minimum wage while still making a profit.
B13	Since our lowest wage is over \$20/hour, we would not be noticeably affected.
	See previous response. I believe there is a direct correlation between supply and demand and the effect on prices. When outside forces just put more money in people's hands, it effectively drives up demand without changing supply which then drives prices higher.
B14	Any substantial increase in minimum wage will put our organic vegetable farm out of business. Both our wages as well as the prices we charge our customers have gone up substantially in the last few years. Vegetable farming is extremely labor-intensive. In 2023 we had 38 employees and our payroll was 62% of our total business expenses. We currently start employees at \$17/hr and our most senior managers are paid \$28/hr. Our prices have gotten so high that we have lost many customers—even those who have disposable income and who are the most dedicated supporters of local food. There is not room for us to increase our prices any more. The past 2 years our farm has had a shortfall of about \$60,000. We are trying some new things this year so improve efficiencies but it is questionable that these will work given our already high wages. Even if these improvements succeed there is no way that they could possibly cover the cost of increase in wages. And finally, neither my husband nor I make even \$20/hour from our vegetable farm. This is our only source of income. My goal is to pay each of us \$40,000/year. If you

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

	assume that we only work 40 hours per week (which is completely realistic that we would work this little), we get paid \$19.23/hour. There is no room for us to increase our wages. We will go out of business and Boulder County will lose the jobs that we are able to provide for 38 residents.
<b>B15</b>	Will force some businesses to pay more than federally required
<b>B16</b>	To employ "helpers" with no training is challenging but to know if they will stay and work with the people skills we need is why we hire at 'minimum' wage. If they work out they get a raise. Take that away and our business will be out of business.
<b>B17</b>	Absolutely, Small business are already struggling to stay open and with higher and higher expenses, small businesses will go out of business and in return, will not be able to hire people in the community.
<b>B18</b>	It will increase costs for all employers, regardless if they pay above minimum wage, as it will increase costs for all businesses.
<b>B19</b>	Having to shut down. The increase of minimum wage has already pushed small restaurants and businesses to the brink and cause them to have to raise prices. If the minimum wage goes up to \$25-\$30 all that will be left are LARGE corporations like Wal Mart. That is the opposite of what we want as a community. This will cause restaurants and other small businesses to try to survive by HAVING to raise prices. Can you imagine having to pay \$30+ for a quick lunch at a fast casual place...? Labor is our number one expense as a small business and especially restaurant. Increasing this hurts us to a point of almost no return. And it is just going to lead to an increase in prices like we have already been seeing. Minimum Wage Workers account for less than 2% of the population. Of that almost 50% of them are under the age of 25 and 75% of them are in the restaurant, service and hospitality industry. We do not need to tank our economy, price out small businesses and teach people they dont need to work hard to be paid well. Just to support less than 2% of the population, most of who are Kids!
<b>B20</b>	dumb idea
<b>B21</b>	Increased unemployment, less service due to fewer employees, higher prices for goods and services made or sold in Boulder, lower prices for goods from outside of Boulder creating a competitive disadvantage, lower income for Boulder businesses. Raising wage rates may be intended to pay more money to some workers, but overall it just increases unemployment, which means more people have alot less. Please consider cause and effect from the big picture.
<b>B22</b>	Increased costs to already struggling small business'. More small business' unable to compete and closing. Increase in cost of living for residents in the community due to inflation caused by the increase in wages.
<b>B23</b>	As a small business owner, the negative impact would be us having to increase prices to cover wages because as it is now, we are barely skating by. There were also be no new restaurants that will be able to afford to move into Lafayette, and there will be a huge exit of businesses that can set up shop easier and cheaper in another city

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

B24	Localized inflation, drive out small businesses, make it harder to start businesses,
B25	I can only answer for my own business; our labor is already at 52% of sales. We cannot afford a mandatory increase to the tipped minimum wage. Please adjust your questions to ask what the average wage is AFTER gratuity to get a more realistic view.
B26	Cost of goods will go up which may/will decrease my profits, thusly loosing money over time.
B27	Small business would be negatively harmed. If you only want chain stores and big businesses then it is the right decision.
B28	It will increase pricing for customers cut margins and hurt overall small business owners
B29	We might need to reduce our staff
B30	I'm sure there are some small business who cannot afford to pay higher wages but as a small business that employs 20+ people, it's hard to imagine that it is truly impossible.
B31	I will elevate prices in an attempt to off set higher wages and taxes. High wages do not provide more qualified employees to choose from.
B32	Will hurt small business the most and increase the cost in most service related industries.
B33	It will negatively impact unemployment regionally, it will drive inflation up.
B34	Everyone thinks it is a good idea to increase minimum wage. I believe it is not. It is hard to justify increasing a wage that is not accurately represented or defined to the individuals that it is going to affect. For instance, you raise the minimum wage an extra \$1.00. In theory, this sounds wonderful for all involved. What people are not seeing is the ripple effect that this is going to have on small business. Remember that this \$1.00 increase is being taxed. Right there is is not a "dollar" raise. Also remember that bigger corporations like Walmart and McDonalds are not that willing to lose profits on a yearly basis so...in turn, every staff gets an extra dollar so these companies increase their products in order to cover these extra costs. Now the "dollar" that you gave everyone is even LESS than what is was after being taxed making it even more drastic of a deception. Now the "dollar" that you gave everyone is depleted and even going into the "negative" meaning that instead of everyone gaining a dollar an hour they are losing more money than they were before. Higher taxes, bigger businesses, increased cost of goods sold, increased living expenses and increased operational costs are what we should be looking at versus continuing to raise something that is not going to help in the long run. There is only so much that a small business can raise their cost of items to and most of them are not surviving as it is right now any way. Why would you kick a business when they are down? Look at all the small businesses closing right now because of

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

	operating costs and high taxes. This would not help and mark my words, more businesses would shut down instantly.
B35	I would focus on how to reduce the property taxes of childcare so we can then take the difference to pay staff more. The cost of childcare will increase drastically with the cost of payroll cost, payroll insurance, human resource services, accounting services, employee insurance, and umbrella insurance. Childcare is already a mortgage payment, and an increase would require another 1/2 of a mortgage payment. I feel that you could destroy the families and developments of the community with this large impact. I would look at reducing the property tax so we could pay more for teachers helping all business and families. Also, when you increase the minimum wage you run into an issue that now you are paying degreed people and non-degreed people the same therefore it will actually become two mortgage payments or more. Realistically we need to get inflation down, but we are constantly looking in more ways to increase it. Which effects everything. Let people run their business and not tell them how to. Small business owners do have the best interest in mind and truly want the best for all and the community. If they didn't they wouldn't be able to stay in business. Childcare has no profits and we do it because we love and want to help the future generations just like nurses and doctors. We don't do it for the money if we did, we would all work for google or amazon.
B36	It would make it impossible for small businesses like ours to compete with larger businesses. We operate at very slim margins currently, we would have to raise our prices. Larger companies have many skus and stores and can spread out the burden. Small businesses are stuck and have to raise prices significantly. For every \$1 minimum wage goes up, that's a \$2000 annual cost to the business, per employee. Another problem is that employees that are not making minimum wage will need significant raises as well, to stay ahead of new employees coming in. So this is not just for new employees, it effects the business at every level. While making a living wage is necessary, communities should also think about the livelihood of small businesses. Grants to support us so that we are not raising prices and losing to competitors could help.
B37	We'd most likely have to shut down and the community would lose another local business
B38	Please see my response to question 15. Increased labor costs, increased costs passed on to consumers, loss of jobs, etc.
B39	<ol style="list-style-type: none"> <li>1. Higher Costs for Businesses: This could force them to cut jobs, reduce worker hours, or increase product prices.</li> <li>2. Fewer Jobs: Employers might hire less or replace workers with automation to manage higher wage costs.</li> <li>3. Inflation: Increased wages could cause prices to rise, potentially nullifying the benefit of higher earnings.</li> <li>4. Regional Imbalances: A uniform wage increase may hurt businesses in regions with lower living costs.</li> </ol>

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

	5. Risk of Unemployment: Significant wage hikes could lead to higher unemployment if businesses can't afford the new wages.
<b>B40</b>	Inflation and lose of jobs.
<b>B41</b>	<p>Our farm is essentially an outdoor factory. If minimum wage increases our prices have to increase. We will lose customers and then have to raise prices further to make up for the lost customers or reduce staff and only serving the customers who can afford what we sell. Farms already face tremendous competition on a global level. In Mexico workers are paid about 200 pesos a day which is about \$17 a DAY!!! We pay more than this per hour. It is cheaper to grow the food in Mexico and pay the relatively low shipping cost to get it to Boulder. On a container of Philips Crab the crabs are caught on the Chesapeake and shipped all the way to India where labor is unbelievably cheap, the crab is picked, packed and shipped all the way back to the US. This is the kind of completion we have. By mandating higher wages the jobs will be exported out of Boulder. Between Boulder County and the City of Boulder - Open Space Programs we have one of the most incredible Open Space programs in the world and have preserved 35,000 acres of farm land. Someone needs to fam this land. When tomatoes can be grown in Weld County with workers making \$16/hr and we have to pay \$25/hr we will end up employing no one and go out of business. The amount of education we do and good quality food that we produce is significant. The community will have fewer opportunities to experience a farm and learn about where food comes from. There are restaurant owners saying they will not open a new restaurant in Denver due to the unaffordable minimum wage. Farmers looking to be Open Space tenants are going to see the cost of labor and decide not to farm here. The public would like to have reduced herbicide production on the Open Space lands. For the most part labor is used as instead of herbicide. People will often pay a little more for Organic food but generally won't pay twice as much as a comparable food grown with herbicide and pesticide. The current tenants on Open Space have an average age around 65. There is no next group of farmers to lease this land. There are not potential future tenants with the capital and experience to take on farming here. If this was not a big enough challenge the increased minimum wage will be an insurmountable obstacle to farming here. Around 2010 Boulder County leased land to almost anyone who wanted to try farming and the result was 19 farms started and quit within 3 years. If the minimum wage covered the entire US we would be somewhat even with the rest of the country and jobs would be exported to other countries. The minimum wage being higher in such a small area of Boulder/Denver makes it too easy for residents to shop elsewhere or get deliveries to avoid paying more for locally produced goods. In short our farm will not survive the minimum wage that is scheduled for unincorporated Boulder County.</p>
<b>B42</b>	Too high of a minimum wage can be detrimental to the small businesses and those are the businesses that make up much of Boulder's businesses.
<b>B43</b>	see above

**#4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?**

B44	There are so many business's already closed, this will lead to more. We are all struggling because of the policies that are being made. This will have only a negative impact.
B45	This would devastate our business. We pay our employees mostly under the age of 18 \$11.60/hour plus their tips. They make great tips as our communities are awesome and they support small businesses as the employees in them. We believe this would harm many small
B46	Increasing minimum wage for all of our employees working within Boulder County, will force us to hire fewer employees and expand our business efforts outside of Boulder County, in areas that we can afford to pay more employees for a larger sales venue. We may also have to increase prices on our produce offerings, within Boulder County, in order to offset increasing costs of business.
B47	Increase in pricing for the consumer- As our overhead goes up that gets passed along to the consumer. Reduced number of employees- To maintain our overhead to practical numbers we would have to cut our staffing. Raising Minimum wage increases all wages. An employee in management making \$25 an hour will also need to be increased as they will not be happy being on par or just above minimum wage. This will increase the overhead costs of all associates not just the ones that are at minimum wage. Reevaluation of health care coverage. We currently offer a free healthcare option to all our associates and and partially pay for opt in health coverage. These may be options that we no longer would be able to provide should minimum wage go up. Increase in wages also increased our payroll tax liability adding further to the increased overhead. Loss in tax revenue for the city. As employers are not able to keep up with the increase in overhead they will close or relocate to areas they can afford to operate in. This leads to a decrease in tax revenue for the City and County.
B48	As said above....the data from the federal department of labor show the following: minimum wage increase drives up unemployment. This is not sometimes true but it is always true. There very people you say this will help are hurt the most. let the market determine the value placed on a job. I have increased some of my roles hourly pay by over 50% in the past 3.5 years. The market determined that the skills I needed in those roles demanded that I pay more to obtain and retain those staff. Those roles were paying \$32 per hour in 2021. Today those same roles pay \$50 per hour. In contrast I have a role that was paying \$15 per hour in 2021. Today that same role is paid \$15 per hour in 2025. The first role has skills that create value that are not readily available in the market. The second role is very low skill and the number of people in the market that can fill is very high. Let the market determine the value. Finally, driving minimum wage will increase the cost of all goods to all people. As much as you might think the "wealthy" business owner is going to absorb this cost, the reality is that the cost will be past on to the consumer in the increased cost of the product. My cost of labor has increased 50% in the past three years. By cost of materials has increased 40% in that same time period. Do you think the product that I am selling to my customers has had a price in crease? guess by how much? about 45%. Hope this is helpful....

**#4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?**

<b>B49</b>	We would have to reduce our staff to cover the increased costs of wages or we will have to increase our prices which would impact all our customers.
<b>B50</b>	While we pay living wage plus benefits to all our full time employees and an hourly equivalent of living wage to regular part time employees, we do have some seasonal and paid internship jobs that pay lower. A mandated increase in minimum wage will reduce our ability to include as many paid interns in our programs and also impact our ability to offer as much scholarship to our licensed childcare programs which rely on high school and college youth for employment and which currently earn lower than the rates being considered by your consortium of local governments. Minimum wage as a locally decided issue is a bad idea that will have unintended consequences. Market economics combined with state and federal minimums is a better way to proceed.
<b>B51</b>	Possibility of not being able to stay in business.
<b>B52</b>	Wages will be too high for PT workers and school age workers for me to employ. I will not be able to give raises to employees who earn them without raising prices. My sales force will be smaller. My personal work day will be longer and I may have to change hours of operation or business model to downsize.
<b>B53</b>	Margins are very thin for business's that utilize minimum wage employees. The only way to recover that is to staff less people and/or raise prices. The only net gain in my, fast food, industry, is more pocket money for HS kids.
<b>B54</b>	There will be a ripple effect eventually raising the wages of all my employees regardless of how high their wages currently are. For every dollar wages increase the rates that I charge will need to increase approximately \$3. That will put us at a disadvantage compared with companies that we compete with that aren't headquartered in one of the effected areas. I will consider moving my office.
<b>B55</b>	Disastrous. We will need to raise Food prices and service will go down.
<b>B56</b>	There is only a negative impact of raising minimum wage. We are already seeing this in Denver not to mention what is happening in CA. Businesses are raising prices, cutting jobs and moving to other more business friendly locations. Roughly a third of retail space on South Public Rd is currently vacant. I cannot see how this initiative will bring more retail businesses and jobs to our community. As for the restaurant industry, this will simply create a larger disparity between front of house and back of house employees. Additionally, we will all soon be paying \$30 for a hamburger is this initiative continues.
<b>B57</b>	Increased costs in a razor thin and depleted market. We're already at the brink.
<b>B58</b>	Increasing minimum wage will put my small business at risk of closing. When small businesses like us struggle to survive, the community will have less option for their healthcare, and will overall experience longer wait time, more expensive care, and lower quality of care.
<b>B59</b>	Since we are on the border of another county, it will be difficult to compete with competition. If we increase the min. wage, we will get wage compression. Everyone



**#4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?**

	from employees getting more than min. wage will want increases, which includes assistant managers to GM's. The city will also lose new business opportunities. Business operators will look to open in other communities that are following state minimum wage guidelines.
B60	Higher payroll costs, lay offs, prices of all purchases and services will need to be increased.
B61	I can't raise my rates on my Clients at this time. I'm already making less than I was in 2019. In fact many of my clients are cutting budgets back by 30-45% and asking for discounts for the 2024/2025 calendar year and depending on how the economy goes over the next 12 months that might continue into 2026.
B62	None
B63	Places like restaurants will have to raise their prices, but I'm okay with that.
B64	None.
B65	There wouldn't be a negative impact to me, my business, or the community. I believe that businesses need to account for the true costs of doing business in order to be sustainable and successful.
B66	I'm a solo person business. It will affect the people I do business with. My friends in business can not navigate this and stay afloat
B67	This is Economics 101, if wages rise so will the cost of goods sold as customers will now have more \$ to spend, so this will be a never ending cycle of wage increases. cost/rent increases, then wage increases again. Minimum Wage isn't meant to be a livable wage to raise a family on, it's meant as a stepping stone to learn skills for those entering the workforce. This isn't an issue that can be legislated away. This will drive some business out of business and force innovation where people will be replaced by machines and actually cut down workable hours for employees as employers will not be willing to keep them on overtime to pay that wage. It will also result in those costs being passed onto the consumer, which will make everything more expensive and cool demand for products and services, reducing business volume and the taxes they generate for their municipalities, which introduces another vicious cycle of potential tax increases which increases costs and demand again. Government needs to let businesses run themselves, the more they insert themselves with regulations the more harm and inefficiencies they cause.
B68	Loss of small business. Increase of food costs. Automation at the larger businesses. Less sales tax revenues causing a downward spiral.
B69	put small businesses out of business
B70	As an independently run summer camp, our largest expense is staff wages. We pride ourselves on paying well above the industry standard, however we face competition from other child care programs, nonprofits, etc. and are not able to raise our prices beyond a certain point. Raising the minimum wage puts pressure

## #4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?

	on companies such as ours that employ young people on a seasonal basis. We want to be able to provide a great first job experience for our primarily young staff just starting in the professional world. This minimum wage increase makes it increasingly difficult to run great programming at an affordable price for local families.
B71	Everything.
B72	Businesses also need to keep up with inflation costs. If the minimum wage keeps increasing, we will not be able to provide incentive for our employees to continue growing in our company because we won't be able to offer them more pay. With how expensive it is to run a small business, we will have to continue increasing our prices and the general public won't be able to afford to go out and spend money.
B73	I must keep raising prices, but I have only done it lightly for fear of loosing customers. These increases are negatively affecting small local businesses. When is too much that I just close? We are getting close.
B74	My business will close. 6 people will lose their jobs. The City of Lafayette and Boulder county will lose sales tax revenue. By raising the minimum wage you ensure thar the City of Lafayette and Boulder County are big box stores only.
B75	We already pay above minimum wage. Market dictates what you have to pay in order to attract an employee. Setting higher minimum wage creates many issues with other employees that have more experience, training and degrees. You have to pay them more. All these costs are then passed off to the customer with higher tuition fees in our case of running a daycare. This only makes daycare more unaffordable for some people. The positive affects of raising minimum are short lived as inflation will eat up any additional purchasing power the lower wage earner realized with the raise.
B76	Those of us that are here are lucky to still be in business after COVID. We are the mom and pop shops that survived. Wage increases directly affect small businesses, that are struggling to get back to pre-COVID levels. We work alongside our employees and no longer take a wage and the business is still not back to pre-COVID revenue. If someone can make \$20 an hour working at McDonald's what does the small business owner need to pay someone to make, serve a meal and provide customer service? Who pays for additional minimum wage? It is a silent tax on the public. The public pays for the unemployment of the people that are let go. The public pays for the increased prices for the goods. The lower and middles class are being shut out. People can't afford to go to McDonald's, let alone a sit-down restaurant. We're doing everything we can to increase revenue, but the economy is working against us. Closing small businesses makes way for corporations and big conglomerates to expand. I'm sure many of us have already eaten at fast food restaurants where no one takes your order, you use a kiosk. Eventually the franchise owners will no longer be able to stay in business and the corporations will have IA cooking the food, as they already do in many other places. In California many small businesses are no longer able to make their SBA loan payments. So those defaults are falling on the taxpayer. Another silent tax. One

**#4 (Business) – What do you think the negative impacts of increasing the minimum wage will be for you, your business, and your community?**

	<p>of the most critical levers we can use as business owners is to increase our prices, but I can't charge \$22 for a cocktail in Lafayette. So, I need to find ways to drive down costs. How are cities, especially those with low-income areas, going to attract new business when rents are rapidly increasing due to property tax increases? Those increases don't fall to the owner of the property, those increases are passed along to the business that rents the spaces. How many vacant spaces are available in Lafayette, let alone nearby cities? You only need to read about the current situation in California to see the effects of such policies and how detrimental they are to small businesses. According to Robert Irvine, he was quoted as saying, "we're going to lose about 20-plus percent of our small, mom-and-pop business because what California has actually done is going to enable other states to do the same thing." As I'm sure you've read, 95A closed. How many employees are now out of a job? The obvious choice seems to be to cut labor or reduce staff size. But in our business, that's the last thing we want to do, as our employees are our greatest asset. What we want to do is grow our business so that we have more jobs to offer those living in our community. But in order to grow and employ more people, the rising costs of everything must stop. That time will come, but it's not in this economy.</p>
<p><b>B77*</b></p>	<p>Some people think that there is a direct correlation between an increase in the minimum salary and an increase in the price of goods and services. But that can be solved by means of local initiatives that aim at diversifying the economy, strengthening local businesses, promoting economic incentives for small and micro businesses, etc.</p>

**#5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?**

<p><b>C1</b></p>	<p>Everyone deserves dignity and that includes through their work</p>
<p><b>C2</b></p>	<p>Cost of living is high,the minimum wage is currently too low.</p>
<p><b>C3</b></p>	<p>I think they should consider most strongly the impact on housing costs or ability to attain housing in Boulder County. I cannot afford housing in Boulder County, even as a hardworking student, working two jobs. I think housing is a serious crisis in Boulder County and there needs to be a regional approach and effort to bring costs down.</p>
<p><b>C4</b></p>	<p>understand needs of poor citizens</p>
<p><b>C5</b></p>	<p>The pool of employment possibilities for younger workers and college students will dry up. We need more opportunities for young people to get employed and learn new skills and what it takes to maintain a job.</p>
<p><b>C6</b></p>	<p>Boulder County is expensive but our children have made their life here, they have friends, school and activities that make it hard for a parent to move out of Boulder County. We end up staying and living check to check, just so that our children have</p>

**#5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?**

	the opportunity to be with the community they grow up with. A raise in the minimum wage would allow us parents to keep our children where they are and afford a decent living.
<b>C7</b>	N/a
<b>C8</b>	I think it's a great initiative and while I know there will be pushback from local companies I think this will do way more help in the long term. People can't afford to work and live in our county and that needs to change.
<b>C9</b>	Everyone working a full-time job should be able to earn a fair wage that allows them to live where they work without long commutes and barely surviving.
<b>C10</b>	no
<b>C11</b>	There are opportunities for people to make a hire wage, if they are willing to switch companies. Don't force a company to pay more
<b>C12</b>	The happiness and growth of a community depends on the personal and financial security of the family. When the family can only stand back and watch the secure live and enjoy each day, it causes a depression that is felt by everyone. A resentment that their children are less than. We can lift our community.
<b>C13</b>	It's always worth asking these two questions: what is the core problem we're trying to address? Do we have any better tools for addressing it? Also, thank you very much for your hard work on behalf of the community.
<b>C14</b>	That "a rising tide lifts all boats" and we have an unhealthy and unconscionable wealth gap in this country
<b>C15</b>	During the pandemic and supply chain shortages forced prices up on many essential commodities but now that those shortage issues have been resolved the prices have remained high. This Smacks of price gouging.
<b>C16</b>	Consider how many people now live below the minimum needed to live in Boulder County, especially families with children.
<b>C17</b>	Please consider impacts to the school district in terms of hourly employees. We don't want minimum wage increases to attract people away from working for the district. A plan to help BVSD match minimum wage
<b>C18</b>	N/A
<b>C19</b>	Thank you
<b>C20</b>	Please don't.
<b>C21</b>	Don't do it
<b>C22</b>	Minimum wage is not the solution to the problem our area is encountering. Affordable housing, groceries and transportation need to be made the focus and how to keep average families in the community.

**#5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?**

<b>C23</b>	ability to make right decision based on real data.
<b>C24</b>	Yes, all people in our community deserve to live a comfortable life working one job instead of 2 or 3. They can spend more time with their kids helping them through life's journey.
<b>C25</b>	GET THE DATA FIRST on what the affects will be! This will help no one!
<b>C26*</b>	Rents in this county are very high. I work and live here.
<b>C27*</b>	The cost of living in these cities, the ones that are considering an increase in the minimum salary, is very high, above all, rents, electricity, and water. We barely earn the necessary to survive day by day. There's no money left for anything else, because we, and we are many, work on jobs where we are paid the minimum, without medical or vacation benefits. It should be taken into account that the Latino community has increased in these cities, and we are the ones who work on all the poorly paid and physically demanding jobs. Thank you for taking a look at our situation of survival. I hope an increase in the minimum salary is achieved. It is very important to increase it because we are starving.
<b>C28*</b>	It is very important to increase salaries, because we are starving.
<b>B1</b>	get government out of wage discussions. not the purview of government. it is an issue between employed and employer.
<b>B2</b>	Please consider the negative impact to the smaller business that are barely making it because we are trying to keep our services at a price that are affordable in a day where it is very costly (especially property and sales taxes) are high in Lafayette! Thank you!
<b>B3</b>	Because we share tips with the kitchen, per federal mandate, we must pay the full minimum wage in our local community and are not allowed to offset any of that with tip income. Our restaurant workers are making more money than so many professionals in our community - is that the career path you want to incentivize? Should some of the best paying jobs in the community be at restaurants??? It used to be that we were the training ground for our young workforce - we provide the foundation that helps every employer after. But now they don't want to leave because they are making \$30-\$40/hr after a few years. I love our employees. But is their work more valuable than nurses and teachers and EMTs and electricians and plumbers and and and?
<b>B4</b>	Our housing problem and our workforce shortages will improve if we pay people more.
<b>B5</b>	A minimum wage should be standard for those that are starting out with out skill or experience. Employers should paying employees at that skill level, only using min wage as a starting point. No reason for a person to leave a job, then to make less at the next because a min wage standard that employers use to profit heavily off of. Fix Reagan-omics! Bring back corporate taxes and the incentives to invest in the company and its employees to decrease tax burden.

## #5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

B6	These policies end up hurting small local business far more than the large companies who are well equipped to deal with policies like this. I ask that you consider an exception for smaller employers and for part time and inexperienced workers (ie. high school students, those with intellectual disabilities and others). I would be heart broken if our business could not continue to provide those folks with opportunities to work for us but if the most radical of these proposals is implemented we will be forced to do this.
B7	Consider what an actual living wage in this area is. People should haven't to work more than 40 hours per week or multiple jobs to just barely make ends meet.
B8	Please be very careful and mindful about how this will affect inflation, local job loss, local business having to close due to expense wage pressures in an already extremely oversaturated available job market. The cost of training and in return the turnover for new employees would be highly detrimental too any businesses success in my opinion.
B9	Don't do it, let the market and businesses determine the wage.
B10	Be smart. \$20+ minimum wages will drive small businesses out of business. It simply will become too expensive to operate and be profitable. Business owners will move to different counties out of necessity. I am a register democrat, but if this goes through, I will change my affiliation as democrats in Boulder county continue to move in a socialist direction. It's getting out of control.
B11	As a non-profit, we are fully supportive of raising the minimum wage. Our hardworking community members need this. they have been so hard hit by the rising cost of housing and food.
B12	Don't bother
B13	Does Boulder County still value locally-produced food? If so, please consider that increasing minimum wage will put many local farms out of business.
B14	As an elderly full time worker, my entire adult life, I feel there are perks to working your way up the ladder of wages. Cost of living tho makes it difficult to work a non skilled job and live...I get it. Get rid of the damn destructive politicians driving costs up!!
B15	PLEASE Consider the voices from the Small Business in your communities. I understand this concept is for the "Workers" but if Small Business cannot afford to be in business due to high taxes, expenses, and very high minimum wage, then there will be no businesses in the area to employ people in the community.
B16	Stay out of it. Let the free market determine wages.
B17	Increasing minimum wage doesnt make business owners just have to pay their lower wage employees more, it makes it so we have to pay everyone more. And just makes prices go up to be able to afford it. I understand large corporations are full of greed and can afford to pay their employees more and still be profitable. But Small Businesses CANNOT absorb that. This will cripple our economy and lead to a very dark future.

## #5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

<b>B18</b>	dumb idea, really stupid, feel good policy
<b>B19</b>	Stop getting involved in private business or we leave Boulder. You raise our property taxes beyond reach, the governor takes away our farming tools, you make us pay benefits to employees and raise their wages, but don't subsidize the price of the hundreds of thousands of pounds of certified organic farm produce we offer to off set the lack of an increase in price of commodities that would be needed to pay for all these items. An increase means we rely less on people, rely more on machines and increase unemployment.
<b>B20</b>	There are too many things I would like them to consider to list in this questionnaire. I would recommend they attend a small business seminar on this topic to fully get a feel for how distressing this is to the local small business owner.
<b>B21</b>	Just think about the small businesses that will be negatively affected. Our community is built on small business and the business is there will only be hurt negatively either when it comes to food, quality or food service because we will have to drastically cut staff. Small businesses will suffer immensely.
<b>B22</b>	You are only fueling more inflation. Please let the market control the wage levels and not force small business out of business.
<b>B23</b>	I don't want to sound pessimistic, but this situation might lead to our business relocating from the region. We're already struggling with consistent annual increases in various expenses like labor and cost of goods across all our locations. Specifically, our Boulder County branch has higher sales but isn't profitable on its own. It survives solely due to the profits generated by our other locations. I suggest you consider a 2-3 year moratorium on discussing this issue to give our business costs a chance to stabilize and balance out.
<b>B24</b>	Minimum wage should be a starting wage for those entering the job market. Companies that hire employees if not require those they hire to have experience and years in the field should be regulated to pay those at a rate in accordance with their experience.
<b>B25</b>	Please leave this to the local economy and not mandate changes. It will only hurt small businesses
<b>B26</b>	increasing minimum wage does nothing if you don't regulate rents. as we have seen when wages go up prices of food, gas and rents also go up so nothing actually changes, you just push small businesses to close, which have been the staple in Lafayette for more than 25 years and you allow more national brands/restaurant chains to come in and give them tax incentives and tax breaks!!!!
<b>B27</b>	Considering how deliveries of retail items from outside Lafayette (& outside Bldr County, outside Colorado, outside the US) affect local brick & mortar shops, please consider a sort of delivery fee (esp. for Amazon deliveries!) This might offset the so-called "affordability" of products and let local shops be able to compete with the megastores?
<b>D20</b>	There are so many issues that come together to make our county unaffordable but

## #5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

B29	Greatly concerning when local government tells the business community what is best for their business and employees. Is its society's responsibility for choices people make or lack of desire to build skills? If local officials feel compelled. Why not provide more programs to help people gain more skills that make them more valuable in the workplace? A proverb does apply. Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.
B30	Lower taxes, lower tax fees on "late" tax returns, regulations on big businesses
B31	Maybe elected officials could look at the property taxes and pay out the difference they would like to take and give it to employees they wish.
B32	What are other avenues that you can take to solve this problem? If you're going to raise minimum wage, how are you going to save small businesses? Can you create effective affordable housing, or create a local "food stamp" style program for people making minimum wage.
B33	Not all local businesses have huge margins. We'd most likely have to close our doors with a rise to the minimum wage. Also, we are finding people who love working for us at their current pay rates,
B34	Local officials should understand cause and effect, raising minimum wages only increase costs overall for all players. No one wins. A person making a hirer minimum wage will experience high costs overall (as a result of increasing the minimum wage) and end the end will be no better off than before. The result is inflation for all.
B35	Increasing the minimum wage makes sense for a lot of reasons, but doing it too quickly could greatly hurt small businesses
B36	This is bad economics. It does not work. There is also no reason for any teenager to earn \$18+ dollars an hour. This is never necessary. General economics say that if someone wants to dig themselves out of their current conditions, they put in the work to get themselves there. Have people take responsibility for themselves. Stop pandering and trying to coddle and parent other adults. These businesses operate in a capitalistic society where demand education and skills drive asking price for workers. They don't need you artificially inflating their costs to steal from them.
B37	By the time the unintended negative impacts of a \$25/hr minimum wage become apparent it will be too late to repair the damage. We often keep workers who are not very productive employed with hopes they will improve or that we can find a place on the farm where they are more successful. At \$17 an hour they can be much less productive and still be valuable at \$25 they better be an incredibly good worker for us to be able to keep them Right now we struggle to pay managers enough more than a worker with less responsibility. If a new worker with no experience is paid \$25 how much do we need to pay the managers? If we want to continue farming it would probably mean scale back to just what we can do ourselves and not have any workers. There is a need for low skilled work to be performed. Someone has to load a dishwasher and someone has to pick tomatoes. The minimum wage does not make it so we value these jobs more but



**#5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?**

	effectively means that anyone who can not do \$25 per hour worth of work is not welcome in Boulder.
<b>B38</b>	I believe a moderate wage increase is due but we don't need to be the highest in the state either. It's a tricky question and I wish you the best!
<b>B39</b>	N/A
<b>B40</b>	Please consider all sizes of businesses. Many family owned, small business cannot compete with the bigger city's minimum wage, but all of us are very fair in paying the necessary wages for our employees. Thank you for letting us share our thoughts. We appreciate your service.
<b>B41</b>	Farming continues to become more and more expensive and increasingly more challenging with restrictions placed on hand/manual tools we can use, the elimination of small motorized tools that save on manual labor, a shrinking pool of local and migrant farm laborers, exponentially increasing property taxes, rising costs of supplies and commercial regulations that are applied as a one-size-fits-all to small farming operations. Small family farms make up a large portion of our local food system and generate revenue for local communities within our state. Increasing minimum wage for farm employees, some of whom are just entering the workforce for the first time with their first job, will become too large a burden for farms to bear. Many small farmers already forfeit a paycheck for themselves in order to pay their staff wages. In fact, there are Colorado farmers who feed their communities but also receive supplemental food benefits (SNAP/WIC etc.) to feed their own families. Others have to keep a full-time job to cover their bills and supplement the rising costs of running a farm. As costs increase, the price of food will have to increase and then the boost in minimum wage will prove ineffectual.
<b>B42</b>	We are looking into paying people a "livable wage" while at the same time raising the cost of living across the board in Lafayette and UBC. Water rates are going up, property taxes are going up, inflation is going up. Lets stop the problem, not try to fix a problem that was self inflicted and is only going to get worse. Raising the minimum wage in Lafayette will se most that money go outside of the city as even with an increase to wages most my associates and even many local business owners cannot afford to live here. The increase in wages will go home with them to their local community/ county.
<b>B43</b>	I know it sounds kind and compassionate to say everyone deserves an liveable wage. But what is kinder still is to help people get skills that give them advantage in the market. Expensive college degrees that provide no benefit in the market should not be pursued with the expectation that the market is just going to compensate them anyway. It would be far more compassionate to offer training programs in skills that the market is looking for....and offer that to the community.
<b>B44</b>	All businesses are not the same and the wage should be paid on experience and skills, not a mandatory requirement. You raise the minimum and then all employees must be increased which will impact all small businesses.

## #5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?

B45	There are many instances in our community like paid internships and seasonal employment for high school and college youth that will be negatively impacted by a regional minimum wage. These opportunities allow for career development and often serve important community needs like summer camp licensed childcare, etc.
B46	With taxes and rents through the roof for business's it would be more difficult to remain in business if minimum wages get too high.
B47	Small businesses will be very much impacted by too high of an increase in minimum wage. It will Limit our buying power, our ability to grow and expand, and to invest in our communities with sponsorships and scholarships. I think you will find that we will hire fewer workers.
B48	Fix housing and sales tax- this just penalizes small businesses.
B49	Minimum wage was never intended to be a "living wage". It was intended to be a starter job for employees to learn some basic skills and work ethic and move on to better objectives. Let the market determine wages.
B50	Minimum wage is not a local issue. It should be controlled at the state or national level. When it is increased, it should be gradual. To go 10 + years with out an increase and then raise it \$5 is counter productive. Everyone just raises their prices to compensate and the community expects it. The people that the effort is trying to help the most end up getting little or no benefit or at best a short lived, temporary benefit.
B51	Dont do it to Lafayette. Boulder maybe could support but Lafayette wont. Business will move to areas with lower rates. This would be disastrous.
B52	It has been proven that raising minimum wage simply increases the cost of everything. This ripple effect compounds inflation and will have no positive impact of quality of life. It is inconceivable that increasing labor costs will have no impact on general inflation and in fact, we have seen this in areas that have increased minimum wage.
B53	Industry specific with rules/guidelines.
B54	Increasing minimum wage is not an answer to current high living cost of the Front Range area.
B55	Leave it up to the state. If an employee comes on board and shows good work ethics, then they will be rewarded. Move quickly past minimum wage and make more money. This should be up to the business owner.
B56	Please keep it reasonable. Things need to change, however as a small business owner there is only so much I can do before I start to operate in the red.
B57	Being a small business is no excuse to not pay your team a living wage, we all should be doing that.
B58	There is a high cost of doing nothing.

**#5 – Is there anything else you would like for local elected officials to consider as they make a decision on a local minimum wage?**

<b>B59</b>	Are you qualified to make this decision? Have you been a small business owner? Do you see all the small business closing in our area? This should no be decided by a few people. Bring it to a vote.
<b>B60</b>	Stop over-regulating business and let market forces drive pricing and minimum wage. Less government interference is better when it comes to business, there are numerous other concerns that government should be spending its time on, not social engineering wage fixing.
<b>B61</b>	Watch California. Downward spiral of tax revenues and closing small business. 95A Bistro is just the beginning.
<b>B62</b>	this is not your job.
<b>B63</b>	Cost of living going up, inflation, insane labor costs for business owners, employees not taking job seriously for the amount of pay they are getting.
<b>B64</b>	Not on tipped minimum wage. Please.
<b>B65</b>	I would like you to please consider the little person. The county and town is doing a disservice to all small business owners and it is disappointing to be a part of this community. So much so that business are leaving to move east of I-25 because Boulder county is so unhabitable for small businesses.
<b>B66</b>	Get rid of minimum wage requirements all you're doing is driving costs and contributing to the inflation problem. There are certain jobs that pay less for a reason. They weren't meant to be career positions. Why should someone with only a high school degree or less be paid as much as someone who put in the time to train and or go to college?
<b>B67</b>	How many businesses are just hanging on and how many might close or reduce staff.
<b>B77*</b>	It is important to have an integral approach to economic wellbeing and health. It should be guaranteed that the really essential workers (as proved by the pandemic) receive a fair remuneration. Currently, workers who perform essential tasks keep being the ones that are poorly paid. It is important to have balance and redistribution with a focus on equity and environmental "sustentabilidad" and "sostenibilidad" (two words that usually translate into English as "sustainability", but that in Spanish mean two different things.)

In addition to the online questionnaire and in-person engagement sessions, the City has received various forms of written feedback for City Council's consideration. They are attached and include emails directly to staff, Contact Us form submittals, and written letters.

**From:** [noreply@civicplus.com](mailto:noreply@civicplus.com) <[noreply@civicplus.com](mailto:noreply@civicplus.com)>

**Sent:** Saturday, April 13, 2024 11:27 AM

**Subject:** Online Form Submission #45411 for Contact City Council or Individual Council Members

## Contact City Council or Individual Council Members

Complete the form below to email your questions or comments.

*Correspondence shared with City Council or staff may be subject to open records requests.*

First Name	Helene
Last Name	Snyder
Zip Code	80026
Email Address	<a href="mailto:helene@dekispirits.com">helene@dekispirits.com</a>
Phone Number	13033453200
Whom would you like to contact?	All City Councilors

Please leave your comments or questions below.

This is in response to the minimum wage increase questionnaire. Those of us that are here are lucky to still be in business after COVID. We are the mom and pop shops that survived. Wage increases directly affect small businesses, that are struggling to get back to pre-COVID levels. We work alongside our employees and no longer take a wage and we're still not back to pre-COVID revenue.

If someone can make \$20 an hour working at McDonald's what does the small business owner need to pay someone to make, serve a meal and provide customer service?

Who pays for additional minimum wage? It is a silent tax on the public. The public pays for the unemployment of the people that are let go. The public pays for the increased prices for the goods. The lower and middles class are being shut out. People can't afford to go to McDonald's, let alone a sit-down restaurant. We're doing everything we can to increase revenue, but the economy is working against us. Closing small businesses makes way for corporations and big conglomerates to expand. I'm sure many of us have already been to fast food restaurants where no one takes your order, you use a kiosk. Eventually the franchise owners will no longer be able to stay in business and the corporations will have IA cooking the food, as they already do in many other places. In California many small businesses are no longer able to make their

SBA loan payments. So those defaults are falling on the taxpayer. Another silent tax.

One of the most critical levers we can use as business owners is to increase our prices, but I can't charge \$22 for a cocktail in Lafayette. So, I need to find ways to drive down costs.

How are cities, especially those with low-income areas, going to attract new business when rents are rapidly increasing due to property tax increases? Those increases don't fall to the owner of the property, those increases are passed along to the business that rents the spaces. How many vacant spaces are available in Lafayette, let alone nearby cities?

You only need to read about the current situation in California to see the effects of such policies and how detrimental they are to small businesses. According to Robert Irvine, he was quoted as saying, "we're going to lose about 20-plus percent of our small, mom-and-pop business because what California has actually done is going to enable other states to do the same thing." As I'm sure you know, 95A closed.

The obvious choice seems to be to cut labor or reduce staff size. But in our business, that's the last thing we want to do, as our employees are our greatest asset. What we want to do is grow our business so that we have more jobs to offer those living in our community. But in order to grow and employ more people, the rising costs of everything must stop. That time will come, but not in this economy. Thank you

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Use the "SUBMIT" button below to send your email. Thank you!

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**From:** [admissions@bloommontessori.com](mailto:admissions@bloommontessori.com) <[admissions@bloommontessori.com](mailto:admissions@bloommontessori.com)>

**Sent:** Thursday, April 11, 2024 9:44 AM

**Subject:** Effects of Increasing Minimum Wage on Boulder County Child Care Facilities and Families

I am an owner of Bloom Montessori, a licensed child care facility that has operated in Longmont since 2009. My small business has survived in an incredibly challenging environment- a 100 year flood, a global pandemic, the resulting labor shortages and supply shocks (the child care industry is suffering from a workforce crisis), the 42% increase in property taxes that resulted from the repeal of the Gallagher Amendment, and widespread inflation but it would not likely survive the proposed increase in minimum wage.

Parents whose children attend our facility are largely residents of the County, 2 parent working households, and their children are in care 8-5:30, or 57 ½ hours a week. The parents pay \$7/hour for this care, which is an incredibly low hourly rate, but likely one of the largest household expenses for the family.

More than ½ our business expenses, 65%, are labor. Labor is our business expense (teaching young children is labor intensive) and these costs are passed on directly to working families. Child care facilities operate on extremely small margins (an industry average is 3%), margins that have gotten even smaller due to increased property taxes and inflation.

Under the proposal, over the next 6 years, wages would have to increase by a minimum of 62.75% (and more if inflation continues and there is no property tax relief). This means that we would have to raise the amount of tuition that we charge families by a similar amount. And, of course 62% is the basal number—if someone can make \$25 an hour at Starbucks, an employee whose job (under current CDHS Regulations) requires three background checks, an occupational physical, qualifications like 2 early childhood college courses or equivalent and 1 year of experience, 20 hours of first aid and emergency training, stressful emotional labor, and job duties which include changing diapers and assisting with toileting, careful supervision and instruction of children, working with children with disabilities and children with minor illnesses, to serve as a “floater” (changing diapers), an assistant, or a staff aide would expect to make more... and the teacher would expect to make a lot more. It would exacerbate the workforce shortage that already exists in the industry and has been closing classrooms and programs. The State estimates that 10% of child care workers left the industry in the last 2 years.

This change, and in particular, the fact that this minimum wage increase would only affect businesses located in Boulder County, would lead to many unintended effects:

- Closure of many child care facilities. There have already been numerous closures in the County this year (Bright Horizons in Longmont is closing at the end of the year- that’s 119 fewer child care slots for next year- because the corporation determined it was not profitable, Countryside Montessori, Sunshine House, Smiling Faces).
- Child care is not a free market. State mandated ratios and group sizes would not take into account the County’s change in minimum wage:

In my facility, I charge \$7/child/hour for care:

**A preschool aged classroom** has a maximum group size of 20 students; meaning, the most revenue my classroom can generate at my current rates is \$140/hour and State regulations require 2 teachers (a 1:10 ratio- and this is considered poor quality and a high ratio). Under these changes, at least (assuming I paid the lowest minimum wage) \$50/hour would go to fixed labor expenses.

**A toddler classroom** has a maximum group size of 14 students; meaning, the most revenue my classroom can generate at my current rates is \$98/hour and State regulations still require 2 teachers (a 1:7 ratio- and this is still considered poor quality). Under these changes, the most this classroom would make is \$98/hour and \$50/hour would be fixed labor costs.

**An infant classroom** has a maximum group size of 10 students; meaning, the most revenue my classroom can generate at the current rates is \$70/hour and State regulations still require 2 teachers (a 1:5 ratio- which is considered very poor quality). Under these changes, the most this classroom would make is \$70/hour and \$50/hour would be fixed labor costs.

**It is self apparent that infant/toddler programs would be the hardest hit by these regulations, and the County would likely experience a reduction in infant toddler providers and slots (there already exists a shortage in the State and the County and several providers, like Guidepost Montessori, were forced to close infant toddler classrooms this year). This would result in fewer mothers being able to enter the workforce and an increase in unlicensed/unregulated child care.**

- High quality child care (places with lower class sizes and lower ratios- meaning less tuition dollars per teacher salary), infant/toddler care (there are already shortages of this), because of their low ratios (1 teacher to 3-4 infants), and programs for children with disabilities (because of the low ratios required) will be the hardest hit. Already, Imagine and many organizations for the disabled have had to suspend services because of labor shortages and the labor expenses required to operate programming.

- Increasing minimum wage will cause child care facilities to increase ratios and class sizes, decreasing structural quality, because they will need more students, and more tuition dollars, to pay each teacher.
- Increased cost of child care for working families. While they might be earning more in wages, facilities will have to raise rates to offset the increased labor expenses (especially since classroom sizes are capped by the State).
- Movement of businesses (especially labor intensive businesses, like child care and construction) out of the County into nearby Broomfield and Weld County.
- It will result in reduced CCAP, Colorado Child Care Assistance placements in the County, for the poorest families for two reasons: 1) Because the State's payments will not keep pace with these minimum wage increases which are unique to Boulder County and do not apply to the rest of the state; and 2) CCAP rates are based on a "tiered reimbursement system," in which facilities get paid a slightly higher rate for increasing quality by reducing group sizes and ratios. Boulder County providers will need to maximize group sizes to remain solvent, so their CCAP reimbursement rates will decline because they will be considered to be of "lower quality," in a lower quality tier. There already exists such a shortage of providers that the State is offering \$2,000 incentives. Boulder County providers would be uniquely disadvantaged in this system.
- Similarly, it will result in reduced UPK, Universal Preschool, placements in the County for the same reasons- because the State's payments will not keep pace with the minimum wage increases which are unique to Boulder County and do not apply to the rest of the state; and because they employ the same tiered reimbursement system. Boulder County providers would be uniquely disadvantaged in this system.
- Public schools would have more expensive labor costs. They would have to increase wages for the people that staff before and after school programs (Community Schools) and support services (custodians, paraprofessionals, cafeteria workers). If these individuals wages increase 62%, teachers will also expect similar wage increases. This will ultimately have to lead to increased property taxes, especially since the wage increases will be unique to Boulder County.
- Despite the inflation that has been rampant since 2020, we have not felt like we could raise our tuition as parents are already stressed over costs. If we were to add standard 3% increases we will have to raise our tuition almost 60% over the next 6 years in order to stay in business
- General inflation in the County.

What you are contemplating is a perfect storm of fatal challenges for small businesses (increased property taxes, increased supply costs/inflation, and now increased labor costs)- and it will only apply to businesses in the County (parents can drive to Erie, Broomfield or Frederick and pay less). This will harm the competitiveness of Boulder County businesses, reduce access to child care in the county, dramatically increase rates for working families, increase the number of children in unlicensed/unregulated care, and reduce maternal workforce participation. Boulder county will become like Telluride or Vail, no one who provides services to the residents will be able to afford to live here and they will have to commute to provide services for the rich. You will be making this a County where people will want to work, but where families cannot afford to shop, live, or operate a business due to the added costs (which will be significantly lower one county away).

I encourage you to employ an agency (Augenblick) to perform cost modelling on the effects this would have for the child care sector so that you can have an informed understanding before voting, to reject this proposal, and to support reduced property taxes for child care facilities.

Abigail & Joshua Miller



**From:** Dawn Alexander <[dawn@coloradoecea.org](mailto:dawn@coloradoecea.org)>

**Sent:** Thursday, April 11, 2024 1:10 PM

**Subject:** Re: Effects of Increasing Minimum Wage on Boulder County Child Care Facilities and Families

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Hi Abigail,

ECEA provided in person public comment today to oppose the minimum wage increases (that will apply pressure to the remainder of the workforces wages). We encourage you to do some letters to the editor over the next couple of months. We will be pushing out details about those opportunities as the time approaches!

Thank you,

Dawn Alexander  
Executive Director

**From:** admissions@bloommontessori.com <admissions@bloommontessori.com>

**Sent:** Thursday, April 11, 2024 1:52 PM

**To:** 'Dawn Alexander' <[dawn@coloradoecea.org](mailto:dawn@coloradoecea.org)>

**Cc:** aulabaughs@bouldercolorado.gov; Debbie Wilmot <[Debbie.Wilmot@lafayetteco.gov](mailto:Debbie.Wilmot@lafayetteco.gov)>; Sandra.Seader@longmontcolorado.gov; sfox@louisvilleco.gov; grae@erieco.gov; 'Crawford, Annette' <[acrawford@bouldercounty.org](mailto:acrawford@bouldercounty.org)>; 'Jennifer Philbrook' <[jphilbrook@eccbouldercounty.org](mailto:jphilbrook@eccbouldercounty.org)>; staff@longmontchamber.org; jsouthmiller@gmail.com; sandra.seader@longmontcolorado.gov; jennifer.diaz-leon@longmontcolorado.gov

**Subject:** RE: Effects of Increasing Minimum Wage on Boulder County Child Care Facilities and Families

Thank you Dawn,

Two economists, Jessica H. Brown at the University of South Carolina and Chris M. Herbst at Arizona State University, recently composed a working paper studying how child care providers responded to increases in the minimum wage.

Their empirical findings were that :

- Higher labor costs resulted in providers raising rates (as expected in an industry where labor costs are a significant expense): Each 10% increase in the minimum wage resulted in a 4-8% increase in childcare rates (reduced affordability).
- Center's increased group sizes and ratios (lowered their structural quality). This would disproportionately effect infants, students with disabilities, and students most at risk for poor outcomes.
- Center's accepted 12.2% fewer subsidized children (CCAP), because they could not afford to accept as many students at sub-market rates.
- It resulted in layoffs, decreased slots, and program closures (reduced access to care).
- Parent satisfaction (measured by Yelp ratings) decreased .3 points (on a 5 point scale) for every 10% increase in wages (suggesting reduced satisfaction with the change in pricing).
- The study did not measure whether access/affordability to care for specific age groups (infants, toddler) was disproportionately affected (but it seems obvious, due to lower ratios) that this would be the case.

It reduced access, affordability, closed programs, and disproportionately decreased access for low income families, but it did improve employee satisfaction and reduce turnover in the facilities that remained solvent.

Brown, Jessica and Herbst, Chris M., Minimum Wage, Worker Quality, and Consumer Well-Being: Evidence from the Child Care Market. IZA Discussion Paper No. 16257

[ECEA Of Colorado \(coloradoecea.org\)](http://coloradoecea.org)

303-860-7174

**From:** Helene Snyder <[helene@dekispirits.com](mailto:helene@dekispirits.com)>  
**Sent:** Monday, April 1, 2024 6:09 PM  
**Subject:** Re: Minimum Wage Survey Question

Hi Debbie,

I have a couple questions regarding the minimum wage survey.

On the first page of the survey there's a question regarding our wages. We don't collect any wages or tips from our business. How do we answer the question without skewing the results?

4. What is your hourly wage before taxes, deductions and tips? (Select the category that best reflects your current wage, if you have more than one job select the wage for one job, identify the wage for your second job in question 5.) \*

- Less than \$14.42/hour
- \$14.42 - \$15.69/hour
- \$15.70 - \$19.99/hour
- \$20.00 - \$25.00/hour
- \$25.00 - \$40.00/hour
- Over \$40.00/hour

On the second page the question below is asked. But yet when reading through the questionnaire, the question as to what employee make per hour when including tips is never asked. Shouldn't that be included when compiling the data?

11. What is the hourly wage for your lowest paid employees before taxes, deductions and tips? (Select the category that best reflects their current wage.) \*

- Less than \$14.42/hour
- \$14.42 - \$15.69/hour
- \$15.70 - \$19.99/hour
- \$20.00 - \$25.00/hour
- \$25.00 - \$40.00/hour
- Over \$40.00/hour

It appears the survey is designed to produce a result which underreports the actual wages received by service industry employees.

Thanks  
Hélène Snyder  
DEKĪ Ltd.  
Lafayette, CO 80026

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**From:** Steve Nikkel <[wsnikkel@gmail.com](mailto:wsnikkel@gmail.com)>  
**Sent:** Wednesday, March 13, 2024 4:25 PM  
**Subject:** Minimum Wages

This craziness needs to stop! It is not the county/city's job to raise wages! Let the market drive wages up, it is already happening!  
Steve Nikkel



April 11, 2024

To whom it concerns:

Jax is a family and employee owned company that operates two retail stores in the Lafayette Colorado market. We employ seventy people in the local community with a total payroll of nearly 2MM. Mandated increases in the minimum wage far beyond the federal minimum wage will force the failure of these local retail stores. We cannot just pass on the costs by raising prices as it is too easy for people to just go online and order from a company with a distribution center located where only the federal minimum wage applies.

- Minimum wage increases have a compounding impact on a business. It is just not the entry rate that goes up, but it really dominos across a workforce. Rising entry pay levels will lead to dissatisfaction and employee turnover if wages of more experienced staff aren't adjusted as well.
- Additionally, as the wage compression between entry and senior level employees narrows it disrupts our ability to recognize top performers with pay. It can stifle a businesses ability to provide incentives and a career path.
- Many people think retailers can just raise prices and pass along the costs to consumers. "Brick and mortar" retailers, we call them, face a highly competitive retail market especially from internet competition. That limits how easily we can offset wage expenses by raising prices without driving customers away and to the on-line competition. It is very risky calculation doing so and made tougher with with rising costs.
- Retailers operate on narrow profit margins. Typically, most broad product retailers run in the less than 3% range overall. While that is not as narrow as grocery stores, typically at 1%, that narrow of a margin leaves very little room for additional cost pressures and still keep the doors open.
- The options then, for retailers to make ends meet, are to reduce staffing, shorten work hours, cut overtime opportunities, scale back other things benefits, etc.. That directly affects the lower wage worker quality of employment. But it also means they may not have a job. It will directly impact how many entry level employees we can afford to hire. Many of our employees are just beginning their work life and career so that's the employees who will be hit the most.
- Wage hikes don't necessarily improve productivity. Artificial pay hikes actually are shown in studies to disincentivize productivity and take away employers' options for incentivizing the workforce and rewarding productivity.
- One-size-fits-all mandates simply limit business flexibility and hinder business growth.
- Excessive mandates create diminishing economic opportunities for workers.
- Mandated approaches are not equitable and harm customers, communities, and businesses.

Jim Quinlan  
 President  
 Jax Mercantile Company

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## Increasing the Minimum Wage in Boulder: Policy Brief

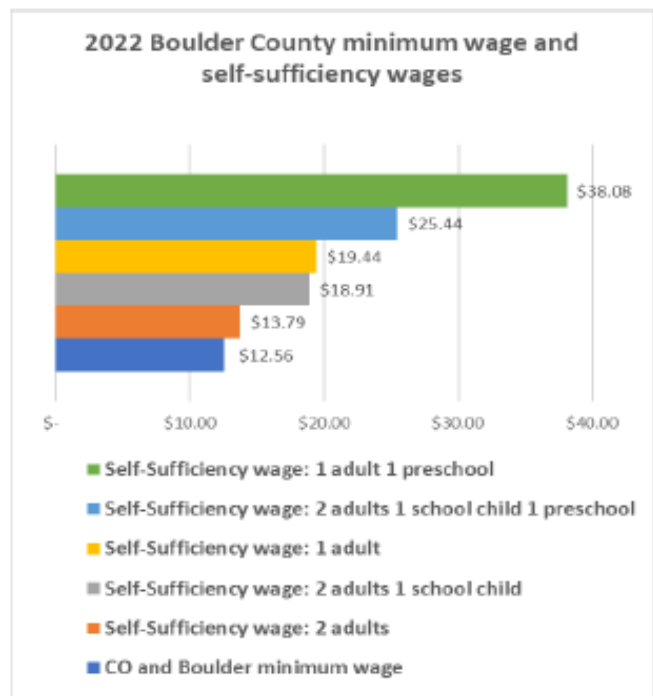
To address the urgent community need we are seeing, EFAA requests that our local authorities implement, at a minimum, a 15% increase in the local minimum wage effective January 1, 2024 as well as develop a plan to meet or exceed Denver’s minimum wage by 2026.

### A growing number of Boulder households are not able to make ends meet

*The effects of COVID and inflation are hitting low-income households in Boulder particularly hard.* COVID impacts have left many in our community in economic distress emerging from the pandemic. A recent survey of EFAA participants found that over half report current household income lower than pre-COVID levels and almost two-thirds report still dealing with the economic effects of COVID. Inflation across all basic needs, including housing, food, fuel, utilities, and childcare, has made it increasingly difficult to make ends meet. In addition, the recent reduction in Federal support for food, rental assistance and healthcare provided during COVID have further strained lower-income households.

*The effects of inflation and the growing gap in affording the basics of life are apparent in the current strains on the safety net.* In the last year, we’ve seen a dramatic increase in the number of households coming to EFAA for support. Last month, 1 in 3 of those households had never needed EFAA’s assistance in the past. Weekly EFAA food bank visits are twice the level pre-COVID. The rising costs of rent and utilities have increased housing insecurity, leading to pressures on EFAA for financial assistance to keep people housed and with the lights on. Even with this support, evictions have increased dramatically across Boulder County. The number of school children experiencing homelessness in the Boulder Valley School District has increased to over 800 this school year, from pre-COVID levels in the low 300s. EFAA is having to step in more frequently with emergency hotel stays to provide short-term shelter for families with children who have lost their housing.

*The current minimum wage is wholly insufficient to meet basic needs in Boulder.* A job is no longer a protection against housing insecurity or a guarantee that basic needs will be met. Income and wages are at the heart of the issue. Wages have not kept pace with inflation, particularly for lower-income workers. A Colorado Center on Law and Policy’s report provides estimates of the ‘self-sufficiency standard’, a measure of how much income families of various sizes and compositions need to make ends meet without public or private assistance. Their 2022 report finds that hourly wages for Boulder County would need to be between \$13.79 and \$38.08 depending on household structure (see graph). The 2022 minimum wage in Boulder County is insufficient for *any* type of household to make ends meet on their own. It is particularly challenging for families with children due to the added cost of childcare.



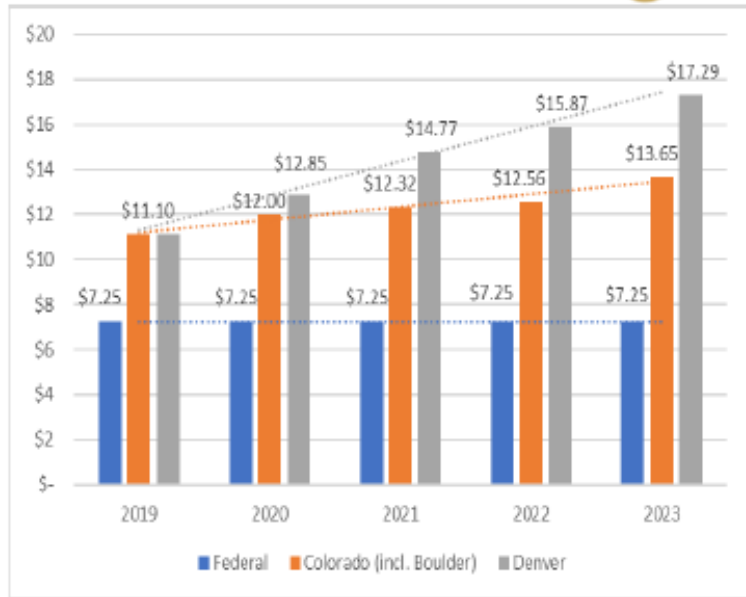
*A significant share of jobs in Boulder County do not provide enough income to make ends meet.* In 2022, there were 191,840 jobs in Boulder County. More than 10 percent, or over 20,000 jobs paid less than \$15 per hour. Over one quarter, or more than 48,000 jobs, paid under \$19.05 per hour which is insufficient for single parent households or households with young children.

*At EFAA the impacts of this wage structure are clear.* A recent income survey of EFAA participants found that 24 percent make less than \$15 per hour and 69 percent under \$20 per hour. Specifically for participants that chose to answer in Spanish, 43 percent reported making less than \$15 and 80 percent less than \$20 per hour, revealing clear racial inequities.



**Addressing economic insecurity by raising the minimum wage**

Since 2019, Colorado allows local governments to set their own minimum wage higher than the State’s, with annual increases limited to up to +\$1.75 per hour or 15 percent, whichever is higher. Since then, the City of Denver has raised its minimum wage, currently at \$17.29 or 27 percent higher than Boulder’s current minimum wage (which is still equal to the State minimum wage at \$13.65). Both the Colorado and the Denver minimum wages are automatically adjusted for inflation as measured by the Consumer Price Index every first of the year.



***A significant segment of the local workforce would benefit from an increase in the minimum wage.***

Given the wage levels of jobs in Boulder County in 2022, an initial maximum increase of 15% to

\$15.70 per hour would give well over 10,000 workers in Boulder County a raise.<sup>1</sup> The effect for a full-time worker who was at minimum wage would be \$2.05 per hour, or \$4.264 per year, equivalent to almost two months of rent for an average two-bedroom market rate apartment. If Boulder had moved as early as Denver did to raise minimum wage and had a rate equal to Denver’s current \$17.29, well over 25,000 local workers would be making a better income. Workers in these lower wage jobs span many types of employment. Food services account for the largest number of lower wage jobs, but over a quarter of all jobs in health care, personal care, maintenance, transportation, and sales.

***Increasing the local minimum wage concentrates benefits on lowest paid employees, helping address economic equity.***

Increasing wages for our most underpaid workers will provide additional income to afford housing, food, transportation, childcare and other basic needs, helping them move towards self-sufficiency. This equity impact would be even high for our Spanish speaking community given that EFAA’s survey found that this group is twice as likely to report hourly wages below \$15 than their English-speaking counterparts.

***A further misconception about minimum wage workers is they are primarily teenagers working summer or high school jobs.***

Nationally, only about 10 percent of workers making minimum wage are teenagers. Women are 2/3 of minimum wage workers, 70 percent work in the service industry, the majority do not have a high school degree and are less likely to receive employer-paid benefits.

**Broader effects of raising the minimum wage**

***The common belief that raising minimum wage automatically increases unemployment is unfounded.*** Potential effects on employment depend on the magnitude and pace of minimum wage increases as well as the industry, the share of labor costs in overall costs, and other factors. Studies’ findings have varied over time, across geographies and depending on methodology. Looking locally, a 2021 Colorado Department of Labor and Employment report<sup>2</sup> indicates that after Denver adopted its higher minimum wage, unemployment did not increase compared to other localities. Although no long-term data is available yet, both Denver and the recent statewide minimum wage increase since 2019 are relevant and comparable and show no significant negative effects on aggregate employment or economic activity after implementation.

***In fact, there is evidence of broader positive effects on local economies.*** Households that rely on low hourly wages typically spend a larger fraction of their income on essentials, such as housing, food, and transportation. When their pay goes up, they tend to spend most of these additional funds locally, putting money back into the local economy.

<sup>1</sup> Source: Bureau of Labor Statistics most recent data for Boulder Metropolitan Statistical Area (defined as Boulder County).

<sup>2</sup> Source: Colorado Department of Labor and Employment. “Local Minimum Wage Report” 2021.



### EFAA's position on increasing the minimum wage

**EFAA supports raising the minimum wage.** The increasing levels of working households not able to make ends meet are causing negative impacts on local families that have lasting effects, including increasing food insecurity and family homelessness, as well as putting an unsustainable strain on the safety net. An increase in wages must be part of the solution. This is echoed in the recent survey when EFAA participants were asked what they would share with local elected officials considering raising the minimum wage (box right)

**In view of a range of potential options, EFAA encourages elected officials to consider as a minimum:**

- Given the current crisis, prioritizing a commitment to an initial minimum wage increase of 15% effective January 2024. Delaying beyond 2024 will worsen the challenges of the current moment. See scenario 1 in chart. However, Boulder should not stop there.

**While this will help thousands of workers in our community, this should be considered a minimum level of increase. EFAA support a longer-term approach:**

- A fast track (i.e. the maximum 15% per year) until Boulder County reaches the City/County of Denver and thereafter annual CPI-based increases, creating a unified minimum wage in the Denver-Boulder area. Per the chart, this would require 15% increases in 2024 and 2025 then a smaller (7.7%) increase in 2026 assuming an annual CPI increase of 4%. See scenario 2 in chart.

**Further options include:**

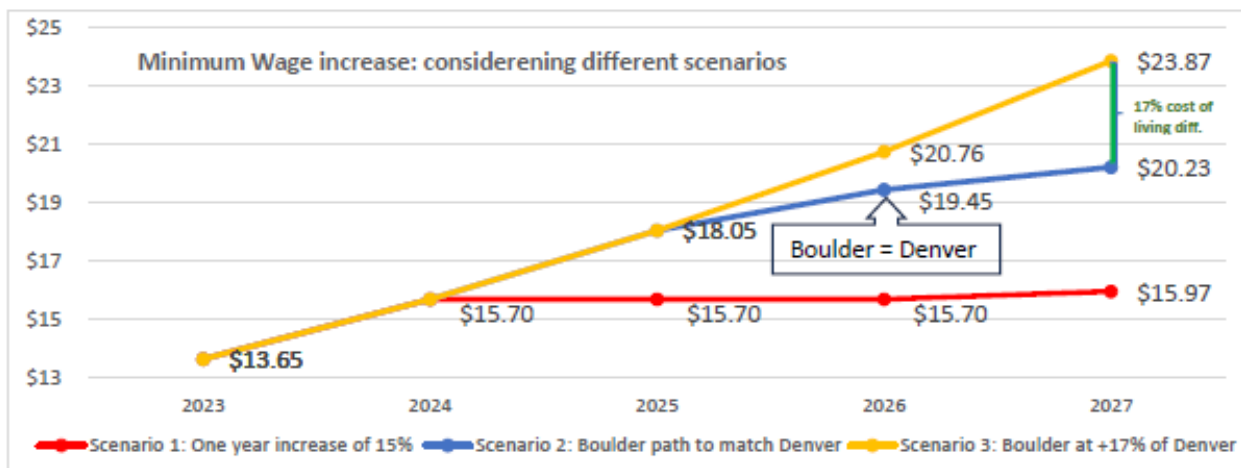
- The Self-Sufficiency Standard finds that Boulder's self-sufficiency wage is on average 17 percent higher than that of Denver. If officials want to aim for a similar protective factor, Boulder could reach this by 2027 at the earliest. This would still leave a large share of families under the full self-sufficiency wage but better-off. See scenario 3 in chart.
- Moreover, CCLP estimates that for the average household in Boulder County to reach the self-sufficiency standard hourly wage, minimum wage would need to reach \$25 by 2028. This aspirational level would allow most, but not all, working households to fully support their basic needs.

### Examples of EFAA participant's messages to local officials:

- The minimum wage is supposed to give people the ability to support themselves at full time hours. The current minimum wage makes that impossible.*
- As a 20-year resident, a BVSD parent, a renter, and an essential worker with 2 jobs, I would love to see the local minimum wage increased and pressure put on employers to pay a living wage.*

From Spanish responses:

- Me gustaría que los representantes vean la importancia de que haiga un aumento salariado, para así cubrir nuestras necesidades básicas.*
- La renta es demasiado cara para una familia. Con el salario mínimo y un trabajo no se puede pagar*





## Town of Erie Engagement Report

### Regional Model for Engagement Strategy

In the summer of 2023, elected officials from the Cities of Boulder, Longmont, Lafayette, and Louisville and the Town of Erie directed the Regional Minimum Wage Working Group to conduct a study of our regional economy and community engagement regarding a minimum wage increase. Since August of 2023, regional teams have met to scope and administer these next steps. Teams include one staff member from each of the five participating communities, members of Chambers of Commerce, members of the Self Sufficiency Wage Coalition, and members of nonprofits. The economic analysis will be provided in a separate consultant report.

A standard engagement model operating at the 'Involve' level of the public participation spectrum was administered across the five participating communities. Engagement opportunities were available between mid-February until April 15th, and community members were provided options to participate virtually and in-person, with English and Spanish options, at one of 13 focus group sessions and through an online questionnaire.

### *How Town of Erie Implemented the Model*

The Town of Erie is home to approximately 37,500 residents across two counties; Erie straddles the divide between Boulder and Weld counties. According to the American Community Survey 5-year (2018-2022), Erie's median income is \$154,509, higher than the other major municipalities in Boulder County. Erie also has the largest share of homeownership among its population, with 85% of residents owning their own homes (ACS 5-year, 2018-2022).

Regarding Erie's businesses, the majority are businesses that serve the local community; Erie is home to very few primary businesses. Erie's largest employers are the St. Vrain Valley School District, the Town of Erie, King Sooper's, Safeway, and Lowe's. These major employers are relatively transparent about their starting wages, all of which are above the state minimum wage. Our goal in our surveying efforts was to find out which Erie employers were actually paying minimum wage to their employees.

The Economic Development Department has a close relationship with many local business owners, and we have a highly engaged group who reads our monthly newsletters. We began by reaching out to this group, and followed it up by engaging with residents at a table at the Erie Community Center.

### Engagement by Numbers

The survey that was sent out to business owners was sent out on Sept. 12, 2023 and was open for responses through Sept. 22, 2023. Erie sent it out to our business list of nearly 1,800 contacts, and it was shared by our partner organizations, the Erie Chamber of Commerce and the Erie Economic Development Council. One follow-up, reminder email was sent out. The Town received 44 responses from this engagement. Public engagement Tabling took place on April 10, 2024 in the



form of tabling at the Erie Community Center during peak visitor hours. Staff engaged with 29 individuals about the topic of minimum wage and employment in Erie in general.

## Key Themes

### *Outside the Scope of Municipal Government*

Seven respondents, even those in favor of raising the minimum wage, questioned whether enforcing a higher minimum wage was an appropriate task for municipalities. The most vociferous voices against a higher minimum wage often pointed out that, in their opinion, this was not something Erie should get involved with. We also heard that market forces should be the ones to dictate minimum wage, not governments. Further, several business respondents noted that they are already paying above minimum wage because of the market and competition for quality employees.

### *Inflation*

This theme cut both ways—respondents noted that increased inflation was an argument both for and against raising the minimum wage. Some saw inflation as an outcome of raising the minimum wage, while others saw raising the minimum wage as a remedy for the impacts of inflation. In total, 12 respondents out of 31 who provided additional information with their responses, included something about inflation. For those who were against raising the minimum wage, inflation was often cited as an existing condition putting increased pressure on their businesses and saw an increase in the minimum wage as worsening that condition.

### *Anti-Small Business*

Several respondents saw this move as specifically against the best interests of small businesses. Larger corporations are able to keep up with increasing costs, while smaller organizations with single locations and fewer employees cannot. Four respondents even mentioned that an increase to the minimum wage would likely cause them to close. In total, 10 respondents pointed out that this would either hurt small businesses generally or would specifically cause their businesses to close.

### *High Cost of Living*

Most of those who mentioned the high cost of living were for an increased minimum wage, but there were also those who were not in favor, but recognized the difficult position both employees and small businesses are in given the economic climate. Four respondents talked about the high cost of living in their response.





## *Purpose of Minimum Wage*

Many respondents reinforced what they believe is the purpose of minimum wage: entry-level wages for unskilled workers. For example, teenagers, and those with no education performing jobs requiring few skills. Another, similar theme was the need for a starting wage so employers could reward good work and loyal service with raises and bonuses. An inflated minimum wage removes the ability for employers, especially small employers, to provide such pay increases. Seven respondents talked about the intended purpose of minimum wage—not to pay rent and provide for a family, but to provide entry-level workers with some opportunity to get into the workforce.

## Unique Themes

### *Undocumented Labor in the Construction Industry*

Multiple respondents were in the construction industry. All of them supported an increase in the minimum wage, stating that construction workers, specifically, were underpaid for the work they do. Two respondents in this field noted that the prevalence of undocumented labor in the construction field specifically caused major issues for securing workers in the industry a living wage.

### *Regional Competitiveness*

Unlike other municipalities participating in this partnership, most of Erie's current business districts are located in Weld County. A couple respondents mentioned that they were concerned about Erie's ability to stay competitive with closely located Weld County towns such as Frederick, Firestone, and Dacono, which are some of our main competitors for businesses looking to locate in Weld County.

### *Tip Share Businesses*

Eight respondents were from the restaurant industry.

## Quotes and Photos

"While it is ideal to raise minimum wage, it also causes a corresponding increase in the cost of goods sold and the cost of doing business. That combined with recent increases in inflation are going to make it harder for families to afford to continue to live in the area and patronize local businesses. While it is ideal to raise minimum wage, it also causes a corresponding increase in the cost of goods sold and the cost of doing business. That combined with recent increases in inflation are going to make it harder for families to afford to continue to live in the area and patronize local businesses. The increase in the minimum wage is usually insufficient to cover the increase in the cost of goods sold."

"As a small business, most would not be able to afford this increase. We pay our staff above the current wage, so this would not impact us. But I worry about ... discourag[ing] new small



## **Town of Erie Engagement Report**

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# City of Louisville Engagement Report

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## City of Louisville Engagement Model

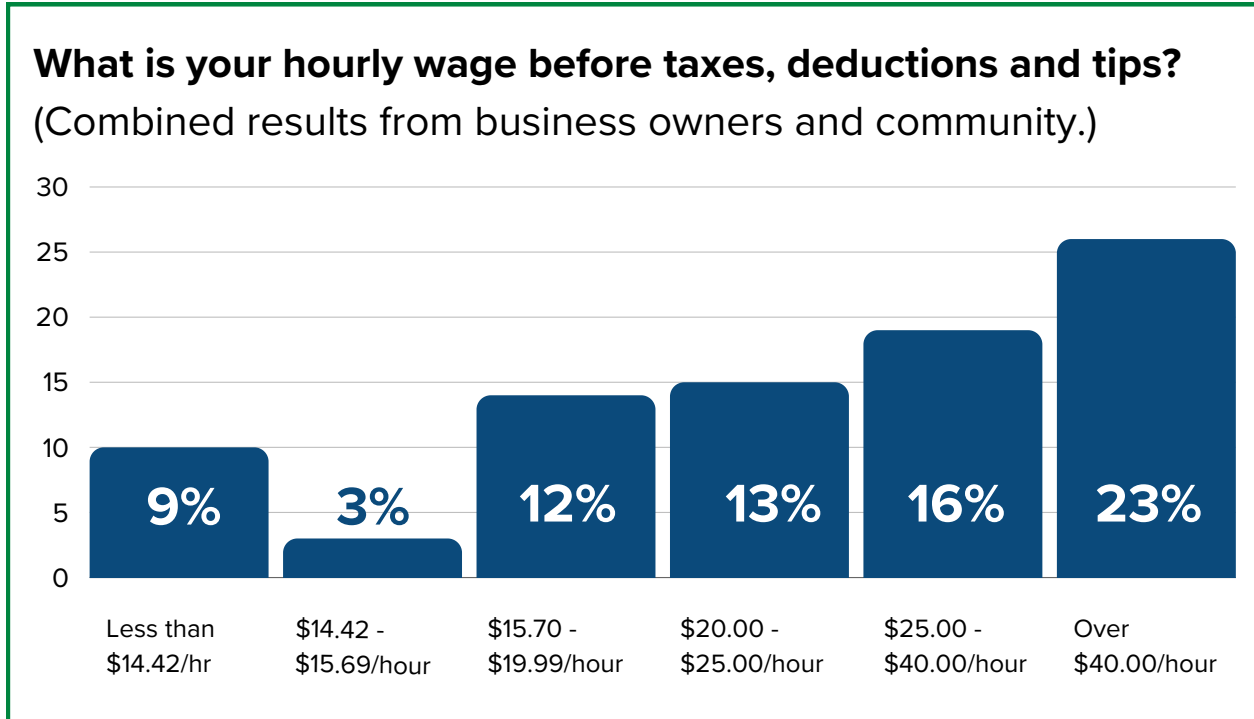
The City of Louisville partnered with neighboring Lafayette to jointly promote and host local opportunities for stakeholders to engage.

Staff determined that minimum wage earners and business owners in our community would be the two groups most directly impacted by a regional minimum wage increase. These two groups share a barrier to in-person participation; they tend to be busy working or running their business. With this barrier in mind, promotional efforts were focused on driving these groups to the online questionnaire. Information about the opportunities to engage was included in the Spring Community Update, which is mailed to every household in Louisville, as well as the March & April monthly e-newsletters, social media channels, and our City website.

# Engagement by the Numbers

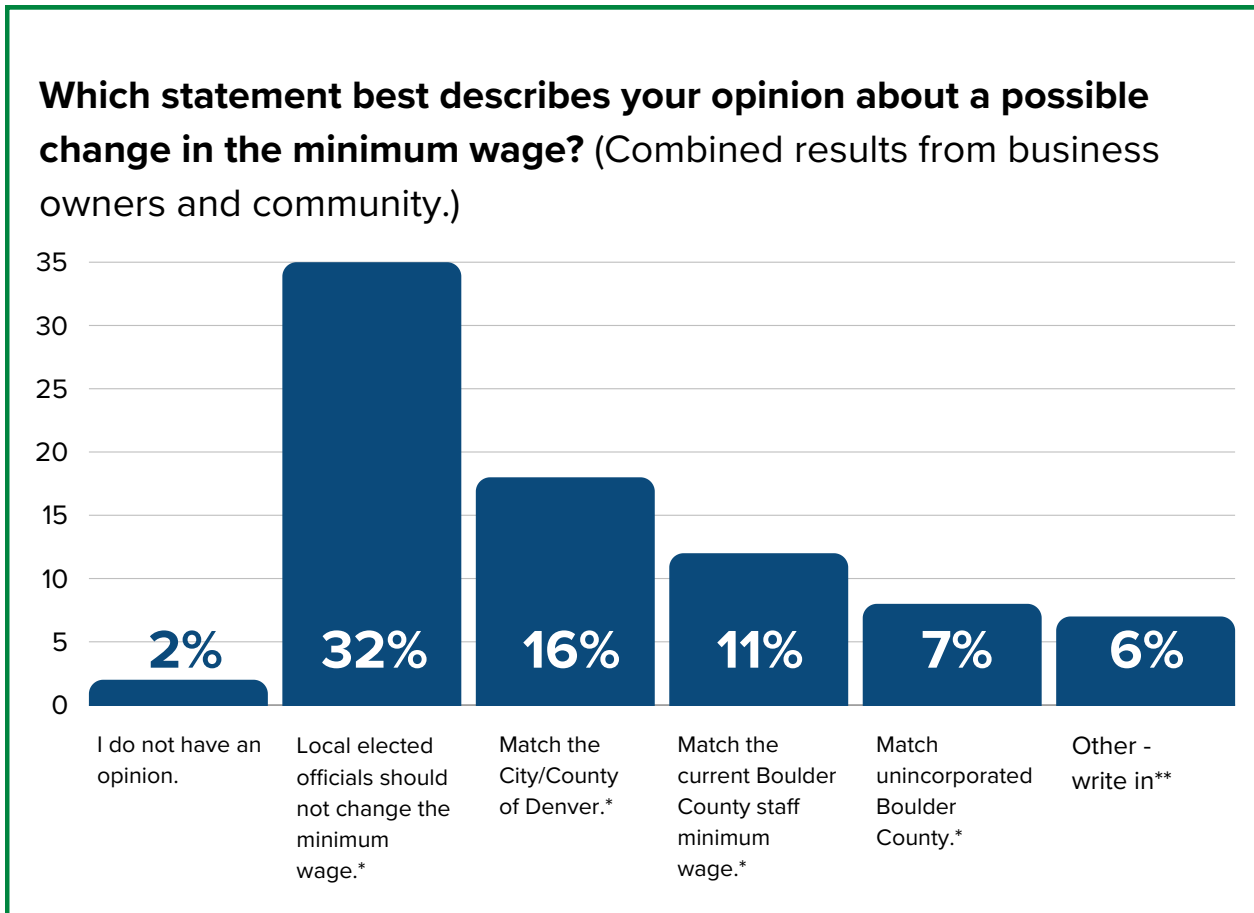
## Questionnaire Responses

Of the total questionnaire responses, 91 were from Louisville residents or business owners. Of these respondents, 37 residents and 50 business owners took the English version of the questionnaire; four residents and zero businesses took the Spanish version of the questionnaire.



# Engagement by the Numbers

## Questionnaire Responses



\*The varying minimum wages referenced in the survey are:

- City and County of Denver – \$18.29 in 2024, increasing annually with inflation
- Boulder County staff hourly wage – \$23.23 in 2024
- Unincorporated Boulder County - \$15.69 in 2024, increasing to \$25 by 2030

\*\**Other - write in* responses can be viewed in the full survey results at the end of this document.

# Engagement by the Numbers

## In-person Focus Groups

The cities of Louisville and Lafayette hosted two in-person focus group sessions targeted toward both the Louisville and Lafayette communities\*. The first, hosted on April 4 at the Louisville Recreation and Senior Center, was open to all community members. The second, hosted on April 11 at the Lafayette Public Library, was targeted toward the business community. Between the two in-person events, there were 39 total participants.



**Louisville  
hosted-  
events**



**participants**

## Promotion

To reach a variety of audiences, Louisville employed a cross-platform approach to promotion. The questionnaire and engagement opportunities were promoted in the following ways\*:

- City website news item on home page
- Spring Community Update (mailed to every household)
- March and April e-newsletters
- City social media channels, including but not limited to: Facebook, Instagram, Twitter, Nextdoor
- Physical flyers posted at City facilities
- Promotion on the project webpage

\*This is not an all-inclusive list

# Key Themes

A number of key themes emerged from staff analysis of in-person engagement session notes and open-ended questionnaire responses. The primary concerns and considerations were grouped into the following seven themes\*:

## #1 - Quality of Life & Community Sustainability

- Addressing the rising cost of living by increasing wages may help employees afford housing and other necessities, improving their overall quality of life.
- Increased wages may allow more residents, especially non-homeowners, to live and work in Louisville, reducing commuting and lowering emissions.
- Higher wages may reduce the need for community assistance programs.
- Improved wages may reduce the need to work multiple jobs or excessive hours.
- Increased living costs as a result of increased minimum wage could exacerbate issues like poverty, food insecurity, and homelessness, particularly affecting low-income families.

## #2 - Employee Attraction & Retention

- Increasing the minimum wage could create wage compression, where the wage gap between lower and higher-paid employees narrows, potentially causing dissatisfaction and morale issues among higher-paid workers or exacerbating cost increases to businesses who may raise all wages to avoid said compression.
- Higher wages may boost morale and reduce employee turnover, leading to a more stable and productive workforce.
- Higher wages can make businesses more attractive to potential employees, improving recruitment efforts and retaining current employees.
- Businesses could choose to invest in automation to reduce dependency on human labor, potentially reducing job opportunities.
- Increases could lead to low-skilled workers being pushed out of the job market by higher-skilled workers willing to work for the new wage, potentially increasing unemployment among vulnerable populations.

\*Note: Themes are not numbered in order of importance or relevance.

## #3 - Local Economy & Inflation

- Increased disposable income for workers may result in higher consumer spending in the community, potentially boosting sales and keeping more dollars within city limits.
- Higher wages can lead to increased prices for goods and services.
- Businesses could choose to relocate out of the city limits to jurisdictions where the minimum wage requirement is lower.
- There is concern about fairness and balance between wages for skilled versus non-skilled workers.
- Increased childcare costs could make childcare unaffordable for many families.
- Higher prices may drive customers away, further impacting sales and profit margins.

## #4 - Disproportionate Impacts to Small Businesses

- Higher wages can lead to increased prices for goods and services, particularly for small businesses already operating with small profit margins.
- Small businesses, in particular, could struggle to absorb the increased labor costs, leading to potential closures, reduction of staff size, reduced hours, and impacts to service levels.
- Small businesses may face a disadvantage compared to larger corporations/big box stores that can better absorb wage increases.
- Businesses already paying above minimum wage may not be impacted as greatly as those currently paying the minimum.

## #5 - Purpose of Minimum Wage

- Some believe that a minimum wage is not the same as a self-sufficiency wage.
- Some believe that minimum wage jobs are designed for entry-level workers to develop skills, not grow a career.
- Some believe that businesses should have the freedom to determine the value their employees bring to an organization within the confines of what the business can afford.

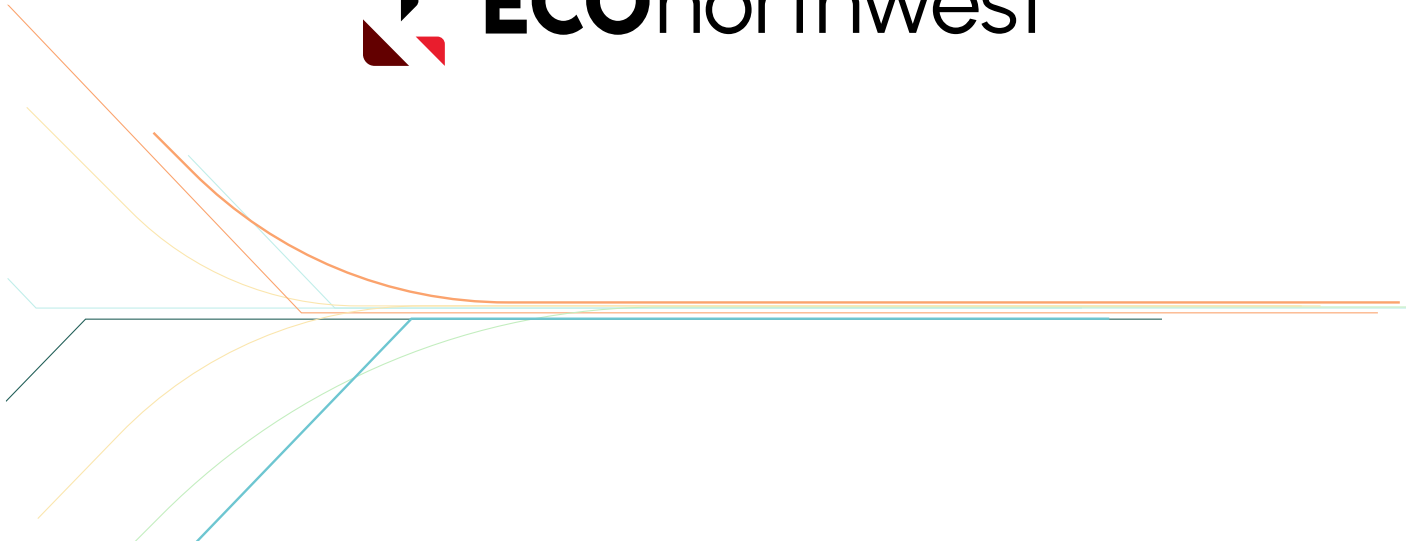


## #6 - Local Government's Role & Policy Development

- Some believe that wage setting should be determined by market conditions, not government mandates, and that business owners should have the freedom to set their own wages.
- Some believe that, instead of increasing the minimum wage, government should focus on other ways to positively impact minimum-wage earners, such as housing affordability initiatives.
- Some believe that governments should consider a gradual implementation with phased wage increases over time to minimize disruption and allow businesses time to adjust.
- Some believe that local officials should actively engage with business owners and business representatives before making decisions.

## #7 - Sector-Specific Impacts

- Some believe that local government should take into account the specific needs of different industries and worker groups.
- Hospitality and restaurant sectors may be particularly vulnerable to wage increases due to already slim profit margins.
- Higher wages could increase childcare costs, affecting affordability for families and sustainability for providers.



July 2024

# Regional Minimum Wage Economic Analysis for Five Boulder County Municipalities

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

**ECOnorthwest**

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# Executive Summary

The federal minimum wage, last updated in 2009, has been significantly eroded by inflation, especially during the high inflation periods of 2021 and 2022. Many states and local jurisdictions have set higher minimum wages to address regional cost of living differences. After the 2019 passage of HB19-1210, five municipalities in Boulder County—Boulder, Erie, Lafayette, Longmont, and Louisville—are considering the option of higher local minimum wages. EConorthwest was engaged to analyze the potential economic impacts of such wage increases.

Relying on the best available research literature while acknowledging limitations in available data, EConorthwest conducted the analyses described below and in the full study report. Study components include existing conditions analysis for the five study municipalities, a comparative analysis of other localities that have increased their minimum wage, a literature review, a regional minimum wage impact analysis, and an analysis of responses to categorical and quantitative questions from the minimum wage questionnaire conducted by the municipalities. An equity framework guided our analytical decision making.

## Recommendations

The economic impacts associated with increasing the minimum wage are best viewed as a set of trade-offs to individuals, businesses, governments, and the community. As such, an optimal minimum wage target should consider the full set of benefits and costs, as well as their size and distribution, because the benefits and costs can differ in magnitude and apply to different people. Moreover, an optimal minimum wage target depends on the preferences of a community. These preferences are critical because policymakers have to assign a relative value or weight to each trade-off, implicitly or explicitly, to determine which policy option is best for their community. Notably, communities can differ with respect to what minimum wage policy has the highest net positive impact, not just because of any community-specific costs and benefits, but also because of the preferences and values of the people living in the community. In short, no minimum wage target is universally optimal; the optimal target is a matter of identifying, quantifying, and then weighing the various trade-offs.

In light of this reality, EConorthwest presents the following recommendations regarding the minimum wage target, escalation schedule, and indexing mechanism. Additional information is provided in the full report.

- ◆ ***Recommendation #1:** Under the assumption that the five municipalities are interested in raising their minimum wages above Colorado's, two factors—a slower ramp-up and consistency with Unincorporated Boulder County—lead us to recommend Scenario B2, where the regional minimum wage reaches that of Unincorporated Boulder County in*



2035. The slower ramp-up period of Scenario B2 relative to Scenario B1 provides a degree of predictability and certainty that would allow individuals, businesses, and governments to adapt to the new economic landscape with minimal disruption. And narrowing, and then eliminating, the gap in wages between Unincorporated Boulder County and the five municipalities over the long term would help increase the consistency of the economic landscape across the region.

- ◆ *Recommendation #2: Conduct a mid-cycle evaluation of Scenario B2 in 2030 to assess the degree to which the benefits and costs of the higher minimum wage have come to fruition. To the extent that the anticipated outcomes fall short of expectations, the planned escalation in the minimum wage could be adjusted between 2030 and 2035.*
- ◆ *Recommendation #3: Index the minimum wage annually based on the regional Consumer Price Index for All Urban Consumers (CPI-U) in the Denver-Aurora-Lakewood area. The goal of wage indexing is to keep worker compensation in line with other changes in the regional economy, particularly price increases.*

## Existing Conditions

Socioeconomic conditions in the five municipalities and the broader region are essential context for the minimum wage impact analysis and ultimate policy design. The analysis includes macroeconomic indicators such as population growth, unemployment, and inflation, as well as more-detailed examinations of employment, worker, and household characteristics.

### Economic Conditions

Recent trends in the economic conditions of the analysis region, and the nation, have been marked by the COVID-19 pandemic recession of 2020. Macroeconomic indicators, including GDP, inflation, and employment, were all negatively affected in 2020. The five municipalities show trends similar to the state and nation, with positive trends during the 2010s interrupted by the COVID-19 economic shock.

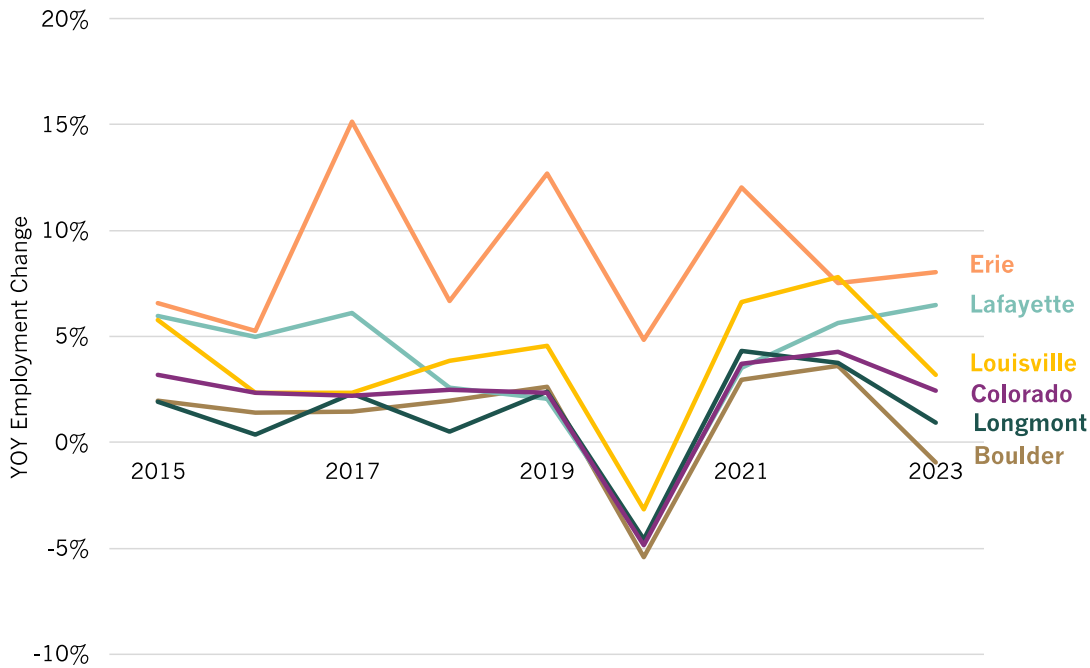
One key indicator of macroeconomic conditions is changes in employment (see ES-Exhibit 1). Between 2014 and 2023, three of the five municipalities had higher annual average employment growth than the statewide average (1.6 percent), with Boulder and Longmont as the exceptions. Induced by the COVID-19 pandemic recession and following state and national trends, employment declined across municipalities in 2020, by up to 5.4 percent, in Boulder. Erie employment has had an average annual growth rate of 8.7 percent, consistent with the town's rapid population growth over the same period.

Sales and other retail-based taxes (local government revenues) are another key indicator that could be affected by a minimum wage increase. We examined the extent to which municipality general fund revenues depend on sales tax revenue (from 40 to 66 percent of municipalities' general funds in FY2024) and, where data were available, we assessed the share of municipality sales tax revenue garnered from industries most affected by minimum



wage increases, such as food service, lodging, and retail (from 58 to 65 across municipalities). Our impact analysis modeling suggests very small potential effects of a minimum wage increase on local sales tax revenue.

**ES-Exhibit 1. Year-Over-Year Change in Employment**

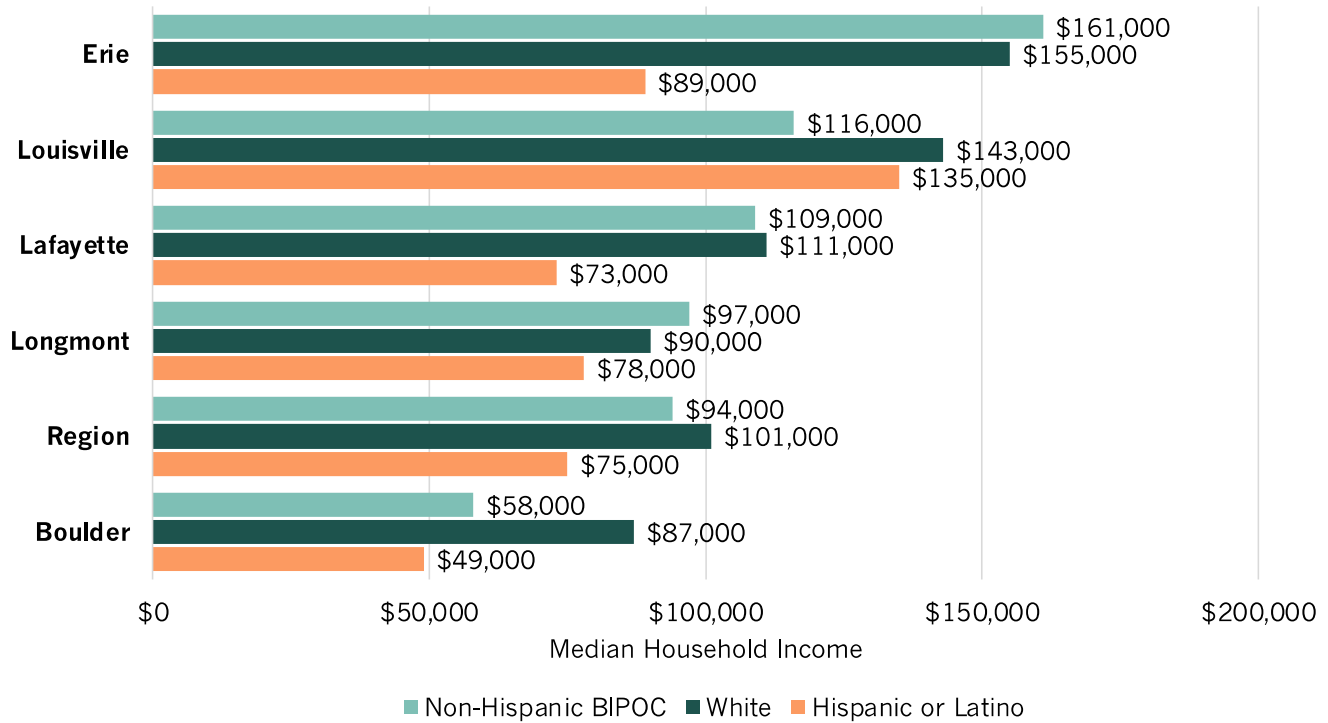


Data source: Colorado Department of Labor and Employment, 2014-2023

At the household level, median income informs us of the overall economic condition of residents of the municipalities and region. Boulder has a median household income below the statewide average of \$87,600, likely due to the large college student population in the city. Erie and Louisville have the highest median household incomes, approximately \$154,500 and \$135,800, respectively. ES-Exhibit 2 illustrates the range of incomes by race/ethnicity across the municipalities and region. The variation and ranges suggest which subpopulations in which municipalities may be most affected by a minimum wage increase.



## ES-Exhibit 2. Median Household Income by Race/Ethnicity



Data source: U.S. Census Bureau, American Community Survey, 2022 5-year estimates

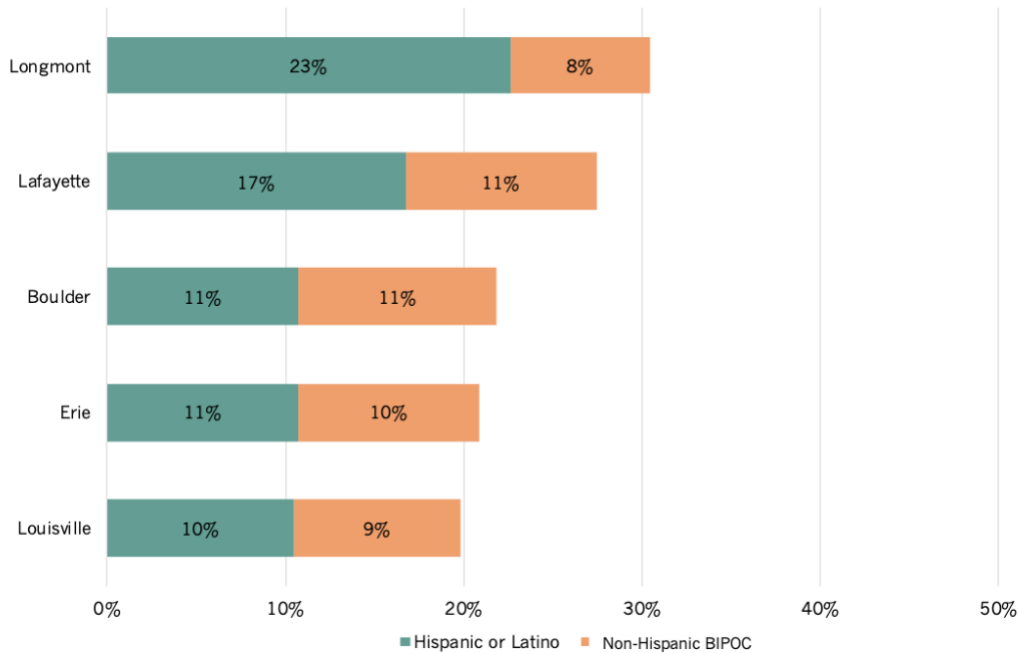
## Employment and Industry

Compared to Colorado, the five municipalities have relatively concentrated employment in high-skill industries such as professional and technical services, high-tech manufacturing, healthcare, and information. Additionally, private educational services are concentrated in Boulder and Longmont. Most working residents in the five municipalities commute elsewhere in Colorado or Boulder County and thus would not directly benefit from local minimum wage increases. However, low-income workers are slightly more likely to work within their municipality of residence (28 percent compared to 22 percent of all workers). An increased minimum wage would also help low-wage workers who live outside the five municipalities if they work in one of the five municipalities.

Roughly one third of workers across the study municipalities work in low-wage industries, and nearly half work in low-wage occupations. While one quarter of all workers in the region identify as BIPOC, a disproportionate share of workers in low-wage occupations identify as BIPOC, and most low-wage BIPOC workers are Hispanic or Latino. ES-Exhibit 3 shows the share of each municipality that is Hispanic or Latino or non-Hispanic BIPOC, reflecting differences in subpopulations that may be disproportionately affected by a minimum wage increase. Low-wage industries and occupations also have differential shares by gender: women make up the majority of low-wage-industry workers, while a higher share of low-wage-occupation workers identify as men.



### ES-Exhibit 3. Share of Population that is Hispanic or Latino or Non-Hispanic BIPOC, by Municipality



Data source: U.S. Census Bureau, American Community Survey, 2022 5-year estimates

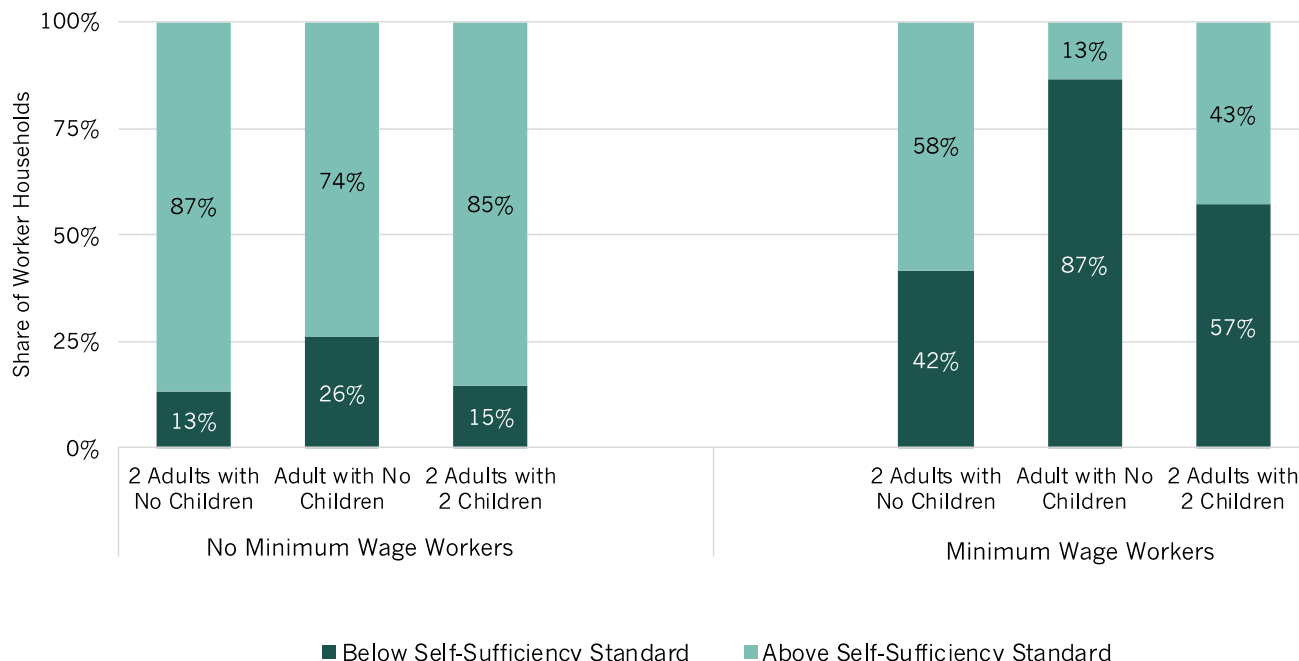
## Wage Distribution and the Minimum Wage

Approximately one in three workers in the region earn below \$25 per hour and one in ten earn below \$15 per hour. Workers earning below \$15 per hour account for a disproportionately high number of hours worked, indicating that lower-wage workers typically work longer hours than their higher-wage counterparts.

Our analysis examines the distribution of minimum wage workers and their household income relative to the Boulder County Self-Sufficiency Standard (SSS). Approximately 56 percent of households that have at least one minimum wage worker (righthand set of columns in ES-Exhibit 4) have income below the SSS, compared to 18 percent of households without minimum wage workers (lefthand set of columns).



### ES-Exhibit 4. Share of Households with Income Below and Above the Self-Sufficiency Standard, by Household Type



Note: “Minimum wage” defined here as estimated hourly wages below \$15  
 Data source: U.S. Census Bureau, American Community Survey, 2022 5-year estimates

Tipped workers earning the minimum wage represent an important part of the minimum wage workforce. Data limitations prevented the impact analysis from estimating effects for these workers, but available data provide context for understanding potential impacts. Tipped workers, who in Colorado receive no less than \$11.40 per hour from employers if they earn at least \$3.02 per hour in tips, face a generally higher poverty rate (12.8 percent) compared to the overall workforce (6.7 percent) at the national level. Most tipped workers are aged 20 to 39 and have relatively low educational attainment, and BIPOC individuals constitute a larger share of this group. If Colorado’s tip credit remains at \$3.02, the subminimum wage would get proportionately closer to the standard minimum wage over time.

## Comparative Analysis

In exploring the impacts of local minimum wage increases, we analyzed ten cities and counties that implemented wages above federal and state requirements (see ES-Exhibit 5). These regions were chosen for their similarity in population, industry makeup, and demographics to our study municipalities. Data collected before and after the wage increases offered insights into economic trends. Most municipalities indexed their minimum wages to inflation, with regional trends often guiding adjustments. While some employed caps to moderate rapid increases during periods of high inflation, others used more-intricate methods tying wages to local unemployment rates; these lacked clear information about effectiveness. Our high-level characterization of outcomes for the ten cities and counties that





enacted local minimum wage increases suggests that doing so does not necessarily lead to large, negative economic effects.

**ES-Exhibit 5. Change in Economic Conditions after Minimum Wage Increase Relative to State Change**

Cities	AAGR (to full wage)	Unemployment Rate Trend Relative to Statewide Trend	Poverty Rate Trend Relative to Statewide Trend	Labor Force Participation Rate Relative to Statewide Trend	Employment Growth Rate Trend Relative to Statewide Trend
Flagstaff, AZ	8%	2.70	NA	-1.30	0.00
Alameda, CA	12%	0.80	0.30	0.20	-0.01
Milpitas, CA	13%	1.50	-0.70	7.60	0.29
San Mateo, CA	14%	1.50	3.30	2.20	0.04
Santa Clara, CA	14%	2.90	5.00	0.70	0.04
Cook County, IL	12%	-0.70	-1.10	0.60	0.01
Montgomery County, MD	7%	0.80	0.60	-0.50	-0.01
Minneapolis, MN	14%	1.50	-4.80	1.10	0.02
Santa Fe County, NM	42%	-3.40	-2.30	-2.20	-0.01
Seattle, WA	16%	1.10	0.00	0.10	0.04

Data sources: U.S Census Bureau, American Community Survey, 2022 1-year estimates, Table DP03\_0002P, DP03\_0009P, DP03\_0003, and DP03\_0119P, Various Years; UC Berkeley Inventory of US City and County Minimum Wage Ordinance

Our findings suggest that while cities and counties with higher minimum wages differed markedly from their counterparts, the economic repercussions were generally modest. Changes in unemployment, poverty rates, and employment levels varied compared to state averages, reflecting localized economic conditions.

## Literature Review

The study’s literature review provides a summary of recent research on the minimum wage, with a focus on economic impacts. It both informs the impact analysis and provides context for interpreting the results of the analysis. The following are highlights from decades of minimum wage research:

- » **Employment:** A rich body of research on the impact of a minimum wage increase on aggregate employment shows a complex set of dynamics, however the overall consensus indicates limited negative impacts on aggregate employment.
- » **Capital Investment:** One explanation for the limited employment impacts of a minimum wage increase is that employment effects are short term, and employers can and will shift towards more capital-intensive (less labor-intensive) operations over the long term.



- » **Prices:** In the traditional economic framework, wage increases lead to higher prices, and recent empirical research provides evidence that minimum wage increases are passed on to consumers, however the estimated effects on price are relatively small.
- » **Business Productivity:** Current research indicates both positive and negative effects on business productivity, depending on firm size and industry, across varying metrics such as worker productivity, firm revenue, and product quality.
- » **Poverty and Income Inequality:** For low-income workers, researchers have found that a minimum wage increase can reduce income inequality, as well as racial and gender wage gaps. Other effects, both positive and negative, have been documented, including improved social and health outcomes for children, low-income workers commuting to areas with higher minimum wages, and diminished access to jobs for workers without a high school diploma.

In sum, over the past three decades, economists have studied the myriad and sometimes counterintuitive impacts of raising the minimum wage. The understandable initial focus on employment has expanded to include impacts on capital investment, prices, business productivity, poverty, inequality, and beyond. This rich body of academic literature reveals a complex picture. What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.

## Regional Minimum Wage Impact Analysis

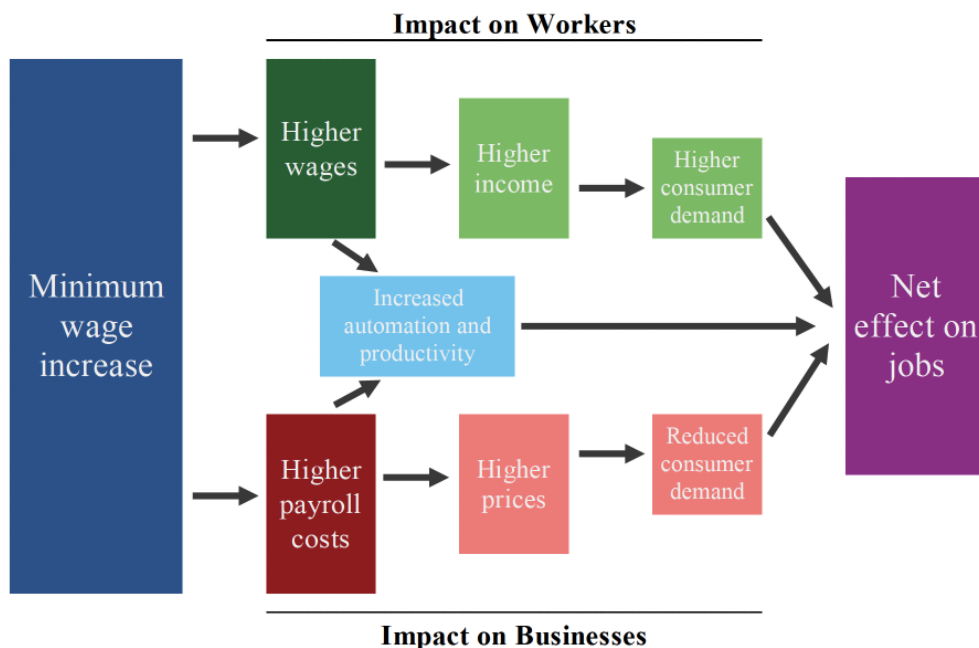
The economic impacts associated with increasing the minimum wage are best viewed as trade-offs—a set of benefits and costs to individuals, businesses, local governments, and society as a whole. Most obviously, the main benefit of increasing the minimum wage is an increase in income among low-wage workers. The trade-offs that accompany this benefit are well documented and span many dimensions: employment, prices, operating costs, productivity, poverty, and inequality. Estimating the magnitude of these trade-offs has been and continues to be the subject of rich debate among economists. For the purposes of our analysis, we take these different perspectives into account, and present estimates based, generally, on median impacts across a diverse set of published research. Importantly, we take a holistic approach and consider not just the immediate response of employers to higher labor costs, but also the broader economic impacts of low-wage workers' higher incomes.

Our framework is based on the University of California, Berkeley's Institute for Research on Labor and Employment (IRLE) minimum wage model. The impacts of raising the minimum wage are multifaceted, necessitating a comprehensive framework like the IRLE model to analyze the net effects on employment, business viability, and economic dynamics across various scenarios. The model takes into account direct and indirect impacts of increasing



the minimum wage on both workers and businesses, including increased automation and productivity, to estimate the net effect on employment (see ES-Exhibit 6).

**ES-Exhibit 6. Analysis Framework – The Berkeley IRLE Minimum Wage Model for the Effect of Increases in the Minimum Wage on Workers and Businesses**



Source: Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.

## Scenarios

The Regional Minimum Wage Impact Analysis focuses on four scenarios, with each evaluated relative to the existing Colorado minimum wage (\$14.42 in 2024). We assume a 3 percent annual increase to the Colorado minimum wage, based on historical inflation trends, resulting in an estimated wage of \$19.96 in 2035. Two other current-law policies informed scenario development, those for Denver and Unincorporated Boulder County.

Although not used in the modeling, we also project the Boulder County SSS for two representative household types (single adult and two adults with two school-aged children) out to 2035 based on historical growth of the SSS and current inflationary trends (3 percent per year). As shown in ES-Exhibits 7-8, the current-law minimum wage policies currently reach between 58 percent (Colorado) and 86 percent (Denver) of the projected SSS for selected household types. By 2035, they reach between 50 percent (Colorado) and 84 percent (Unincorporated Boulder County) of the projected SSS.

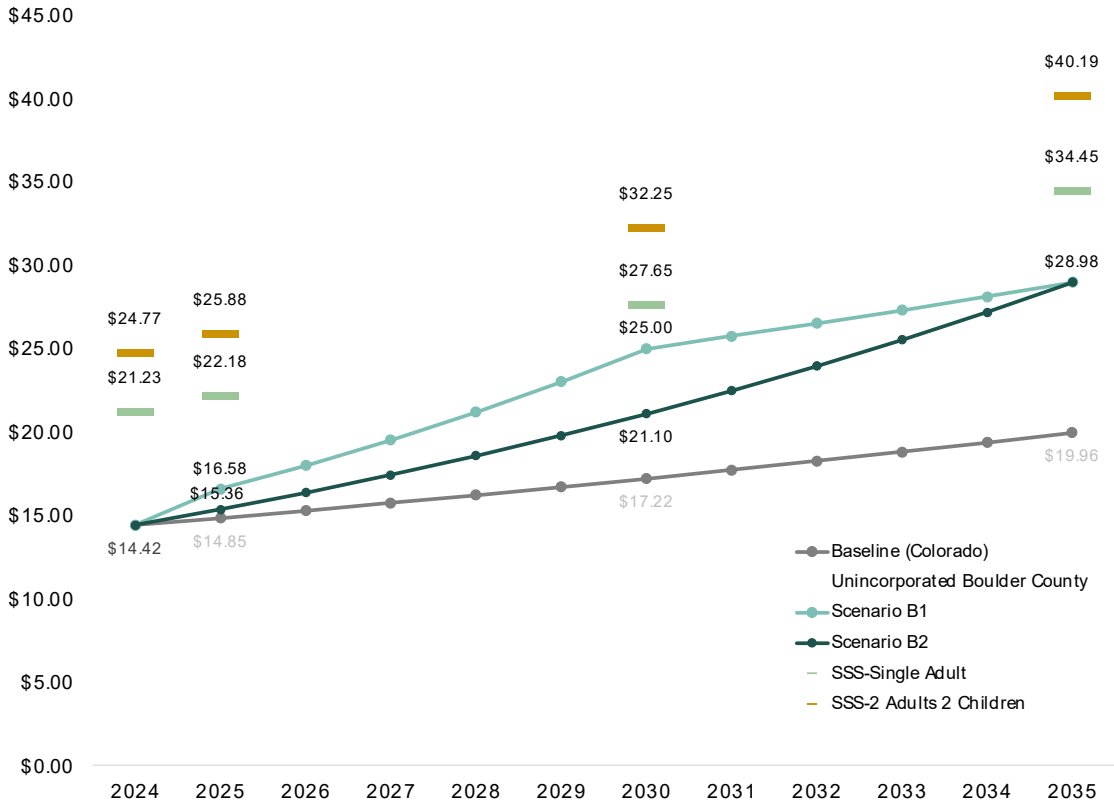
Each of our four scenarios begins with Colorado’s minimum wage in 2024 of \$14.42. Two are designed to reach Unincorporated Boulder County’s minimum wage, one as soon as possible under existing law (a maximum 15-percent increase per year) (Scenario B1) and the other in 2035 (Scenario B2). The remaining two scenarios are designed to reach



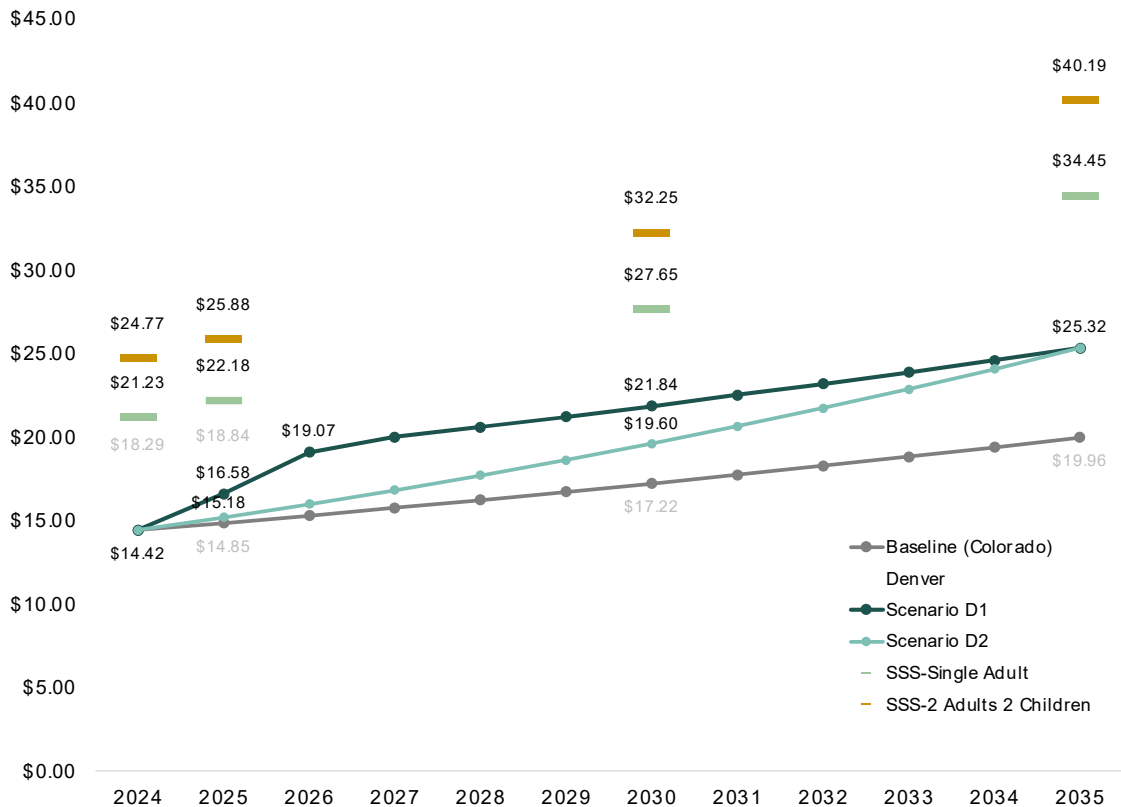
Denver’s minimum wage, one as soon as possible (Scenario D1) and the other in 2035 (Scenario D2).

By 2030, the Unincorporated Boulder County-based scenarios reach between 65 and 90 percent of projected SSS for selected household types. By 2035, the scenarios reach between 72 and 84 percent of the projected SSS. By 2030, the Denver-based scenarios reach between 61 and 79 percent of projected SSS for selected household types. By 2035, they range from 63 to 74 percent of the projected SSS.

**ES-Exhibit 7. Minimum Wage Scenarios for Reaching Unincorporated Boulder County’s Minimum Wage, 2024-2035**



### ES-Exhibit 8. Minimum Wage Scenarios for Reaching Denver’s Minimum Wage, 2024-2035



## Findings

We assessed impacts for each scenario relative to the status quo (the Colorado minimum wage). The report provides impact results for each individual municipality, where possible, as well as for all five combined.

### Select Effects of Modeled Minimum Wage Increases

ES-Exhibit 9 shows the number of employees across the five municipalities that would be laid off due to the minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. Scenario B1 employment loss is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase rate. Overall, the Unincorporated Boulder County-based scenarios are associated with higher employment loss compared to the Denver-based scenarios.



**ES-Exhibit 9. Change in Employment Relative to Baseline, 2030**

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	IMPACT AS A SHARE OF CURRENT EMPLOYMENT
<b>Scenario B1</b>	-1,755	-282	-2,037	-1.0%
<b>Scenario B2</b>	-1,057	-167	-1,224	-0.6%
<b>Scenario D1</b>	-1,266	-167	-1,433	-0.7%
<b>Scenario D2</b>	-635	-97	-732	-0.4%

Source: ECONorthwest analysis. Colorado Department of Labor and Employment, QCEW, 2023.

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

Many workers would have increased earnings under a minimum wage increase (see ES-Exhibit 10). The number of workers (directly and potentially affected) that could experience increases in earnings is between 1,848 and 15,805 across the municipalities, representing between 1 percent and 8 percent of current employment. Scenario B1 would realize the largest gain in workers earning higher wages in 2030.

**ES-Exhibit 10. Number of Workers with Increased Earnings Relative to Baseline, 2030**

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
<b>Scenario B1</b>	15,805	8.0%
<b>Scenario B2</b>	5,108	2.6%
<b>Scenario D1</b>	6,969	3.5%
<b>Scenario D2</b>	1,848	0.9%

Source: ECONorthwest analysis. Colorado Department of Labor and Employment, QCEW, 2023.

Note: Total workers include those directly and potentially affected.

The Federal Poverty Level (FPL) is widely regarded as inadequate for assessing family economic resiliency, with measures such as the Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>1</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional level (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios.

<sup>1</sup> Colorado Center on Law and Policy. (2024). Self-Sufficiency Standard. Accessed at: <https://copolicy.org/resources-publications/publications/self-sufficiency-standard/>



Our analysis estimated the effect on individuals in poverty by municipality. ES-Exhibit 11 presents the reduction in numbers of people in poverty due to the minimum wage increase in 2030. Up to 481 people could be lifted out of poverty by 2030, across scenarios.<sup>2</sup>

### ES-Exhibit 11. Change in Poverty Relative to Baseline, 2030

SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
Scenario B1	-481	-0.17%
Scenario B2	-103	-0.04%
Scenario D1	-166	-0.06%
Scenario D2	0	0.00%

Source: ECONorthwest analysis

Under Scenario B1, prices would be cumulatively higher by 0.1 percent relative to baseline through 2030, and under Scenario B2 by 0.05 percent. Scenarios D1 and D2 show slightly lower price differences, of 0.03 to 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below, and their income reductions lead to slight reductions in economic output. In 2030, GDP is anticipated to increase, at maximum, by between 0.0005 (Scenario D1) and 0.001 percent (Scenario B1). The negative impact by 2035 is slightly larger, with modeled effects ranging from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06 percent (Scenario B1). Additionally, impacts to local (county and municipality) tax revenues collected by all local governments in Boulder County are expected to be negligible compared to overall municipality budgets.

## Dashboard

We consolidated the findings into a dashboard as a visual comparison of the tradeoffs suggested by the results (see ES-Exhibit 12). Positive outcomes are shaded green, negative outcomes are red, and smaller effects are lighter in color. Color coding for an outcome is relative to modeled impacts across years and scenarios for *that outcome only*.

The dashboard provides a general assessment of the impacts associated with each scenario. It should not be used to “score” scenarios computationally based on shades of green and red. Decisionmakers will need to consider how much weight their municipality should place on a given outcome. For example, how beneficial is a reduction in poverty compared to a loss in employment?

<sup>2</sup> For effects by demographic characteristics, see the full report.



What the dashboard makes clear is that no single perfect solution exists—rather, trade-offs exist under each scenario. In cases where the positive impacts are maximized, so are the negative ones; in cases where the negative impacts are minimized, so are the positive ones. The optimal policy, therefore, depends on how much weight the affected municipalities place on the various outcomes.





### ES-Exhibit 12. Effect of Increases in the Minimum Wage, 2025, 2030, and 2035 - Dashboard

	2025				2030				2035			
	Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios		Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios		Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios	
	D1	D2	B1	B2	D1	D2	B1	B2	D1	D2	B1	B2
<b>Impacts to Workers</b>												
Workers with increased earnings (000s)												
Directly affected workers												
Potentially affected workers												
Net change in employment												
Net change in hours worked*												
Workers' earnings												
Change in real annual income												
Families with income < 100% FPL												
Families with income between 100% to 300% FPL												
Families with income between 300% to 500% FPL												
Families with income > 500% FPL												
<b>Impacts to Businesses</b>												
Operating costs												
Change in payroll costs												
Change in operating costs												
Prices												
Percentage of workers getting a raise												
Employee retention*												
Worker productivity*												
Business productivity and profits												
Business failures*												
Business migration*												
<b>Impacts to Region</b>												
Consumption												
GDP												
Number of people in poverty (000s)												
Unemployment												
Substitution away from unskilled labor												
Wage inequality (tighter wage distribution)												
<b>Impacts to Governments</b>												
Impact to local government revenues												
Impact to local government expenses												

Source: ECONorthwest. \*Qualitative assessment

Notes: Tradeoffs are measured relative to the status quo—maintaining the state mandated minimum wage, adjusted for anticipated inflation. Outcomes that are positively affected by an increase in the minimum wage—per a given scenario—are shown in green; those that are negatively affected are shown in red. The lighter the shade, the more moderate the impact; the darker the shade, the more pronounced the impact. Outcomes that are unaffected are denoted in yellow. In the case of quantitatively-assessed outcomes, the shades of color are approximately proportional to the largest impact for that outcome. In the case of qualitatively-assessed outcomes, the shades of color are based on magnitudes reported in the relevant economics literature. Looking horizontally, the dashboard shows how each scenario compares over time (2025, 2030, and 2035) for a given outcome. Looking vertically, the dashboard shows how all outcomes, collectively, are affected by a given scenario.





# Acknowledgments

ECONorthwest prepared this report with support from the guidance and input of several partners, including and especially the members of the Boulder County Minimum Wage Economic Study Scoping Team. Most notably we appreciate the involvement and input of Taylor Reimann, Senior Program Manager at the City of Boulder. Other firms, agencies, and staff contributed to other research that this report relied upon, including the Colorado Department of Labor and Employment, for providing data essential to the study, and Charles Brennan of the Colorado Center on Law and Policy, for sharing his expertise on the interaction of the minimum wage and public benefit programs. This work was financially supported by the cities of Boulder, Lafayette, Longmont, and Louisville and the Town of Erie.

That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their areas of expertise and general knowledge. ECONorthwest also relied on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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# 1. Introduction

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The real value of the current federal minimum wage, already considered low by many when it was established in 2009, is continuously eroded by inflation, a particularly acute concern given the extremely high inflation observed during 2021 and 2022. Recognizing this and other disconnects between the federal minimum wage and local conditions (e.g., regionally higher-than-national-average cost of living), many states have long set a minimum wage higher than that required by federal law—including Colorado since 2007—and city and county jurisdictions have increasingly set minimum wages higher than required by the relevant state law. Since the passage of HB19-1210 in 2019, local governments in Colorado have been permitted to set minimum wages higher than the state-mandated minimum, an option now being considered by five municipalities in Boulder County: City of Boulder, Town of Erie, City of Lafayette, City of Longmont, and City of Louisville (see Exhibit 1, below). These municipalities are referred to as the Scoping Team in the remainder of the report.

Identifying the potential economic implications of minimum wage increases is critical both to decision-making regarding when and by how much to increase local minimum wages and to building community understanding about the costs and benefits of decisions ultimately made. Acknowledging this, the Scoping Team collectively engaged ECONorthwest to conduct an economic analysis of potential minimum wage increases.

This report describes the results of the analysis. The remainder of this section describes the geography considered in the analysis, how equity considerations informed the analysis, and the remaining components of the report.

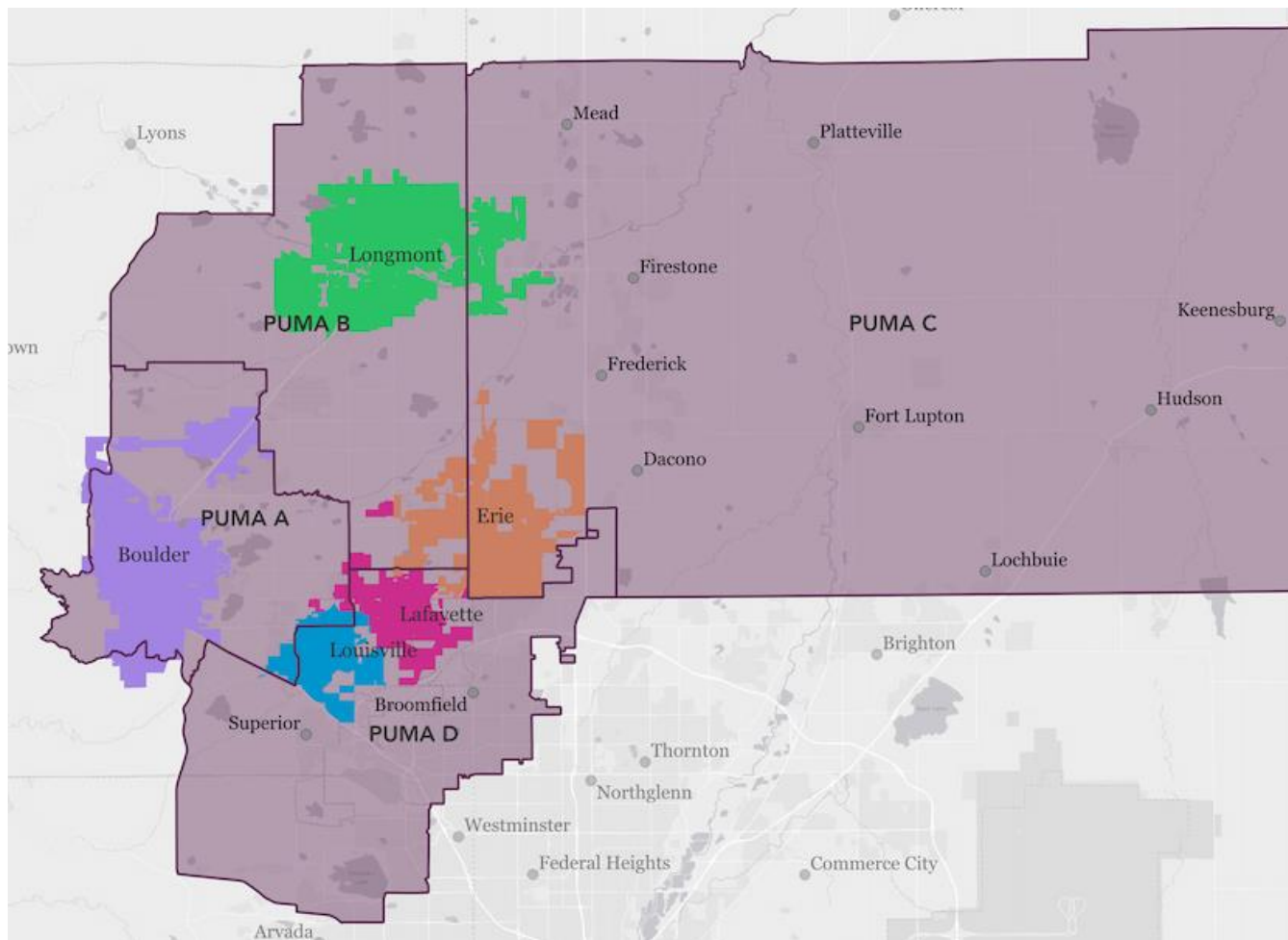
## A Note About Analysis Geography

The analysis focuses specifically on the five municipalities but as described elsewhere in the report, not all data of interest are available at the municipal level. Most importantly, this limitation applies to important Census data regarding the demographic characteristics of workers and other residents. Thus, the data presented below sometimes reflect conditions within municipal boundaries, and sometimes a broader region consisting of three Public Use Microdata Areas (PUMAs)<sup>1</sup>, specifically, PUMAs A, B, and D in Exhibit 1. Although this region excludes some areas within the municipal boundaries of Longmont and Erie, it includes more than 90 percent of the population in the five municipalities.<sup>2</sup>

<sup>1</sup> PUMAs, defined by the U.S. Census Bureau, are non-overlapping geographic areas that partition the U.S. into areas containing no fewer than 100,000 people each. Census data available at the PUMA level are much more detailed than data available for smaller geographies, such as cities and towns.

<sup>2</sup> The three-PUMA region excludes 58 percent of Erie's population. However, a demographic analysis of municipal populations and that of PUMA C suggests that including PUMA C would skew the data for the broader region due to the demographics of the non-Erie portion of the PUMA, which is essentially Weld County. See Appendix B for population and worker demographics in PUMAs A, B, C, and D.

### Exhibit 1. Municipality Boundaries and Census PUMA Geography



Source: U.S. Census Bureau, 2022. Note: PUMA C is only partially pictured.

## Equity

A focus on equity was essential to the success of this project. We applied an equity framework to the analysis, including an understanding of the historical context in which communities of color have not had the same educational and economic opportunities as white communities and are disproportionately represented among low-wage earners.

Wherever possible we used data that can be disaggregated by race/ethnicity, income, and other demographics. In using such data, we seek to fully understand the limitations of any data source with respect to equity considerations. For example, we discussed with the Scoping Team the tradeoffs of using American Community Survey (ACS) data produced by the Census Bureau at the municipality versus PUMA levels. PUMAs do not align with the study municipality boundaries (see Exhibit 1) but relying in part on data for these larger geographic units allows some disaggregation by race/ethnicity<sup>3</sup> and provides valuable

<sup>3</sup> PUMAs are non-overlapping geographic areas that partition the U.S. into areas containing no fewer than 100,000 people each.

information about communities not as well represented in the limited data available at the municipal level.

Census Bureau data sources, while among the most reliable available for regions across the United States, have important limitations that we acknowledge. These limitations, listed below, highlight the need to continuously evaluate opportunities for improving data collection regarding marginalized communities.

## MARGINS OF ERROR

ACS data uses population sampling to create estimates of socioeconomic trends. In some cases, the margin of error (MOE) associated with this sampling can be very high, indicating low accuracy of associated estimates. In this report, we do not show unreliable estimates. This typically happens for populations representing a small share of the total population, populations that are undercounted (see “Data Collection with Undocumented Populations,” below), or data filtered to small geographies such as the block-group data used to characterize neighborhoods and other small regions of interest.

## COVID-19 DISTORTIONS

The 5-year 2018-2022 ACS estimates used in this report include data from the year 2020, when the onset of the COVID-19 pandemic created many challenges for the US Census Bureau’s typical data collection methods. During this time, there were noted issues that caused distortions in surveys, including the ACS. In particular, the Bureau saw challenges that resulted in undercounting younger populations and overcounting the white, non-Hispanic population nationwide.<sup>4</sup> These data artifacts from 2020 will likely influence the quality of certain Census data products for several years to come.

## DATA COLLECTION WITH UNDOCUMENTED POPULATIONS

Undocumented immigrants and mixed-status families are often considered “hidden” or “hard-to-reach” populations for several reasons, including socio-economic barriers, fear, and lack of trust in the institutions that seek to engage them.<sup>5</sup> The term “hidden” is used when public acknowledgement of membership in the population is potentially threatening to the individual.<sup>6</sup> Based on these critical barriers, the US Census Bureau reports that undocumented populations are difficult to count due to a reliance on survey-style data collection and a residential address matching process.

Specifically, if an address is not included in the Bureau’s database, surveys will not be sent to that address. For this and other reasons, immigrant and other marginalized communities can be difficult to reach considering a higher probability of experiencing irregular housing and addressing, limited English proficiency, confidentiality concerns, and complex

<sup>4</sup> Pew Research Center, ‘Key facts about the quality of the 2020 Census,’ <https://www.pewresearch.org/short-reads/2022/06/08/key-facts-about-the-quality-of-the-2020-census/>.

<sup>5</sup> Urban Institute. “When Researchers Build Trust, “Hard-to-Reach” Undocumented Communities Aren’t So Hard to Reach”

<sup>6</sup> Heckthorn, A. “Respondent-Driven Sampling: A New Approach to Study Hidden Populations”

households. For example, the Bureau estimated that 20 percent of census “noncitizens” had addresses that could not be linked to an address in the database compared to 6 percent of citizens, “raising the possibility that the 2020 Census did not collect data for a significant fraction of noncitizens.”<sup>7,8</sup> These limits in data have wide-ranging effects on demographic and population profiles that drive policy setting, resource distribution, and public interventions.

## Report Components

The analysis consists of five main components:

- ◆ **Existing Conditions Analysis (Section 2).** This phase of the project documented socioeconomic conditions in the five municipalities and for some metrics, across a broader region.<sup>9</sup> The analysis included macroeconomic indicators such as population growth, unemployment, and inflation, as well as more detailed examinations of employment, household characteristics, and other indicators.
- ◆ **Comparative Analysis (Section 3).** In parallel to the existing conditions analysis, the research team conducted a high-level comparative analysis of other cities or regions that have increased the local minimum wage beyond that required by state and federal law. Although the impact analysis provides more-definitive information about potential effects of an increase in local minimum wages, comparing economic performance and other outcomes of selected comparison regions provides insight into how the five Boulder County municipalities might fare with a similar increase.
- ◆ **Literature Review (Section 4).** Rapid minimum wage increases implemented at the state and local level have proliferated in recent years, particularly since the onset of the COVID-19 pandemic and the ensuing economic disruptions. These changes have both reignited interest in identifying the effects of changes in the minimum wage and provided numerous natural experiments researchers have analyzed to do so. The literature review for this project explored both the economic theory that suggests how a minimum wage increase might affect conditions and recent empirical work that either supports or rejects the presence of a relevant effect.
- ◆ **Regional Impact Analysis (Section 5).** The impact analysis involved modeling how each of the four specific minimum wage scenarios, described in Section 5, could affect outcomes such as employment, wages, poverty rates, total economic output, and other metrics. Modeling disaggregated impacts to specific municipalities to the extent possible.
- ◆ **Appendix A: Questionnaire Analysis (Section 6).** ECONorthwest provided an analysis of responses to categorical and quantitative questions from the minimum wage

<sup>7</sup> “Noncitizens” defined as “People who indicate that they were born in the United States, Puerto Rico, a U.S. Island Area, or abroad of at least one U.S. citizen parent are U.S. citizens... [or] indicate that they are U.S. citizens through naturalization.” <https://www.census.gov/glossary/?term=Citizenship+status>

<sup>8</sup> Center for Economic Studies. “Non-Citizen Coverage and Its effect on US Population Statistics”

<sup>9</sup> In some cases, data limitations (e.g., data not available by municipality) required a regional analysis. In other cases, regional information provides useful context for interpreting conditions in a municipality.



questionnaire conducted by the municipalities, with a focus on dimensions of the data most relevant to the other analyses.

- ◆ **Appendix B: Additional Materials (Section 7).** This section provides additional details on the Existing Conditions, Comparative, Regional Impact Analyses.

## 2. Existing Conditions

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### Economic Conditions

This section focuses on the current population, demographics, and macroeconomic environment of the region and the five municipalities. The conditions described provide context for the impact analysis and, in many cases, relate directly to potential impacts of a minimum wage increase.

#### SUMMARY:

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- Over the past five years, the region's population (in Boulder, Weld, and Broomfield counties) has been growing faster than Colorado overall. Across the five municipalities, Erie and Lafayette have experienced relatively higher population growth, with Longmont, Boulder and Louisville exhibiting little recent population growth.
  - Macroeconomic indicators including GDP, inflation, and employment metrics, show trends similar to the state, with growth during the 2010s interrupted by the COVID-19 economic shock, as it was nationwide. Also similar to state and national trends, recent economic activity has bounced back and stabilized in the last couple of years.
  - Boulder and Longmont have relatively young populations, with a disproportionate number of young adults. In Boulder, this trend is driven largely by the presence of the University of Colorado, Boulder. Populations of the other municipalities have relatively higher shares of children and residents in the middle age groups.
  - Across the five municipalities, the Black, Indigenous, People of Color (BIPOC) population comprises between 19 percent (Louisville) and 31 percent (Longmont) of the total population. Of BIPOC race and ethnicities, Hispanic and Latino residents make up between 10 percent (Louisville) and 23 (Longmont) percent of the total population.
  - Erie, Louisville, Lafayette, and Longmont have median household incomes above the statewide average. Boulder has a slightly lower median household income, likely because of the concentration of college students and other young adults.
  - The median income among BIPOC households falls below the overall median in each of the municipalities, by 43 percent for Hispanic and Latino households in Erie and by 27 percent for households of non-Hispanic BIPOC groups in Boulder. Across municipalities, the difference is more pronounced for Hispanic and Latino households.
- 

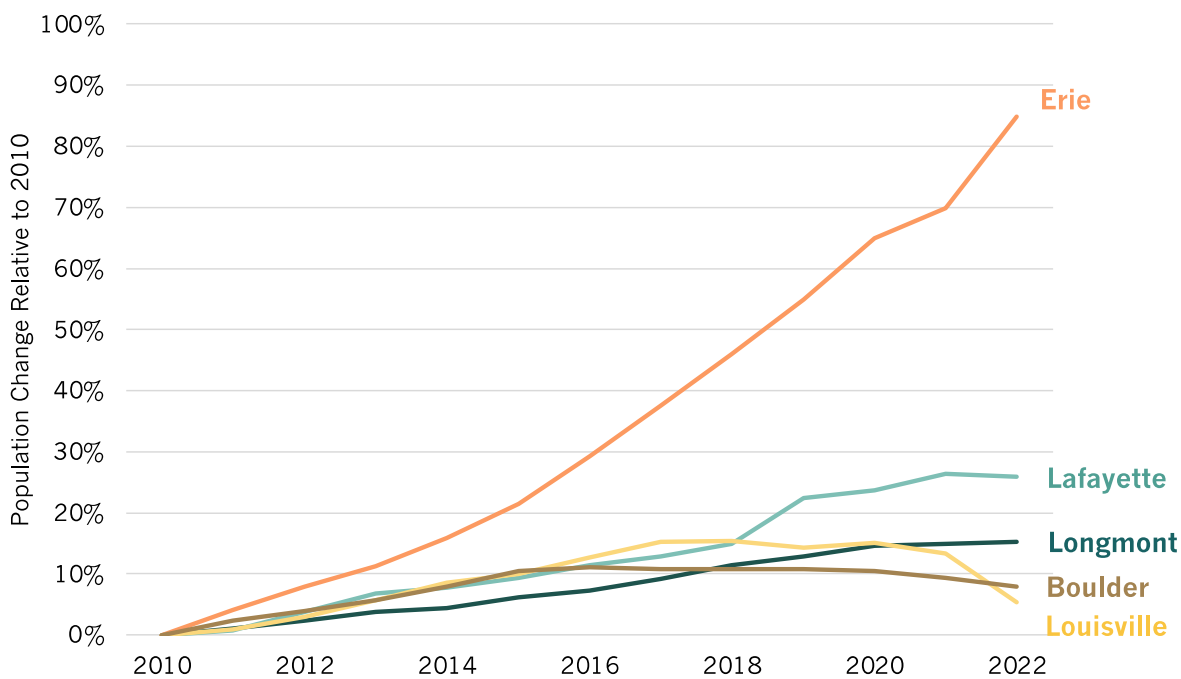
### DEMOGRAPHICS

Exhibit 2 displays population growth since 2010 for the five municipalities and Exhibit 3 shows the 2022 population totals and selected demographic characteristics. Among the five



municipalities, Boulder has the largest population (105,650), although its growth has been relatively modest, growing only 8 percent between 2010 and 2022 (0.6 percent per year). This was slower than the other municipalities with the exception of Louisville, the smallest of the municipalities (19,394), with a growth rate of only 5 percent (0.4 percent per year). Longmont, the second most populous municipality, with a population of nearly 100,000 in 2022, grew by 1.2 percent per year, or 15 percent in total, between 2010 to 2022. Lafayette (30,890) and Erie (34,080) have both grown more rapidly, with population growth since 2010 of 26 percent (1.9 percent per year) and 85 percent (5.3 percent per year), respectively. Municipal population projections were not available for this analysis, but the surrounding Boulder County is projected to grow by 15 percent, or 0.6 percent per year, between 2025 and 2050 (Weld and Broomfield counties are projected to grow by 59 and 40 percent, respectively).<sup>10</sup>

## Exhibit 2. Population Growth Relative to 2010



Source: Colorado State Demography Office, 2022

Boulder, home to the University of Colorado, stands out among the five municipalities for its distinctive age demographics. With 32 percent of its residents aged 18 to 24, Boulder has a notably younger population, largely due to the high concentration of college students, who make up 31 percent of its total population. Erie, Lafayette, and Louisville have a contrasting age structure, with the largest share of the population between the ages of 25 and 64 followed by those under 18. Longmont is similar to Erie, Lafayette, and Louisville but has a slightly higher share of young adults and those 65 years or older.

Longmont has the highest share of BIPOC residents (31 percent), with 23 percent of the population identifying as Hispanic and Latino residents and 8 percent identifying as Asian,

<sup>10</sup> Colorado State Demography Office. (2023). County Population Projections. Accessed at: <https://demography.dola.colorado.gov/assets/html/county.html>

American Indian or Alaska Native, Black or African American, Native Hawaiian or Pacific Islander, or two or more races. Lafayette follows closely with a BIPOC population of 28 percent, while the share of other municipalities' populations range between 19 percent and 22 percent.

Educational attainment varies by municipality. Boulder has the highest percentage of residents 25 and over with a bachelor's degree or higher, at 77 percent, reflecting the influence of the university. Erie, Lafayette and Louisville also have relatively high educational attainment, with between 63 percent and 66 percent of their populations holding at least a bachelor's degree. Longmont has lower educational attainment, with 46 percent of residents having a bachelor's degree or higher and 38 percent having a high school diploma or some college education.

### Exhibit 3. Demographic Characteristics

DEMOGRAPHIC CHARACTERISTIC	BOULDER	ERIE	LAFAYETTE	LONGMONT	LOUISVILLE
<b>Race/Ethnicity</b>					
White	78%	79%	73%	70%	80%
Hispanic and Latino <sup>1</sup>	11%	11%	17%	23%	10%
Non-Hispanic BIPOC <sup>2</sup>	11%	10%	11%	8%	9%
<b>Age</b>					
Under 18	12%	30%	23%	20%	24%
18 to 24	32%	5%	7%	9%	8%
25 to 64	44%	55%	56%	53%	53%
65 or more	12%	10%	15%	17%	15%
<b>Educational Attainment</b>					
Less than HS	3%	3%	4%	8%	1%
HS or Some College	17%	25%	26%	38%	27%
Associate degree	3%	7%	7%	8%	6%
Bachelor's degree or Higher	77%	65%	63%	46%	66%
<b>Sex<sup>3</sup></b>					
Male	52%	49%	49%	50%	51%
Female	48%	51%	51%	50%	49%
College Student % of Total Population	31%	5%	6%	5%	5%
<b>Total Population</b>	<b>105,650</b>	<b>34,082</b>	<b>30,890</b>	<b>99,779</b>	<b>19,394</b>

Source: Colorado State Demography Office, 2022; U.S. Census Bureau, American Community Survey, 2022 5-year estimates

Notes:

1: Hispanic or Latino individuals are those who identified as any race but selected Hispanic or Latino for their ethnicity.

2: Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

3: The Census only allows individuals to indicate binary sexes.

4: Columns do not sum to 100% due to rounding.

## GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) estimates are available at the county rather than municipal level. Boulder County GDP was \$35.6 billion in 2022.<sup>11</sup> Boulder County per capita GDP, \$108,750 in 2022, has risen by 35 percent since 2017 and remains higher than in the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA) (\$96,740) and Colorado (\$84,140).<sup>12</sup>

Boulder County's real GDP year-over-year growth generally mirrors changes in the Denver MSA and Colorado, with moderate year-over-year growth going into the COVID-19 pandemic (between 5 and 10 percent), almost no growth during 2020, and growth post pandemic (approximately 8 percent in 2021 and 2022). Denver MSA and Colorado GDP post-pandemic annual growth rates—between 10 and 12 percent—have been higher than Boulder County's.

## INFLATION

The annual inflation rate in the Denver-Aurora-Lakewood MSA, the closest geographical proxy for the five municipalities, varied between 1 and 3 percent prior to the COVID-19 pandemic. Prices in Colorado and across the U.S. began to rise soon after the pandemic recession. Inflation in the Denver MSA has been higher than the national average since the economic rebound. As elsewhere, inflation slowed considerably beginning in 2023 and is projected to continue a downward trend over the coming years.<sup>13</sup>

## EMPLOYMENT GROWTH

Among the five municipalities, employment growth has been highest in Erie, Louisville and Lafayette between 2014 and 2023.<sup>14</sup> Over this period, the average annual growth rate was 8.7 percent in Erie, and roughly 4 percent in Louisville and Lafayette. Employment growth in these municipalities outpaces the statewide average (2 percent)<sup>15</sup>, while Boulder and Longmont fall below, at 1.0 percent and 1.3 percent respectively (see Exhibit 4).

During the COVID-19 pandemic year of 2020, four of the municipalities experienced a decline in employment from 2019: Boulder saw a decrease of 5.4 percent, followed by Longmont (-4.6 percent), Lafayette (-4.6 percent), and Louisville (-3.2 percent). These municipalities experienced employment declines similar to the statewide average (-4.8 percent). Erie exhibited positive growth of 4.8 percent. Post-pandemic, employment has grown across the municipalities, with a similar annual growth rate of between 3 and 4 percent in 2021 for Boulder, Longmont, and Lafayette, while Louisville and Erie experienced higher employment growth of 6.6 and 12 percent, respectively, indicating its resilience to the COVID-19 shock. Between 2022 and 2023, Longmont, and Louisville experienced modest growth rates of 0.9 and

<sup>11</sup> U.S. Bureau of Economic Analysis. (2022). Gross Domestic Product by County. Accessed at: <https://www.bea.gov/data/gdp/gross-domestic-product>

<sup>12</sup> U.S. Bureau of Economic Analysis. (2022). Gross Domestic Product by County. Accessed at: <https://www.bea.gov/data/gdp/gross-domestic-product>; Colorado State Demography Office. (2022). Population Estimates by County and Municipality. Accessed at: <https://demography.dola.colorado.gov/assets/html/muni.html>

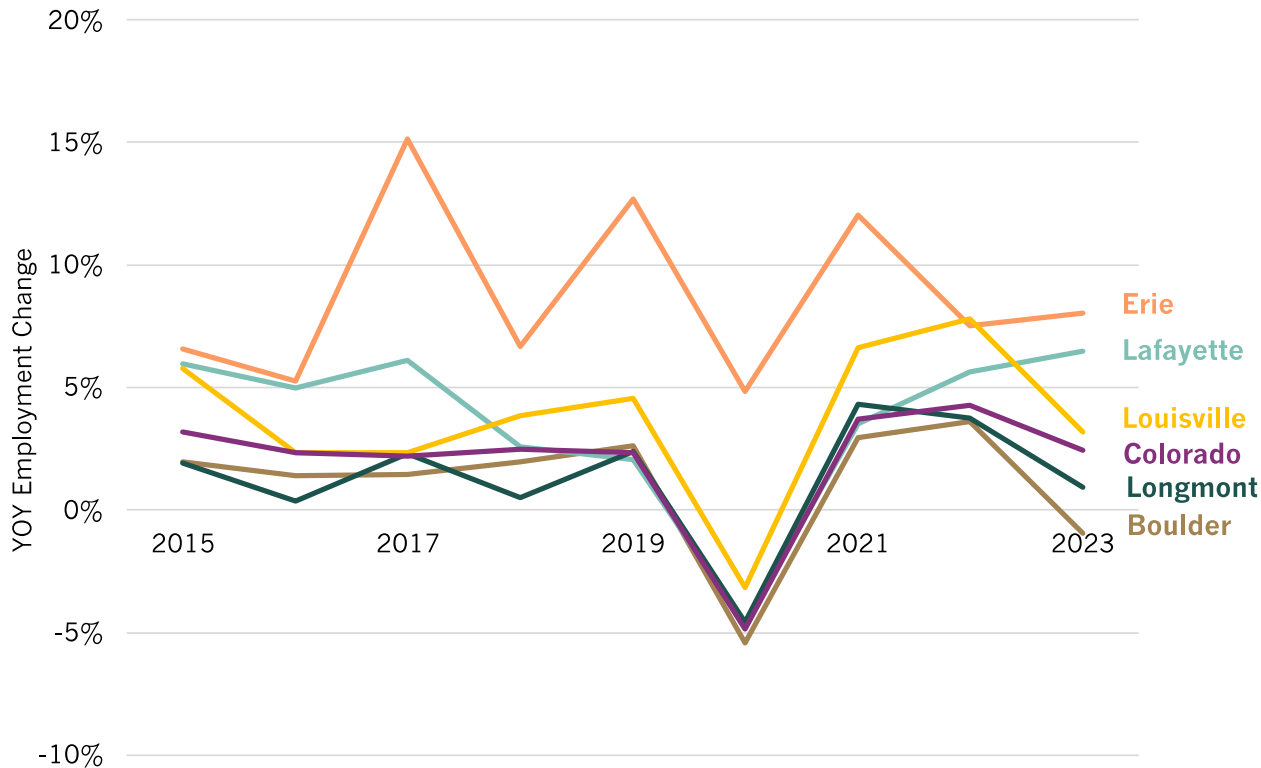
<sup>13</sup> Colorado Legislative Council. (2024). Economic & Revenue Forecast. Accessed at: <https://leg.colorado.gov/sites/default/files/mar2024forecastforposting.pdf>

<sup>14</sup> Colorado Department of Labor and Employment. (2014-2023). Quarterly Census of Employment and Wages.

<sup>15</sup> Ibid.

3.2 percent, respectively, while Boulder had a negative rate of 1.0 percent. Lafayette and Erie had the highest employment growth rates between 2022 and 2023, with 6.5 and 8.0, respectively. Employment in the municipalities now exceeds pre-pandemic levels and annual growth is stabilizing toward pre-pandemic trends.

**Exhibit 4. Year-Over-Year Growth in Employment, 2014-2023**



Source: Colorado Department of Labor and Employment, QCEW, 2014-2023

**UNEMPLOYMENT**

Boulder County’s unemployment rate has generally tracked Colorado’s though with a somewhat shorter post-pandemic recovery to pre-pandemic levels. The Denver MSA unemployment rate is projected to decrease to 2.3 percent by 2026, suggesting continued strength in the regional labor market.<sup>16</sup>

Due to data availability across municipalities, Exhibit 5 shows the U.S. Census Bureau American Community Survey (ACS) estimates of unemployment rates.<sup>17,18</sup> The unemployment rate in the

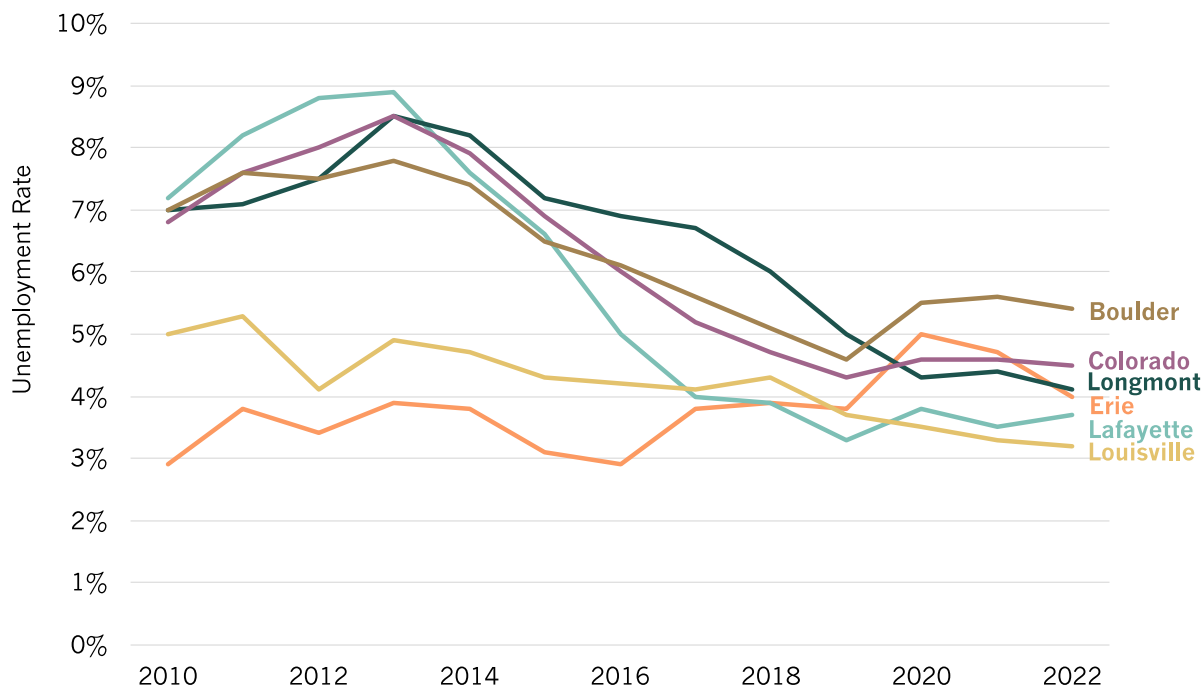
<sup>16</sup> Colorado Legislative Council. (2024). Economic & Revenue Forecast. Accessed at: <https://leg.colorado.gov/sites/default/files/mar2024forecastforposting.pdf>

<sup>17</sup> Unemployment rate includes part-time and temporary workers. For more information visit: <https://www.census.gov/topics/employment/labor-force/guidance/survey-differences.html>

<sup>18</sup> As an alternative data source, we examine unemployment rates reported by the Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics (LAUS) which are reported monthly. These data are not available for Louisville due to the population size. Unemployment rate estimates from the BLS LAUS are generally lower for the municipalities, compared to the ACS estimates. According to the BLS, Longmont and Boulder had an unemployment

five municipalities has also generally followed statewide trends. Notably, four of the five municipalities had lower unemployment rates than the state during the COVID-19 pandemic recession. Boulder’s unemployment rate, at 5.4 percent as of the most recently available data (2022), however, appears somewhat higher than the statewide average. Longmont and Erie had an unemployment rate of approximately 4 percent in 2022. Louisville and Lafayette had the lowest unemployment rate of the five municipalities, at roughly 3 percent.

**Exhibit 5. Unemployment Rate, 2010-2022**



Source: U.S. Census Bureau, ACS, 2010-2022, 5-year estimates.

**LABOR FORCE PARTICIPATION RATE**

Labor Force Participation (LFP) rates, measure the percentage of the working-age population (aged 16 and older) that is either employed or actively seeking employment.<sup>19</sup> A higher LFP rate suggest that a larger proportion of people are engaged in productive activities. The statewide LFP rate has decreased steadily since 2010 but, at 68.6 percent, remains above the national average of 62.6 percent.<sup>20</sup>

Boulder County had a higher LFP rate pre-pandemic (69.7 percent) compared to Denver County (69.3 percent) and the state (68.1 percent), but it is projected to drop below the rate of Denver

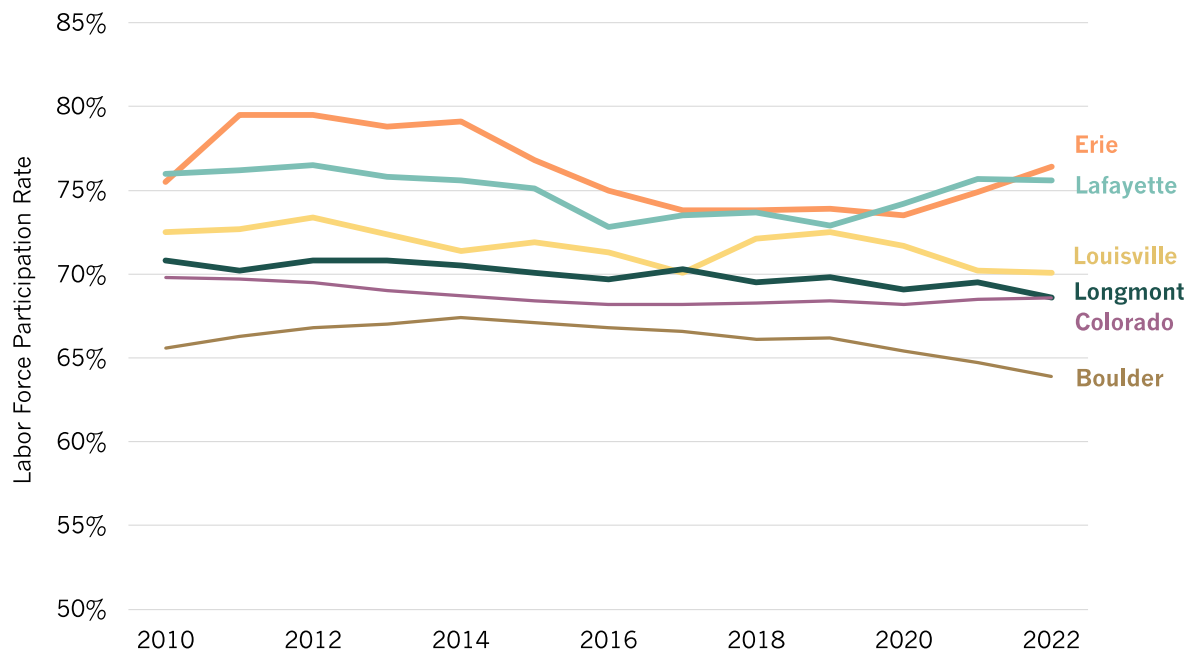
rate of 2.9 and 3.1 percent, respectively, in 2023. Erie and Lafayette had slightly lower unemployment rates, 2.7 and 2.8 percent, respectively.

<sup>19</sup> LFP rates include part-time and temporary workers. For more information visit: <https://www.census.gov/topics/employment/labor-force/guidance/survey-differences.html>

<sup>20</sup> U.S. Bureau of Labor Statistics. (2023). Local Area Unemployment Statistics.; U.S. Bureau of Labor Statistics. (2023). Current Population Survey. Accessed at: <https://www.bls.gov/data/>.

County and the state by 2040. Boulder County LFP rate is projected to decrease to 64.7 percent in 2040.<sup>21</sup> These differing long-term trends reflect differences in the age profile of each region’s population. At the municipality level, Erie and Lafayette have historically had the highest LFP rates, at approximately 75 percent in 2022 (see Exhibit 6). Boulder is the only municipality with an LFP rate below the statewide average, likely due to the large student population.

**Exhibit 6. Labor Force Participation Rate, 2010-2022**



Source: U.S. Census Bureau, ACS, 2010-2022, 5-year estimates.

### MEDIAN INCOME

Four of the five municipalities have a median household income above the statewide median of \$87,600 (see Exhibit 7). Despite the high level of educational attainment in the city, Boulder is the exception due to its share of college students. Erie and Louisville have the highest median incomes of the five municipalities.

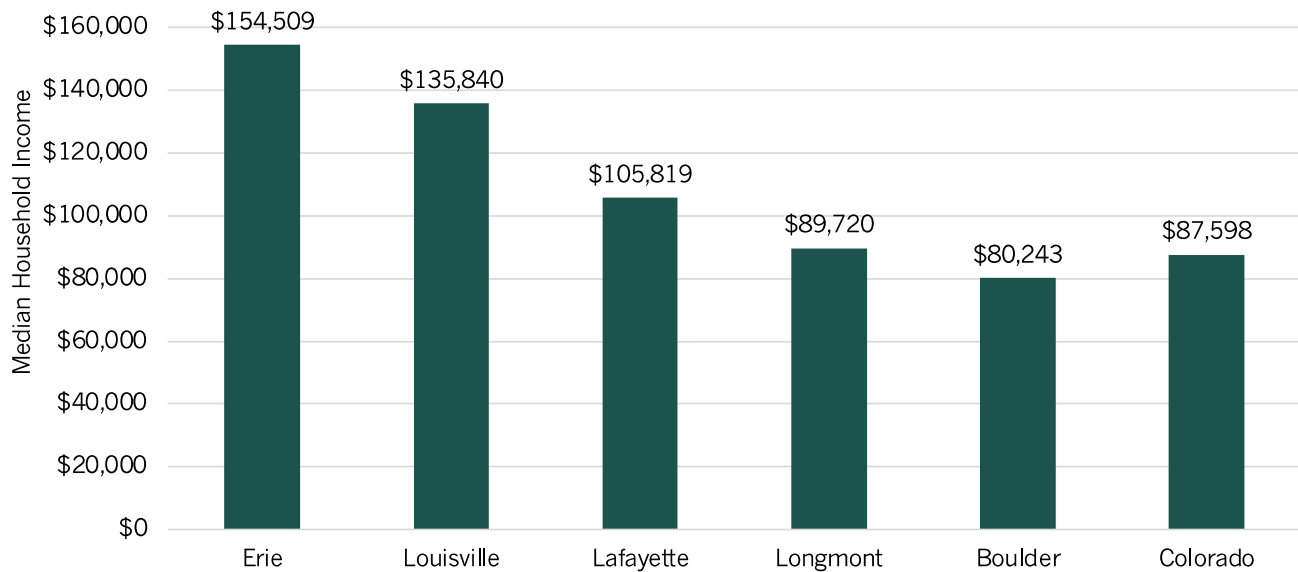
Household income disaggregated by race and ethnicity provides insight into economic disparities within communities and suggests the location and identity of households that are relatively more likely to earn higher wages, if the minimum wage in their place-of-work increased. Across the five municipalities, the median household income of Hispanic and Latino households is lower than the overall municipality-wide median. The difference is greatest in Erie and Boulder, with Hispanic and Latino households earning 43 percent and 39 percent less, respectively, than the municipality median income. Hispanic and Latino households in Louisville earn essentially the municipal median. Median incomes of non-Hispanic BIPOC households is higher than the municipality median in Erie, Lafayette, and Longmont, but lower in Louisville

<sup>21</sup> Colorado State Demography Office. (2021). Labor Force Participation Rate Projections. Accessed at: <https://demography.dola.colorado.gov/assets/html/county.html>



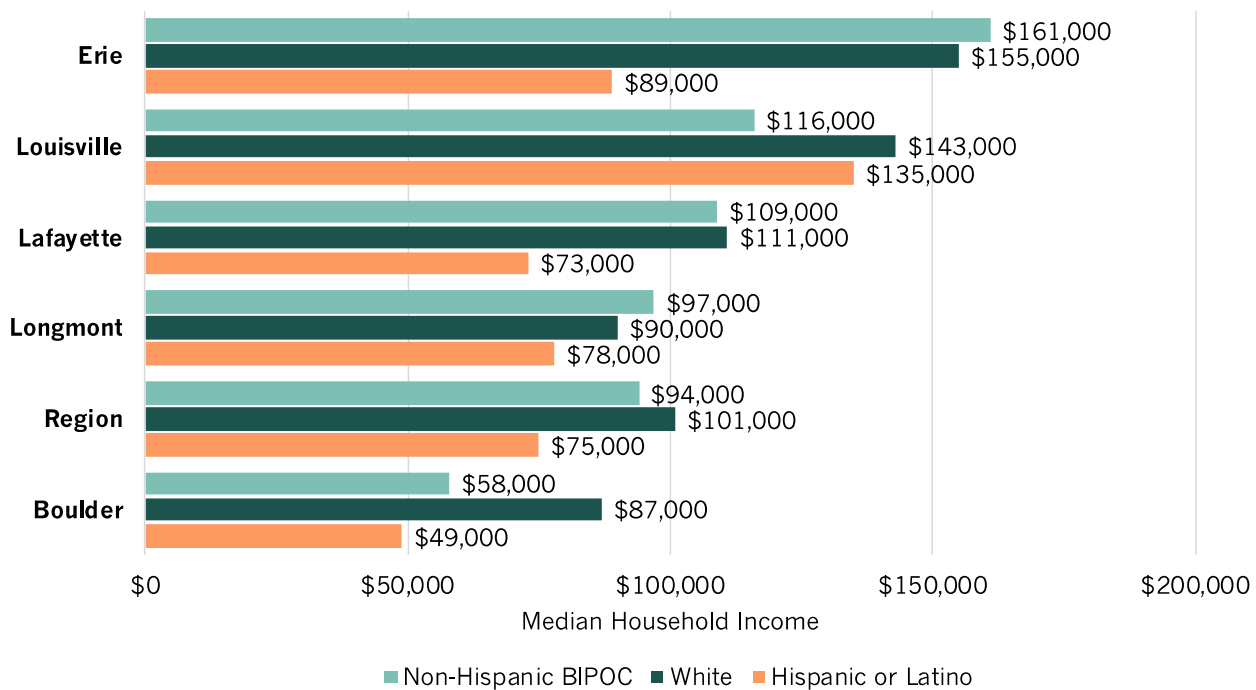
and Boulder. Exhibit 8 presents the median annual household income levels by race and ethnicity, while Exhibit 9 compares these estimates to the municipality median income.

### Exhibit 7. Municipality Median Annual Household Income



Source: U.S. Census Bureau, ACS, 2022, 5-year estimates. 2022 dollars.

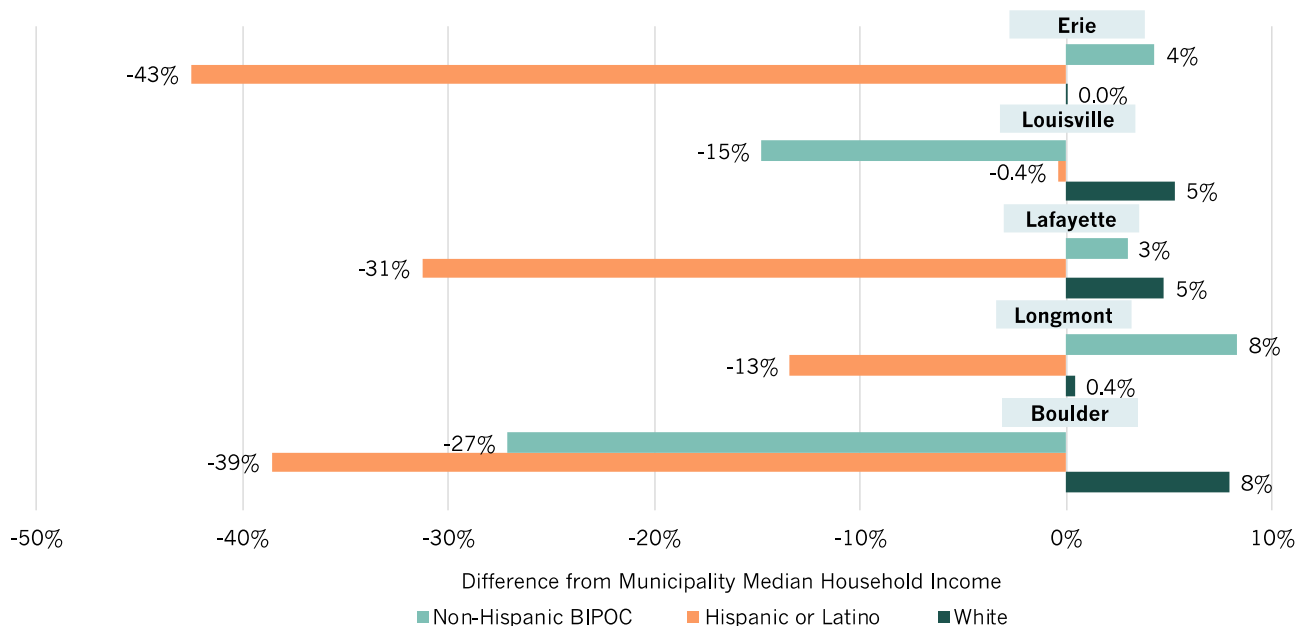
### Exhibit 8. Median Annual Household Income by Race and Ethnicity



Source: U.S. Census Bureau, ACS, 2022, 5-year estimates. 2022 dollars.

Note: Non-Hispanic BIPOC those that identify solely as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

### Exhibit 9. Comparison of Race-Specific and Municipality Median Household Income



Source: U.S. Census Bureau, ACS, 2022, 5-year estimates.

Note: Non-Hispanic BIPOC those that identify solely as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

## Municipal Finances

This section focuses on sales tax revenues, the government revenue stream potentially the most affected by a minimum wage increase. Sales tax revenues are also more sensitive to macroeconomic conditions than many other government revenues. A minimum wage increase could affect sales tax revenue if the increase results in lower economic activity (as demonstrated in other sections, this outcome appears unlikely). We examine the reliance of municipality general funds on sales tax revenue as well as examining the revenue garnered from industries that could be directly affected by a minimum wage increase.

### SUMMARY:

- Minimum wage increases could affect economic activity, particularly in industries reliant on a large low-wage workforce such as restaurants, retail, and accommodations. These industries also generate a large share of total sales tax revenue. For municipalities that rely on sales and other retail-based taxes for revenue, the minimum wage increase could therefore affect the municipality’s fiscal stability.
- In 2023, per capita sales tax revenue was highest in Boulder and Louisville at roughly \$1,300. Per capita sales tax revenue is lower in the other municipalities, ranging from roughly \$600 to \$1,000.
- Sales tax revenue has been mostly resilient in the face of the COVID-19 pandemic recession, due to pandemic-induced consumption increases and rapid inflation thereafter, with Boulder and Louisville as the exceptions. Erie stands as an outlier in

sales tax revenue growth, with an average annual growth rate between 2019 and 2023 of 16.4 percent, while the other municipalities saw more modest growth rates of between 6 and 9 percent.

Lafayette, Boulder, and Louisville have the highest base sales tax rate of the five municipalities (see Exhibit 10). Additionally, some municipalities collect retail marijuana taxes, with Lafayette having the higher rate. Erie has the lowest sales and use tax rates across categories.

The municipalities vary considerably in their reliance on sales and use tax revenue. About 40 percent of general fund revenues in Boulder will be garnered from sales and use tax in FY2024.<sup>22</sup> Lafayette relies the most heavily on this revenue, with 66 percent of general fund revenue anticipated from this source in FY2024.<sup>23</sup> Longmont, Erie, and Louisville lie in between with approximately half of their general fund revenue from these sources (see Exhibit 11).<sup>24</sup>

### Exhibit 10. Municipality Sales and Use Tax Rates

MUNICIPALITY	BASE SALES TAX	LODGING TAX	RETAIL MARIJUANA TAX
<b>Boulder</b>	9.0%	12.7%	3.5%
<b>Longmont</b>	8.7%	10.7%	11.7%
<b>Lafayette</b>	9.1%	11.1%	14.1%
<b>Louisville</b>	9.0%	12.0%	0.0%
<b>Erie (Boulder County)</b>	8.7%	8.7%	0.0%
<b>Erie (Weld County)</b>	7.4%	7.4%	0.0%

Source: Municipality Governments, 2024.

Note: Tax rates above should not be summed and are inclusive of county and special district taxes.

### Exhibit 11. Budgeted Sales and Use Tax Revenue Share of the General Fund

MUNICIPALITY	2024
<b>Lafayette</b>	66%
<b>Louisville</b>	55%
<b>Erie</b>	52%
<b>Longmont</b>	46%
<b>Boulder</b>	40%

Source: Municipality Governments, 2024

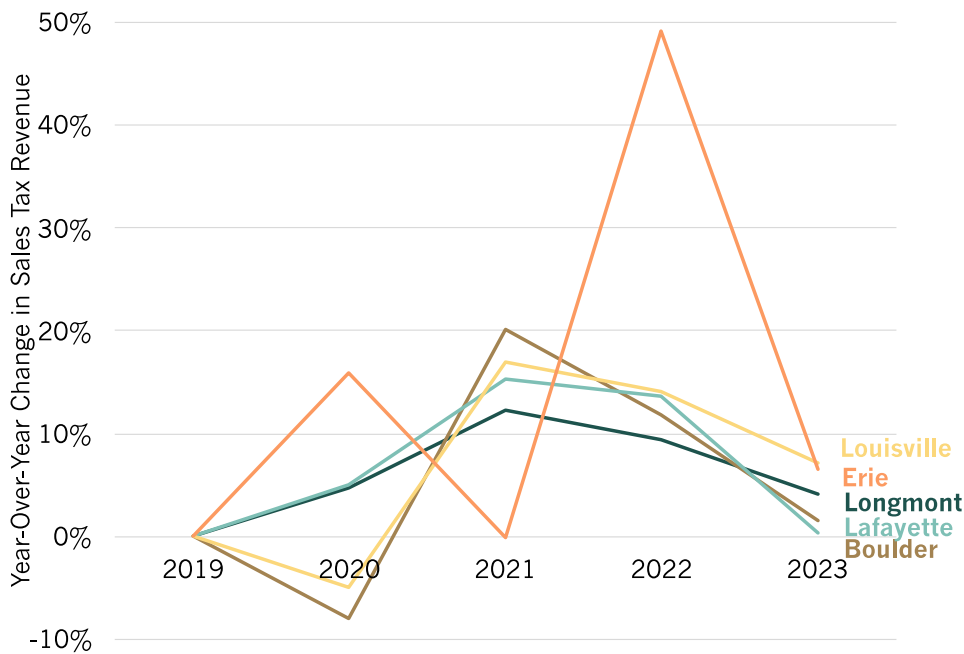
<sup>22</sup> City of Boulder. (2024). Budget. Accessed at: <https://bouldercolorado.gov/services/budget>

<sup>23</sup> City of Lafayette. (2024). City Budgets & Financial Reports. Accessed at: <https://www.lafayetteco.gov/2578/City-Budget-Financial-Reports>

<sup>24</sup> Town of Erie. (2024). Budgets. Accessed at: <https://www.erieco.gov/131/Budgets>; City of Louisville. (2024). Budgets and Financial Reports. Accessed at: <https://www.louisvilleco.gov/local-government/government/departments/finance-and-utility-billing/budgets-and-financial-reports>; City of Longmont. (2024). 2024 Budget Documents. Accessed at: <https://www.longmontcolorado.gov/departments/departments-e-m/finance/budget-office/budget-process/2024-budget-documents>

Sales and use tax revenue growth has varied over time across the municipalities. Boulder had the lowest growth, increasing by an average of 5.9 percent annually, between 2019 and 2023 (see Exhibit 12). In contrast, Erie saw the highest growth, likely driven by population increases, with a 16.4 percent increase per year. Longmont's revenue grew by 7.6 percent per year between 2019 and 2023, while Lafayette and Louisville experienced an average annual growth of 8.5 percent and 8 percent per year, respectively. Boulder and Louisville experienced a decrease in sales tax revenue during 2020, however the loss was recovered in 2021. The annual growth rate flattened in 2022 and substantially decreased in 2023. These pre-existing revenue trends suggest potential differences in municipalities' abilities to withstand a minimum wage increase, to the extent that the increase has meaningful effects on these revenues.

**Exhibit 12. Year-Over-Year Change in Municipality Nominal Sales and Use Tax Revenue**



Source: Municipality Government Offices, 2019-2023

### 2023 SALES TAX REVENUE

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**Boulder:**  
 Total: \$137.1 million  
 Per Capita: \$1,297

**Erie:**  
 Total: \$20.8 million  
 Per Capita: \$610

**Lafayette:**  
 Total: \$27.3 million  
 Per Capita: \$883

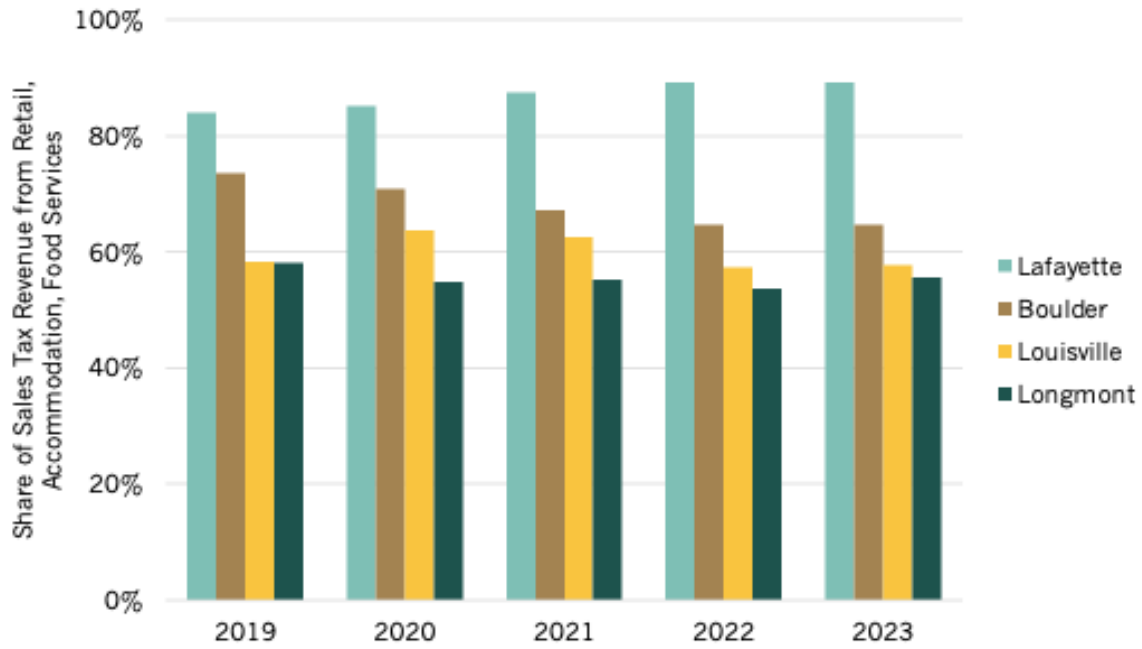
**Longmont:**  
 Total: \$103.3 million  
 Per Capita: \$1,036

**Louisville:**  
 Total: \$25.3 million  
 Per Capita: \$1,270

Data was received by municipality government offices, with the exception of Longmont and Lafayette, for which the Annual Comprehensive Financial Report was utilized.

Municipalities also vary in their reliance on sales and use tax revenue from industries that rely on a low-wage workforce, those most directly affected by changes in the minimum wage. Exhibit 13 presents, by municipality, the share of sales and use tax revenue garnered from retail, accommodations, and food services industries—all low-wage industries. The municipalities have experienced little to no change in the share of sales tax revenue from these sources.

### Exhibit 13. Municipality Sales Tax Revenue Garnered from Select Service Industries



Source: Municipality Government Offices, 2023

Note: Data on sales and use tax revenue by industry was unavailable for Town of Erie.

## Industry and Employment

In this section we first examine industry composition and worker commuting patterns in Boulder County and the five municipalities to provide a baseline understanding of the potential extent to which workers, businesses, and residents in each municipality might be affected by a minimum wage increase. We define “low-wage” industries and occupation based on wage distributions, literature on the types of businesses that employ minimum wage workers, and the types of jobs those workers hold. Although all industries would be affected to some extent, a focus on low-wage industries and occupations provides context for assessing where a minimum wage increase could have the greatest impact.

### SUMMARY:

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- Compared to Colorado, the five municipalities have relatively concentrated employment in high-skill industries such as professional and technical services, high-tech manufacturing, healthcare, and information. The municipalities’ relatively low concentrations of low-wage industries suggests that a minimum wage increase might have a smaller impact on the economy than in other parts of the state.
  - Most working residents in the five municipalities commute elsewhere in Colorado or Boulder County and would thus not directly benefit from local minimum wage increases. However, low-income workers are slightly more likely to work within their municipality of residence (28 percent compared to 22 percent of all workers). On the other hand, an increased minimum wage could help low-wage workers who live outside the five municipalities if they work in one of the five municipalities.
  - In 2023, Boulder and Longmont had the highest average annual employment of the five municipalities, with 106,850 and 49,240 workers respectively. Longmont, Boulder, and Erie had the highest share of employment in low-wage industries, around 40 percent, compared to Louisville and Lafayette's 17 percent and 26 percent, respectively.
  - In 2023, Boulder and Louisville had the highest average hourly wage per employee across all industries, approximately \$50. Longmont had the lowest average hourly wage at \$37.60. In low-wage industries, this trend holds, with Boulder and Louisville having comparatively higher wages than the other municipalities, particularly in accommodation and food service and retail trade.
  - Across the three-PUMA region, Hispanic and Latino and female workers are disproportionately more likely to work in low-wage industries and occupations. Additionally, low-wage workers are more likely to be between the ages of 18 and 24, and to have lower educational attainment.
- 

### INDUSTRY CONCENTRATION

Examining the mix of industry in Boulder County identifies the primary sectors that drive the regional economy. As opposed to considering employment levels across industries, analyzing

the concentration of employment in an industry relative to the state helps inform where the region has a comparative advantage<sup>25</sup> and the relative diversification of the economy and potential sensitivity to a minimum wage increase.

Location quotients (LQs) are commonly used to measure employment concentration in one region relative to another, in this case, Colorado. An LQ greater than one indicates that the selected region has relatively more employment, or a higher concentration, in an industry than the state. The presence of only a few high-concentration industries indicates that the municipality economy is more centralized on those industries (Boulder and Louisville), whereas if there are moderately high concentrations across a variety of industries, the municipality economy is less dependent on a few select industries (Longmont, Lafayette, Erie).

Boulder County has high employment concentration in manufacturing, professional, technical, and scientific services, and information industries (see Exhibit 14). This indicates that the region has a relatively large workforce employed in higher-skilled, technical occupations. Boulder County also has a high employment concentration in educational services<sup>26</sup> (LQ of 1.3).

Narrowing the focus to the five municipalities, all have an LQ greater than one in professional and technical services (see Exhibit 15), ranging from 1.1 in Lafayette to 2.2 in Louisville. Manufacturing is the second-most concentrated industry across municipalities, although Louisville stands out with an LQ of 3.9, indicating that manufacturing employment is almost four times as concentrated as the state.

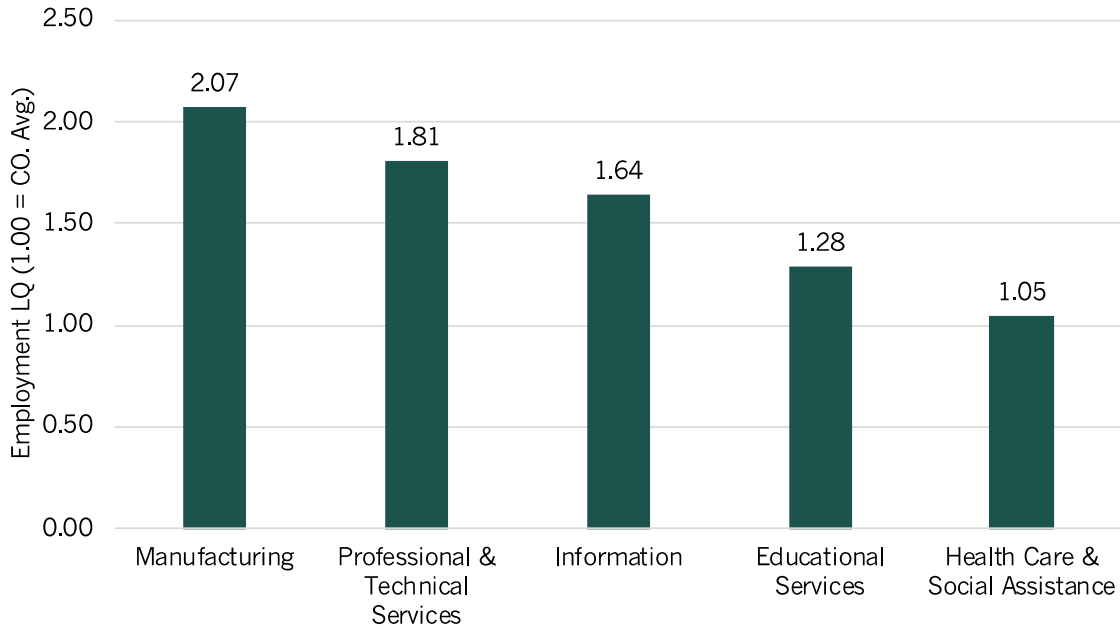
Boulder also has relatively high concentrations of employment in information and educational services; Erie has a concentration of employment in the recreation and construction industries; Lafayette has a concentration in health care; Longmont has concentrations in agriculture and retail trade; and Louisville has a concentration in information.

The municipalities generally have low concentrations of low-wage industries, suggesting that a minimum wage increase might have a smaller impact on the economy than in other parts of the state. Food service and retail trade are two important, low-wage industries. The food service industry LQs do not exceed 1.0 in any of the municipalities, indicating relatively low concentrations of these industries. The retail trade LQ falls below that of key industries in any of the municipalities but is above 1.0 (about 1.3) in Longmont and Erie.

<sup>25</sup> Comparative advantage refers to the ability of a region's economy to produce a particular good or service more efficiently relative to other economies.

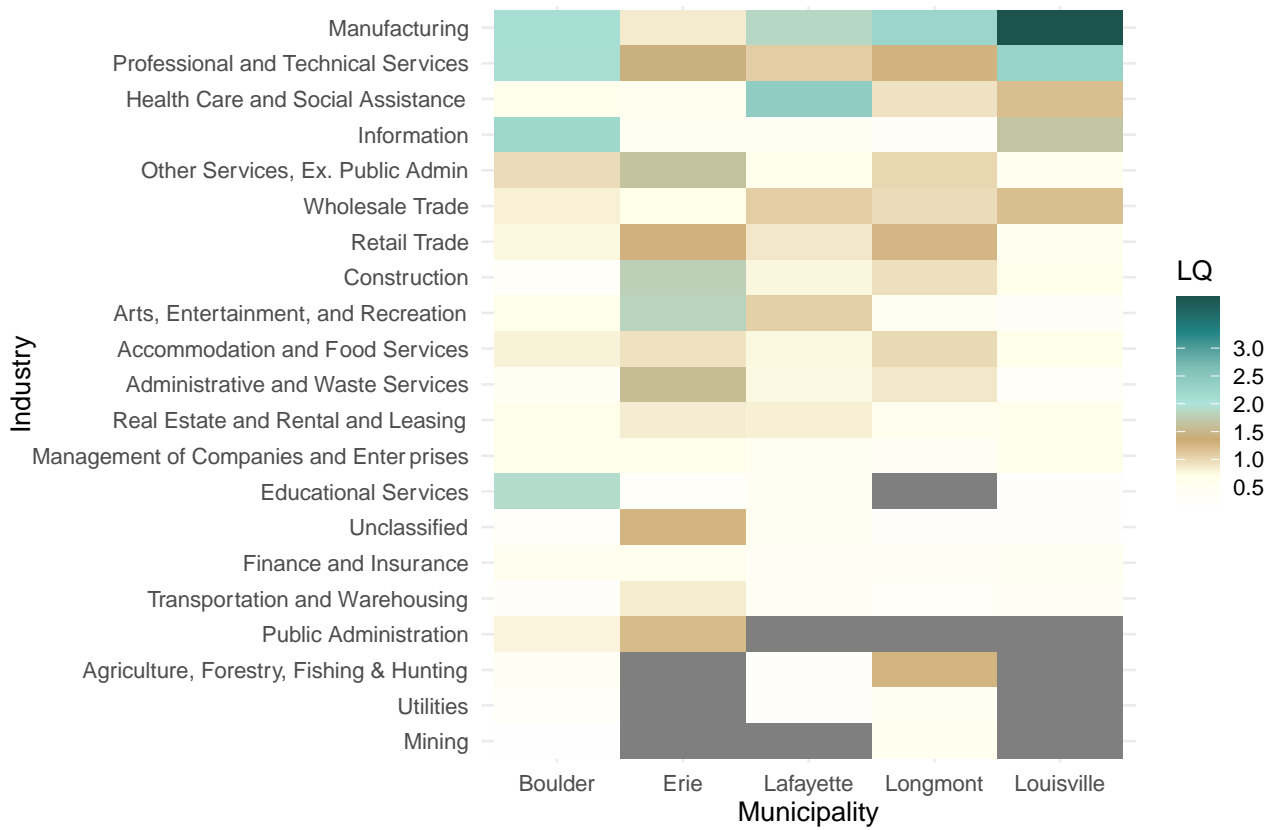
<sup>26</sup> Private-industry education services include private postsecondary institutions, technical colleges, tutoring services, and other educational support services, and excludes employment at UC Boulder.

### Exhibit 14. Industry Employment Location Quotients, Boulder County



Source: Colorado Department of Labor and Employment, QCEW, 2023

### Exhibit 15. Industry Employment Location Quotients, Municipalities



Source: Colorado Department of Labor and Employment, QCEW, 2023

Note: Dark grey squares indicate data are not available.

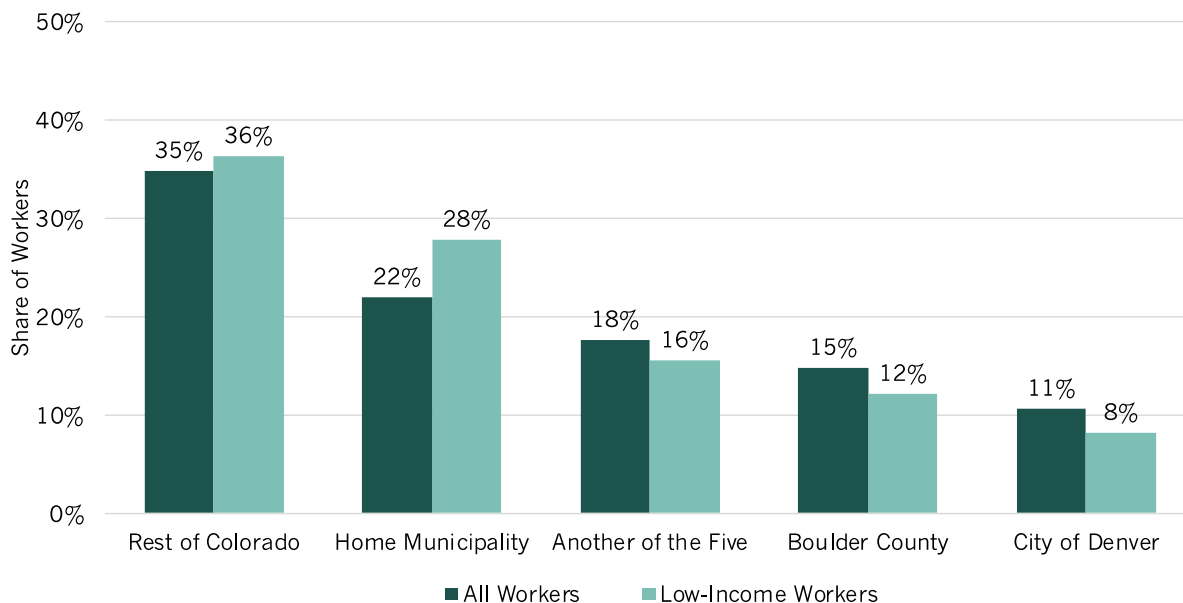


## COMMUTING PATTERNS

Both residents of and workers in the five municipalities could benefit from the local minimum wage increase. Based on 2021 estimates, roughly 40 percent of residents work in one of the five municipalities (see Exhibit 16). Low-income workers are more likely to be employed in the five municipalities than all workers (40 percent compared to 44 percent of workers) and are even more likely to be employed in their municipality of residence (22 percent compared to 28 percent of workers).<sup>27</sup> Low-income workers are also less likely to commute to the City of Denver compared to all workers.

Low-income residents of Boulder and Longmont are most likely to work and live in their municipality of residence. Erie and Lafayette residents commute to the rest of Colorado (excluding Boulder County, and Denver), compared to other municipality residents (see Exhibit 17). Longmont, Louisville, Lafayette, and Erie commute at a higher rate to Boulder compared to the other five municipalities, with 13 to 17 percent of these workers commuting to Boulder.

**Exhibit 16. Share of Municipality-Resident Workers by Work Location (Commuting Patterns)**

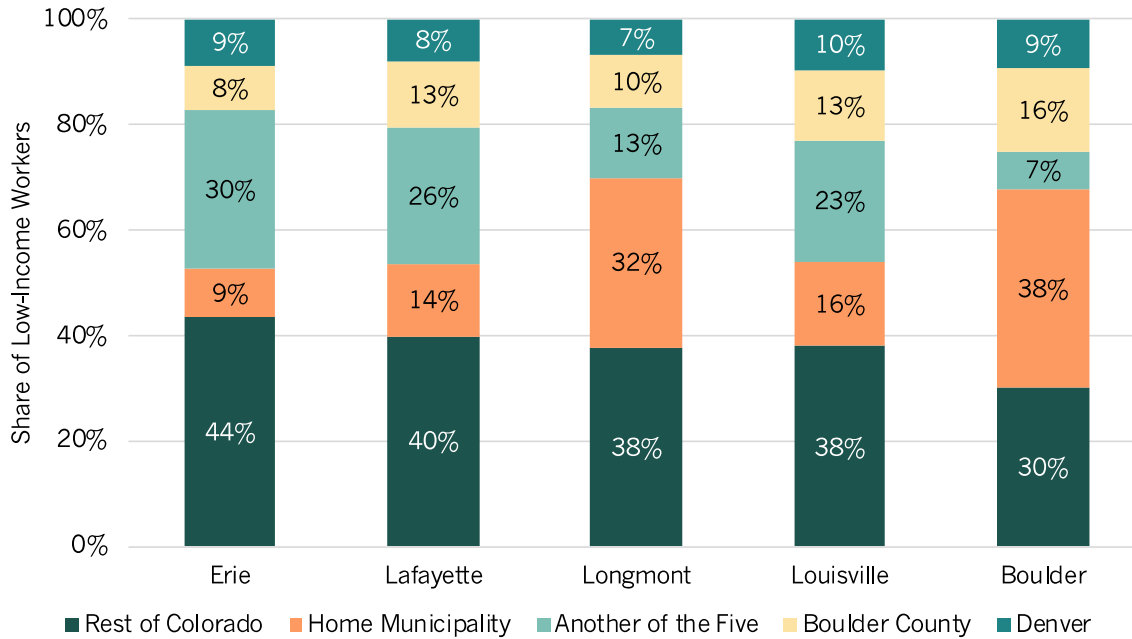


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LODES), 2021

Note: Data is presented for the five municipalities combined.

<sup>27</sup> U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) defines low-wage workers as those earning less than \$1,250 per month. Accessed at: <https://lehd.ces.census.gov/data/lodes/LODES8/LODESTechDoc8.1.pdf>

### Exhibit 17. Share of Low-Income Municipality-Resident Workers by Work Location (Commuting Patterns)



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LODES), 2021

### DEFINITION OF LOW-WAGE INDUSTRIES AND OCCUPATIONS

We examine both occupations and industries because individuals in low-wage occupations, regardless of industry, are most likely to experience directly the effects of a minimum wage increase, while all employees of businesses in low-wage industries might not be affected by an increase.

We define low-wage industries and occupations based on Boulder County employment information from the Quarterly Census of Employment and Wages for industries, and the Occupational Employment and Wage Statistics for occupations, published by the Bureau of Labor Statistics. For our purposes, we define a low-wage industry or occupation as one in which the average (for industries) or median (for occupations) hourly wage is below or near to the first quartile of the wage distribution.<sup>28</sup>

Exhibit 18 shows the average annual employment, pay, and hourly wage by industry for Boulder County while Exhibit 19 presents similar information for occupations. In total, seven industries and eight occupations met the low-wage definition. Low-wage industries include service-based, agriculture, and transportation/warehousing industries. Low-wage occupations intersect with low-wage industries but also include healthcare support, production, and sales occupations.

<sup>28</sup> Median wages are not available in the published Quarterly Census of Employment and Wages data.

**Exhibit 18. Low-Wage Industry Employment and Wages, Boulder County**

INDUSTRY	AVERAGE ANNUAL EMPLOYMENT	AVERAGE ANNUAL PAY	AVERAGE HOURLY WAGE
Accommodation and Food Services	17,250	\$30,624	\$14.72
Retail Trade	16,824	\$43,257	\$20.80
Other Services	5,649	\$56,962	\$27.39
Arts, Entertainment, and Recreation	3,592	\$34,129	\$16.41
Educational Services	3,568	\$51,117	\$24.58
Transportation and Warehousing	1,559	\$56,480	\$27.15
Agriculture, Forestry, Fishing & Hunting	634	\$45,089	\$21.68
<b>Total/Weighted Average</b>	<b>129,665</b>	<b>\$94,425</b>	<b>\$45.40</b>

Source: Colorado Department of Labor and Employment, QCEW, 2023

Note: Wage estimates do not include tips.

**Exhibit 19. Low-Wage Occupation Employment and Wages, Boulder County**

OCCUPATION	AVERAGE ANNUAL EMPLOYMENT	AVERAGE ANNUAL PAY	MEDIAN HOURLY WAGE
Sales and Related	19,640	\$47,570	\$22.87
Food Preparation and Serving Related	17,660	\$37,440	\$18.00
Production	8,730	\$47,611	\$22.89
Transportation and Material Moving	7,290	\$46,301	\$22.26
Healthcare Support	5,260	\$43,056	\$20.70
Personal Care and Service	4,680	\$39,416	\$18.95
Building and Grounds Cleaning and Maintenance	4,310	\$42,349	\$20.36
Farming, Fishing, and Forestry	220	\$43,784	\$21.05
<b>Total/Weighted Average</b>	<b>194,440</b>	<b>\$75,565</b>	<b>\$36.33</b>

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (OES), 2023

Note: Wage estimates do not include tips.



## MUNICIPALITY EMPLOYMENT AND BUSINESSES

Employment in low-wage industries comprises the highest share of employment in Longmont, Boulder, and Erie, approximately 40 percent, compared to 26 percent and 17 percent in Lafayette and Louisville, respectively (see Exhibit 20).

Exhibit 21 shows the average hourly wage per employee for the low-wage industries in the five municipalities. Notably, Quarterly Census of Employment and Wages data does not indicate the number of hours worked by an employee. This implies that industries that rely more on part-time employees, such as food service and retail, could appear to have lower wages due to the assumption of full-time employment. Of the low-wage industries, accommodation and food services and retail trade have the lowest average hourly wage per employee across all municipalities, \$15.42 and \$24.74, respectively.

### Exhibit 20. Low-wage Industry Employment

INDUSTRY NAME	BOULDER	ERIE	LAFAYETTE	LONGMONT	LOUISVILLE
Accommodation and Food Services	8,589	598	1,163	4,938	1,365
Agriculture, Forestry, Fishing and Hunting	242	Unavailable	21	398	Unavailable
Arts, Entertainment, and Recreation	1,685	280	390	594	164
Educational Services	16,894	136	547	Unavailable	208
Other Services	3,251	326	287	1,554	349
Retail Trade	7,838	790	1,307	5,959	1,015
Transportation and Warehousing	975	219	243	646	316
<b>Total Employment</b>	<b>39,474</b>	<b>2,349</b>	<b>3,777</b>	<b>14,088</b>	<b>3,416</b>
<b>Low-wage Industry Share of Total Employment</b>	<b>37%</b>	<b>37%</b>	<b>26%</b>	<b>40%</b>	<b>17%</b>

Source: Colorado Department of Labor and Employment, QCEW, 2023

Note: Employment is shown for private ownership codes only.



**Exhibit 21. Low-wage Industry Average Hourly Wage Per Employee**

INDUSTRY NAME	BOULDER	ERIE	LAFAYETTE	LONGMONT	LOUISVILLE
Accommodation and Food Services	\$17.20	\$11.50	\$13.60	\$13.40	\$16.50
Agriculture, Forestry, Fishing and Hunting	\$23.10	Unavailable	\$18.60	\$24.50	Unavailable
Retail Trade	\$25.90	\$27.00	\$23.90	\$21.70	\$29.80
Other Services	\$29.50	\$25.80	\$28.00	\$24.80	\$26.70
Arts, Entertainment, and Recreation	\$33.30	\$25.60	\$24.50	\$21.10	\$35.10
Transportation and Warehousing	\$37.40	\$27.50	\$31.70	\$29.30	\$25.50
Educational Services	\$37.40	\$45.50	\$28.00	Unavailable	\$40.30
<b>All Industries Average Hourly Wage</b>	<b>\$50.90</b>	<b>\$48.70</b>	<b>\$44.90</b>	<b>\$37.60</b>	<b>\$49.80</b>

Source: Colorado Department of Labor and Employment, QCEW, 2023

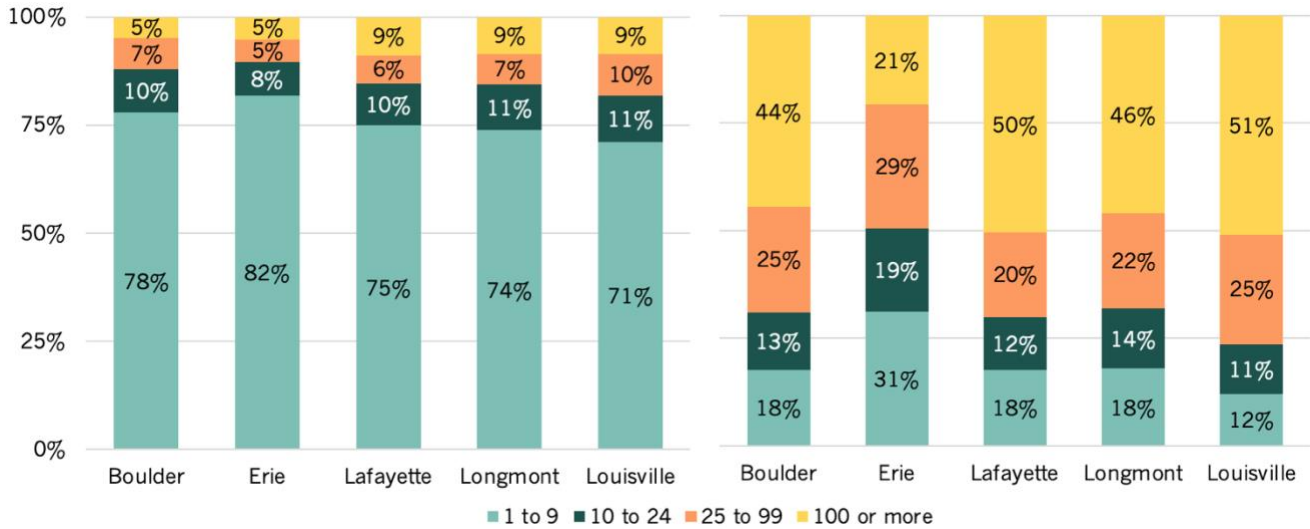
Note: Hourly wages per employee are calculated assuming full-time employment (2,080 hours per year), and do not include tips. Employment is shown for private ownership codes only.

Business size is calculated based on the firmwide employment. For example, to calculate total employment for a large fast-food chain with multiple locations, we sum employment across all firm locations. In 2023, most firms in the five municipalities employed fewer than 10 employees, with Erie and Boulder having the highest share of smaller firms, although most workers are employed by larger firms (see Exhibit 22). Erie has the highest share of employment in small businesses (1 to 24 employees), while Louisville and Lafayette have roughly half of their employment in large businesses (100 or more employees).

Exhibit 23 shows the share of employment at small businesses (1 to 24 employees) in low-wage industries versus all other industries. Across all municipalities, low-wage industry small businesses employ 34 percent of total employment, while small businesses in all other industries employ 30 percent. Erie and Louisville deviate the most from the five-municipality averages: Erie's small businesses in all other industries employ 61 percent of employment in these industries while Louisville's small businesses in low-wage industries employ 49 percent of low-wage industry employment.



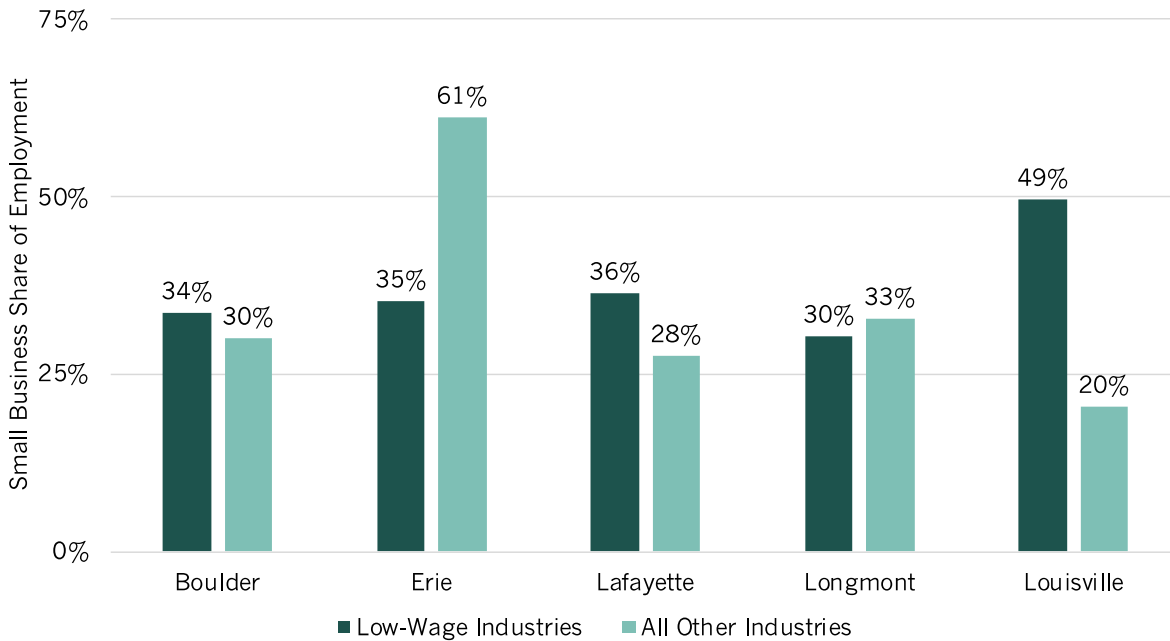
**Exhibit 22. Share of Businesses (Left) and Employment (Right) by Business Size**



Source: Colorado Department of Labor and Employment, QCEW, 2023

Note: Estimates only include private industry businesses and employment.

**Exhibit 23. Small Business Share of Employment in Low-Wage Industries**



Source: Colorado Department of Labor and Employment, QCEW, 2023

Note: Estimates only include private industry businesses and employment.

**DEMOGRAPHICS OF LOW-WAGE INDUSTRIES AND OCCUPATIONS**

Due to the available data, we present worker demographics at the three-PUMA region level (see definition in Introduction). In 2022, 40 percent of the region’s workers had jobs in low-wage industries and 27 percent in low-wage occupations.<sup>29</sup> While one quarter of all workers in the region identify as BIPOC, a disproportionate share of workers in low-wage occupations identify

<sup>29</sup> U.S. Census Bureau. (2022). American Community Survey, PUMS, 5-year estimates.

as BIPOC (see Exhibit 24). A slightly lower share of low-wage industry workers identify as BIPOC. However, Hispanic and Latino workers are disproportionately represented in both low-wage occupations and industries. Low-wage industries and occupations also have differential shares by sex: female workers make up the majority of low-wage-industry workers, while a higher share of low-wage-occupation workers identify as male.

Low-wage industry and occupation workers are more likely to be less than 24 years old or over 65 years old compared to the overall workforce. Most working minors (those less than 18 years old) are employed in low-wage industries and in low-wage occupations (see Exhibit 25). Additionally, 67 percent of all workers under 24 years old work in low-wage industries and 53 percent work in low-wage occupations. Roughly half of all workers over 65 years old work in low-wage industries and 36 percent work in low-wage occupations. This data suggests that workers who are less than 24 years old, BIPOC, and/or elderly could benefit proportionately more from an increase in wages applicable to these industries.

Employees in low-wage occupations have relatively lower educational attainment (see Exhibit 26). The educational attainment of workers in low-wage industries is more similar to that of all workers in the region. This is because industries require employees with a wide range of educational backgrounds, whereas specific occupations demand more specialized training. For example, hotel managers as well as food preparation workers would be employed within the accommodation and food service industry, but a hotel manager is likely to hold an associate degree or bachelor’s degree while a food preparation worker would typically have a high school diploma.

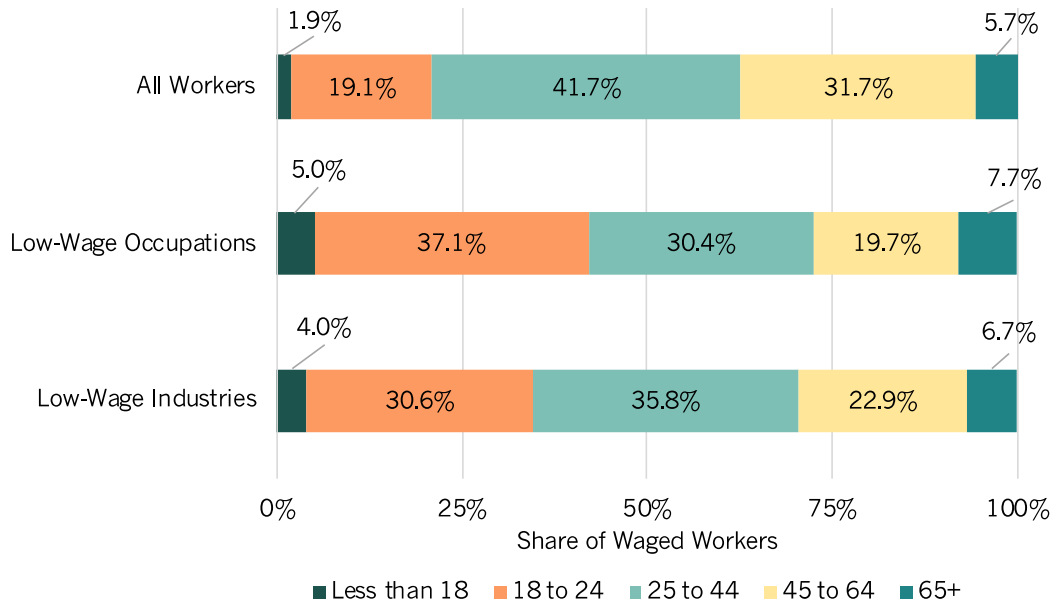
**Exhibit 24. Race/Ethnicity of BIPOC Low-Wage Workers, Three-PUMA Region**



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Non-Hispanic BIPOC includes Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race

### Exhibit 25. Age Distribution of Low-Wage Workers, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

### Exhibit 26. Educational Attainment of Low-Wage Workers, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.



## Minimum Wage Earners

For the minimum wage earner information presented here, we focus specifically on low-wage earners—with low-wage defined as under \$15 per hour—referred to here as “minimum wage earners”. Due to data limitations, we cannot accurately categorize workers subject to a specific minimum wage or not (e.g., we cannot directly distinguish between tipped and untipped workers). The \$15 threshold is slightly above the 2024 Colorado minimum wage (\$14.42). Most of the data presented below reflect employment and wages during 2018-2022 (during which time the Colorado minimum wage ranged from \$10.20 in 2018 to \$12.56 in 2022).

### SUMMARY:

- In the three-PUMA region, one-third of workers earn below \$25 per hour, and one-tenth of workers earn below the \$15 per hour “minimum wage” threshold. Workers earning below \$25 per hour account for 41 percent of the total hours worked, indicating that those earning lower wages work longer hours than those in higher wage brackets.
- Workers in low-wage industries and occupations are more likely to earn less than \$15 per hour across the three-PUMA region. Minimum wage earners are concentrated in the accommodation and food services, retail trade, and arts and recreation industries.
- Minimum wage workers in the three-PUMA region are more likely to identify as BIPOC or female. They are also more likely to be between the ages of 18 and 24 and to be currently enrolled in college.
- Workers in service-based industries and occupations are likely to rely on tips for a substantial amount of their wages. Nationally, 21 percent of workers in food service rely on tips.

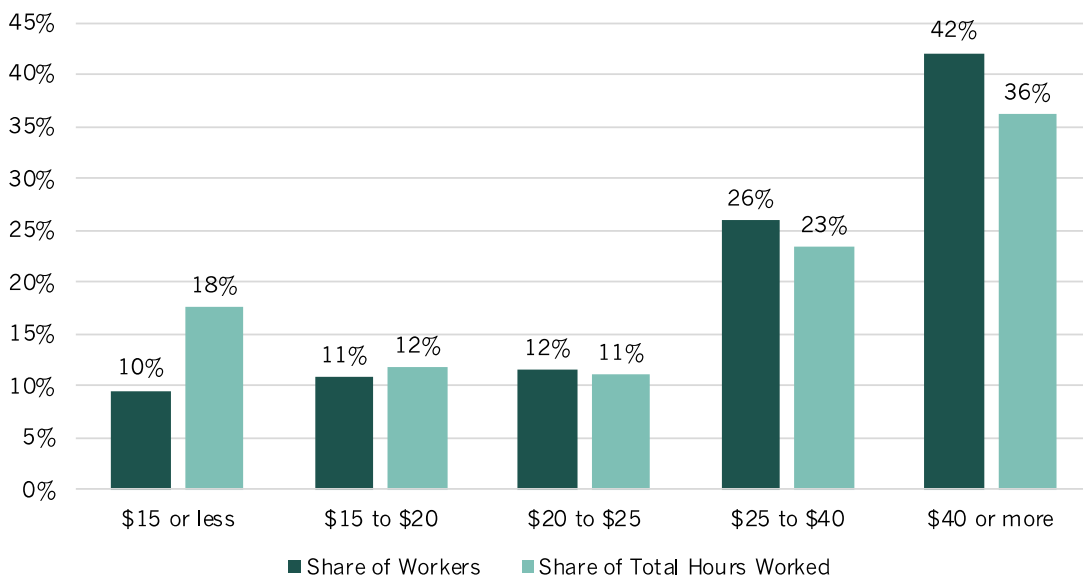
### REGIONAL WAGE DISTRIBUTION

Exhibit 27 presents the distribution of workers and all the hours worked by employees by hourly wage bracket in the three-PUMA region. Approximately one-third of workers earn under \$25 per hour. Workers earning less than \$25 per hour account for 41 percent of all hours worked in the three-PUMA region, a disproportionate share of total hours. This likely indicates that low-wage workers—particularly those earning \$15 or less per hour, as shown in the chart—must work more hours to meet their cost-of-living needs, compared to workers at higher wage levels.

Exhibit 28 provides a breakdown of the wage distribution across low-wage occupation and industry groupings in the three-PUMA region. Among workers with at least part-time hours, 15 percent earn \$15 per hour or less. In low-wage occupations and industries, the distribution shifts down, with minimum wage workers accounting for 33 percent and 27 percent of employment, respectively. Low-wage industries tend to have higher wages compared to low-wage occupations due to the diverse workforce needed in low-wage industries—the mix of

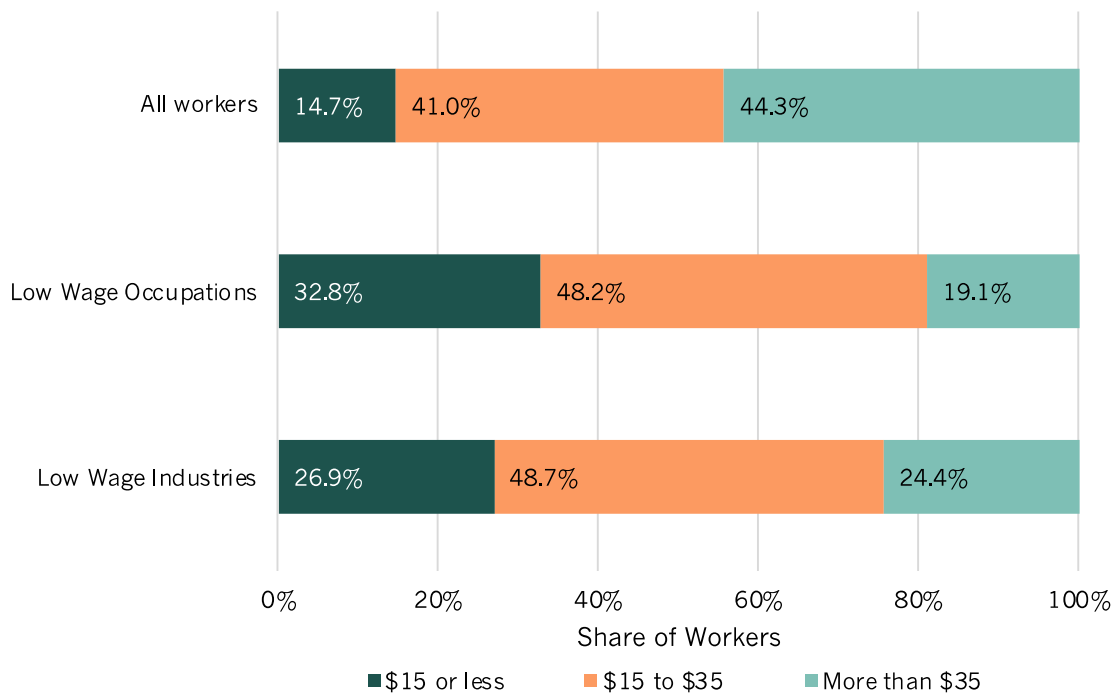
worker wages creates a more dispersed distribution. Further, the share of workers earning above \$35 per hour is roughly cut in half in low-wage industries and occupations.

**Exhibit 27. Wage Distribution of Workers and Hours Worked, Three-PUMA Region**



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates. 2022 dollars.  
 Note: Data presented for all workers.

**Exhibit 28. Workers in Low-Wage Occupations and Industries by Wage, Three-PUMA Region**



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates. 2022 dollars.  
 Note: Data presented for all workers who work at least 1,040 hours in a year.

## TIPPED WORKERS

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Until 2006, Colorado minimum wage law was set by federal law, in which a “tip credit” permits a worker’s tips to count for a portion of the regular minimum hourly wage (\$7.25 per hour as of 2009). The current federal tip credit (\$5.12) means tips can count toward up to a record-high 71 percent of the federal minimum wage (*EPI, “Twenty-Three Years and Still Waiting for Change”, 2014*).

In 2006, Colorado voters adopted an amendment that set the minimum wage for tipped workers at \$3.02 less than the state minimum wage (\$6.85 in 2007). This credit amount has remained constant since 2006 and also applies in localities that have adopted higher minimum wages (Denver, Edgewater, and Boulder County) (*CO Legislative Council, “Overview of Minimum Wage Laws, 2019*). At the state minimum wage level, tipped workers receive \$11.40 from employers and \$3.02 from tips per hour (CDLE, 2024), meaning customers pay 21 percent of the state minimum wage for tipped workers. In 2007 the tipped-employee minimum wage was 56 percent of the Colorado minimum wage, versus 79 percent in 2024. If the state’s tip credit remains at \$3.02, state and local tipped-employee minimum wages will get proportionately closer to the standard minimum wage over time.

In the U.S., tipped workers comprise 1.9 percent of the workforce, and 21 percent of workers in food service occupations rely on tips as part of their wage (*U.S. Census Bureau, Current Population Reports Occupation, Earnings, and Job Characteristics, 2022*). Poverty rates for tipped workers nationwide was 13 percent (15 percent for waiters and bartenders) compared to 7 percent for all workers. Most tipped workers in the U.S. (58 percent) are between 20 and 39 years old. Tipped workers in the U.S. are less likely to have a bachelor’s degree or higher compared to the workforce overall (11 percent compared to 34 percent). And BIPOC workers comprise a higher share of tipped workers than the overall workforce (*EPI, “Twenty-Three Years and Still Waiting for Change”, 2014*).

The National Women’s Law Center (NWLC) examined gender and racial disparities for tipped workers. Their analysis found that:

- ◆ For every dollar tipped male workers earn, female workers earn \$0.83 in states with a tip credit and \$0.89 in equal treatment states—states that pay the same minimum wage to tipped and non-tipped workers.
- ◆ In equal treatment states, the gender-wage gap decreased from 17 cents to 11 cents;
- ◆ Poverty rates of female tipped workers in equal treatment states is lower than tip credit states (17.5 percent compared to 20 percent);
- ◆ The decrease in poverty rates in equal treatment states is more pronounced for women of color. For Black or African American female tipped workers, the poverty rate decrease from 32 percent to 29 percent in equal treatment states, and for Latina female workers decreases from 30 percent to 26 percent.

(*NWLC, “Raise the Wage: Women Fare Better in States with Equal Treatment for Tipped Workers”, 2016*)

In Colorado specifically, 66 percent of tipped workers are women and 22 percent are women of color. The poverty rate of women in tipped occupations is 12 percent and 14 percent for women of color in tipped occupations. (*NWLC, Women in Tipped Occupations, State by State, 2021*)

## DEMOGRAPHICS OF MINIMUM WAGE EARNERS

Exhibit 29 provides demographic shares of minimum wage workers (those earning below \$15 per hour) compared to all workers in the three-PUMA region by sex, race/ethnicity, and age. Female workers make up a larger share of minimum wage workers than of all workers (54 versus 44 percent). Hispanic and Latino workers are also overrepresented among minimum wage workers compared to their representation among all workers (18 versus 12 percent). Workers who identify as another BIPOC group comprise 10 percent of minimum wage workers and 9 percent of all workers.

Minimum wage workers are more likely to be under 24 years old compared to all workers: 66 percent of minimum wage workers are under 24 years old compared to only 11 percent of all workers. College students comprise 37 percent of the region's minimum wage earners versus 16 percent of the workforce overall.

### Exhibit 29. Demographic Distribution of Minimum Wage Earners, Three-PUMA Region

DEMOGRAPHIC	MINIMUM WAGE EARNERS	ALL WORKERS
<b>Race/Ethnicity</b>		
White	72%	78%
Hispanic or Latino <sup>1</sup>	18%	12%
Non-Hispanic BIPOC <sup>2</sup>	10%	9%
<b>Age</b>		
Less than 18	7%	1%
18 to 24	49%	10%
25+	44%	89%
<b>Sex<sup>3</sup></b>		
Female	54%	44%
Male	46%	56%
<b>Share of College Students</b>	37%	16%

Source: U.S. Census Bureau, American Community Survey, PUMS 5-year estimates.

Notes:

- 1: Hispanic or Latino individuals are those who identified as any race but selected Hispanic or Latino for their ethnicity.
- 2: Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.
- 3: The Census only allows individuals to indicate binary sexes.
- 4: Columns do not sum to 100% due to rounding.

Exhibit 30 illustrates the share of individuals within various demographic groups who earn the minimum wage. Younger workers are disproportionately represented in minimum wage positions: 69 percent of those under 18 years old and 57 percent of those aged 18 to 24 earn the minimum wage. BIPOC workers are also disproportionately minimum wage earners, with 28 percent of Hispanic and Latino workers and 23 percent of Non-Hispanic BIPOC workers earning the minimum wage. In terms of sex, 17 percent of female workers earn the minimum wage, compared to 14 percent of male workers, reflecting broader gender disparities in the labor market. Workers that do not hold a post-secondary degree are more likely to earn the minimum wage, especially for those with only a high school diploma. Minimum wage earners in the region are disproportionately young, BIPOC, and female workers.

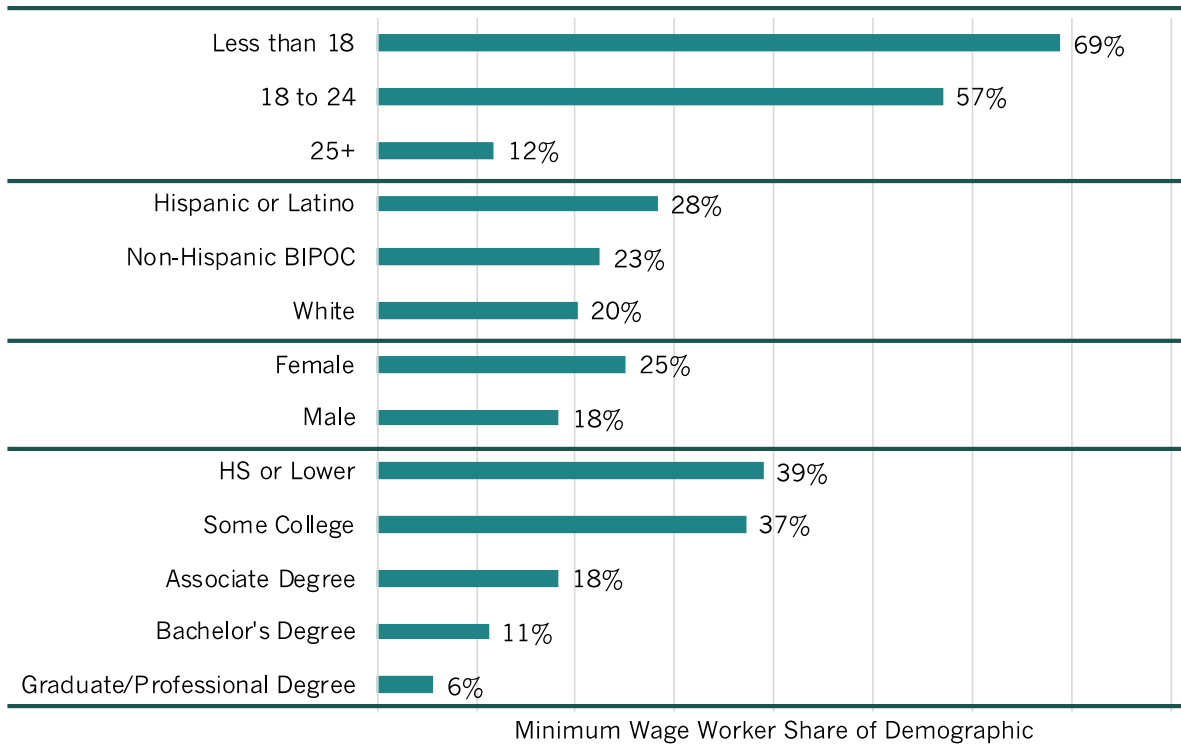
**COLLEGE STUDENTS EARNING THE MINIMUM WAGE**

Approximately half of all college students earn the minimum wage across the region. Specifically, working college students earn a median hourly wage of \$15.44.

- » Full-time workers: \$21.54
- » Part-time workers: \$14.23

Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates. 2022 dollars.

**Exhibit 30. Share of Demographic that Earns the Minimum Wage, Three-PUMA Region**



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

## WORKING UNEMANCIPATED MINORS

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Unemancipated minors represent a small share of the workforce in the three-PUMA region (2 percent) and emancipated minors comprise less than one percent. About 7 percent of unemancipated minors are working, and 57 percent of those earn the minimum wage. Unemancipated minors who earn the minimum wage are most likely to live in households with two adults (60 percent of all working unemancipated minors).

The majority of unemancipated minors are white and identify as male. Further, a relatively higher share of Hispanic and Latino workers versus other racial groups are unemancipated minors. This trend is particularly pronounced for Hispanic and Latino workers in low-wage industries.

Among working unemancipated minors, 90 percent work in low-wage industries and 78 percent work in low-wage occupations. In low-wage industries and occupations, approximately 5 percent of BIPOC workers are unemancipated minors, compared to 2 percent in all jobs.

Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

## Household Characteristics

Here, we describe selected household characteristics with respect to the presence of a minimum wage earner (i.e., an individual who earns less than an estimated \$15 per hour) and relative to other economic characteristics.

### SUMMARY:

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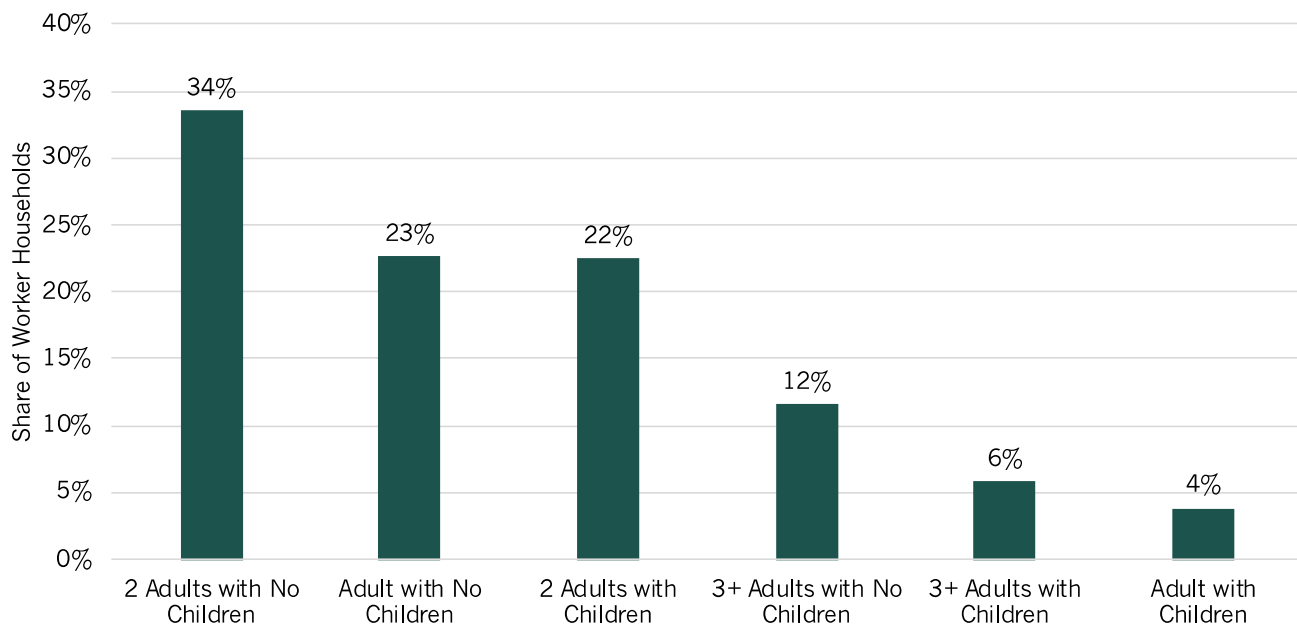
- The majority of worker households in the three-PUMA region have one or two adults and no children, however, households with at least one minimum wage worker are even more likely to have two or more adults and no children (62 percent), likely driven by the presence of college students in the area.
  - BIPOC head of households represent 20 percent of all households with workers in the three-PUMA region, but represent 32 percent of minimum wage worker households, indicating that households with minimum wage workers are disproportionately BIPOC.
  - Households with minimum wage workers have lower median incomes than those without and are more likely to be below the Federal Poverty Line and the Self-Sufficiency Standard. Additionally, households with minimum wage workers tend to spend more than 30 percent of their income on housing costs and those with children are more likely to receive SNAP benefits.
-

## HOUSEHOLD TYPES AND DEMOGRAPHICS

There were approximately 190,000 households in the three-PUMA region in 2022. Of these households, approximately 89 percent have at least one worker.<sup>30</sup> Most worker households (68 percent) do not have children. Among worker households with children, 70 percent are two-adult households, 18 percent are households with three or more adults, and 12 percent are single adult households. Additionally, 20 percent of worker households identify as BIPOC, with 11 percent being Hispanic or Latino. Households with minimum wage workers are also disproportionately headed by individuals who identify as BIPOC: 32 percent of households with minimum wage workers are BIPOC compared to 18 percent of households without. Exhibit 31 presents the share of worker households by household type.

Exhibit 32 presents the share of worker households with minimum wage workers by household type. Of worker households, 16 percent have at least one minimum wage worker present, with significant variation across household type. Notably, 52 percent of households with three or more adults and no children have minimum wage workers. This disproportionality is due to the large number of college students in the three-PUMA region: 44 percent of college students live in households with three or more adults and no children and the median age of minimum wage workers in these households is 22 years old.<sup>31</sup> Additionally, two adult households with no children are more likely to have minimum wage workers than single adult households with no children.

### Exhibit 31. Distribution of Worker Households by Type, Three-PUMA Region

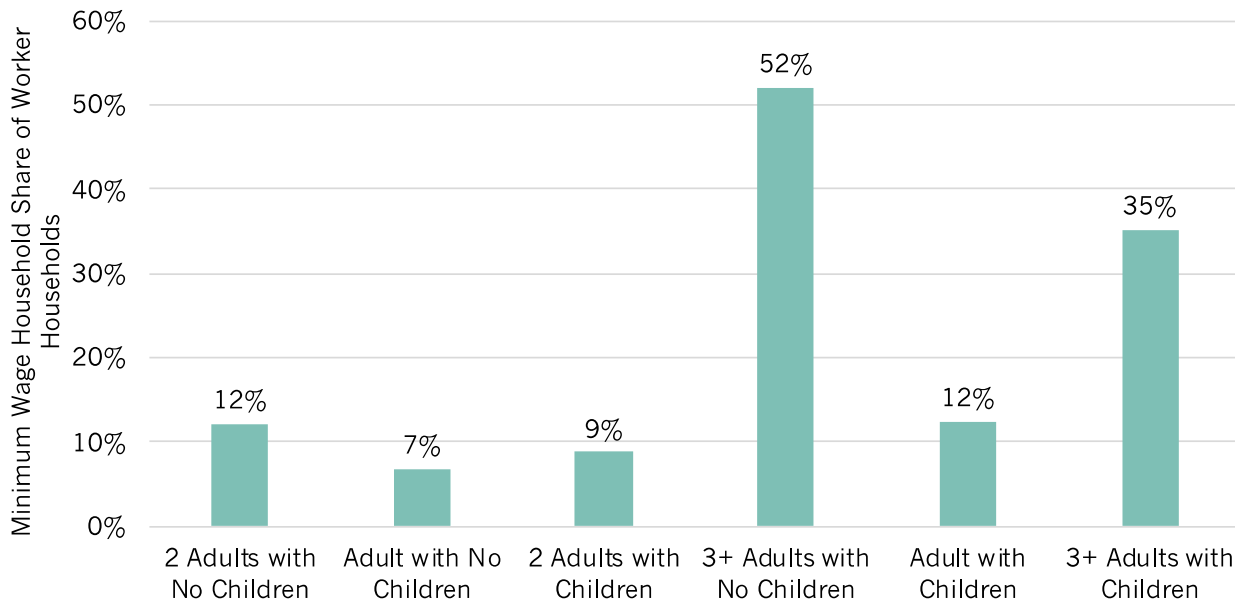


Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker.

<sup>30</sup> Worker households are defined as those with at least one waged worker and excludes self-employed individuals.

<sup>31</sup> U.S. Census Bureau. (2022) American Community Survey, PUMS, 5-year estimates.

**Exhibit 32. Distribution of Minimum Wage Worker Households by Type, Three-PUMA Region**

Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

**HOUSEHOLD INCOME, POVERTY, AND SELF-SUFFICIENCY**

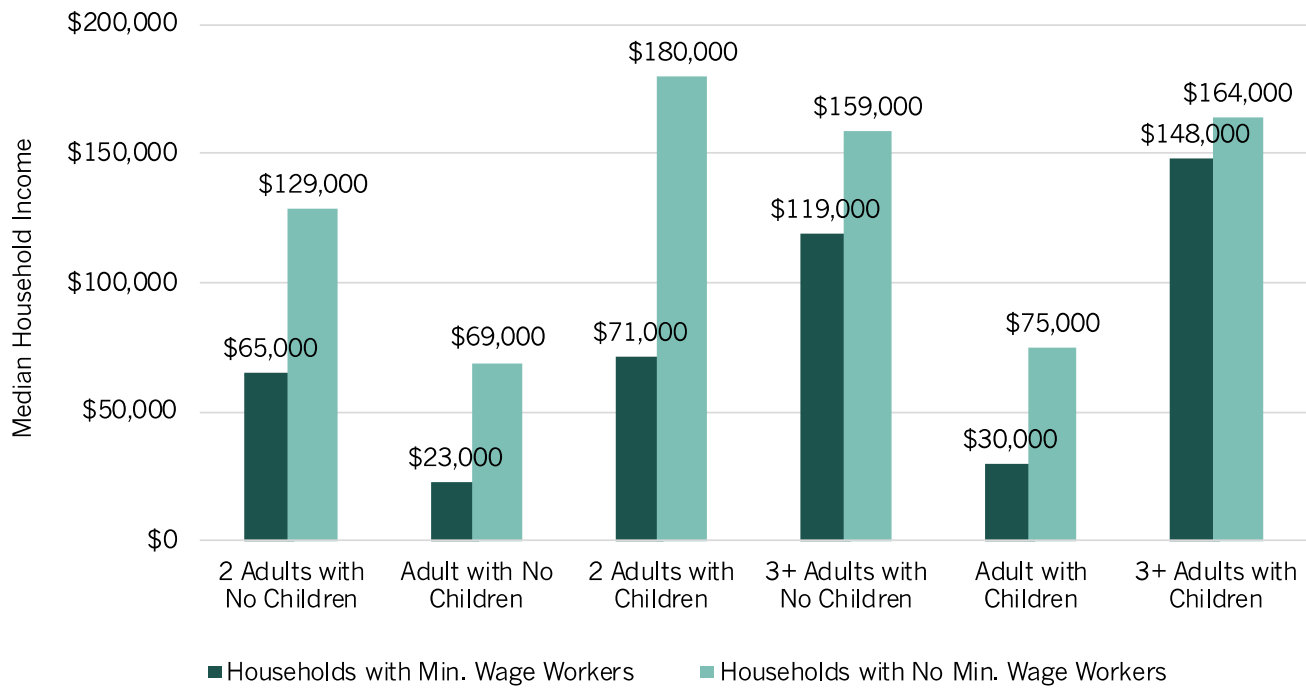
Median household income among households with a minimum wage worker (\$85,400) is lower than for households without a minimum wage worker (\$128,100). Exhibit 33 shows differences by household type; the largest percentage difference is for single adult households with no children, followed by two adult households with children.

Approximately 9 percent of the three-PUMA region's worker households have income below the Federal Poverty Level (FPL), and 17 percent are below 200 percent of FPL. Exhibit 34 shows the differences in poverty levels by household type and presence of at least one minimum wage worker for the top three most common household types, which account for 79 percent of worker households (see Exhibit 32). Of households with no minimum wage workers, single adult households with no children are more likely to be in poverty, with 12 percent of these households living under the FPL. Overall, households with minimum wage workers are more likely to be below 200 percent of the FPL. The share of households living below the FPL is highest for single adult households with no children (27 percent) and roughly two-thirds of these households live below 200 percent of the FPL.





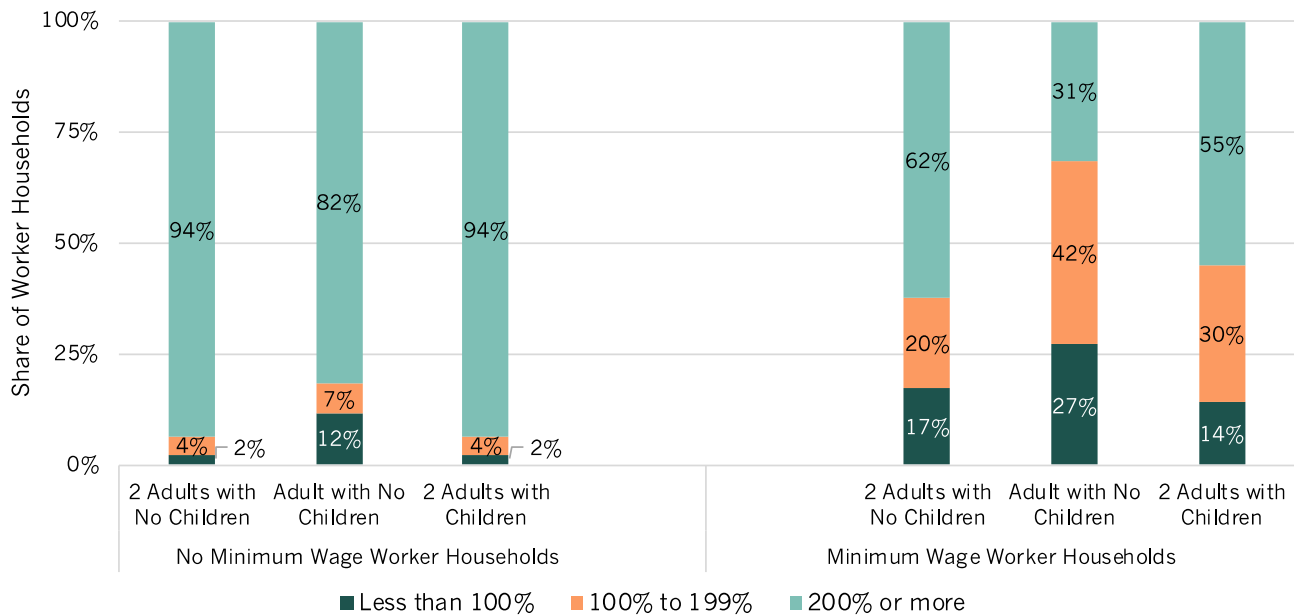
### Exhibit 33. Median Household Income for Minimum Wage Workers, by Type, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates. 2022 dollars.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

### Exhibit 34. Minimum Wage Worker Households by Poverty Level and Type, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

The current official poverty measure is inadequate, showing that many families with incomes above federal poverty thresholds still struggle to meet basic needs. The Self-Sufficiency Standard (SSS) for Colorado, developed by the University of Washington's Center for Women's Welfare and published in Colorado by the Colorado Center on Law and Policy, provides a more holistic measure of family economic stability than the federal poverty level, or multiples thereof. The SSS is a measure of the income needed for families of various sizes in Colorado to cover basic needs without government assistance.<sup>32</sup> The SSS includes costs for housing, childcare, food, healthcare, transportation, and taxes, as well as the emergency savings. The SSS is estimated separately by county and for household compositions, varying by the number of working adults and presence and age of children.

We compare household income to the 2022 SSS for Boulder County for selected household types, specifically, single adult, two adults, and two adults with two school-aged children. Most worker households have one or two adults and no children (56 percent), followed by households with two adults and one or more children (22.5 percent). We selected households with two school-age children based on the median age of children in the three-PUMA region. We utilize household annual income to determine whether the household is above or below the SSS level. Exhibit 35 presents the SSS annual income and hourly wage for the representative household types.

#### **Exhibit 35. Representative Household Self-Sufficiency Income Levels, Boulder County**

<b>HOUSEHOLD TYPE</b>	<b>SELF-SUFFICIENCY ANNUAL INCOME</b>	<b>SELF-SUFFICIENCY HOURLY WAGE</b>
<b>Single Adult</b>	\$41,058	\$19.44
<b>Two Adults</b>	\$58,268	\$13.79
<b>Two Adults with Two School-aged Children</b>	\$95,819	\$22.68

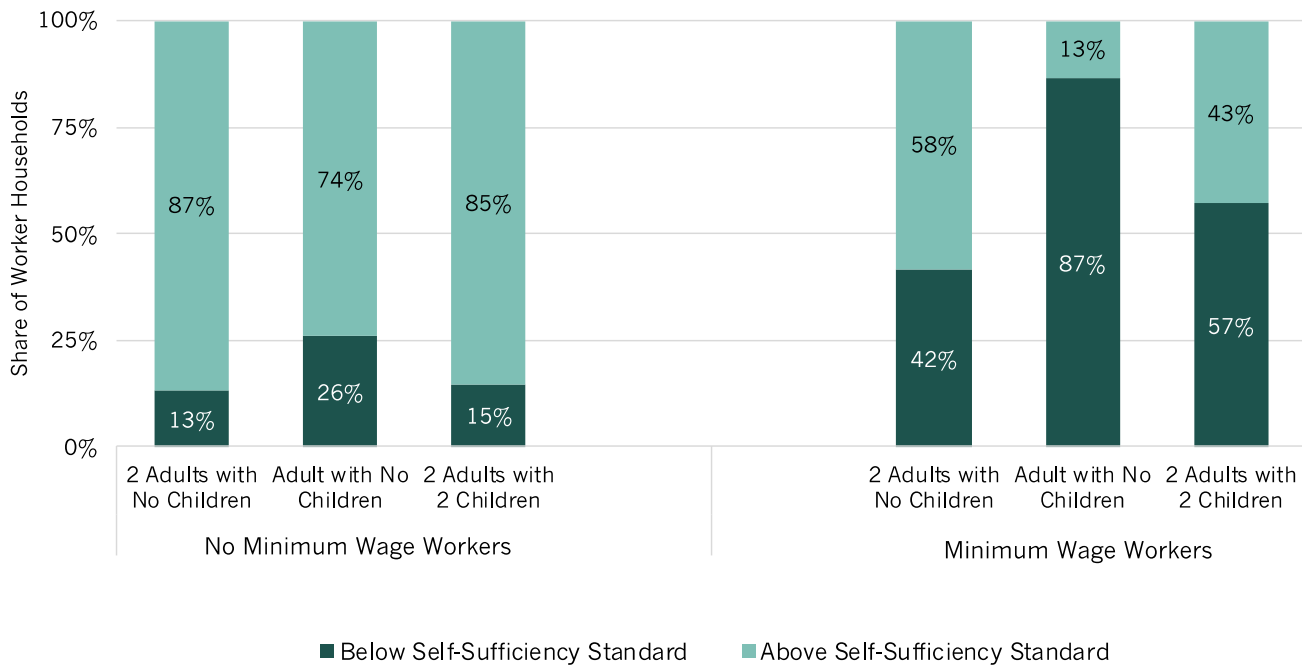
Source: Colorado Center on Law and Policy, Self-Sufficiency Standard, 2022, Boulder County

Note: School-aged children are those between the ages of 6 and 12, with the assumption of part-time care outside of school hours.

Among the non-minimum wage worker households in one of the three identified types, 18 percent are below the SSS and among minimum wage worker households, 56 percent are below the SSS. Single adult households comprise the highest share of households below the SSS (47 percent). As Exhibit 36 indicates, minimum wage worker households are much more likely to be below the SSS level. The largest difference in meeting the SSS between households with and without minimum wage workers is seen in single adult households: 87 percent of households with minimum wage workers fall below the SSS, compared to 26 percent of households without minimum wage workers.

<sup>32</sup> Colorado Center on Law and Policy. (2022). The Self-Sufficiency Standard for Colorado. Accessed at: [https://copolicy.org/wp-content/uploads/2022/11/CO22\\_SSS.pdf](https://copolicy.org/wp-content/uploads/2022/11/CO22_SSS.pdf)

### Exhibit 36. Minimum Wage Worker Households Meeting the Self-Sufficiency Standard, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

### HOUSEHOLD SNAP RECEIPT

The Supplemental Nutrition Assistance Program (SNAP) provides low-income individuals and families purchase food, thereby alleviating hunger and improving nutrition. This assistance supports healthier diets and economic stability for recipients. Monthly income thresholds for SNAP eligibility in Boulder County range from \$2,430 for one-person households to \$5,000 for four-person households.<sup>33</sup> The monthly SNAP amount decreases with an increase in household income. A minimum wage could potentially price households out of government programs, such as SNAP (see Literature Review), however the household still likely have a net gain in income. For example, under the current minimum wage, a two-person household with one full-time minimum wage worker would be eligible for SNAP, but an increase of the minimum to \$20 per hour would increase the household income above the eligibility threshold.<sup>34</sup> The worker moving from \$15 per hour to \$20 per hour, would increase their income by \$800, which is more than the maximum amount a two-person household would receive in SNAP benefits (\$535).<sup>35</sup>

In the three-PUMA region, 3 percent of worker households within the types shown below receive SNAP benefits. Households with minimum wage workers comprise 23 percent of the worker households receiving SNAP benefits.

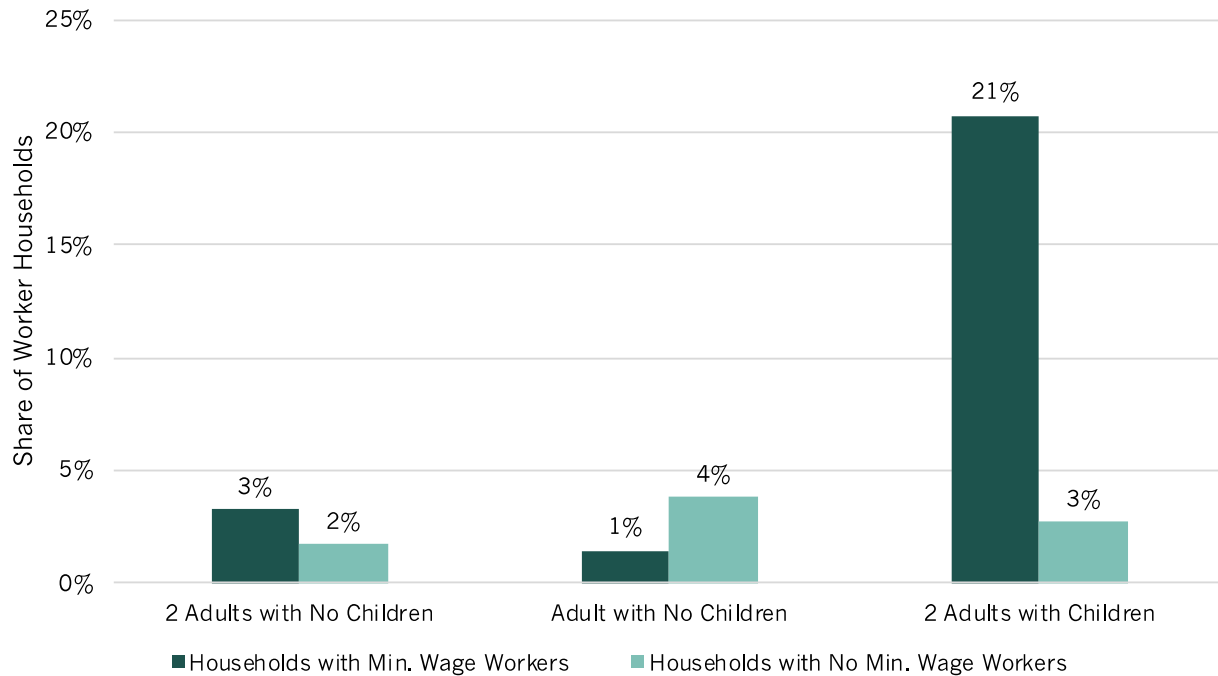
<sup>33</sup> Colorado Department of Human Services. (2024). Supplemental Nutrition Assistance Program (SNAP). Accessed at: <https://cdhs.colorado.gov/snap>

<sup>34</sup> Assuming no increase in SNAP eligibility income thresholds.

<sup>35</sup> Hunger Free Colorado. (2024). Getting Snap. Accessed at: <https://hungerfreecolorado.org/getting-snap/>

Exhibit 37 shows the share of worker households, with and without minimum wage workers, within each household type that receive SNAP benefits. Minimum wage worker households with two adults and children have the highest rate of SNAP receipt: 21 percent of minimum wage worker households in this type receive SNAP benefits compared to 3 percent for non-minimum wage worker households. For the other household types, rate of SNAP receipt is similar between households with and without minimum wage workers.

### Exhibit 37. Share of Households Receiving SNAP Benefits, by Household Type and Presence of Minimum Wage Workers, Three-PUMA Region



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

## HOUSEHOLD COST BURDEN RATES

A household is considered cost-burdened when it spends more than 30 percent of its income on housing costs, including rent or mortgage payments and utilities. This financial strain can limit the household's ability to afford other essentials such as food, healthcare, transportation, and education. Increasing the minimum wage could mitigate the financial burden of housing for minimum wage workers. In 2023, Boulder County median rental price was close to \$3,000, and Fair Market Rents (FMR), which represent the 40<sup>th</sup> percentile of market rents, ranged from \$1,580 for one-bedroom units to \$3,000 for four-bedroom units.<sup>36</sup>

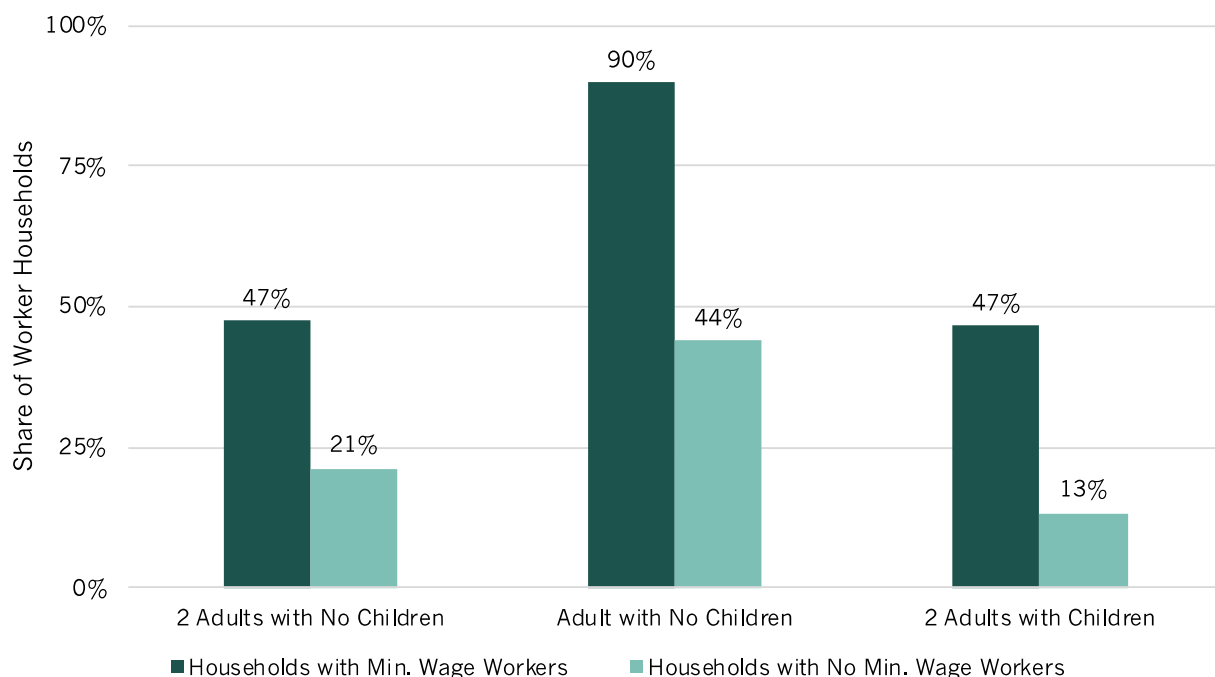
<sup>36</sup> Zillow. (2023). Boulder County Median Rental Price All Bedrooms. Accessed at: <https://www.zillow.com/rental-manager/market-trends/boulder-co/>; U.S. Department of Housing and Urban Development. (2023). Boulder County Fair Market Rents. Accessed at: <https://www.huduser.gov/portal/datasets/fmr.html>



In the three-PUMA region, 29 percent of worker households in the three types presented below are cost-burdened, and 20 percent of all cost-burdened households are minimum wage worker households. Exhibit 38 shows the share of worker households, with and without minimum wage workers, within each household type that are cost-burdened. The share of households with no minimum wage workers that are cost-burdened is much lower than that of households with minimum wage workers.

For two adult households with and without children, the share of minimum wage worker households that are cost-burdened is 47 percent and 90 percent for single adult households with no children. This data shows that housing costs are a larger burden for minimum wage workers than for higher-wage workers.

**Exhibit 38. Cost-burdened Households as a Share of Total, Three-PUMA Region**



Source: U.S. Census Bureau, ACS PUMS, 2022, 5-year estimates.

Note: Worker households are those with at least one waged worker and a minimum wage household is one with at least one minimum wage worker.

## 3. Comparative Analysis

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Concluding the analysis of conditions relevant to a potential minimum wage increase, we analyzed conditions for selected cities and counties that had recently implemented a local minimum wage higher than that required by state and federal law. Although the impact analysis will provide more definitive information about potential impacts, comparing economic performance and other outcomes of the comparison regions over time can provide insight into, and context for, how increases implemented by the five municipalities might affect conditions going forward.

The analysis also yielded information about how comparison regions increased their minimum wage. For example, how quickly the minimum increased initially and methods for increasing the minimum (indexing methods) after reaching a pre-specified target.

### Selection of Comparison Regions

We identified a list of cities and counties that, to the extent possible, resemble one or more of the study's five municipalities in dimensions such as population, industry composition, demographic characteristics, and that, collectively, exhibit a range of these characteristics. We examined available data about the comparison cities and counties for periods before and after their minimum wage laws were enacted. The collected data provide insight into how cities and counties have fared after minimum wage increases.

The selection criteria, described in the Appendix, resulted in a list of the following 10 cities and counties. Denver's minimum wage increase took place too recently to meet the selection criteria for this analysis but research about conditions related to the increase is summarized below.

- Flagstaff, AZ
- Alameda, CA
- Milpitas, CA
- San Mateo, CA
- Santa Clara, CA
- Cook County, IL
- Montgomery County, MD
- Minneapolis, MN
- Santa Fe County, NM
- Seattle, WA

Exhibit 39 provides summary information regarding minimum wage implementation (average increase from first increase to the target wage) and selected demographic characteristics for each area. The Appendix provides additional detail. Exhibit 39 also shows each region’s population and selected demographics as of each region’s “midpoint year”, the year halfway between the year the law was enacted and the year the target wage was reached.

**Exhibit 39. Selected Localities with Recent Minimum Wage Increases**

Cities	Population	Years of Increase	Ave. Annual Increase in Minimum Wage	Demographics (% of population)		
				Age 55 and above	Associate and above	BIPOC
Flagstaff, AZ	75,044	5	8%	18.1	59.5	36.6
Alameda, CA	77,630	2	12%	29.6	62.5	59.2
Milpitas, CA	80,424	3	13%	23.8	58.9	90.3
San Mateo, CA	105,016	3	14%	29	63.7	55.2
Santa Clara, CA	127,131	4	14%	21.6	62.3	70.5
Cook County, IL	5,180,493	4	12%	26.8	45.7	58
Montgomery County, MD	1,050,688	4	7%	29.2	63.2	57.4
Minneapolis, MN	429,605	5	14%	20.1	59.9	39.6
Santa Fe County, NM	148,164	1	42%	36.2	44.5	57.2
Seattle, WA	704,358	3	16%	23.5	69.9	35.5

Source: American Community Survey 1-Year Estimates, Table DP05, DP02, DP03, Various Years; UC Berkeley Inventory of US City and County Minimum Wage Ordinance

## Trends and Comparisons

The review of research on city- and county-level minimum wages presented in Section 4 suggests that localities that institute higher minimum wages differ in important ways from localities that do not; additionally, localities seem able to tailor policy to local conditions without imposing substantial reallocation of labor and businesses. Dube and Lindner (2021) studied local-area minimum wages and demonstrated that cities that institute their own minimum wage in excess of those at the state or federal level were fundamentally different from cities that did not.<sup>37</sup> Our high-level characterization of outcomes for the 10 cities and counties that enacted local minimum wage increases similarly suggests that doing so does not necessarily lead to large, negative economic effects.

As a high-level illustration, Exhibit 40 compares locality-level change in economic outcome from two years before the first year of minimum wage increase to two years after, relative to changes over the same time period for the locality’s state. For example, the 2.7 percentage point difference in Flagstaff’s unemployment rate indicates that Flagstaff’s unemployment rate increased by 2.7 percentage points more than the state’s rate did

<sup>37</sup> Dube, A. and Lindner, A. (2021). “City limits: what do local-area minimum wages do?” *Journal of Economic Perspectives*. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.1.27>.

during the relevant period. Green shading is generally positive (lower unemployment and poverty, higher labor force participation and employment) and red shading is generally negative (higher unemployment and poverty, lower labor force participation and employment) relative to state-level outcomes.

The outcomes presented suggest that cities/counties that have increased their minimum wage experienced a wide range of changes in unemployment, poverty, labor force participation, and employment rates relative to their states. The chart indicates that most of the selected municipalities experienced increases in unemployment rates relative to their state. However, most also experienced increases in in labor force participation that wholly or partially offset the change in unemployment rates, as indicated by the very slightly higher employment growth experienced by most municipalities. We emphasize that the table is provided to illustrate the experiences of these municipalities but that the differences displayed cannot be attributed directly to a minimum wage increase or any other single factor.

**Exhibit 40. Change in Economic Conditions after Minimum Wage Increase Relative to State Change**

Cities	AAGR (to full wage)	Unemployment Rate Trend Relative to Statewide Trend	Poverty Rate Trend Relative to Statewide Trend	Labor Force Participation Rate Relative to Statewide Trend	Employment Growth Rate Trend Relative to Statewide Trend
Flagstaff, AZ	8%	2.70	NA	-1.30	0.00
Alameda, CA	12%	0.80	0.30	0.20	-0.01
Milpitas, CA	13%	1.50	-0.70	7.60	0.29
San Mateo, CA	14%	1.50	3.30	2.20	0.04
Santa Clara, CA	14%	2.90	5.00	0.70	0.04
Cook County, IL	12%	-0.70	-1.10	0.60	0.01
Montgomery County, MD	7%	0.80	0.60	-0.50	-0.01
Minneapolis, MN	14%	1.50	-4.80	1.10	0.02
Santa Fe County, NM	42%	-3.40	-2.30	-2.20	-0.01
Seattle, WA	16%	1.10	0.00	0.10	0.04

Source: American Community Survey 1-Year Estimates, Table DP03\_0002P, DP03\_0009P, DP03\_0003, and DP03\_0119P, Various Years; UC Berkeley Inventory of US City and County Minimum Wage Ordinance

## Denver’s Minimum Wage Increase

Denver was the first local government in Colorado to enact a local minimum wage, which took effect on January 1, 2020. The minimum wage increased from \$12.85 in 2020 to \$17.29 in 2023 (the state minimum wage in 2023 was \$13.65). For indexing after 2022, Denver uses the CPI reported in the U.S. Department of Labor’s Index for Urban Wage



Earners and Clerical Workers (CPI-W). Findings regarding Denver's increase include the following, as reported by CDLE in 2023<sup>38</sup>:

- ◆ The impact of Denver's minimum wage increase was difficult to isolate due to the COVID-19 pandemic, which began shortly after the wage increase took effect—there was a strong positive correlation (0.82) between COVID-19 infection rates and unemployment rates across Colorado counties, including Denver.
- ◆ Relative to comparable localities, Denver had slightly lower unemployment rate immediately following the minimum wage law passing, but unemployment worsened as Denver experienced greater impact from COVID-19.<sup>39</sup> However, in 2021, Colorado's average unemployment rate dropped to 5.45 percent, while Denver's unemployment rate dropped to 5.90 percent—a greater relative decline in unemployment for Denver (by 0.40 percent) than for Colorado. The trend continues in 2022. Overall, in both 2021 and 2022, Denver's unemployment rate dropped more than its comparable localities' rates as the minimum wage rose significantly.
- ◆ From 2020–2022, Denver maintained strong wage growth and stronger wage growth than Colorado and comparator localities. Comparing Q1 2019 and Q1 2020, Denver's average weekly earnings increased compared to the state, from \$302.00 higher than the state average to \$339.00 higher, a 12.3 percent increase. In 2020, 2021, and 2022, while weekly wages in comparable localities remained stagnant or fell, Denver's weekly wages grew faster than the state's, by \$52.00 in 2020, \$49.67 in 2021, and \$24.67 in 2022.
- ◆ As its local minimum wage rose above Colorado's from 2020 to 2022, Denver's per capita sales tax revenues at restaurants and bars increased by 85 percent, double the sales tax revenue increase in Colorado (43 percent). Denver's sales tax revenues did not fall relative to other parts of the state in the initial months after it adopted its minimum wage but they did fall after the impact of COVID-19.

## Methods Used to Index Local Minimum Wages

Although many cities and counties raised their minimum wage rapidly to address apparent long-standing gaps between minimum wages and cost of living, increases generally level off once a pre-determined target is reached. In our analysis of local minimum wages, we found that about 95 percent of 67 local minimum wages are currently indexed to inflation, with about three-quarters of those indexed to regional inflation and the remainder indexed to nationwide inflation. About a quarter of localities also imposed a cap on the rate of increase in the minimum wage (e.g., to prevent rapid increases while inflation is rising quickly). A handful used other methods or a combination of methods, for example setting the local

<sup>38</sup> Colorado Department of Labor and Employment. (2023) Local Minimum Wage Report 2023. Accessed at: [https://cdle.colorado.gov/sites/cdle/files/Local\\_Min\\_Wage\\_Report\\_2023\\_1.pdf](https://cdle.colorado.gov/sites/cdle/files/Local_Min_Wage_Report_2023_1.pdf)

<sup>39</sup> Comparable localities are defined as neighboring jurisdictions and relevant regions, including comparable counties, comparable cities, neighboring cities, neighboring counties, and rural counties.

minimum wage exactly two dollars above the state minimum wage or stopping increases while the local unemployment rate is above a specified level.

Using a regional, rather than national, inflation index to adjust a local minimum wage has the advantage of better reflecting local trends in cost of living. While more complicated methods, such as tying increases also to local unemployment rates, may have appeal, but the result is potentially a less transparent and less predictable wage environment and in our high-level review we found no evidence that such methods are necessarily better or worse than simple indexing to inflation.



# 4. Minimum Wage Literature Review

This literature review provides a summary of recent research on the minimum wage, with a focus on economic impacts. It both informs the impact analysis and provides important context for interpreting the results of the analysis. It further provides decision-makers an understanding regarding the current state of the research and the basis for important assumptions of the impact analysis. This review highlights important studies from the decades of minimum wage research. As described in the Section 5 impact analysis, our model relies heavily on a synthesis of these and other studies compiled by the Congressional Budget Office.

## Summary

- Over the past three decades, economists have studied the myriad and sometimes counterintuitive impacts of raising the minimum wage. The understandable initial focus on employment has expanded to include impacts on capital investment, prices, business productivity, poverty, inequality, and beyond. This rich body of academic literature reveals a complex picture.
- What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.
- On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.

Considerable debate exists among economists as to the direct and indirect impacts of raising the minimum wage. This controversy is not new. It has existed since the first federal minimum wage of 25 cents per hour was legislated as part of the 1938 Fair Labor Standards Act.<sup>40</sup> The purpose of this review is not to provide a historical overview of these controversies. Rather, we focus on the most recent empirical evidence surrounding the direct and indirect impacts of increasing the minimum wage. These impacts are best viewed as trade-offs, as the main benefit is obvious: an increase in wages among low-income workers. We focus on trade-offs with respect to employment, capital investment,

<sup>40</sup> Quinn, J.F. and Cahill, K.E. (2019). "The Relative Effectiveness of the Minimum Wage and the Earned Income Tax Credit as Anti-Poverty Tools." In K. Ward and K. Himes (Eds.), *Growing Apart: Religious Reflection on the Rise of Economic Inequality*. Basel, Switzerland: MDPI.



prices, business productivity, poverty, and inequality. We start where economists generally agree, which is that minimum wages are a price floor.

## The Minimum Wage as a Price Floor



### RESEARCH SUMMARY

Basic economic theory suggests that the “price floor” for labor established through a minimum wage will reduce employment, increase prices, and result in other effects that disadvantage low-wage workers, even as those still employed receive higher wages. This type of “static” analysis has been challenged by some economists, leading to disagreements about not only the magnitude of these impacts, but also their direction.

Minimum wages are a price floor for labor, meaning that employers cannot legally set prices (in this case, wages, the price of labor) below a certain level. As a result, at the minimum wage, the amount of labor that workers are willing to supply exceeds the amount of labor that employers want. This gap between labor supply and labor demand is known as “excess supply” and leads to an outcome, at least conceptually, where employment is lower than it otherwise would be absent the minimum wage.

An increase in the minimum wage, therefore, benefits some low-wage workers—those who remain employed at the higher minimum wage—and potentially makes others worse off—specifically those who are laid off from their jobs because of the increase in the minimum wage. The minimum wage might, however, benefit other workers due to ripple effects within an organization, as employers attempt to maintain wage differentials among their employees. Higher wages, in turn, can increase the costs of production and result in higher prices, as employers charge more for the goods they sell to recoup the increased labor costs. Employers might also, over the longer term, invest more in capital in response to the relatively higher cost of labor; such a shift away from labor toward capital can exacerbate unemployment, especially for low-wage workers.

# The Impact of the Minimum Wage on Employment



## RESEARCH SUMMARY

Despite decades of research, the question of whether minimum wage increases have meaningful employment effects remains unsettled. More than 20 years after the seminal minimum wage research of Card and Krueger (1994) found no employment impact, 2017 commentary by Neumark, whose research has identified negative employment effects underscores this point: “Yet despite the scores of studies, the development of richer data, and the development of more-refined empirical techniques, the debate among researchers about the employment effects of minimum wages – and concerning not just the magnitude, but the broader question of whether a higher minimum wage reduces employment – remains intense and unsettled.” More recent research has found relatively small employment effects but has not fully resolved the question.

Employment effects are the most highly studied impact of the minimum wage. Research focuses on the question of whether a higher minimum wage actually reduces employment, like the static supply-and-demand framework predicts. In a groundbreaking study, David Card and Alan Krueger (1994) found no impact on employment from an increase in the minimum wage.<sup>41</sup> The authors made use of a “natural experiment” in which New Jersey increased its minimum wage and neighboring Pennsylvania did not. They found no impact on employment in fast-food restaurants in New Jersey relative to those across the border in Pennsylvania. In a subsequent meta-analysis of minimum wage studies, Card and Krueger (1995) identified a bias toward statistically significant negative impacts of the minimum wage, commonly known as publication bias.<sup>42,43</sup>

In an economic debate for the ages, David Neumark and William Wascher strongly disagreed with Card and Krueger’s findings. Neumark and Wascher (2000), replicated the work of Card and Krueger (1994) using a different data source.<sup>44</sup> With these new data, they found that the increase in New Jersey’s minimum wage led to a 4 percent decrease in fast food employment. This in turn elicited an academic riposte from Card and Krueger (2000) who, using yet another

<sup>41</sup> Card, D. and Krueger, A. B. (1994). “Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania.” *The American Economic Review*. <https://davidcard.berkeley.edu/papers/njmin-aer.pdf>.

<sup>42</sup> Card and Krueger. (1995). “Time-Series Minimum-Wage Studies: A Meta-analysis.” *The American Economic Review*. <http://onala.free.fr/cardkrueger95.pdf>.

<sup>43</sup> Franco, A., Malhotra, N., and Simonovits, G. (2014). “Publication bias in the social sciences: Unlocking the file drawer.” *Science*. <https://www.science.org/doi/10.1126/science.1255484>.

<sup>44</sup> Neumark, D. and Wascher, W. (2000). “Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania: Comment.” *The American Economic Review*. [https://web.archive.org/web/20060525090352id\\_/http://www.econ.jhu.edu:80/people/Barnow/neumarmw.pdf](https://web.archive.org/web/20060525090352id_/http://www.econ.jhu.edu:80/people/Barnow/neumarmw.pdf).



dataset, validate their initial results, finding that employment changed little following the wage rise.<sup>45</sup>

This exchange was but one salvo in a long-running debate between these and other economists. In an earlier study, Neumark and Wascher (1992) found that a 10 percent increase in the minimum wage decreased employment among teenagers by 1-2 percent and among young adults by 1.5-2 percent.<sup>46</sup> Card, Katz, and Krueger (1994) in turn responded that Neumark and Wascher's methodology was flawed and a correction eliminates the employment effect.<sup>47</sup> Neumark and Wascher (1994) responded again, arguing that the comments of Card, Katz, and Krueger did not substantively affect their results.<sup>48</sup>

David Neumark has since continued to study the impacts of the minimum wage. He has remained certain that increases to minimum wages reduce employment and that any wage benefits are overshadowed by these and other resultant costs (Neumark, Schweitzer, and Wascher, 2004, Neumark and Wascher, 2007, Neumark, 2018, and Neumark and Shirley, 2022).<sup>49</sup>

More than 20 years after these debates with Card and Kreuger, Neumark's commentary about the state of the literature is informative. He writes:

“Yet despite the scores of studies, the development of richer data, and the development of more-refined empirical techniques, the debate among researchers about the employment effects of minimum wages – and concerning not just the magnitude, but the broader question of whether a higher minimum wage reduces employment – remains intense and unsettled.”<sup>50</sup>

<sup>45</sup> Card, D. and Krueger, A. B. (2000). “Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania: Reply.” *The American Economic Review*. <https://takeactionminnesota.org/wp-content/uploads/2013/10/Minimum-Wages-and-Employment-A-Case-Study-of-the-Fast-Food-Industry-in-New-Jersey-and-Pennsylvania-Reply.pdf>.

<sup>46</sup> Neumark, D. and Wascher, W. (1992). “Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws.” *Industrial and Labor Relations Review*. <https://journals.sagepub.com/doi/10.1177/001979399204600105>.

<sup>47</sup> Card, D., Katz, L. F., and Krueger, A. B. (1994) “Comment on David Neumark and William Wascher, “Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws.” *Industrial and Labor Relations Review*. <https://scholar.harvard.edu/lkatz/files/cardkatzkrueger94.pdf>.

<sup>48</sup> Neumark, D. and Wascher, W. (1994). “Employment effects of minimum and subminimum wages: Reply to Card, Katz, and Krueger.” *Industrial and Labor Relations Review*. <https://www.proquest.com/openview/b74b1d0ad48e8a9e300a0b713c17f221/1?pq-origsite=gscholar&cbl=41821>.

<sup>49</sup> Neumark, D, Scheitzer, M., and Wascher, W. (2004). “Minimum Wage Effects throughout the Wage Distribution.” *The Journal of Human Resources*. <https://www.jstor.org/stable/3559021>.; Neumark, D. and Wascher, W. (2007). “Minimum wages and employment: a review of evidence from the new minimum wage research.” *NBER*. [https://www.nber.org/system/files/working\\_papers/w12663/w12663.pdf](https://www.nber.org/system/files/working_papers/w12663/w12663.pdf).; Neumark, D. (2018). “Employment effects of minimum wages: When minimum wages are introduced or raised, are there fewer jobs?” *IZA World of Labor*. <https://wol.iza.org/uploads/articles/464/pdfs/employment-effects-of-minimum-wages.pdf>.; Neumark and Shirley (2022). “Myth or measurement: What does the new minimum wage research say about minimum wages and job loss in the United States? *NBER*. [https://www.nber.org/system/files/working\\_papers/w28388/w28388.pdf](https://www.nber.org/system/files/working_papers/w28388/w28388.pdf).

<sup>50</sup> Neumark, D. (2017). “The Employment Effects of Minimum Wages: Some Questions We Need to Answer.” *NBER Working Paper #23584*. Cambridge, MA: National Bureau of Economic Research. [https://www.nber.org/system/files/working\\_papers/w23584/w23584.pdf](https://www.nber.org/system/files/working_papers/w23584/w23584.pdf).



For example, recent meta-analyses that purportedly correct for publication bias have found little to no impact on employment (Chletsos and Giotis, 2015, Doucouliagos and Stanley, 2009, Leonard, Stanley, and Doucouliagos, 2013, Martínez and Martínez, 2021, Broecke, Forti, and Vandeweyer, 2017, Dube, 2019).<sup>51</sup> Other studies have found that certain groups may be more greatly affected than the labor market at large. As one example, Leonard, Stanley, and Doucouliagos (2013), in a meta-analysis of studies in the United Kingdom, found that the residential home care industry may be especially affected by minimum wage increases.<sup>52</sup> Similarly, Cengiz, et al. (2019) found that increases to state minimum wages decrease employment in tradeable sectors, suggesting that industries more vulnerable to external competition are more likely to be affected negatively.

Similarly, more-vulnerable groups such as the young and low skilled may face the greatest negative employment impacts from increases in the minimum wage, the very groups that the minimum wage aims to help (Broecke, Forti, and Vandeweyer, 2017 and Neumark and Shirley, 2022).<sup>53</sup> A study of the Seattle minimum wage increase from \$9.47 to \$11 and then to \$13, Jardim et al. (2018) found that the second wage increase reduced hours worked by 6-7 percent but found smaller changes resulting from the first increase.<sup>54,55</sup> However, Dube (2019) noted that reviews of studies of low-wage workers and the minimum wage found only a small median impact.<sup>56</sup> A study of state-level minimum changes by Cengiz, et al. (2019) found that the

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- <sup>51</sup> Chletsos, M. and Giotis G. P. (2015). “The employment effect of minimum wage using 77 international studies since 1992: A meta-analysis.” *MPRA*. [https://mpra.ub.uni-muenchen.de/61321/1/MPRA\\_paper\\_61321.pdf](https://mpra.ub.uni-muenchen.de/61321/1/MPRA_paper_61321.pdf).; Doucouliagos, H. and Stanley, T. D. (2009). “Publication Selection Bias in Minimum-Wage Research? A Meta-Regression Analysis.” *British Journal of Industrial Relations*. <http://digamoo.free.fr/doucouliagos09.pdf>.; Leonard M. d. L., Stanley, T. D. and Doucouliagos, H. (2013). “Does the UK Minimum Wage Reduce Employment? A Meta-Regression Analysis.” *The International Journal of Employment Relations*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/bjir.12031>.; Martínez, M. J. and Martínez M. J. (2021). “Are the effects of minimum wage on the labour market the same across countries? A meta-analysis spanning a century.” *Economic Systems*. <https://www.sciencedirect.com/science/article/abs/pii/S0939362520301679>.; Broecke, S., Forti, A., and Vandeweyer, M. (2017). “The effect of minimum wages on employment in emerging economies: a survey and meta-analysis.” *Oxford Development Studies*. <https://www.tandfonline.com/doi/abs/10.1080/13600818.2017.1279134>.; Dube, A. (2019). “Impacts of minimum wages: review of the international evidence.” *NBER and IZA Institute of Labor Economics*. [https://r.jordan.im/download/economics/impacts\\_of\\_minimum\\_wages\\_review\\_of\\_the\\_international\\_evidence\\_Arin\\_drajit\\_Dube\\_web.pdf](https://r.jordan.im/download/economics/impacts_of_minimum_wages_review_of_the_international_evidence_Arin_drajit_Dube_web.pdf).
- <sup>52</sup> Leonard M. d. L., Stanley, T. D. and Doucouliagos, H. (2013). “Does the UK Minimum Wage Reduce Employment? A Meta-Regression Analysis.” *The International Journal of Employment Relations*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/bjir.12031>.
- <sup>53</sup> Broecke, S., Forti, A., and Vandeweyer, M. (2017). “The effect of minimum wages on employment in emerging economies: a survey and meta-analysis.” *Oxford Development Studies*. <https://www.tandfonline.com/doi/abs/10.1080/13600818.2017.1279134>.; Neumark and Shirley (2022). “myth or measurement: what does the new minimum wage research say about minimum wages and job loss in the united states?” *NBER*. [https://www.nber.org/system/files/working\\_papers/w28388/w28388.pdf](https://www.nber.org/system/files/working_papers/w28388/w28388.pdf).
- <sup>54</sup> Jardim, E., Long, M. C., Plotnick, R., van Inwegen, E. Vigdor, J., and Wething, H. (2018). “Minimum wage increases, wages, and low-wage employment: evidence from Seattle.” *NBER*. [https://www.nber.org/system/files/working\\_papers/w23532/w23532.pdf](https://www.nber.org/system/files/working_papers/w23532/w23532.pdf).
- <sup>55</sup> In a follow-up study focused on own-wage elasticities, the impact was found to be smaller.
- <sup>56</sup> Dube, A. (2019). “Impacts of minimum wages: review of the international evidence.” *NBER and IZA Institute of Labor Economics*. [https://r.jordan.im/download/economics/impacts\\_of\\_minimum\\_wages\\_review\\_of\\_the\\_international\\_evidence\\_Arin\\_drajit\\_Dube\\_web.pdf](https://r.jordan.im/download/economics/impacts_of_minimum_wages_review_of_the_international_evidence_Arin_drajit_Dube_web.pdf).



number of overall low-wage jobs remained unchanged five years following minimum wage increases.<sup>57</sup>

Dube and Lindner (2021) offered an explanation of why earlier papers, such as Jardim et al. (2018), found negative employment impacts.<sup>58</sup> The authors studied local-area minimum wages and demonstrated that cities that instituted higher minimum wages than those at the state or federal level were fundamentally different from cities that did not. This discrepancy calls into question the suitability of control groups of cities that had not increased the minimum wage typically used in earlier research. As an example, the authors showed that without city-level controls, the minimum wage seemed to increase wages across the income distribution, not just at the lower levels. When they then included city-level controls, wage increases were found only in the bottom 30<sup>th</sup> percentile of earners while employment effects were small.<sup>59</sup> Economists explain the growing body of research suggesting limited employment effects in a number of ways. For example, Martínez and Martínez (2023) used a meta-regression analysis to conclude that while increases to the minimum wage decreased hiring, they also decreased job separations.<sup>60</sup> These countervailing forces offset each other, resulting in the minimal employment impact that is found in the literature (see also Dube, Lester, and Reich, 2016 and Schmitt, 2013).<sup>61</sup>

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<sup>57</sup> Cengiz, D. Dube, A., Lindner, A., and Zipperer, B. (2019). “The Effect of Minimum Wages on Low-Wage Jobs.” [https://www.nber.org/system/files/working\\_papers/w25434/w25434.pdf](https://www.nber.org/system/files/working_papers/w25434/w25434.pdf).

<sup>58</sup> Dube, A. and Lindner, A. (2021). “City limits: what do local-area minimum wages do?” *Journal of Economic Perspectives*. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.1.27>.

<sup>59</sup> The authors find that minimum wage increases are associated with a 4 percent additional wage gain and an employment elasticity with respect to wage of -0.12.

<sup>60</sup> Martínez, M. J. and Martínez, M. J. (2023). “From snapshot to movie: Decomposing the minimum wage effects on employment into hirings and separations.” *Employee Relations*. <https://www.emerald.com/insight/content/doi/10.1108/ER-09-2021-0413/full/html>.

<sup>61</sup> Dube, A., Lester, T. W., and Reich, M. (2016). “Minimum Wage Shocks, Employment Flows and Labor Market Frictions.” *Journal of Labor Economics*. <https://escholarship.org/content/qt27z0006g/qt27z0006g.pdf>.; Schmitt, J. (2013). “Why Does the Minimum Wage Have No Discernible Effect on Employment?” *Center for Economic and Policy Research*. [https://lobby99.org/Demo99/yDocs/@News/iss21\\_CEPR\\_MinwageEmp.pdf](https://lobby99.org/Demo99/yDocs/@News/iss21_CEPR_MinwageEmp.pdf).





# The Impact of the Minimum Wage on Capital Investment



## RESEARCH SUMMARY

One explanation for the limited employment impacts of a minimum wage increase found by many researchers is that the measured employment effects are typically short-term, and that employers can and will shift towards more capital-intensive (less labor-intensive) operations over the long term. Some research supports the existence of these effects, with the magnitude varying by worker type and industry, with stronger effects on older, low-skilled manufacturing workers. However, as with employment effects, no clear consensus has emerged. Other research finds a counterintuitive reduction in capital expenditures in the retail and restaurant industries following minimum wage increases.

One potential explanation for the limited employment effects described above is that they exist in the short-term only, and that a longer-term substitution takes place, away from labor and towards capital. Aaronson, et al. (2018) offered some evidence in support of this theory.<sup>62</sup> Studying the restaurant industry, the researchers found that the rate of both firm entry into, and exit from, the market increased following minimum wage increases. The authors suggested this outcome was due to restaurants operating at the time of the minimum wage increase were unable to immediately adapt their operations to the new conditions. Over time the industry changed to become more capital intensive through firm churn. Jardim and van Ingwen (2019) also noted that minimum wage increases in Seattle increased firm exit and decreased the percentage of entering firms that were labor-intensive.<sup>63</sup>

This conclusion is echoed by Lordan and Neumark (2018), who found that minimum wage increases significantly decreased the share of automatable employment held by low-skilled workers, and increased the probability that these workers became non-employed or employed in worse jobs.<sup>64</sup> Further, the authors concluded that this impact was amplified for older, low-skilled workers in manufacturing.<sup>65</sup>

The substitution of capital for labor is also consistent with the results of Aaronson and Phelan (2019), who classified low-wage jobs as either “cognitively routine,” “manually routine,” or “non-routine.”<sup>66</sup> They found that minimum wage increases lead to employment decreases in

<sup>62</sup> Aaronson, D., French, E., Sorkin, I., and To, T. (2018). “Industry dynamics and the minimum wage: a putty-clay approach.” *International Economic Review*. <https://onlinelibrary.wiley.com/doi/pdf/10.1111/iere.12262>.

<sup>63</sup> Jardim, E. and van Ingwen, E. (2019). “Payroll, Revenue, and Labor Demand Effects of the Minimum Wage.” *W.E. Upjohn Institute for Employment Research*. [https://research.upjohn.org/cgi/viewcontent.cgi?article=1316&context=up\\_workingpapers](https://research.upjohn.org/cgi/viewcontent.cgi?article=1316&context=up_workingpapers).

<sup>64</sup> Lordan, G. and Neumark, D. (2018). “People versus machines: the impact of minimum wages on automatable jobs.” *NBER*. [https://www.nber.org/system/files/working\\_papers/w23667/w23667.pdf](https://www.nber.org/system/files/working_papers/w23667/w23667.pdf).

<sup>65</sup> The authors also find some evidence that job opportunities for high-skilled worker increase.

<sup>66</sup> Aaronson, D. and Phelan, B. J. (2019). “Wage Shocks and the Technological Substitution of Low-wage Jobs.” *The Economic Journal*. <https://academic.oup.com/ej/article-abstract/129/617/1/5232517>.



“cognitively routine” low-wage jobs but not in “manually routine” nor “non-routine” low-wage jobs. Aaronson and Phelan suggested that “cognitively routine” jobs were more susceptible to technological substitution. However, the researchers found that the employment impact of this change was small.

The existence of capital-labor substitution effects is controversial, as might be expected given the contentiousness of the literature in this space. Gustafson and Kotter (2022), for example, found that firms that employ large number of minimum wage workers, such as those in the retail and restaurant industries, reduced their capital expenditures following the increase in minimum wages.<sup>67</sup> The researchers found that these results were concentrated within the first two years of the wage increase, suggesting that the potential long-term impact noted in Aaronson, et al. (2018) could materialize later.

## The Impact of the Minimum Wage on Business Productivity



### RESEARCH SUMMARY

Fundamentally, minimum wages make capital—durable goods, such as computers, robots, and other machinery—more appealing, as a higher required wage reduces the relative price of capital. To the extent employers substitute capital for labor, worker productivity can increase because employees have more and better capital to work with. Due to reallocations of labor and capital within firms and of workers across firms, aggregate effects remain uncertain.

Riley and Bondibene (2017) highlighted that minimum wages necessarily make capital more appealing to firms, and that, as a result, increases in the minimum wage can improve labor productivity.<sup>68</sup> The productivity improvements they studied in Britain, however, were not a result of the substitution of capital and labor per se, but were rather due to increases in productivity overall. Coviello, Deserranno, and Persico (2022) found evidence that productivity did indeed increase following an increase in the minimum wage.<sup>69</sup> The authors studied a large retailer, finding that the gains in productivity were tied to employee supervision, however, and that, when employees were monitored less intensely, the impact on productivity reversed. In other words, the minimum wage increase did not directly increase productivity per se, but firms may adjust to wage increases by changing operations.

<sup>67</sup> Gustafson, M. T. and Kotter, J. D. (2022). “Higher minimum wages reduce capital expenditures.” *Management Science*. <https://pubsonline.informs.org/doi/abs/10.1287/mnsc.2022.4430>.

<sup>68</sup> Riley, R. and Bondibene, C. R. (2017). “Raising the standard: Minimum wages and firm productivity.” *Labour Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S0927537116303487>.

<sup>69</sup> Coviello, D., Deserranno, E., and Persico, N. (2022). “Minimum Wage and Individual Worker Productivity: Evidence from a Large US Retailer.” *Journal of Political Economy*. <https://www.journals.uchicago.edu/doi/full/10.1086/720397>.

Additionally, numerous studies have found that increases in the minimum wage lead to a reallocation of workers toward more-productive firms (Engbom and Moser, 2021, Dustman et al., 2021).<sup>70</sup> Other studies found a movement of workers toward large firms. Wursten and Reich (2023) identified stronger wage increases for teenage workers in larger firms and disemployment effects in smaller firms.<sup>71,72</sup> Dustman, et al. (2021) found that minimum wages caused a reallocation of workers from smaller and lower-paying firms to larger and higher-paying firms.<sup>73</sup>

The link between the minimum wage and productivity is not uniformly positive. Álvarez and Fuentes (2018), for example, studied manufacturing in Chile and found that increases in the minimum wage depressed total factor productivity.<sup>74</sup> The authors found that a 22 percent increase in the minimum wage reduced total factor productivity by 5.8 percent in industries with lower concentrations of unskilled labor and 9.7 percent in those with higher concentrations of unskilled labor. Tan (2021) considered the upstream supply-chain effects of an increase in the minimum wage of agricultural workers in South Africa.<sup>75</sup> Tan found that industries with greater upstream exposure to the agriculture sector saw greater decreases in employment for medium and large firms. For the most part, though, it appeared that larger firms were better able to use their market power to offset higher wages.

Due to the inability of firms to recover all of the increased labor, firm valuations can suffer. Tan (2021) noted that industries with greater upstream supply-chain exposure to the agriculture sector had greater decreases in assets and sales. Agarwal, Ayyagari, and Kosová (2024) studied the effect of the minimum wage on the hospitality industry and identified a small yet significant impact on business.<sup>76</sup> The authors found that a doubling of the minimum wage would reduce hotel revenues by 6.0 percent and occupancy rates by 3.1 percent. The authors noted that this impact was not universal across hotels, with luxury hotels more likely to pass along costs to consumers, without harming revenue. Given these findings, it is perhaps unsurprising that Clemens and Strain (2020) found that minimum wage noncompliance in the form of underpayment increased significantly following a minimum wage increase.<sup>77</sup>

<sup>70</sup> Engbom, N. and Moser, C. (2021). "Earnings inequality and the minimum wage: evidence from Brazil." *NBER*. [https://www.nber.org/system/files/working\\_papers/w28831/w28831.pdf](https://www.nber.org/system/files/working_papers/w28831/w28831.pdf); Dustman, C., Lindner, A., Schönberg, U., Umkehrer, M., and vom Berge, P. (2021). "Reallocation effects of the minimum wage." *The Quarterly Journal of Economics*. <https://academic.oup.com/qje/article/137/1/267/6355463>.

<sup>71</sup> Wursten, J., and Reich, M. (2023). "Small Businesses and the Minimum Wage." *University of California Berkeley Institute for Research on Labor and Employment*. <https://irle.berkeley.edu/wp-content/uploads/2023/03/Small-Businesses-and-the-Minimum-Wage-3-14-23.pdf>.

<sup>72</sup> This disparate impact was focused on teenage workers. Overall, the largest wage gains were in small businesses.

<sup>73</sup> Dustman, C., Lindner, A., Schönberg, U., Umkehrer, M., and vom Berge, P. (2021). "Reallocation effects of the minimum wage." *The Quarterly Journal of Economics*. <https://academic.oup.com/qje/article/137/1/267/6355463>.

<sup>74</sup> Álvarez, R. and Fuentes, R. (2018). "Minimum Wage and Productivity: Evidence from Chilean Manufacturing Plants." *Economic Development and Cultural Change*. <https://www.journals.uchicago.edu/doi/abs/10.1086/697557>.

<sup>75</sup> Tan, B. J. (2021). "The minimum wage and firm networks." *United Nations University World Institute for Development Economics Research*. <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2021-100-minimum-wage-firm-networks-South-Africa.pdf>.

<sup>76</sup> Agarwal, S. Ayyagari, M., and Kosová, R. (2024). "Minimum Wage Increases and Employer Performance: Role of Employer Heterogeneity." *Management Science*. <https://pubsonline.informs.org/doi/abs/10.1287/mnsc.2022.4650>.

<sup>77</sup> Clemens, J. and Strain, M. R. (2020). "Understanding "Wage Theft": Evasion and Avoidance Responses to Minimum Wage Increases." *NBER*. <https://www.nber.org/papers/w26969>.



A reduction in firm performance has implications for firm value and survival. Bell and Machin (2018)<sup>78</sup> used an unexpected increase in the United Kingdom’s minimum wage to measure the impact of minimum wages on stock value. The pair found a significant reduction in the value of firms that rely on low-wage labor, suggesting that an increase in the minimum wage can reduce firm profitability. Interestingly, studies have found that an increase in the minimum wage can increase product quality. Dustman, et al. (2021) found that, in the years following a minimum wage increase, firm quality increased in regions that were more directly affected by the minimum wage. Additionally, Luca and Luca (2019) used data from Yelp to estimate that an increase in the minimum wage increased the likelihood that lower-rated restaurants exited the market while higher-rated restaurants were unaffected.<sup>79</sup> They found that for restaurants with a rating of 3.5 stars, a one-dollar increase in the minimum wage increased the likelihood of market exit by ten percent, while restaurants with a 5-star rating were unaffected.

Taken together, the findings on firm performance suggest that while some firms are harmed by minimum wage increases others, particularly those that remain in business, might benefit. As for other impacts discussed in this section, aggregate effects remain ambiguous.

## The Impact of the Minimum Wage on Prices



### RESEARCH SUMMARY

The potential impact of the minimum wage on prices is known as the “pass-through” effect because employers pass higher labor costs through to consumers. Many studies find this effect resulting from minimum wage increases. On net, minimum wage increases appear to increase prices to the extent employers cannot offset the increased wages through productivity gains, but the magnitude of the effects remains highly uncertain.

The potential impact of the minimum wage on prices is known as the “pass-through” effect because the resulting higher labor costs are passed through to consumers (Harasztosi and Lindner, 2019, Luca and Luca, 2019, Jardim and van Ingwen, 2019, Belman and Wolfson, 2014, MacDonald and Nilsson, 2016, Schmitt, 2013, Tan, 2021, Congressional Budget Office, 2023).<sup>80</sup>

<sup>78</sup> Bell, B. and Machin, S. (2018). “Minimum Wage and Firm Value.” *Journal of Labor Economics*. <https://www.journals.uchicago.edu/doi/abs/10.1086/693870>

<sup>79</sup> Luca, D. L., and Luca, M. (2019). “Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit.” NBER. [https://www.nber.org/system/files/working\\_papers/w25806/w25806.pdf](https://www.nber.org/system/files/working_papers/w25806/w25806.pdf).

<sup>80</sup> Harasztosi, P. and Lindner, A. (2019). “Who pays for the minimum wage?” *American Economic Review*. <https://www.aeaweb.org/articles?id=10.1257/aer.20171445>; Luca, D. L., and Luca, M. (2019). “Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit.” NBER. [https://www.nber.org/system/files/working\\_papers/w25806/w25806.pdf](https://www.nber.org/system/files/working_papers/w25806/w25806.pdf); Jardim, E. and van Ingwen, E. (2019). “Payroll, Revenue, and Labor Demand Effects of the Minimum Wage.” *W.E. Upjohn Institute for Employment Research*.



Harasztosi and Lindner (2019) studied the impact of a large minimum wage increase in Hungary and found that 75 percent of the minimum wage increase was paid by consumers in the form of higher prices, while 25 percent was absorbed by firm owners.<sup>81</sup> Further, the authors found that, while the overall employment effect was small, employment impacts were larger in industries that had greater difficulty passing along the costs to consumers. This result is consistent with the findings of Cengiz, et al. (2019), who found that the employment impacts of higher minimum wages were largest in tradeable sectors.

MaCurdy (2015) reasoned that the minimum wage produces a price increase equivalent to a value-added tax. This “value-added tax,” according to MaCurdy, is more regressive than a sales tax because of the types of goods that low-income consumers purchase. MaCurdy further noted that minimum wage benefits are distributed evenly across low-wage workers. Thus, while the benefits of a higher minimum wage are distributed evenly, the costs are born disproportionately by the poorest individuals.

MaCurdy’s conclusion, however, is contradicted by Wiltshire, McPherson, and Reich (2023). These authors focused on large US counties that had a minimum wage of at least \$15 an hour as of the first quarter of 2022, and found that the minimum wages caused McDonald’s workers’ wages to increase faster than the prices of Big Macs.<sup>82</sup> Wiltshire et al. argue that this finding implies that fast food companies have monopsony power (a monopsony is a market with a single buyer, not be confused with a monopoly, where the market contains a single seller) because minimum wages reduce real economic profits and this outcome should not exist in a perfectly competitive market.

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[https://research.upjohn.org/cgi/viewcontent.cgi?article=1316&context=up\\_workingpapers](https://research.upjohn.org/cgi/viewcontent.cgi?article=1316&context=up_workingpapers).; Belman, D. and Wolfson, P. J. (2014). “What Does the Minimum Wage Do?” *W.E. Upjohn Institute for Employment Research*. [https://research.upjohn.org/up\\_press/227/](https://research.upjohn.org/up_press/227/).; MacDonald, D., and Nilsson, E. (2016). “The Effects of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context.” *W.E. Upjohn Institute for Employment Research*. [https://research.upjohn.org/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1278&context=up\\_workingpapers](https://research.upjohn.org/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1278&context=up_workingpapers).; Schmitt, J. (2013). “Why Does the Minimum Wage Have No Discernible Effect on Employment?” *Center for Economic and Policy Research*. [https://lobby99.org/Demo99/yDocs/@News/iss21\\_CEPR\\_MinwageEmp.pdf](https://lobby99.org/Demo99/yDocs/@News/iss21_CEPR_MinwageEmp.pdf).; Tan, B. J. (2021). “The minimum wage and firm networks.” *United Nations University World Institute for Development Economics Research*. <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2021-100-minimum-wage-firm-networks-South-Africa.pdf>.; Congressional Budget Office. (2023). “The Budgetary and Economic Effects of S. 2488, the Raise the Wage Act of 2023.” *Congressional Budget Office*. [https://www.cbo.gov/system/files/2023-12/The\\_Budgetary\\_and\\_Economic\\_Effects\\_of\\_S.%202488\\_the\\_Raise\\_the\\_Wage\\_Act\\_of\\_2023\\_1.pdf](https://www.cbo.gov/system/files/2023-12/The_Budgetary_and_Economic_Effects_of_S.%202488_the_Raise_the_Wage_Act_of_2023_1.pdf).

<sup>81</sup> Harasztosi, P. and Lindner, A. (2019). “Who pays for the minimum wage?” *American Economic Review*. <https://www.aeaweb.org/articles?id=10.1257/aer.20171445>.

<sup>82</sup> Wiltshire, J. C., McPherson, C., and Reich, M. (2023). “Minimum wage effects and monopsony explanations.” *University of California Berkeley Institute for Research on Labor and Employment*. <https://static1.squarespace.com/static/5e0fdcef27e0945c43fab131/t/650dd1b3b4a3225bfac88294/1695404485834/Are+%2415+Minimum+Wages+Too+High%3F.pdf>.



# The Impact of the Minimum Wage on Poverty and Inequality



## RESEARCH SUMMARY

Addressing poverty and inequality typically comprise the primary motivations for increasing the minimum wage. Some research confirms substantial wage benefits to affected workers, and that minimum wage law can reduce income inequality, although these benefits may be mitigated by other effects, such as reductions in employer benefits to offset increased payroll costs, and the possibility that workers lose eligibility for means-tested assistance programs or have increased need to commute to work. Other research, however, finds aggregate improvements in children's health and reductions in poverty associated with minimum wage increases.

Numerous studies have documented the impacts of increases in the minimum wage on workers' wages collectively (Wiltshire, McPherson, and Reich, 2023, Wursten and Reich, 2023, Oliveira, 2023, Redmond, Doorley, and McGuinness, 2020, Cengiz, et al., 2019, and Engbom and Moser, 2021, Congressional Budget Office, 2023).<sup>83</sup> Perhaps most striking is the recent result of Oliveira (2023), who found that increases in the minimum wage accounted for 38 percent of wage growth in Portugal between 2006 and 2019.<sup>84</sup> In addition, they described spillover effects up to the 54<sup>th</sup> percentile of the wage distribution. They also linked the increased minimum wage to a reduction in income inequality. Redmond, Doorley, and McGuinness (2020) similarly noted spillover effects up to the 30<sup>th</sup> percentile of wage distribution and income inequality reductions due to an increase in the minimum wage in Ireland.<sup>85</sup> The researchers noted, however, that as minimum wage earners were often located in high income households, the distribution of household income changed little.

- <sup>83</sup> Wiltshire, J. C., McPherson, C., and Reich, M. (2023). "minimum wage effects and monopsony explanations." *University of California Berkeley Institute for Research on Labor and Employment*. <https://static1.squarespace.com/static/5e0fdcef27e0945c43fab131/t/650dd1b3b4a3225bfac88294/1695404485834/Are+%2415+Minimum+Wages+Too+High%3F.pdf>; Wursten, J., and Reich, M. (2023). "Small Businesses and the Minimum Wage." *University of California Berkeley Institute for Research on Labor and Employment*. <https://irle.berkeley.edu/wp-content/uploads/2023/03/Small-Businesses-and-the-Minimum-Wage-3-14-23.pdf>; Oliveira, C. (2023). "The minimum wage and the wage distribution in Portugal." *Labour Economics*. <https://www.sciencedirect.com/science/article/pii/S0927537123001343>; Redmond, P., Doorley, K., and McGuinness, S. (2020). "The Impact of a Minimum Wage Change on the Distribution of Wages and Household Income." *IZA Institute of Labor Economics*. <https://www.econstor.eu/bitstream/10419/215310/1/dp12914.pdf>; Cengiz, D. Dube, A., Lindner, A., and Zipperer, B. (2019). "The Effect of Minimum Wages on Low-Wage Jobs." [https://www.nber.org/system/files/working\\_papers/w25434/w25434.pdf](https://www.nber.org/system/files/working_papers/w25434/w25434.pdf); Engbom, N. and Moser, C. (2021). "Earnings inequality and the minimum wage: evidence from Brazil." *NBER*. [https://www.nber.org/system/files/working\\_papers/w28831/w28831.pdf](https://www.nber.org/system/files/working_papers/w28831/w28831.pdf); Congressional Budget Office. (2023). "The Budgetary and Economic Effects of S. 2488, the Raise the Wage Act of 2023." *Congressional Budget Office*. [https://www.cbo.gov/system/files/2023-12/The\\_Budgetary\\_and\\_Economic\\_Effects\\_of\\_S.%202488\\_the\\_Raise\\_the\\_Wage\\_Act\\_of\\_2023\\_1.pdf](https://www.cbo.gov/system/files/2023-12/The_Budgetary_and_Economic_Effects_of_S.%202488_the_Raise_the_Wage_Act_of_2023_1.pdf).
- <sup>84</sup> Oliveira, C. (2023). "The minimum wage and the wage distribution in Portugal." *Labour Economics*. <https://www.sciencedirect.com/science/article/pii/S0927537123001343>.
- <sup>85</sup> Redmond, P., Doorley, K., and McGuinness, S. (2020). "The Impact of a Minimum Wage Change on the Distribution of Wages and Household Income." *IZA Institute of Labor Economics*. <https://www.econstor.eu/bitstream/10419/215310/1/dp12914.pdf>.



Derenoncourt and Montialoux (2020) showed that the introduction of the 1966 Fair Labor Standards Act, which extended the minimum wage to industries where nearly a third of Black workers were employed, was significantly associated with reducing racial income inequality.<sup>86</sup> The authors concluded that the extension of the minimum wage can explain more than 20 percent of the reduction in racial income inequality during the Civil Rights Era. Reich and Wursten (2021) concluded that this trend has continued into more-recent times, with minimum wage increases reducing the racial wage gap by 12 percent for all workers and 60 percent for less-educated workers.<sup>87</sup> These reductions in the racial wealth gap were found to be largest for Black women and Black prime-age workers and indicated spillover effects for Black workers well above the new minimum wages.

While these results suggest a substantial benefit for workers, several caveats must be considered. First, the work of Dorsky, et al. (2022), found that an increase in the minimum wage decreased the probability that families under 300 percent of the federal poverty level have employer-sponsored insurance, finding that a one-dollar increase in the minimum wage decreased the probability of employer-sponsored insurance by approximately one percent.<sup>88</sup> This reflects a phenomenon noted in Clemens (2021), who argued that when employers are required to increase wages, they may reduce other compensation.<sup>89</sup> Clemens suggested effects such as fewer benefits, such as insurance, but also in more-difficult-to-measure forms such as increased effort requirements or worse working conditions. Another consideration is the extent to which the minimum wage will supplant other forms of income. This is demonstrated in Atkinson, et al. (2017), who noted that the egalitarian hopes for the minimum wage were limited by both the presence of minimum wage earners across the household income distribution and the fact that higher minimum wages can push individuals above the income threshold for means-tested government programs.<sup>90,91</sup>

Other researchers note other caveats to the generally positive findings regarding income and inequality. For one, minimum wage increases may make it more difficult more for lower-educated workers to find employment. Clemens, Kahn, and Meer (2020) found that, following a minimum wage increase, jobs listings were more likely to list a high school diploma as a

<sup>86</sup> Derenoncourt, E. and Montialoux, C. (2020). "Minimum Wages and Racial Inequality." *The Quarterly Journal of Economics*. [https://gspp.berkeley.edu/assets/uploads/research/pdf/Minimum\\_Wages\\_and\\_Racial\\_Inequality.pdf](https://gspp.berkeley.edu/assets/uploads/research/pdf/Minimum_Wages_and_Racial_Inequality.pdf).

<sup>87</sup> Reich, M. and Wursten, J. (2021). "Racial Inequality and Minimum Wages in Frictional Labor Markets." *The University of California Berkeley Institute for Research on Labor and Employment*. <https://escholarship.org/uc/item/01n6g4dz>.

<sup>88</sup> Dworsky, M. S., Eibner, C., Nie, X., and Wenger, J. B. (2022). "The Effect of the Minimum Wage on Employer-Sponsored Insurance for Low-Income Workers and Dependents." *American Journal of Health Economics*. <https://www.journals.uchicago.edu/doi/abs/10.1086/716198>.

<sup>89</sup> Clemens, J. (2021). "How Do Firms Respond to Minimum Wage Increases? Understanding the Relevance of Non-Employment Margins." *Journal of Economic Perspectives*. <https://pubs.aeaweb.org/doi/pdf/10.1257/jep.35.1.51>.

<sup>90</sup> Atkinson, A. B., Leventi, C., Nolan, B., Sutherland, H., and Tasseva, I. (2017). "Reducing poverty and inequality through tax-benefit reform and the minimum wage: the UK as a case-study." *The Journal of Economic Inequality*. <https://link.springer.com/content/pdf/10.1007/s10888-017-9365-7.pdf>.

<sup>91</sup> See also, Congressional Budget Office. (2023). "The Budgetary and Economic Effects of S. 2488, the Raise the Wage Act of 2023." *Congressional Budget Office*. [https://www.cbo.gov/system/files/2023-12/The\\_Budgetary\\_and\\_Economic\\_Effects\\_of\\_S.%202488\\_the\\_Raise\\_the\\_Wage\\_Act\\_of\\_2023\\_1.pdf](https://www.cbo.gov/system/files/2023-12/The_Budgetary_and_Economic_Effects_of_S.%202488_the_Raise_the_Wage_Act_of_2023_1.pdf).

requirement.<sup>92</sup> Further, Dube, Lester, and Reich (2016) and Shirley (2018) found that minimum wage increases led to higher probabilities of commuting, a conclusion echoed by McKinnish (2017), who also presented the somewhat surprising finding that low-wage workers were more likely to commute away from areas with minimum wage increases than toward them.<sup>93</sup> Finally, while minimum wages may not always lead to poverty reduction in the short term (Caliendo, Schröder, and Wittbrodt, 2018), they can have other very promising effects.<sup>94</sup> For example, minimum wage increases have been found to improve children’s health (Wehby, et al. 2020), increase the amount of time that less-educated mothers spend with their children (Gearhart, Sonchak-Ardan, and Thibault, 2022), lead to higher birthweights (Wehby, Dave, and Kaestner, 2020), and reduce household and child poverty rates (Godoy and Reich, 2021).<sup>95,96,97,98</sup>

<sup>92</sup> Clemens, J., Kahn, L. B., and Meer, J. (2020). “Dropouts need not apply? The minimum wage and skill upgrading.” NBER. [https://www.nber.org/system/files/working\\_papers/w27090/w27090.pdf](https://www.nber.org/system/files/working_papers/w27090/w27090.pdf).

<sup>93</sup> Dube, A., Lester, T. W., and Reich, M. (2016). “Minimum Wage Shocks, Employment Flows and Labor Market Frictions.” *Journal of Labor Economics*. <https://escholarship.org/content/qt27z0006g/qt27z0006g.pdf>.; Shirley, P. (2018). “The response of commuting patterns to cross-border policy differentials: Evidence from the American Community Survey.” *Regional Science and Urban Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S0166046217300376>.; McKinnish, T. (2017). “Cross-state differences in the minimum wage and out-of-state commuting by low-wage workers.” *Regional Science and Urban Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S0166046216301156>.

<sup>94</sup> Caliendo, M., Schröder, C., and Wittbrodt, L. (2018). “The Causal Effects of the Minimum Wage Introduction in Germany: An Overview.” *IZA Institute of Labor Economics*. <https://www.econstor.eu/bitstream/10419/193337/1/dp12043.pdf>.

<sup>95</sup> Wehby, G., Kaestner, R. Lyu, W., Dave, D. M. (2020). “Effects of the minimum wage on child health.” NBER. [https://www.nber.org/system/files/working\\_papers/w26691/w26691.pdf](https://www.nber.org/system/files/working_papers/w26691/w26691.pdf).

<sup>96</sup> Maxwell, J., Pryce, R., Wilson, L. B. (2022). “The impact of increasing the United Kingdom national minimum wage on self-reported health.” *Health Economics*. <https://onlinelibrary.wiley.com/doi/pdfdirect/10.1002/hec.4490>.

<sup>97</sup> Wehby, G., Dave, D., and Kaestner, R. (2020). “Effects of the minimum wage on infant health.” *Journal of Policy Analysis and Management*. <https://onlinelibrary.wiley.com/doi/abs/10.1002/pam.22174>.

<sup>98</sup> Godoy, A. and Reich, M. (2021). “Are minimum wage effects greater in low-wage areas?” *Industrial Relations: A Journal of Economy and Society*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/irel.12267>.





## 5. Impacts of the Minimum Wage

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The economic impacts associated with increasing the minimum wage are best viewed as trade-offs—a set of benefits and costs to individuals, businesses, local governments, and society as a whole. Most obviously, the main benefit of increasing the minimum wage is an increase in income among low-wage workers. The trade-offs that accompany this benefit are well documented and span many dimensions: employment, prices, operating costs, productivity, poverty, and inequality. While documenting each trade-off and the direction of its impact (positive or negative) is a relatively straightforward exercise, estimating the *magnitude* of each trade-off has been and continues to be the subject of rich debate among economists, as illustrated in Section 4. For the purposes of our analysis, we take these different perspectives into account, and present estimates based, generally, on median impacts across a diverse set of published research. Importantly, we take a wholistic approach and consider not just the immediate response of employers to higher labor costs, but also the broader economic impacts of low-wage workers' higher incomes.

### Summary

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- The Regional Minimum Wage Impact Analysis (RMWIA) can help decisionmakers understand the potential impacts of increasing the minimum wage. The analysis embodies a wholistic approach that considers the many impacts to workers, businesses, local governments, and the region. The empirical analysis focuses on four scenarios, two tied to reaching Denver's minimum wage between 2025 and 2035 and two tied to reaching Unincorporated Boulder County's minimum wage over the same time period.
  - What is clear from our analysis is that each scenario presents many trade-offs relative to the others. For example, we find that, under the Unincorporated Boulder County-based scenarios, in 2035, the percentage of workers across all five municipalities experiencing an increase in earnings is 14 percent; in exchange, however, we estimate that approximately one percent of workers would be out of work, relative to status quo conditions. Under the Denver-based scenarios, the corresponding percentages are 7 percent and one half of one percent.
  - We also find, under the Unincorporated Boulder County-based scenarios, by 2035, approximately 1,000 fewer people across all five municipalities would be in poverty and that prices would be less than 0.1 percent higher than the status quo. Under the Denver-based scenarios, by 2035, approximately 500 fewer people would be in poverty and prices would be less than 0.1 percent higher than the status quo.
  - Whether an increase in the minimum wage is optimal policy depends on how the five municipalities weigh the municipality-specific and collective trade-offs documented in this report.
- 



Our analysis of trade-offs focuses on four scenarios, two tied to reaching Denver’s minimum wage between 2025 and 2035 and two tied to reaching Unincorporated Boulder County’s minimum wage over the same time period. For both the Denver-based scenarios and the Unincorporated Boulder County-based scenarios, we evaluate the situation where the regional minimum wage reaches the target as quickly as possible under existing law (Scenarios D1 and B1 for Denver and Unincorporated Boulder County, respectively). We also evaluate the situation where the regional minimum wage reaches the target at our furthest endpoint, 2035 (Scenarios D2 and B2 for Denver and Unincorporated Boulder County, respectively). For each scenario, we examine impacts to workers, businesses, governments, and the region.

The text below also discusses several outcomes that could not be quantified within the scope of this study, primarily due to the lack of a strong empirical foundation for incorporating these impacts into our model. For these outcomes, we provide a brief qualitative assessment of potential impacts.

We stress that the purpose of the RMWIA is to help decision makers understand the potential impacts of participating in a regional minimum wage increase. The desire to boost incomes of the most vulnerable workers is commendable and could very well be optimal policy, depending on the preferences within each municipality. Doing so, however, comes with tangible trade-offs that arguably should also be taken into consideration when making such a decision.

## Conceptual Framework

Our framework is based on the University of California, Berkeley’s Institute for Research on Labor and Employment (IRLE) minimum wage model. The model takes into account direct and indirect impacts of increasing the minimum wage on both workers and businesses, including increased automation and productivity, to estimate the net effect on employment (see Exhibit 41). Starting with workers, an increase in the minimum wage results in higher wages, not just for those who are earning below or at the new minimum wage, but also for those impacted by the ripple effects on compensation (e.g., impacts to maintain relative differences in compensation among workers). The higher wages then result in higher family incomes, which then spur consumer spending. Well-documented research shows that lower-income families spend a higher fraction of their income than middle- and higher-income families, so an increase in the minimum wage induces spending disproportionately through higher incomes for low-income families. This spending by lower-income families spurs economic activity, including the creation of jobs.

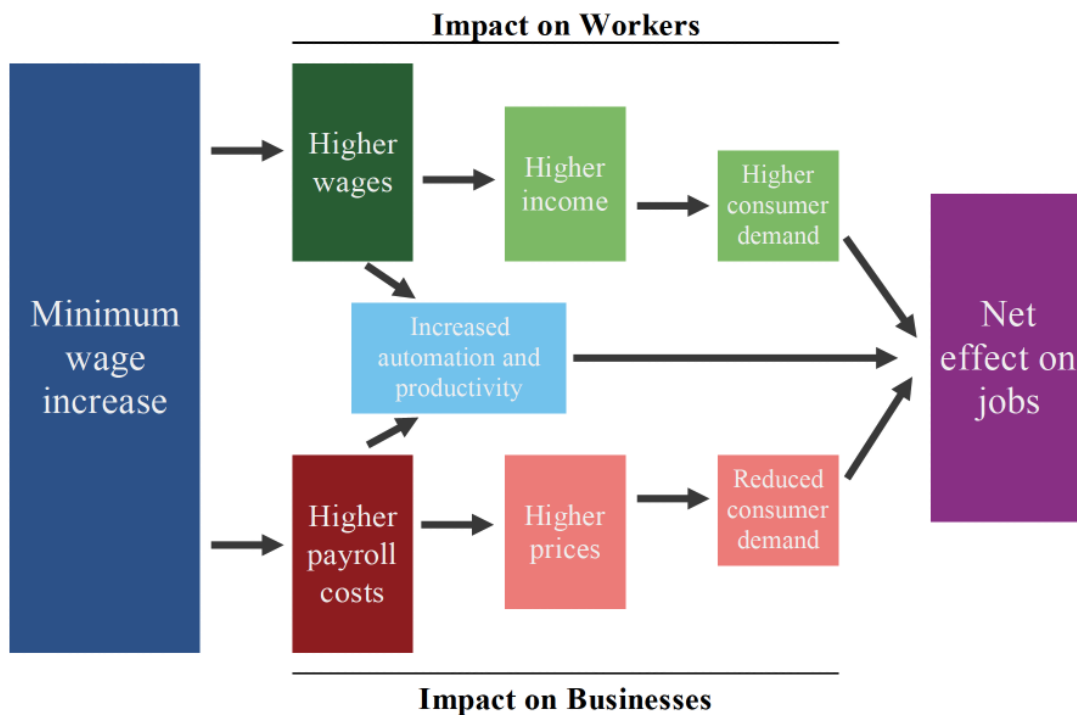
In terms of businesses, a higher minimum wage increases payroll costs and, in response, business might lay off workers or increase prices, or some combination of the two, in an effort to raise revenues to cover the higher payroll costs. To the extent that employers raise prices, these higher prices would reduce consumer demand, and lower economic activity. This lower economic activity could then lead to job losses.



Still further, the resulting higher wages for consumers and higher payroll costs for businesses can affect how people work and how businesses operate. Workers might be more motivated and increase their productivity in response to receiving a pay raise, for example, and decrease their likelihood of separation. Businesses, on the other hand, might shift their production functions towards automation via machines and computers, as the relative cost of these technologies is lowered due to the minimum wage increase. These secondary effects will reverberate throughout the economy as workers and businesses adapt and change their behaviors.

This conceptual framework guides our RMWIA analyses. Most notably, our outcomes of interest extend beyond any one-time, immediate reduction in employment. We examine impacts to workers more broadly (earnings, income, poverty), businesses (operating costs, prices, employee retention, worker productivity, profits, failures, migration), the region (consumption, GDP, poverty, substitution away from skilled labor), and governments (revenue and costs). We examine these impacts for each of four minimum wage scenarios.

#### Exhibit 41. Analysis Framework – The Berkeley IRLE Minimum Wage Model for the Effect of Increases in the Minimum Wage on Workers and Businesses



Source: Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.

## Four Scenarios for Evaluation

The RMWIA focuses on four scenarios, with each evaluated relative to existing Colorado minimum wage laws. The 2024 Colorado minimum wage is \$14.42 per hour, a 5.6 percent increase above the 2023 minimum wage of \$13.65 per hour, reflecting the effects of inflation,



the driver for state minimum wage increases. For the purposes of our analysis, we simply assume a three percent annual increase through 2035, based on historical trends (small to moderate differences in assumed inflation do not meaningfully affect results when comparing across scenarios).<sup>99</sup> Using a three percent annual increase, Colorado's minimum wage is estimated to be \$19.96 in 2035 (see Exhibit 42). Colorado's minimum wage serves as the benchmark for each of the four scenarios because the localities of interest are required to at least adhere to the state's minimum wage laws.

Two other relevant minimum wage ordinances include those for Denver and for Unincorporated Boulder County, which have different rates in 2024 and different trajectories through 2035. The minimum wage for Unincorporated Boulder County is currently \$15.69 and the minimum wage for Denver is currently \$18.29. The rate of increase for Denver, however, is scheduled to increase with inflation, which, again, we set equal to 3 percent based on historical trends. This rate of increase puts Denver's minimum wage at \$21.84 in 2030 and \$25.32 in 2035. In contrast, Unincorporated Boulder County's minimum wage is scheduled to increase by approximately 9 percent until 2030, and then increase with inflation thereafter. Under this policy, and an assumed 3 percent increase for inflation, Unincorporated Boulder County's minimum wage is scheduled to increase to \$25.00 in 2030 and \$28.98 in 2035.<sup>100</sup>

Although not used in the modeling, we project the Boulder County Self-Sufficiency Standard (SSS) for two representative household types (single adult and two adults with two school-aged children) out to 2035 based on historical growth of the SSS and the current inflationary trends (3 percent per year). The SSS is updated every four years, with the most recent updating published in 2022.<sup>101</sup> The hourly SSS wage was \$19.44 for single adult households and \$22.68 for two working adult households with two school-aged children in 2022. With an assumed average annual growth of 4.5 percent, the 2035 hourly SSS wage would be \$35.45 for single adult households and \$40.19 for two adults with two children.

Each of our four scenarios begins with Colorado's minimum wage in 2024 of \$14.42. Two of the scenarios are designed to reach Unincorporated Boulder County's minimum wage between 2025 and 2035, with one scenario reaching Unincorporated Boulder County as soon as possible under existing law (a maximum 15-percent increase per year) (Scenario B1) and the second scenario reaching Unincorporated Boulder County's minimum wage at the end of the period in 2035 (Scenario B2) (see Exhibit 43). The remaining two scenarios are designed to reach Denver's minimum wage between 2025 and 2035. Similar to Scenario B1, the first scenario

<sup>99</sup> Economic Policy Institute. (2024). "Minimum Wage Tracker," [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/Colorado/Denver](https://www.epi.org/minimum-wage-tracker/#/min_wage/Colorado/Denver); U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area - March 2024," [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm)

<sup>100</sup> GovDocs. (2024). "Boulder County, Colo., Minimum Wage Ordinance." <https://www.govdocs.com/boulder-county-colo-minimum-wage-ordinance/>; U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area - March 2024," [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm).

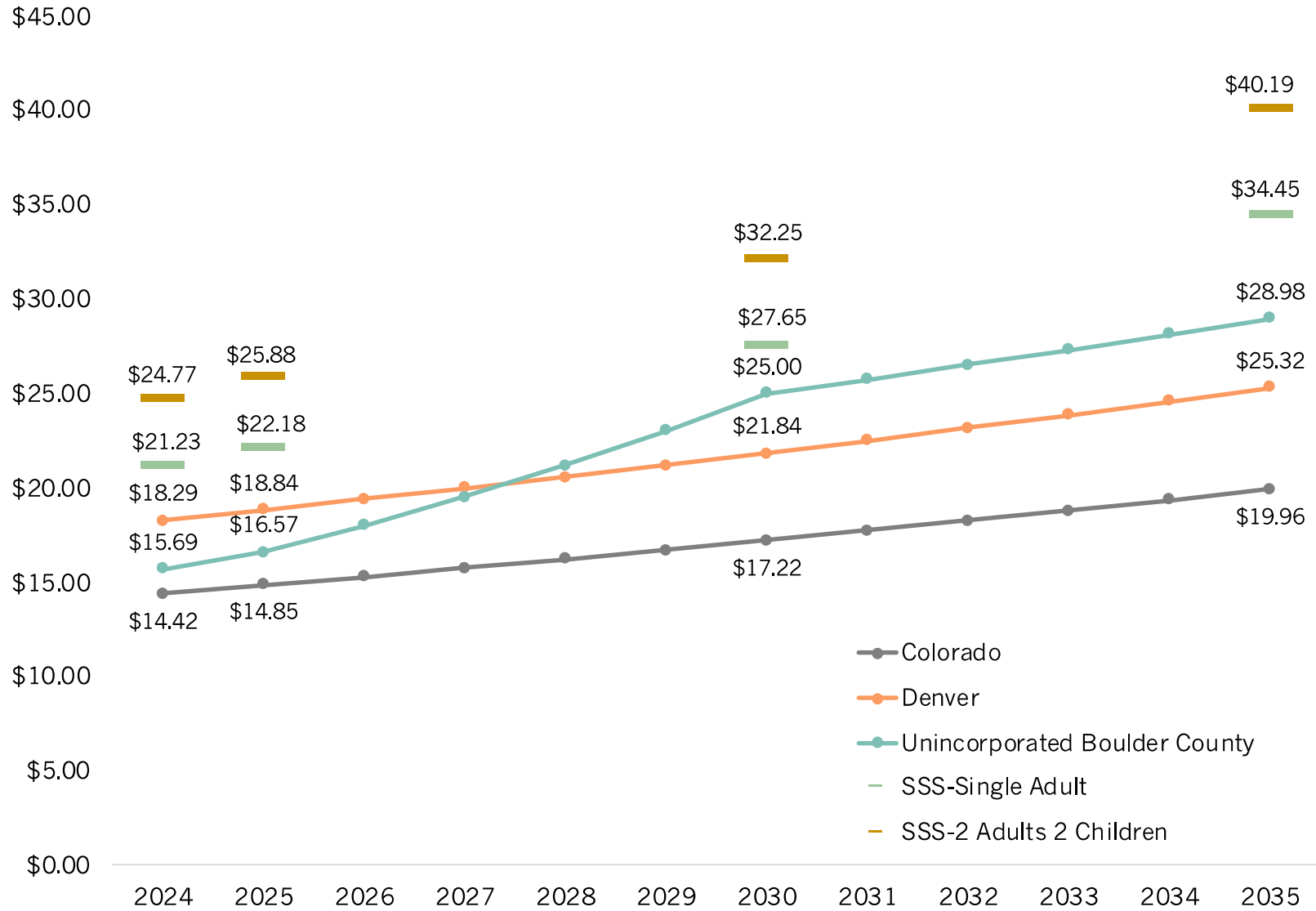
<sup>101</sup> Colorado Center on Law and Policy. (2022). The Self-Sufficiency Standard, Boulder County. Accessed at: <https://copolicy.org/resources-publications/publications/self-sufficiency-standard/>

reaches Denver's minimum wage as soon as possible (Scenario D1) and the second reaching Denver's minimum wage in 2035 (Scenario D2) (see Exhibit 44).

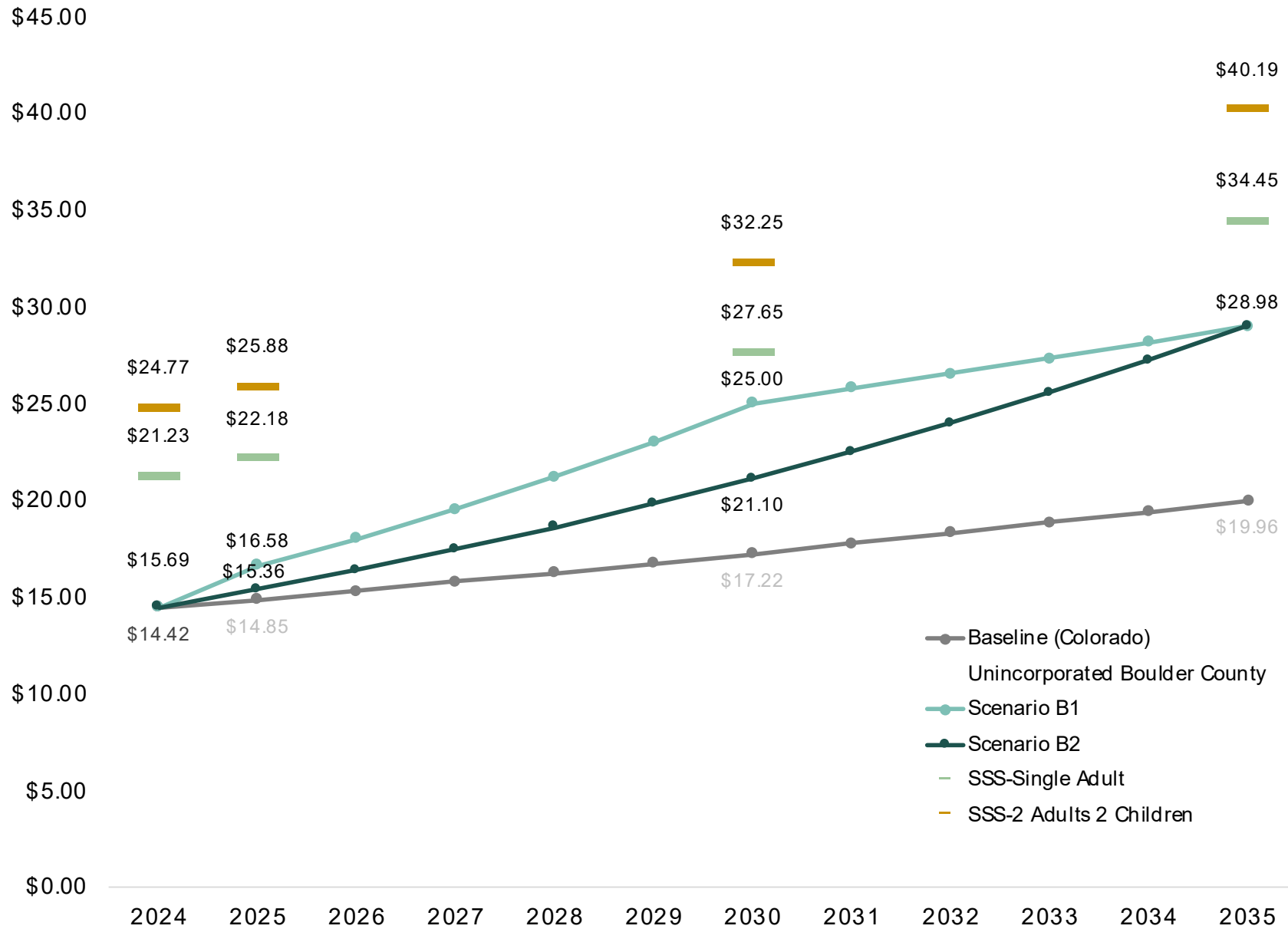
By construction, B1 and D1 provide an analysis of trade-offs for the most expeditious policies and B2 and D2 provide an analysis of trade-offs for the most gradual ones. Many options exist in-between and the trade-offs associated with these alternatives would need to be weighed the same way that they are for our four scenarios. Further, we note that employment growth, generally, could affect our results, because the spread between the status-quo values and the scenario values could widen as the base employment number grows. For the sake of simplicity, we assume that employment growth is the same under the status quo case and all four scenarios; as such, the spread, in percentage terms, is not a function of employment growth.



**Exhibit 42. Illustration of Minimum Wages, Colorado, Denver and Unincorporated Boulder County (Actual and Projected), 2024-2035**



**Exhibit 43. Illustration of Minimum Wage Scenarios for Reaching Unincorporated Boulder County's Minimum Wage, 2024-2035**



**Exhibit 44. Illustration of Minimum Wage Scenarios for Reaching Denver’s Minimum Wage, 2024-2035**





## Impacts to Affected Individuals and Households

Our analysis of impacts to individuals and households includes a quantitative analysis of the number of workers who would experience an increase in earnings under the four scenarios and the number of workers who would experience a layoff, as well as the change in real income for families. We also evaluate impacts to workers' hours worked and annual earnings qualitatively.

### EMPLOYMENT AND EARNINGS

All estimates presented in this section are based on a middle estimate for all five municipalities combined. We have also estimated low and high estimates based on impact ranges from the literature, and we have estimated impacts for each of the five municipalities individually. These detailed results can be found in Appendix B.

Employment losses are lower in Denver-based scenarios than in the Unincorporated Boulder County-based scenarios. Teenagers and young adults are most likely to lose employment due to the minimum wage increase. As shown in Exhibit 45, the combined municipalities could experience total employment losses in 2035 of between 2,804 (1.4 percent of total current employment) (Scenario B2) and 1,292 (0.7 percent of total current employment) (Scenario D1). Job losses of 1.4 percent implies an average *annual* reduction in employment associated with Scenario B2 of about 0.1 percent per year, less than one-tenth the average employment growth over the past decade. Even for the most affected groups, teenagers and young adults, the maximum potential loss of employment in 2035 would be 7 percent of teenagers employed and 4 percent of young adults employed.

Workers who remain employed, with earnings at or below the minimum wage, will experience an increase in earnings. Exhibit 46 presents the number of workers, directly and potentially affected, who could experience an increase in earnings due to a minimum wage increase.<sup>102</sup> In 2035, the Unincorporated Boulder County-based scenarios could produce increased wages for more than two times as many workers as under the Denver-based scenarios. Across all industries, 13.5 percent of workers could experience an increase in earnings under Unincorporated Boulder County-based scenarios, and 7.4 percent of workers under Denver-based scenarios by 2035.

To evaluate the percentage of workers with increased earnings by industry we combine our findings for directly-affected and potentially-affected workers with industry-specific analysis from the Berkeley study. Impacts to the restaurant industry workers are largest compared to other industries, with between 16.1 percent and 29.5 percent of workers anticipated to have increased earnings by 2035 (see Exhibit 47). Other industries with a high impact include grocery stores, retail trade, and other services.

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<sup>102</sup> Potentially-affected workers are those who have wages that exceed the proposed minimum wage. These workers are expected to also experience an increase in earnings because of ripple effects within an organization that retain differences in pay across workers.

### Exhibit 45. Effect of Increases in the Minimum Wage on Employment, Relative to Baseline, Municipalities Combined

SCENARIO	2025		2030		2035	
<b>All Employment</b>						
Scenario B1	-699	-0.4%	-2,037	-1.0%	-1,896	-1.0%
Scenario B2	-164	-0.1%	-1,224	-0.6%	-2,804	-1.4%
Scenario D1	-699	-0.4%	-1,433	-0.7%	-1,292	-0.7%
Scenario D2	-101	-0.1%	-732	-0.4%	-1,623	-0.8%
<b>Teenagers (16 to 19)</b>						
Scenario B1	-377	-1.8%	-1,067	-5.0%	-989	-4.7%
Scenario B2	-86	-0.4%	-643	-3.0%	-1,477	-7.0%
Scenario D1	-377	-1.8%	-772	-3.6%	-694	-3.3%
Scenario D2	-53	-0.3%	-386	-1.8%	-859	-4.0%
<b>Young Adults (20-24)</b>						
Scenario B1	-242	-0.9%	-688	-2.6%	-638	-2.4%
Scenario B2	-55	-0.2%	-414	-1.6%	-951	-3.6%
Scenario D1	-242	-0.9%	-494	-1.9%	-444	-1.7%
Scenario D2	-34	-0.1%	-249	-0.9%	-552	-2.1%
<b>Adults (25 or older)</b>						
Scenario B1	-80	-0.1%	-282	-0.2%	-269	-0.2%
Scenario B2	-23	0.0%	-167	-0.1%	-377	-0.3%
Scenario D1	-80	-0.1%	-167	-0.1%	-154	-0.1%
Scenario D2	-14	0.0%	-97	-0.1%	-212	-0.1%

Source: ECONorthwest analysis. Colorado Department of Labor and Employment, QCEW, 2023

### Exhibit 46. Number and Share of Workers who could see Increased Earnings, Relative to Baseline, Municipalities Combined

SCENARIO	2030		2035	
<b>All affected workers</b>				
Scenario B1	15,805	8.0%	26,784	13.5%
Scenario B2	5,108	2.6%	26,778	13.5%
Scenario D1	6,969	3.5%	14,629	7.4%
Scenario D2	1,848	0.9%	14,620	7.4%
<b>Directly affected workers</b>				
Scenario B1	8,116	4.1%	17,107	8.7%
Scenario B2	2,242	1.1%	17,102	8.7%
Scenario D1	3,056	1.5%	7,933	4.0%
Scenario D2	815	0.4%	7,927	4.0%
<b>Potentially affected workers</b>				
Scenario B1	7,689	3.9%	9,677	4.9%
Scenario B2	2,866	1.4%	9,675	4.9%
Scenario D1	3,912	2.0%	6,695	3.4%
Scenario D2	1,033	0.5%	6,693	3.4%

Source: ECONorthwest analysis. Colorado Department of Labor and Employment, QCEW, 2023



### Exhibit 47. Share of Workers who could see Increased Earnings, by Selected Industry, Municipalities Combined

NAICS CODE	INDUSTRY NAME	INDUSTRY WORKERS	2030				2035	
			B1	B2	D1	D2	UBC	DENVER
11	Agriculture, Forestry, Fishing and Hunting	661	13.8%	4.5%	6.0%	1.7%	23.3%	12.7%
23	Construction	7,402	7.5%	2.4%	3.3%	0.9%	12.7%	7.0%
31	Manufacturing	4,252	8.5%	2.8%	3.7%	1.0%	14.3%	7.8%
311	Food Manufacturing	3,126	10.9%	3.5%	4.8%	1.3%	18.5%	10.1%
32,33	Manufacturing	19,118	6.7%	2.2%	3.0%	0.8%	11.4%	6.2%
42	Wholesale Trade	7,354	7.1%	2.3%	3.2%	0.8%	12.1%	6.6%
44,45	Retail Trade	16,908	12.6%	4.1%	5.6%	1.5%	21.4%	11.7%
445110	Grocery Stores	2,974	14.8%	4.8%	6.6%	1.7%	25.1%	13.7%
48,49,2 2	Transportation and Warehousing; Utilities	2,500	8.8%	2.8%	3.9%	1.0%	14.9%	8.2%
51	Information	8,191	4.3%	1.4%	1.9%	0.5%	7.3%	4.0%
52,53	Finance and Real Estate	6,629	4.3%	1.4%	1.9%	0.5%	7.3%	4.0%
54	Professional, Scientific, and Technical Services	35,915	3.5%	1.1%	1.6%	0.4%	6.0%	3.3%
56	Admin. and Waste Mngmt. Services	6,431	10.8%	3.5%	4.8%	1.3%	18.3%	10.0%
61	Educational Services	17,785	7.6%	2.5%	3.4%	0.9%	12.9%	7.0%
62	Health Care and Social Assistance	23,259	9.3%	3.0%	4.1%	1.1%	15.7%	8.6%
71	Arts, Entertainment, and Recreation	3,113	10.3%	3.3%	4.6%	1.2%	17.5%	9.5%
72	Accommodation and Food Services (minus Restaurants)	2,489	11.4%	3.7%	5.0%	1.3%	19.2%	10.5%
72251	Restaurants	14,165	17.4%	5.6%	7.7%	2.0%	29.5%	16.1%
81	Other Services (except Public Administration)	5,766	15.1%	4.9%	6.6%	1.8%	25.5%	13.9%

Source: EConorthwest analysis, Colorado Department of Labor and Employment, 2023

Note: UBC stands for Unincorporated Boulder County Scenarios. Results in 2035 do not vary by scenario (B1,B2, etc.) because each scenario reaches the same wage level in 2035.

## FAMILY INCOME

To calculate how an increase in the minimum wage under the four scenarios would affect average family income we follow the approach of the Congressional Budget Office (CBO), in which impacts are quantified by income levels relative to poverty. We do so for two reasons.

First, families with incomes near or slightly above the Federal Poverty Level (FPL)<sup>103</sup> are likely to benefit more from an increase in the minimum wage than families with incomes that are several multiples of the FPL, and we want to capture this difference in our estimates. Second, our economic impacts analysis is based not just on increases in family income, but also on the extent to which families spend their additional income. Families with lower incomes spend a higher portion of their incomes compared with families with higher incomes and, as a result, the spending multiplier will be higher for low-income families than for high-income families. Stratifying our impacts on families by income level allows us to take these different spending multipliers into account in the analysis.

An increase in the minimum wage raises average annual real income for all families with incomes below three times the FPL. The impact is largest among those with incomes below FPL, as might be expected. The Unincorporated Boulder County impacts are roughly double that of the Denver-based scenarios in 2035. Additionally, Scenarios B1 and B2 produce the same impacts by 2035, as do both Denver-based scenarios. Under Scenario B1, average family income increases are largest, with an increase of \$152 in 2030 for families below FPL and increases between \$77 and \$86 for families with incomes between 100 and 199 percent of FPL. Exhibit 48 details the estimated increase in average annual family income by poverty level.

#### Exhibit 48. Effect of Increases in the Minimum Wage on Average Annual Family Income, Region

SCENARIO	SCENARIO B1		SCENARIO B2		SCENARIO D1		SCENARIO D2	
<b>2030</b>								
Less than 100% of FPL	\$152	1.9%	\$36	0.5%	\$58	0.7%	-----	-----
100% to 149% of FPL	\$77	0.4%	\$18	0.1%	\$30	0.1%	-----	-----
150% to 199% of FPL	\$84	0.3%	\$20	0.1%	\$32	0.1%	-----	-----
200% to 299% of FPL	\$86	0.2%	\$20	0.0%	\$33	0.1%	-----	-----
300% to 499% of FPL	\$0	0.0%	\$0	0.0%	\$0	0.0%	-----	-----
500% or more of FPL	-\$95	0.04%	-\$23	0.01%	-\$36	0.02%	-----	-----
<b>2035</b>								
Less than 100% of FPL	\$320	4.1%	\$320	4.1%	\$176	2.2%	\$176	2.2%
100% to 149% of FPL	\$318	1.5%	\$318	1.5%	\$134	0.6%	\$133	0.6%
150% to 199% of FPL	\$291	0.9%	\$291	0.9%	\$130	0.4%	\$130	0.4%
200% to 299% of FPL	\$182	0.4%	\$182	0.4%	\$100	0.2%	\$100	0.2%
300% to 499% of FPL	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
500% or more of FPL	-\$456	-0.2%	-\$456	-0.2%	-\$183	-0.1%	-\$183	-0.1%

Source: ECONorthwest analysis.

Note: Under Scenario D2, families are not expected to experience a meaningful change in average annual real income in 2030.

<sup>103</sup> The 2024 FPL for a family of four in the 48 contiguous states is \$31,200 (ASPE., 2024). "Poverty Guidelines." Washington, DC: U.S. Department of Health and Human Services. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>).

## HOURS WORKED (QUALITATIVE ASSESSMENT)

The number of hours that an employee is a function of both labor demand (employer preferences) and labor supply (worker preferences). Many factors affect both, including minimum wage laws. A key consideration is that an increase or decrease in hours worked in response to an increase in the minimum wage does not necessarily imply a reduction in worker wellbeing. For some workers, a higher minimum wage provides an incentive to work more hours, as compensation is higher for each hour of leisure that is given up. For other workers, a higher minimum wage provides an opportunity to earn the same amount of income with fewer hours of work. For example, one study found that increases in the minimum wage increase the amount of time that low-educated mothers spend on childcare.<sup>104</sup> The research in this space generally shows no significant change in the number of hours worked following wage increases, though industry-specific studies have documented marginal reductions. In particular, workers in labor-intensive industries, such as hospitality, retail, and food services, have experienced modest reductions in hours worked in response to increases in the minimum wage.<sup>105, 106</sup> Research indicates that while some firms may reduce hours in response to a higher minimum wage, the overall effect is likely small, and the overall effects on well-being are ambiguous.

## THE BENEFITS CLIFF (QUALITATIVE ASSESSMENT)

One concern for workers is that an increase in the minimum wage could price them out of means-tested government programs, an effect known as a “benefits cliff.” An increase in the minimum wage could therefore potentially reduce the value of their overall compensation from work. The research on this topic is mixed. Several studies have demonstrated that increases in the minimum wage reduce program enrollment.<sup>107</sup> Other studies find that, while enrollment in

<sup>104</sup> Gearhart, R., Sonchak-Ardan, L., and Thibault, R. (2023). The impact of minimum wage on parental time allocation to children: evidence from the American Time Use Survey.” *Review of Economics of the Household*. <https://link.springer.com/article/10.1007/s11150-022-09620-y>.

<sup>105</sup> Zavodny, M. (2000). “The Effect of The Minimum Wage On Employment and Hours.” *Labour Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S092753710000021X>.; Connolly, S. and Gregory, M. (2002). “The National Minimum Wage and Hours of Work: Implications for Low Paid Women.” *Oxford Bulletin of Economics and Statistics*.; Bryan, M. Salvatori, A., and Taylor, M. (2013). “The Impact of the National Minimum Wage on Employment Retention, Hours and Job Entry.” *Institute for Social and Economic Research, University of Essex*. [https://assets.publishing.service.gov.uk/media/5a7ca2b3e5274a2f304ef1be/National\\_minimum\\_wage\\_effect\\_on\\_employment\\_retention\\_hours\\_and\\_job\\_entry.pdf](https://assets.publishing.service.gov.uk/media/5a7ca2b3e5274a2f304ef1be/National_minimum_wage_effect_on_employment_retention_hours_and_job_entry.pdf).; Dube, A., Naidu, S., and Reich, M. (2007). “The Economic Effects of a Citywide Minimum Wage.” *ILR Review*. <https://journals.sagepub.com/doi/abs/10.1177/001979390706000404>.

<sup>106</sup> Redmond, P. and McGuinness, S. (2023). “The Impact of a Minimum Wage Increase on Hours Worked: Heterogeneous Effects by Gender and Sector.” *IZA Institute of Labor Economics*. <https://www.econstor.eu/bitstream/10419/272658/1/dp16031.pdf>.; Mastracci, S. H. (2008). “Effects of state minimum wage increases on employment, hours, and earnings of low-wage workers in Illinois.” *The Journal of Regional Analysis & Policy*. <https://ageconsearch.umn.edu/record/133004?v=pdf>.; Sabia, J. J. (2009). “The Effects of Minimum Wage Increases on Retail Employment and Hours: New Evidence from Monthly CPS Data.” *Journal of Labor Research*. <https://link.springer.com/article/10.1007/s12122-008-9054-1>.; Dube, A., Lester, T. W., and Reich, M. (2010). “Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties.” *The Review of Economics and Statistics*. <https://direct.mit.edu/rest/article-abstract/92/4/945/57855/Minimum-Wage-Effects-Across-State-Borders>.; Burauel, P., Caliendo, M., Grabka, M. M., Obst, C., Preuss, M., and Schröder, C. (2018). “The Impact of the Minimum Wage on Working Hours.” *Journal of Economics and Statistics*. <https://www.degruyter.com/document/doi/10.1515/jbnst-2018-0081/html>.; Jardim, E., Long, M. C., Plotnick, R., van Inwegen, E. Vigdor, J., and Wething, H. (2018). “Minimum wage increases, wages, and low-wage employment: evidence from Seattle.” *NBER*. [https://www.nber.org/system/files/working\\_papers/w23532/w23532.pdf](https://www.nber.org/system/files/working_papers/w23532/w23532.pdf).

<sup>107</sup> Reich, M. and West, R. (2015). “The Effects of Minimum Wages on Food Stamp Enrollment and Expenditures.” *Industrial Relations*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/irel.12110>.; Blavin, F. and Gangopadhyaya,



and benefits from some programs might decrease, enrollment in other programs can increase, offsetting the former effect.<sup>108</sup> For example, individuals who no longer qualify for Medicaid after an increase in the minimum wage would still likely qualify for subsidized insurance under the Affordable Care Act. Based on this literature, the net impact of an increase in the minimum wage on benefit eligibility, and the amount received from public programs, is expected to be modest.

Consistent with these studies, a recent research effort specific to Boulder County finds that changes in the minimum wage in 2022 are not expected to have a significant impact on the ability of low-income individuals to access public benefits.<sup>109</sup> One reason is that benefit thresholds are generally low, so many minimum wage workers have earnings that exceed the amount necessary to qualify for public benefits. Also, among those who would lose benefits due to an increase in the minimum wage, the amount of income gained via the higher minimum wage exceeds the amount of benefits that are lost. Viewed this way, the issue of cliff effects pertains to those who would see a net reduction in income (i.e., the dollar amount of reduced benefits exceeds the dollar amount of increased earnings). A detailed analysis of this group of affected workers is complicated by the potential for behavioral responses among low-income workers. For example, an increase in the minimum wage could influence low-income individuals' willingness to navigate the administrative requirements to continue to receive public benefits. More generally, such an analysis would need to account for any discrepancies between program eligibility and enrollment, as those who are eligible but not enrolled would arguably not be affected. Finally, to the extent that cliff effects exist, policymakers could revise eligibility criteria to mitigate any impacts.

Taken as a whole, one recommendation from the literature is that the existence of cliff effects is not a reason to forgo an increase in the minimum wage; rather, the existence of cliff effects is a reason to change eligibility criteria for public programs.<sup>110</sup>

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A. (2022). "How the Minimum Wage Affects the Health Insurance Coverage, Safety Net Program Participation, and Health of Low-Wage Workers and Their Families: A Review of Recent Literature." The Urban Institute. <https://www.urban.org/sites/default/files/2022-07/How%20the%20Minimum%20Wage%20Affects%20Low-Wage%20Workers%20and%20Their%20Families%20v2.pdf>.

<sup>108</sup> Sabia, J. J., and Nguyen, T. T. (2015). "The Effects of Minimum Wage Increases on Means-Tested Government Assistance." Employment Policies Institute. [https://www.epionline.org/app/uploads/2015/12/EPI\\_MW\\_GovtAssist\\_Study\\_V2.pdf](https://www.epionline.org/app/uploads/2015/12/EPI_MW_GovtAssist_Study_V2.pdf); Lathrop, Y. (2020). "Raising the Minimum Wage Leads to Significant Gains for Workers, Not to 'Benefits Cliffs.'" National Employment Law Project. <https://www.nelp.org/app/uploads/2020/09/Policy-Brief-Raising-Minimum-Wage-Leads-Significant-Gains-Workers-Not-Benefits-Cliffs.pdf>; Anderson, T., Coffrey, A., Daly, H., Hahn, H., Maag, E., and Werner, K. (2022). "Balancing at the Edge of the Cliff: Experiences and Calculations of Benefit Cliffs, Plateaus, and Trade-Offs." The Urban Institute. <https://www.urban.org/sites/default/files/publication/105321/balancing-at-the-edge-of-the-cliff.pdf>.

<sup>109</sup> Brennan, C. (2024). "Slides from Boulder County Myth-busting Event." Colorado Center on Law and Policy (*unpublished*).

<sup>110</sup> Lathrop, Y. (2020). "Raising the Minimum Wage Leads to Significant Gains for Workers, Not to 'Benefit Cliffs.'" New York, NY: National Employment Law Project.



## Impacts to Affected Businesses and Industries

An increase in the minimum wage will have a direct impact on businesses' labor costs. Here, we summarize our findings with respect to the magnitude and consequences of such increases.

### LABOR AND OPERATING COSTS

We estimate the industry-specific change in payroll costs due to the minimum wage increase, and then estimate the impact of increased labor costs on total operating costs, by industry. Exhibit 49 presents the impacts for all industries combined, and impacts to the restaurant industry, as this industry had the overall highest impacts compared to other industries. Under Unincorporated Boulder County-based scenarios, payroll costs increases are higher than under Denver-based scenarios. Specifically, under Unincorporated Boulder County-based scenarios, payroll costs are estimated to increase 3.1 percent by 2035, and under Denver-based scenarios they are anticipated to increase by 1.8 percent. Labor costs account for 22 percent of operating costs across all industries, so the total operating costs of all industries is estimated to increase by 0.7 percent, under Unincorporated Boulder County-based scenarios, and 0.4 percent under Denver-based scenarios. In the restaurant industry, impacts to payroll costs would be significantly larger, ranging from a 12.9 to 21.7 percent increase by 2035. This would cause an increase in total operating costs of between 4.0 and 6.7 percent.

#### Exhibit 49. Effect of the Minimum Wage Increase on Payroll and Operating Costs, Municipalities Combined

SCENARIO	CHANGE IN PAYROLL COST		CHANGE IN OPERATING COSTS	
	2030	2035	2030	2035
<b>All Industries</b>				
<b>Scenario B1</b>	2.7%	3.1%	0.6%	0.7%
<b>Scenario B2</b>	1.3%	3.1%	0.3%	0.7%
<b>Scenario D1</b>	1.6%	1.8%	0.4%	0.4%
<b>Scenario D2</b>	0.8%	1.8%	0.2%	0.4%
<b>Restaurants</b>				
<b>Scenario B1</b>	18.7%	21.7%	5.7%	6.7%
<b>Scenario B2</b>	9.3%	21.7%	2.9%	6.7%
<b>Scenario D1</b>	11.1%	12.9%	3.4%	4.0%
<b>Scenario D2</b>	5.7%	12.9%	1.8%	4.0%

Source: ECONorthwest analysis

### EMPLOYEE RETENTION (QUALITATIVE ASSESSMENT)

Studies that have examined the impact of the minimum wage on worker turnover have by and large shown that turnover declines following an increase in the minimum wage.<sup>111</sup> This finding is

<sup>111</sup> Jardim, E. Long, M. C., Plotnick, R., van Inwegen, E., Vigdor, J., and Wething, H. (2022). "Minimum-Wage Increases and Low-Wage Employment: Evidence from Seattle." *American Economic Journal: Economic Policy*. <https://www.aeaweb.org/articles?id=10.1257/pol.20180578>; Rao, N. and Risch, M. W. (2024). "Who's Afraid of the Minimum Wage? Measuring the Impacts on Independent Businesses Using Matched U.S. Tax Returns." [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4781658](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4781658); Dube, A., Naidu, S., and Reich, M. (2007). "The Economic Effects of a Citywide Minimum Wage." *ILR Review*.



consistent with the idea that employees feel more adequately compensated for their work following an increase in the minimum wage and, as a result, do not seek out better paying jobs. Another explanation is that employee productivity and performance improves when worker compensation is increased following higher minimum wages. This finding regarding worker turnover, however, is not universal, as several studies have concluded that in certain circumstances younger worker turnover rates will increase following increases in the minimum wage.<sup>112</sup> The logic for higher levels of turnover is that, following a minimum wage increase, employees seek opportunities for higher wages throughout the economy. On balance, the evidence suggests that business owners are likely to experience a lower level of employee turnover following an increase in the minimum wage, and benefit from a retention of firm-specific knowledge among its workers.

## WORKER PRODUCTIVITY (QUALITATIVE ASSESSMENT)

One consistent finding in the literature is that minimum wage increases are associated with increases in worker productivity. Disagreement in the literature exists, however, with respect to the mechanism by which this improved productivity operates. Some studies, for example, show that, over time, workers transition to more productive firms following an increase in the minimum wage.<sup>113</sup> One reason is that the minimum wage increases can cause less efficient firms to close, and these firms are replaced by more efficient ones.<sup>114</sup> One study of German minimum wage increases, however, finds that productivity increases are found within-firm, rather than due to worker migration.<sup>115</sup> Within-firm changes may be due in part to increased worker productivity caused by firm reorganization or greater worker motivation (perhaps due to improved feelings of fairness).<sup>116</sup> Alternatively, increased capital usage may lead to productivity increases as minimum wages have been shown to increase research and development and other

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<https://journals.sagepub.com/doi/abs/10.1177/001979390706000404>; Coviello, D., Deserranno, E., and Persico, N. (2022). "Minimum Wage and Individual Worker Productivity: Evidence from a Large US Retailer." *Journal of Political Economy*. <https://www.journals.uchicago.edu/doi/full/10.1086/720397>.

<sup>112</sup> Zavodny, M. (2000). "The Effect of The Minimum Wage On Employment and Hours." *Labour Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S092753710000021X>; Bryan, M. Salvatori, A., and Taylor, M. (2013). "The Impact of the National Minimum Wage on Employment Retention, Hours and Job Entry." Institute for Social and Economic Research, University of Essex.

[https://assets.publishing.service.gov.uk/media/5a7ca2b3e5274a2f304ef1be/National\\_minimum\\_wage\\_-\\_effect\\_on\\_employment\\_retention\\_\\_hours\\_and\\_job\\_entry.pdf](https://assets.publishing.service.gov.uk/media/5a7ca2b3e5274a2f304ef1be/National_minimum_wage_-_effect_on_employment_retention__hours_and_job_entry.pdf).

<sup>113</sup> Engbom, N. and Moser, C. (2021). "Earnings inequality and the minimum wage: evidence from Brazil." NBER. [https://www.nber.org/system/files/working\\_papers/w28831/w28831.pdf](https://www.nber.org/system/files/working_papers/w28831/w28831.pdf); Dustman, C., Lindner, A., Schönberg, U., Umkehrer, M., and vom Berge, P. (2021). "Reallocation effects of the minimum wage." *The Quarterly Journal of Economics*. <https://academic.oup.com/qje/article/137/1/267/6355463>.

<sup>114</sup> Aaronson, D., French, E., Sorkin, I., and To, T. (2018). "Industry dynamics and the minimum wage: a putty-clay approach." *International Economic Review*. <https://onlinelibrary.wiley.com/doi/pdf/10.1111/iere.12262>; Luca, D. L., and Luca, M. (2019). "Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit." NBER.

[https://www.nber.org/system/files/working\\_papers/w25806/w25806.pdf](https://www.nber.org/system/files/working_papers/w25806/w25806.pdf); Rao, N. and Risch, M. W. (2024). "Who's Afraid of the Minimum Wage? Measuring the Impacts on Independent Businesses Using Matched U.S. Tax Returns." [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4781658](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4781658).

<sup>115</sup> Haelbig, M., Mertens, M., and Müller, S. (2023). "Minimum Wages, Productivity, and Reallocation." IZA Institute of Labor Economics. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4457826](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4457826).

<sup>116</sup> Riley, R. and Bondibene, C. R. (2017). "Raising the standard: Minimum wages and firm productivity." *Labour Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S0927537116303487>; Coviello, D., Deserranno, E., and Persico, N. (2022). "Minimum Wage and Individual Worker Productivity: Evidence from a Large US Retailer." *Journal of Political Economy*. <https://www.journals.uchicago.edu/doi/full/10.1086/720397>; Kim, H. S., and Jang, S. (2019). "Minimum Wage Increase and Firm Productivity: Evidence from the Restaurant Industry." *Tourism Management*. <https://www.sciencedirect.com/science/article/abs/pii/S0261517718302644>.





capital investment.<sup>117</sup> Collectively, minimum wages can change how businesses operate, and these changes can improve workers' productivity and mitigate increases in payroll costs.

### **BUSINESS FAILURES (QUALITATIVE ASSESSMENT)**

The increased costs of production resulting from an increase in the minimum wage could be significant enough to cause a business to close. The economics literature on this topic suggests that some existing businesses might be unable to adapt to an economic environment with higher minimum wages.<sup>118</sup> As a result, firms that operate on tight margins could be replaced by new ones with production functions that can accommodate higher minimum wages.<sup>119</sup> This disruption to existing businesses is not necessarily detrimental to the market. Firms that are perceived as providing a higher quality product, and therefore more able to pass along price increases, and firms that operate most efficiently are less likely to fail.<sup>120</sup> Thus, while firm exits are expected to increase in the near term following an increase in the minimum wage, in the medium- to longer-term, the market will consist of firms that can sustain the newly-established minimum wage.

### **BUSINESS MIGRATION (QUALITATIVE ASSESSMENT)**

The impact of an increase in the minimum wage on business migration, conceptually, is ambiguous. On the one hand, minimum wage differentials between states or cities could incentivize firms to relocate to an area that offers greater profitability. On the other hand, moving towards an area with lower wages could also mean moving to an area with lower demand for a business's products, as well as away from existing customers. The literature in this space is limited and suggests that business relocations following an increase in the minimum wage are rare.<sup>121</sup> That said, studies have shown that increases in the minimum wage can affect the location decisions of *new* businesses.<sup>122</sup> Specific to migration, however, relocations of existing businesses are unlikely; businesses are more likely to remain operational and adjust to the new minimum wage environment, or close.

<sup>117</sup> Nguyen, D. X. (2019). "Minimum Wages and Firm Productivity: Evidence from Vietnamese Manufacturing Firms." *International Economic Journal*. <https://www.tandfonline.com/doi/abs/10.1080/10168737.2019.1624806>; Sun, Y. (2022). "Effects of Minimum Wage on Enterprise Productivity—Empirical Analysis Based on Database of Industrial Enterprises." *Innovative Computing*. [https://link.springer.com/chapter/10.1007/978-981-16-4258-6\\_114](https://link.springer.com/chapter/10.1007/978-981-16-4258-6_114).

<sup>118</sup> Aaronson, D., French, E., Sorkin, I., and To, T. (2018). "Industry dynamics and the minimum wage: a putty-clay approach." *International Economic Review*. <https://onlinelibrary.wiley.com/doi/pdf/10.1111/iere.12262>.

<sup>119</sup> Aaronson, D., French, E., Sorkin, I., and To, T. (2018). "Industry dynamics and the minimum wage: a putty-clay approach." *International Economic Review*. <https://onlinelibrary.wiley.com/doi/pdf/10.1111/iere.12262>.

<sup>120</sup> Luca, D. L., and Luca, M. (2019). "Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit." NBER. [https://www.nber.org/system/files/working\\_papers/w25806/w25806.pdf](https://www.nber.org/system/files/working_papers/w25806/w25806.pdf); Rao, N. and Risch, M. W. (2024). "Who's Afraid of the Minimum Wage? Measuring the Impacts on Independent Businesses Using Matched U.S. Tax Returns." [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4781658](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4781658)

<sup>121</sup> Li, X., Shi, D., and Zhou, S. (2023). "The minimum wage and the locations of new business entries in China: Estimates based on a refined border approach." *Regional Science and Urban Economics*. <https://www.sciencedirect.com/science/article/abs/pii/S016604622300011X>.

<sup>122</sup> Rohlin, S. M. (2009). "The Impact of Government Policies on the Location Decisions of New Business." PhD Dissertation, Syracuse University. [https://surface.syr.edu/ecn\\_etd/5/](https://surface.syr.edu/ecn_etd/5/).



## Impacts to the Community and Regional Economy

In this section we examine impacts to poverty rates, prices, and economic output. We rely in large part on the well-respected and widely-used IMPLAN (for Impact Analysis for PLANing) input-output modeling framework to quantify these impacts. The IMPLAN analysis is also informed by estimates of changes in wages and employment derived from the research literature. We estimate price effects directly, based on the literature.

### POVERTY RATES

Relative to baseline, an additional 481 individuals would be lifted out of poverty by 2030 under Scenario B1 and an additional 103 individuals would be lifted out of poverty under Scenario B2 (see Exhibit 50). Under both scenarios, 987 would be lifted out of poverty by 2035. Under both Denver-based scenarios, 522 individuals would be lifted out of poverty by 2035. In terms of rates, Unincorporated Boulder County scenarios would reduce the poverty rate by approximately one half of one percentage point (i.e., from approximately 10 percent to 9.5 percent). Under Denver-based scenarios, the poverty rate would be reduced by approximately two tenths of one percentage point. The reductions in poverty would disproportionately benefit children relative to adults would benefit individuals without a high school diploma relative to those with higher levels of educational attainment.

#### Exhibit 50. Effect of Minimum Wage Increase on Poverty, Municipalities Combined

SCENARIO	2030	2035
Scenario B1	-481	-987
Scenario B2	-103	-987
Scenario D1	-166	-522
Scenario D2	0	-522

Source: ECONorthwest analysis

### PRICES

We make a low and high estimate of potential price increases due to the minimum wage increase. Exhibit 51 presents the upper estimate of cumulative price increases relative to baseline in 2025, 2030, and 2035. Prices are estimated to increase 0.094 percent relative to baseline through 2030 under Scenario B1, after which price increases will follow those of the baseline scenario. Under Scenario B2, prices increase more slowly than Scenario B2, and end up 0.092 percent higher than the baseline by 2035. Prices could be 0.061 percent higher than the baseline in 2035 under Scenario D1 or 0.058 percent under Scenario D2.

The main takeaways from the price impacts analysis are: 1) prices in the Mountain region and the Denver-Aurora-Lakewood area are currently above those of the West Region and the nation as a whole, and 2) prices would increase further under all four scenarios, albeit with magnitudes that are less than one tenth of one percent by 2035. The largest estimated increase is 0.094 percent above baseline price increases. Even the largest of these cumulative 10-year changes impacts, about 0.1 percent, when considered on an annual basis amount to less than one one-

hundredth of typical inflation in the region.

### Exhibit 51. Cumulative Effect of Minimum Wage Increase on Prices, Municipalities Combined

SCENARIO	2025	2030	2035
<b>Scenario B1</b>	0.028%	0.094%	0.094%
<b>Scenario B2</b>	0.008%	0.050%	0.092%
<b>Scenario D1</b>	0.028%	0.061%	0.061%
<b>Scenario D2</b>	0.005%	0.032%	0.058%

Source: ECONorthwest analysis

## ECONOMIC OUTPUT

We use IMPLAN economic modeling software to estimate the impacts of our four scenarios on economic output in the region. IMPLAN is a widely recognized input-output modeling framework designed to estimate the economic impacts of firm expenditures or other changes in an economy. Impacts are measure in terms of output and jobs, with output representing the value of goods and services produced and jobs representing full-year equivalents (FYE).

In this section, we describe the IMPLAN results with respect to economic output. Tax revenues are covered in the next section. Under both the Unincorporated Boulder County-based scenarios and the Denver-based scenarios, economic output increases minimally or remains unchanged by 2030, but then turns slightly negative by 2035. This finding is driven by the way that the minimum wage affects average real family income. As described above, households in the highest group (i.e., with annual incomes equal to five times the FPL or more) are expected to experience a slight reduction in real family income, largely due to price increases. Further, families with incomes between three and five times of FPL are expected to have no change in real income. Because more households have incomes above three times the FPL than below three times the FPL (120,548 compared with 52,557), and because their incomes are higher, the reduction in income among higher-income households, aggregated, leads to a slight reduction in economic output.

Importantly, the magnitude of the impact is small relative to the size of the local economy. Economic output for the five municipalities is approximately \$21 billion and the reduction in economic output from the increase in the minimum wage ranges from -0.015 percent to -0.055 percent of local GDP (see Exhibit 52).

### Exhibit 52. Effect of Minimum Wage Increase on Economic Output in 2035, Municipalities Combined

SCENARIO	CHANGE IN ECONOMIC OUTPUT	PERCENT CHANGE IN LOCAL GDP
<b>Unincorporated Boulder County-based</b>	-\$11.6 million	-0.055%
<b>Denver-based</b>	-\$3.1 million	-0.015%

Source: ECONorthwest analysis



# Government Revenue

## LOCAL TAX REVENUE

Among other outputs, IMPLAN estimates state and local taxes and fees, including production business taxes, personal income taxes, social insurance (employer and employee contributions) taxes, and various other taxes, fines, licenses, and fees paid by businesses and households. In 2030, our IMPLAN analysis shows that local (county and municipal) tax revenues will increase by between roughly \$5,000 (Scenario B2) and \$20,850 (Scenario B1). Also as noted above, our IMPLAN analyses show that economic output could decline slightly as a result of a local minimum wage increase. In line with this finding, the IMPLAN model also reveals a very slight reduction in state and local tax revenues. More specifically, local (county and municipal) tax revenues are expected to decline by approximately \$98,000 by 2035 using the Denver-based scenarios and by approximately \$386,000 by 2035 using the Unincorporated Boulder County-based scenarios. Again, the impact of this reduction in revenues on local government budgets is negligible. Increasing costs of services due to increased payroll costs would likely have more important effects on municipal budgets. The cost of contracting could also be an important factor, as described below.

## COST OF GOVERNMENT CONTRACTS (QUALITATIVE ASSESSMENT)

Government expenditures will also be affected by an increase in the minimum wage. When the U.S. Office of Personnel Management increased the minimum wage for federal civilian employees to \$15 an hour, for example, 67,000 federal employees saw their wages increase.<sup>123</sup> Government expenditures can increase beyond the costs of public employees' compensation because of higher payroll costs among government contractors. The literature on the impact of prevailing wage laws is mixed. Some studies show that prevailing wage laws do not significantly increase costs, however, other studies find the opposite.<sup>124,125</sup> Studies that focus on prevailing wage laws are useful but do not wholly capture the potential impacts that an increase in the

<sup>123</sup> U.S. Office of Personnel Management. (2022). "RELEASE: OPM Announces \$15 Minimum Wage for U.S. Federal Civilian Employees." <https://www.opm.gov/news/releases/2022/01/release-opm-announces-dollar15-minimum-wage-for-us-federal-civilian-employees/>.

<sup>124</sup> Duncan, K., Phillips, P., and Prus, M. (2014). "Prevailing Wage Regulations and School Construction Costs: Cumulative Evidence from British Columbia." *Industrial Relations: A Journal of Economy and Society*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/irel.12072>; Duncan, K. and Ormiston, R. (2019). "What Does the Research Tell Us about Prevailing Wage Laws?" <https://journals.sagepub.com/doi/abs/10.1177/0160449X18766398>; Duncan, K., Phillips, P., and Prus, M. (2012). *Engineering, Construction and Architectural Management*. <https://www.emerald.com/insight/content/doi/10.1108/09699981211219634/full/html>; Duncan, K. C., Gigstad, J. L., and Manzo, F. P. (2022). "Prevailing Wage Repeal, Highway Construction Costs, and Bid Competition in Kentucky: A Difference-in-Differences and Fixed Effects Analysis." *Public Works Management & Policy*. <https://journals.sagepub.com/doi/abs/10.1177/1087724X22108887>.

<sup>125</sup> Dunn, S. Quigley, J. M., and Rosenthal, L. R. (2005). "The Effects of Prevailing Wage Requirements on the Cost of Low-Income Housing." *ILR Review*. <https://journals.sagepub.com/doi/abs/10.1177/001979390505900108>; Hinkel, M. and Belman, D. (2021). "Should prevailing wages prevail? Re-examining the effect of prevailing wage laws on affordable housing construction costs." *British Journal of Industrial Relations*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/bjir.12663>; Harris, T. R., Mukhopadhyay, S., and Wiseman, N. (2017). "An Application of Difference-in-Difference-Difference Model: Effects of Prevailing Wage Legislation in Mountain States of the United States." *Public Works Management & Policy*. <https://journals.sagepub.com/doi/abs/10.1177/1087724X16665369>.



minimum wage might have on the cost to governments of contracted services. Our conclusion is that the increased cost to governments from contractors would likely resemble the increase in payroll costs discussed in this report.

It is also worth noting that some government expenditures could decline with an increase in the minimum wage, potentially offsetting a portion of governments' higher payroll and contracting costs. While the literature remains mixed, some studies have found that increases in the minimum wage could decrease the cost of administering SNAP and other federal programs.<sup>126</sup> That said, if a loss of federal support increases the burden on local government services, expenditures could actually increase further.

## Summary Dashboard

The various trade-offs associated with each scenario are displayed as a dashboard in Exhibit 53. Tradeoffs are measured relative to the status quo—maintaining the state mandated minimum wage, adjusted for anticipated inflation. Outcomes that are positively affected by an increase in the minimum wage—per a given scenario—are shown in green; those that are negatively affected are shown in red. The lighter the shade, the more moderate the impact; the darker the shade, the more pronounced the impact. Outcomes that are unaffected are denoted in yellow. In the case of quantitatively-assessed outcomes, the shades of color are approximately proportional to the largest impact for that outcome. In the case of qualitatively-assessed outcomes, the shades of color are based on magnitudes reported in the relevant economics literature. Looking horizontally, the dashboard shows how each scenario compares over time (2025, 2030, and 2035) for a given outcome. Looking vertically, the dashboard shows how all outcomes, collectively, are affected by a given scenario.

Caution should be used when combining impacts across scenarios or outcomes for several reasons. First, the outcomes analyzed do not necessarily apply to the same people. So a positive impact to one individual or group of individuals does not necessarily offset a negative impact of the same magnitude to another individual or group of individuals. Similarly, looking vertically, a scenario with more green cells than red ones does not necessarily have a net positive impact, and vice versa. Further, a scenario with more green cells relative to red ones is not necessarily better than one with fewer green cells relative to red ones, because some outcomes might not be directly comparable to others.

As such, this dashboard should be viewed as a guide for decision-makers that provides a general assessment of the positive and negative impacts associated with the four scenarios of interest. The dashboard should not be used to “score” scenarios computationally based on shades of green and red.

<sup>126</sup> Reich, M. and West, R. (2015). “The Effects of Minimum Wages on Food Stamp Enrollment and Expenditures.” *Industrial Relations*. <https://onlinelibrary.wiley.com/doi/abs/10.1111/irel.12110>.; Blavin, F. and Gangopadhyaya, A. (2022). “How the Minimum Wage Affects the Health Insurance Coverage, Safety Net Program Participation, and Health of Low-Wage Workers and Their Families: A Review of Recent Literature.” The Urban Institute. <https://www.urban.org/sites/default/files/2022-07/How%20the%20Minimum%20Wage%20Affects%20Low-Wage%20Workers%20and%20Their%20Families%20v2.pdf>.



What the dashboard makes clear is that no magic bullet exists—trade-offs exist under each scenario. In cases where the positive impacts are maximized, so are the negative ones; in cases where the negative impacts are minimized, so are the positive ones. The optimal policy, therefore, depends on how much weight the affected municipalities place on the various outcomes.



### Exhibit 53. Effect of Increases in the Minimum Wage, 2025, 2030, and 2035 - Dashboard

	2025				2030				2035			
	Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios		Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios		Denver-Based Scenarios		Unincorp. Boulder County-Based Scenarios	
	D1	D2	B1	B2	D1	D2	B1	B2	D1	D2	B1	B2
<b>Impacts to Workers</b>												
Workers with increased earnings (000s)												
Directly affected workers												
Potentially affected workers												
Net change in employment												
Net change in hours worked*												
Workers' earnings												
Change in real annual income												
Families with income < 100% FPL												
Families with income between 100% to 300% FPL												
Families with income between 300% to 500% FPL												
Families with income > 500% FPL												
<b>Impacts to Businesses</b>												
Operating costs												
Change in payroll costs												
Change in operating costs												
Prices												
Percentage of workers getting a raise												
Employee retention*												
Worker productivity*												
Business productivity and profits												
Business failures*												
Business migration*												
<b>Impacts to Region</b>												
Consumption												
GDP												
Number of people in poverty (000s)												
Unemployment												
Substitution away from unskilled labor												
Wage inequality (tighter wage distribution)												
<b>Impacts to Governments</b>												
Impact to local government revenues												
Impact to local government expenses												

Source: ECONorthwest. \*Qualitative assessment

Notes: Tradeoffs are measured relative to the status quo—maintaining the state mandated minimum wage, adjusted for anticipated inflation. Outcomes that are positively affected by an increase in the minimum wage—per a given scenario—are shown in green; those that are negatively affected are shown in red. The lighter the shade, the more moderate the impact; the darker the shade, the more pronounced the impact. Outcomes that are unaffected are denoted in yellow. In the case of quantitatively-assessed outcomes, the shades of color are approximately proportional to the largest impact for that outcome. In the case of qualitatively-assessed outcomes, the shades of color are based on magnitudes reported in the relevant economics literature. Looking horizontally, the dashboard shows how each scenario compares over time (2025, 2030, and 2035) for a given outcome. Looking vertically, the dashboard shows how all outcomes, collectively, are affected by a given scenario



## 6. Recommendations

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The economic impacts associated with increasing the minimum wage are best viewed as a set of trade-offs to individuals, businesses, governments, and the community. As such, an optimal minimum wage target should take into account the full set of benefits and costs, as well as their size and distribution, because the benefits and costs can differ in magnitude and apply to different people. Moreover, an optimal minimum wage target depends on the preferences of a community. These preferences are critical because policymakers have to assign a relative value or weight to each trade-off, implicitly or explicitly, to determine which policy option is best for their community. Notably, communities can differ with respect to what minimum wage policy has the highest net positive impact, not just because of any community-specific costs and benefits, but also because of the preferences and values of the people living in the community. In short, no minimum wage target is universally optimal; the optimal target is a matter of identifying, quantifying, and then weighing the various trade-offs.

In light of this reality, ECONorthwest presents the following recommendations regarding the minimum wage target, escalation schedule, and indexing mechanism.

Recommendation #1: Under the assumption that the five municipalities are interested in raising the minimum wage above Colorado's, then two factors—a slower ramp-up and consistency with Unincorporated Boulder County—lead us to recommend Scenario B2, where the regional minimum wage reaches that of Unincorporated Boulder County in 2035.

The slower ramp-up period of Scenario B2 relative to Scenario B1 provides a degree of predictability and certainty that will allow individuals, businesses, and governments to adapt to the new economic landscape with minimal disruption. Along with predictability and certainty, consistency is an important aspect of decision making. Narrowing, and then eliminating, the gap in wages between Unincorporated Boulder County and the five municipalities over the long term will help increase the consistency of the economic landscape across the region. Individuals and businesses in the region will, therefore, all be competing on a level playing field and this dynamic should improve synergies across communities within the county.

Recommendation #2: Conduct a mid-cycle evaluation of Scenario B2 in 2030.

One benefit of proceeding with a slower ramp-up period is that the impact of the policy can be evaluated in mid-cycle to allow for any necessary course corrections. Specifically, the outcomes examined in this report for 2030 can be measured relative to their actual values at that time, and policymakers can then assess the degree to which the benefits and costs of the higher minimum wage target have come to fruition. To the extent that the anticipated outcomes fall short of expectations, the planned escalation in the minimum wage could be adjusted between 2030 and 2035.



Recommendation #3: Index the minimum wage annually based on the regional Consumer Price Index for All Urban Consumers (CPI-U).

The goal of wage indexing is to keep worker compensation in line with other changes in the economy, particularly price increases. For example, a \$15.00 hourly wage in 2020 had the same purchasing power as an \$18.00 hourly wage in 2024.<sup>127</sup> Wages, as opposed to prices, increased 15.1 percent between 2020 and 2024, or about 5 percentage points below inflation.<sup>128</sup> So, if the \$15.00 per hour wage in 2020 kept pace with wage increases generally, the corresponding hourly wage rate in 2024 would be \$17.25.

Wages can be indexed to prices or wages using established indexes published by the U.S. Bureau of Labor Statistics (BLS). One well-known index for prices is the Consumer Price Index (CPI) and one well-known index for wages is the Employment Cost Index (ECI). Both the CPI and ECI have many variants, such as the CPI for Urban Consumers (CPI-U) or the ECI for wages and salaries, so an overall index can be used or, if preferred, a more specific index can be used. Moreover, BLS publishes price index data on a monthly basis, so minimum wages could be re-calibrated annually, biannually, or even monthly. More frequent adjustment could make sense in a high inflation environment, such as the year 2022.

Given the relatively moderate level of inflation over the past year, our recommendation is to index the minimum wage to prices annually, based on the Consumer Price Index for All Urban Consumers (CPI-U) in the Denver-Aurora-Lakewood area.<sup>129</sup> The regional value for the CPI-U is important because the cost of living in Colorado is higher than that of the country as a whole and, going forward, changes in the CPI could differ between Colorado and the US.

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<sup>127</sup> The actual increase in the Consumer Price Index (CPI) is 19.6 percent (U.S. Bureau of Labor Statistics. (2024). CPI Inflation Calculator. <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=100.00&year1=202001&year2=202401>.)

<sup>128</sup> Federal Reserve Bank of St. Louis. (2024). Employment Cost Index: Wages and Salaries: Private Workers." <https://fred.stlouisfed.org/series/ECIWAG>.

<sup>129</sup> U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area – May 2024." Washington, DC: U.S. Department of Labor. [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm).

# 7. Appendix A: Questionnaire Analysis

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## Primary Results

The minimum wage questionnaire garnered 993 responses. Across both English (94 percent of the total) and Spanish (6 percent of the total), 84 percent of respondents answered all of the questions. The analysis below includes responses across both languages. A majority of the partial responses were mostly complete. The analysis includes responses from incomplete questionnaires to provide as much information as possible regarding respondent's opinions. As a result, respondent totals will not match across all exhibits. Most charts include response counts in parentheses.

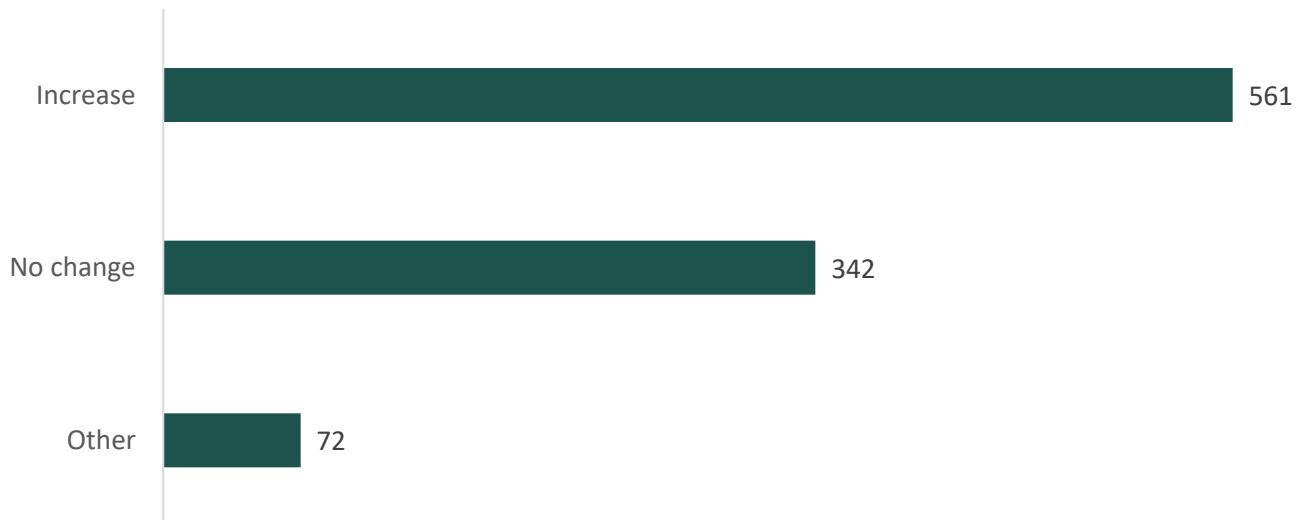
In addition, some respondents did not answer all questions consistently. For example, one question asked respondents what kind of employment best describes their own, to which 246 responded “business owner.” However, a later question directly asked “Are you a business owner?” to which 275 responded affirmatively. Therefore, depending on the exhibit, the total number of business owners may vary.

The minimum wage questionnaire asked respondents to indicate their preference regarding increasing the local minimum wage. Respondents were given three specific scenarios for an increase as well as an open-ended option to provide a different preferred increase. Respondents were also able to indicate a preference for no increase, and to express no opinion regarding an increase. The minimum wage increase scenarios were as follows:

1. Match unincorporated Boulder County (\$15.69 in 2024, increasing every year to reach a minimum wage of \$25 by 2030 and increasing based on inflation after that)
2. Match the City/County of Denver's minimum wage (\$18.29 in 2024, increasing each year based on inflation)
3. Match the current Boulder County staff hourly wage (\$23.23 in 2024)
4. Some other increase provided as a write-in response

Combining all responses that indicated support for an increase indicates that those who support some kind of increase (561 respondents, or 58 percent) significantly outnumber those who support keeping the minimum wage as is (36 percent), as shown in Exhibit A1. A minority of respondents (7 percent) favored some other action, such as abolishing the minimum wage entirely. In general, however, these latter responses could not easily be categorized as in favor of or opposed to an increase.<sup>130</sup>

**Exhibit A1. Do questionnaire respondents favor increasing the minimum wage, or keeping it the same?**



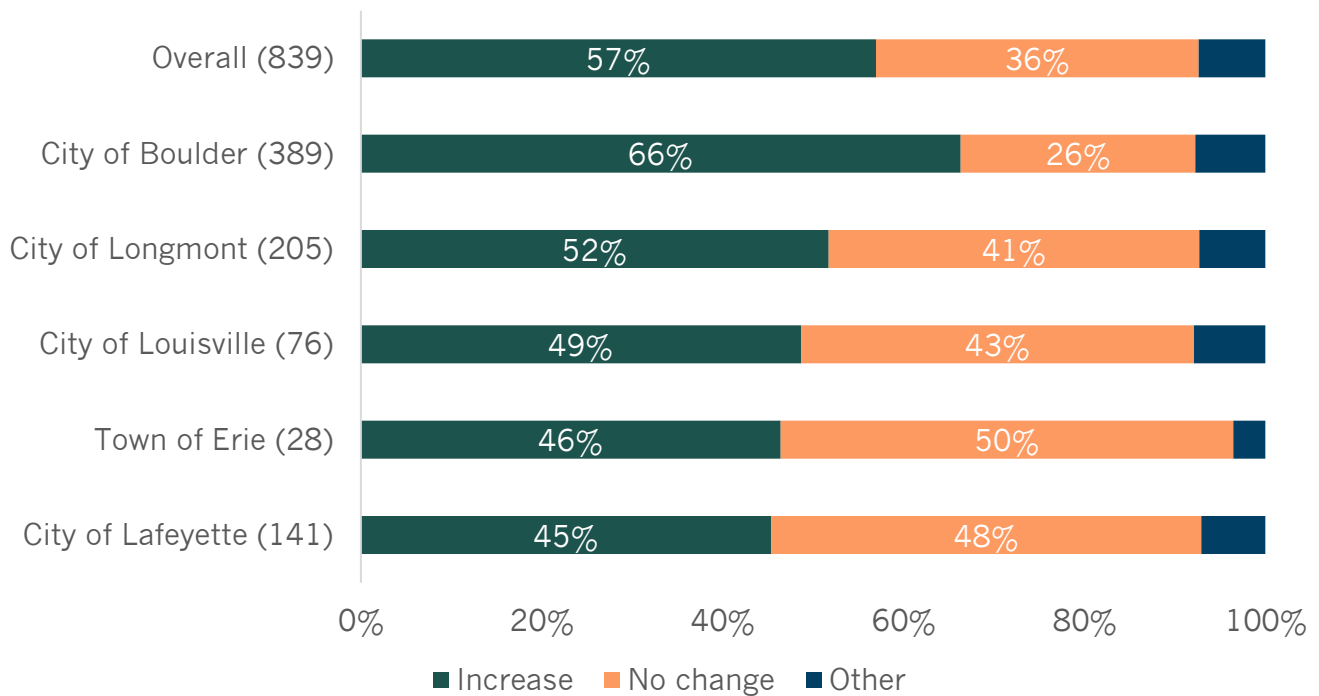
<sup>130</sup> About half of those who responded "other" could be recategorized as in favor or opposed to a minimum wage increase. The remaining half (72) expressed unclear or altogether different views, such as support for eliminating the minimum wage



Exhibit A2 shows the level of support by reported location of work. This exhibit includes individuals who reported “business owner” as their employment type and who identified a location of work. It excludes self-identified business owners who did not report an employment type or location, as well as respondents who reported work only in other areas, such as unincorporated Boulder County. In addition, as individuals were allowed to identify multiple work locations an individual’s response may appear in multiple locations.

Overall, 57 percent of respondents included in this exhibit supported increasing the minimum wage, similar to the share identified in Exhibit 1. The strongest support came from respondents who reported a work location in the cities of Boulder and Longmont, with 66 percent and 52 percent in favor, respectively. Less than half of respondents from Louisville, Erie, and Lafayette supported an increase.

### Exhibit A2. How does support for increasing the minimum wage vary by work location?



Note: Exhibit excludes responses from individuals who reported working in a location other than one of the five municipalities.

For simplicity, we combined reported employment type into the following categories:

1. Student = Full-time students + part-time students
2. Self-employed = Self-employed + consultants
3. Wage worker = Full-time + part-time employees
4. Retired = Retired + fixed-income respondents

Exhibit A3 displays support for a minimum wage increase by category of employment. The chart excludes individuals who did not report an employment type, such as some self-identified business owners. As respondents were allowed to identify multiple employment types, an individual’s response may appear in multiple categories, leading to the higher overall response count.

The questionnaire revealed broad support for increasing the minimum wage across many employment types, with the significant exception of business owners. This latter group strongly favored no change to the minimum.

**Exhibit A3. How does support for a minimum wage vary by type of employment?**

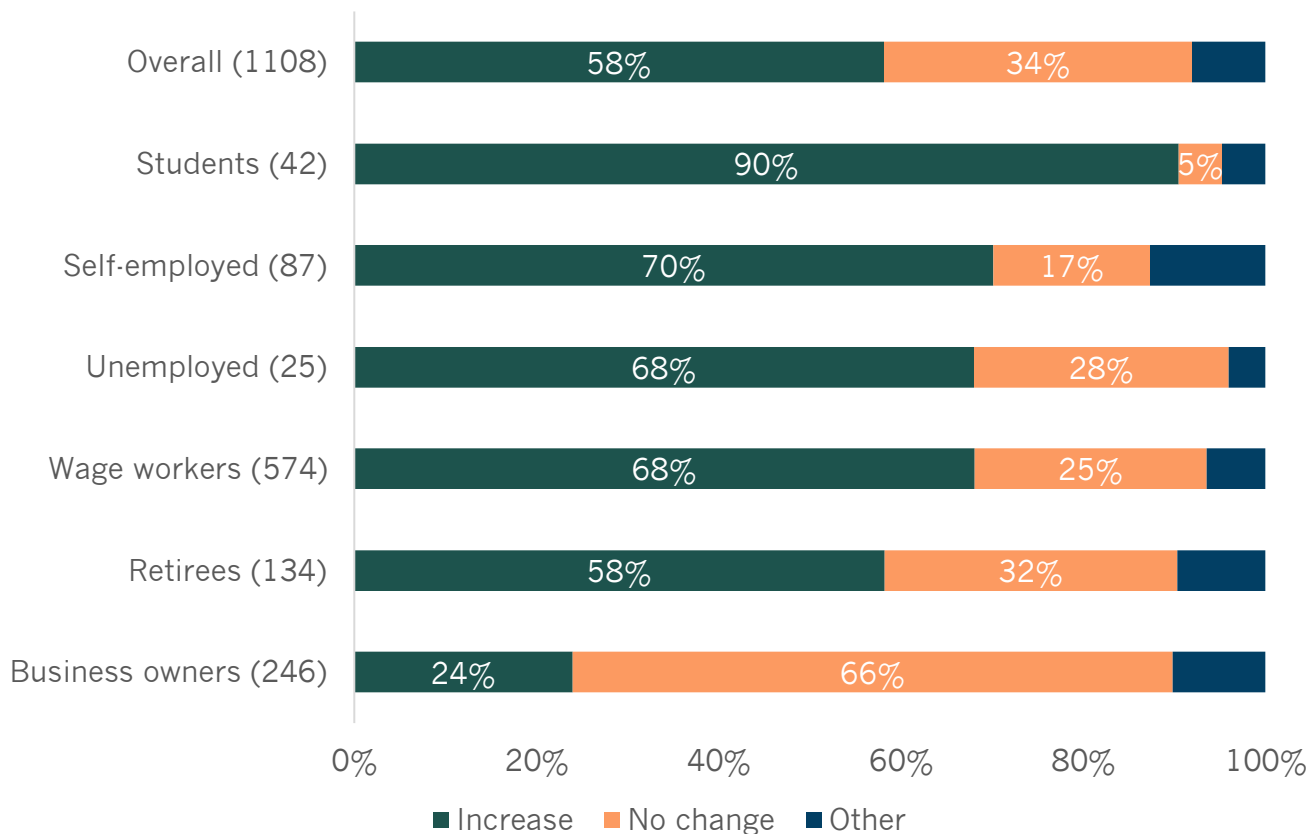


Exhibit A4 shows the number of employees that business owners in the questionnaire reported having, and their support for increasing the minimum wage. The results show no discernible pattern between business size and support for increasing the minimum wage, although it is notable that the owners of the largest businesses (over 250 employees) are nearly evenly split on the question.

**Exhibit A4. How does business size affect business owners' support for increasing the minimum wage?**

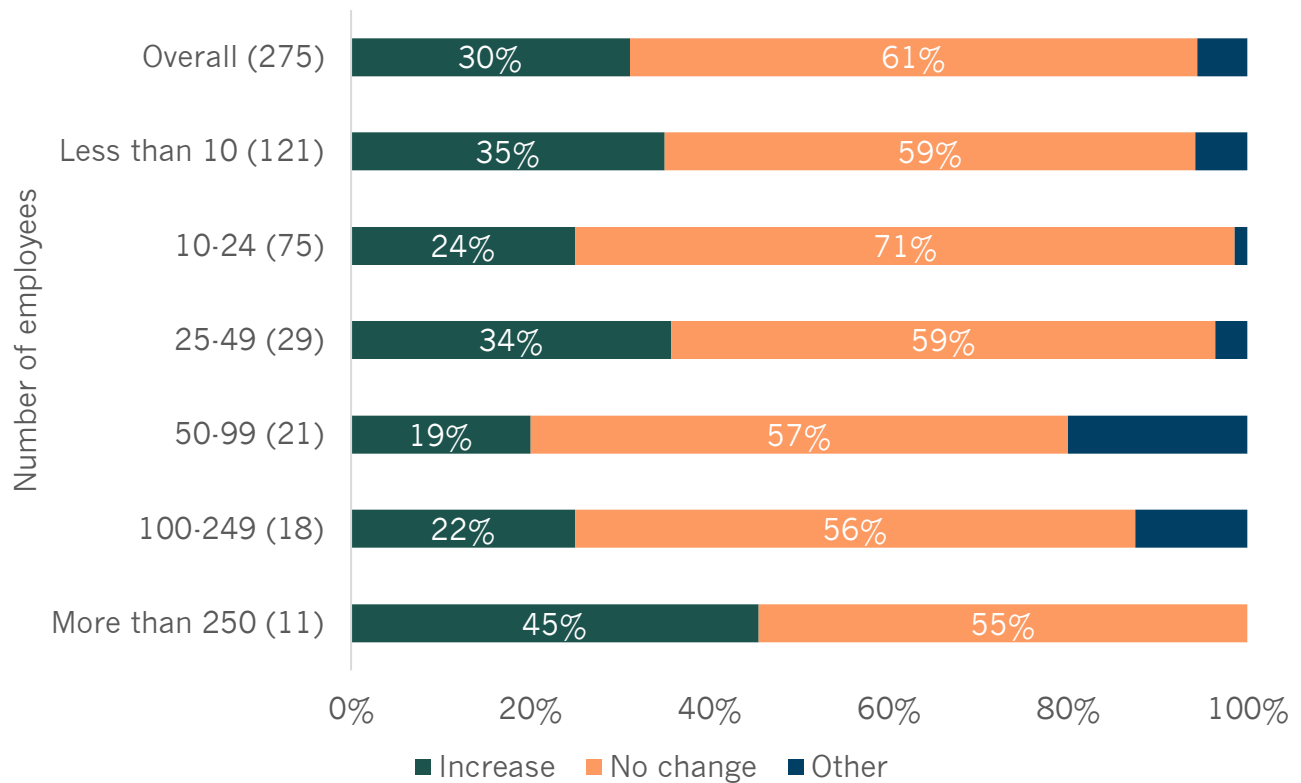


Exhibit A5 shows the percent of questionnaire respondents who are business owners in each of the study areas, including both self-identified business owners and individuals who reported “business owner” as their type of employment (two different questions) (parentheses show the number of business owners in each area). An individual’s responses may appear in multiple categories.

Exhibit A5 provides additional context for differences across municipality reported in Exhibit A3. Although Longmont appears an exception, a higher prevalence of business owners in a municipality generally correlates with lower support for a minimum wage increase.

**Exhibit A5. What percent of respondents from the study area are business owners?**

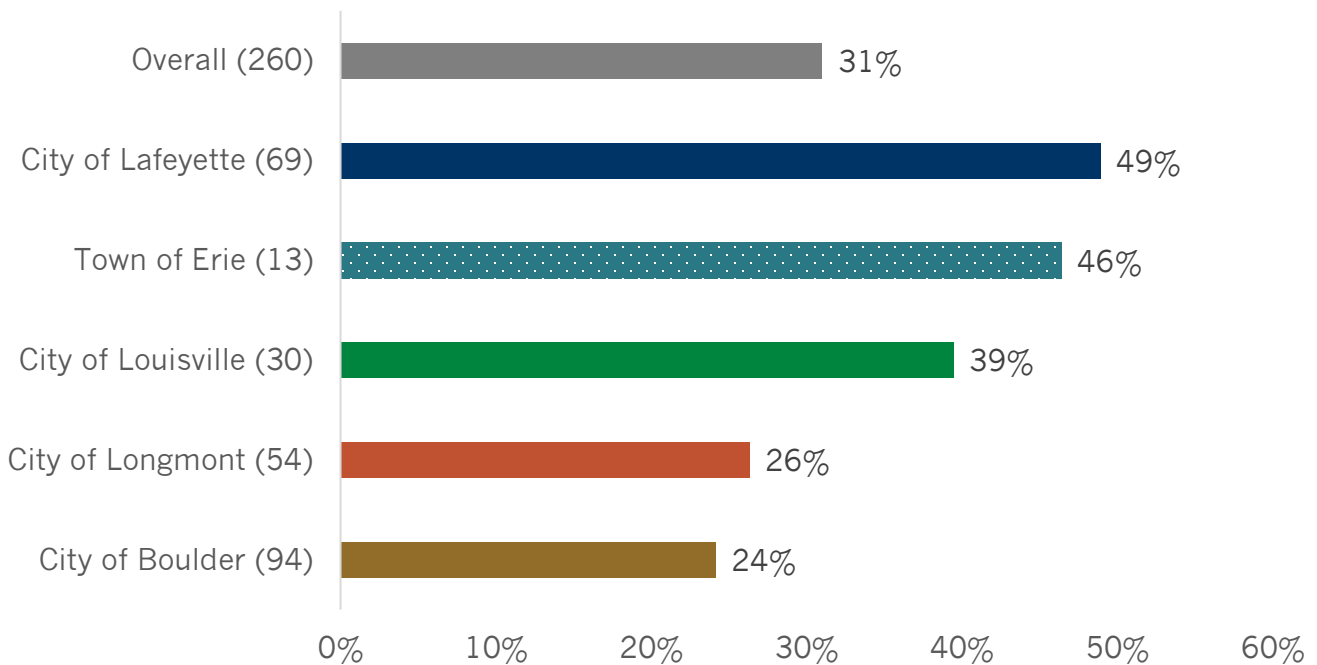


Exhibit A6 shows support for increasing the minimum wage by reported industry of employment. An individual’s responses may appear in multiple categories. Workers in some relatively low-wage industries, such as retail, indicated relatively low support for an increase.

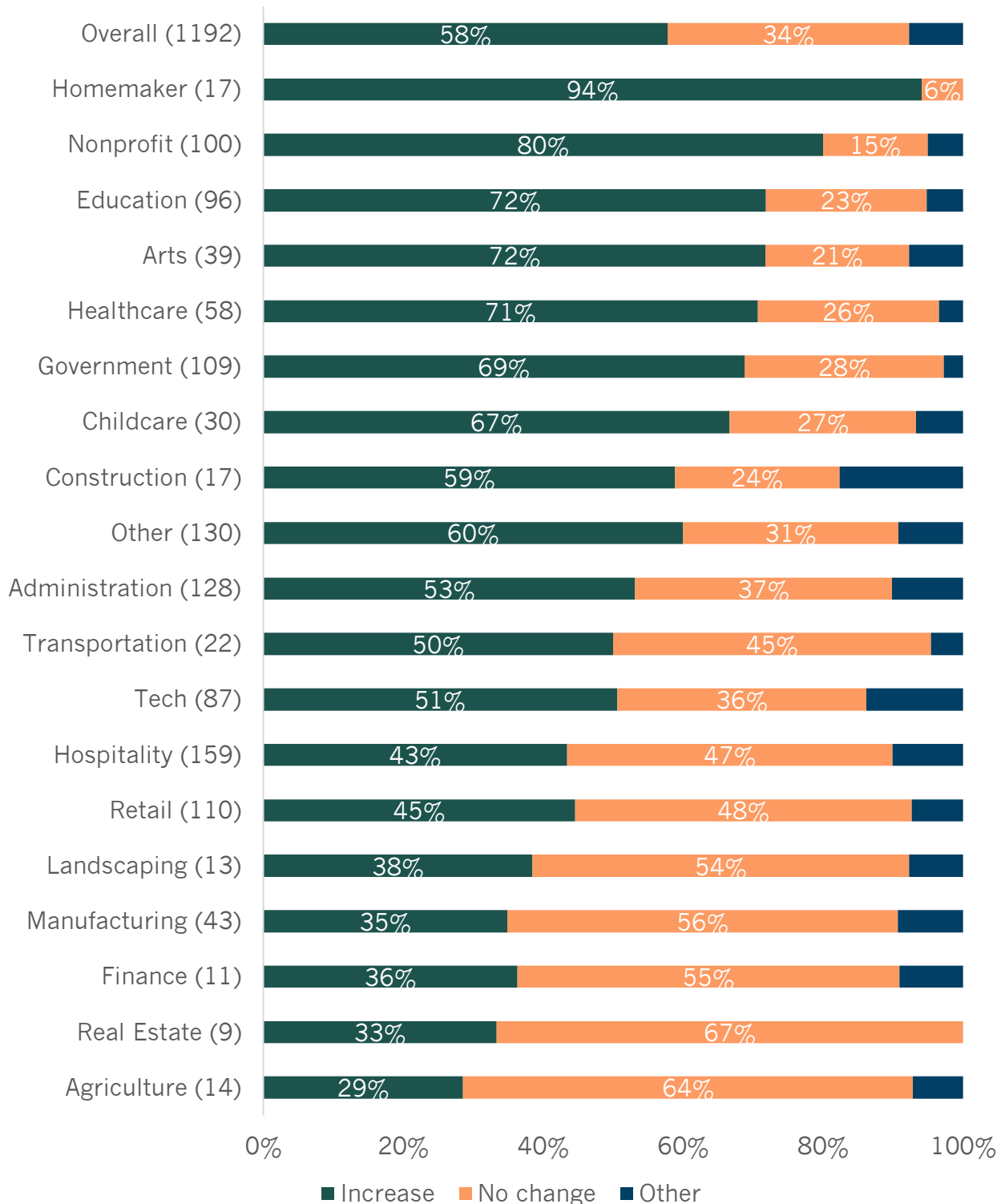
**Exhibit A6. How does support for increasing the minimum wage vary by job industry?**

Exhibit A7 provides context for the patterns exhibited in the prior exhibit. Perhaps surprisingly, questionnaire responses indicate the strongest support for increasing the minimum wage is among higher wage earners. Narrow majorities of lower wage workers (making up to \$16 per hour) support increasing the minimum wage, while roughly two-thirds of higher wage workers (making between \$16 and \$40 per hour) support an increased minimum wage. Among lower



wage workers who do not support increasing the minimum wage, approximately 30 percent work in the restaurant industry and are likely earning tips on top of their reported wage.

**Exhibit A7. How does support for increasing the minimum wage vary by worker’s hourly wage?**

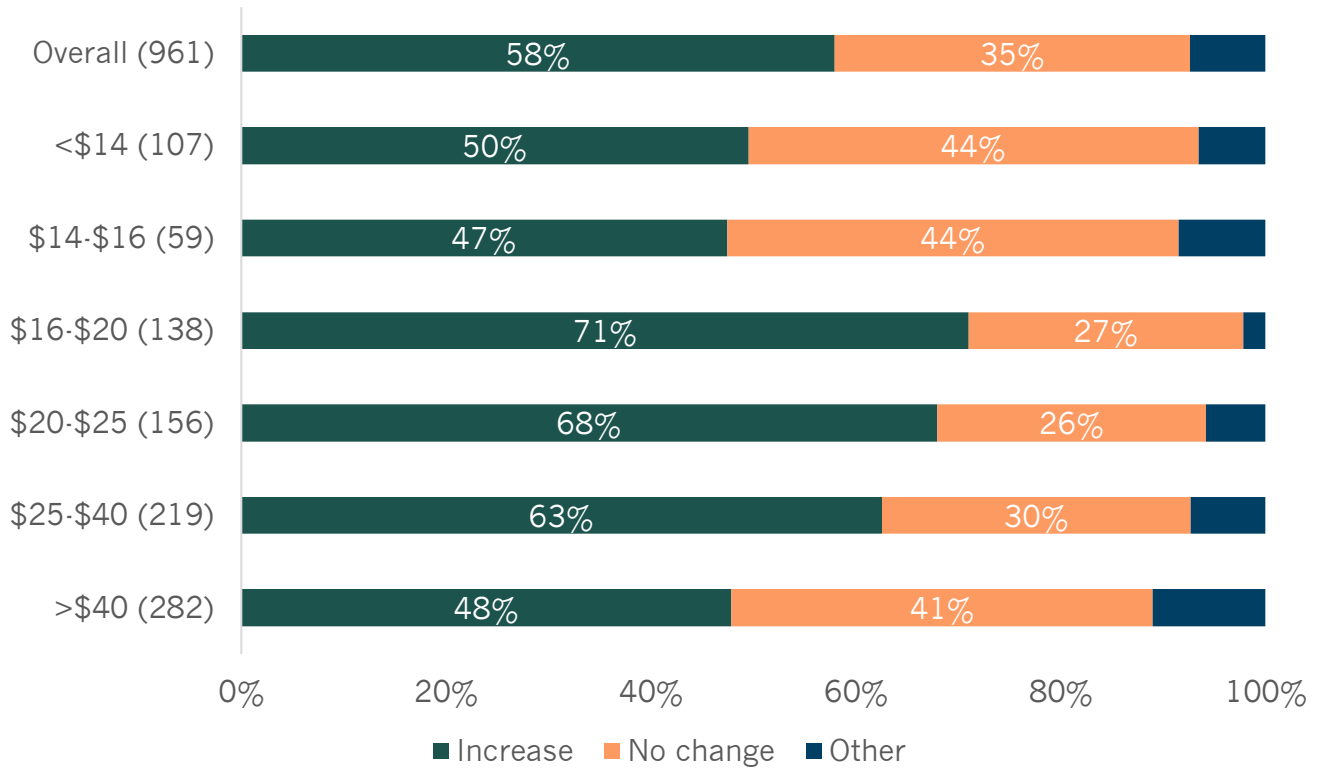
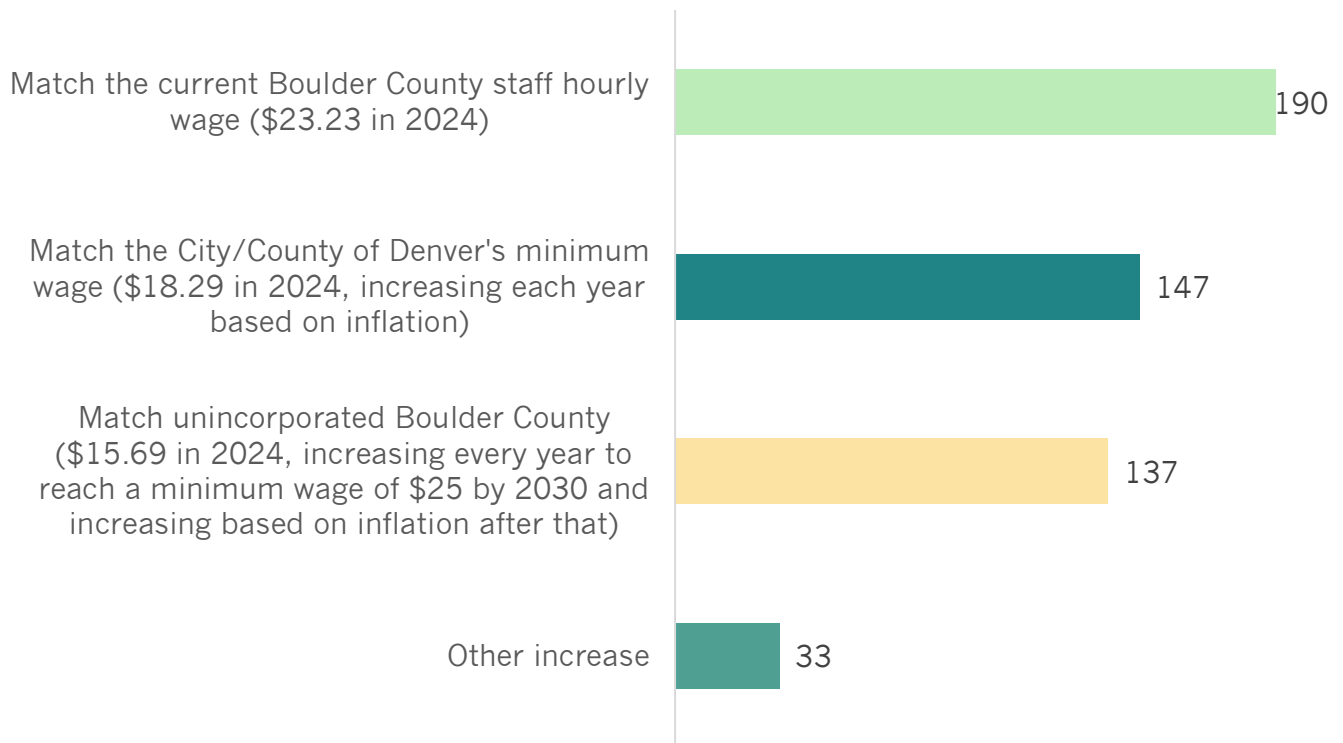


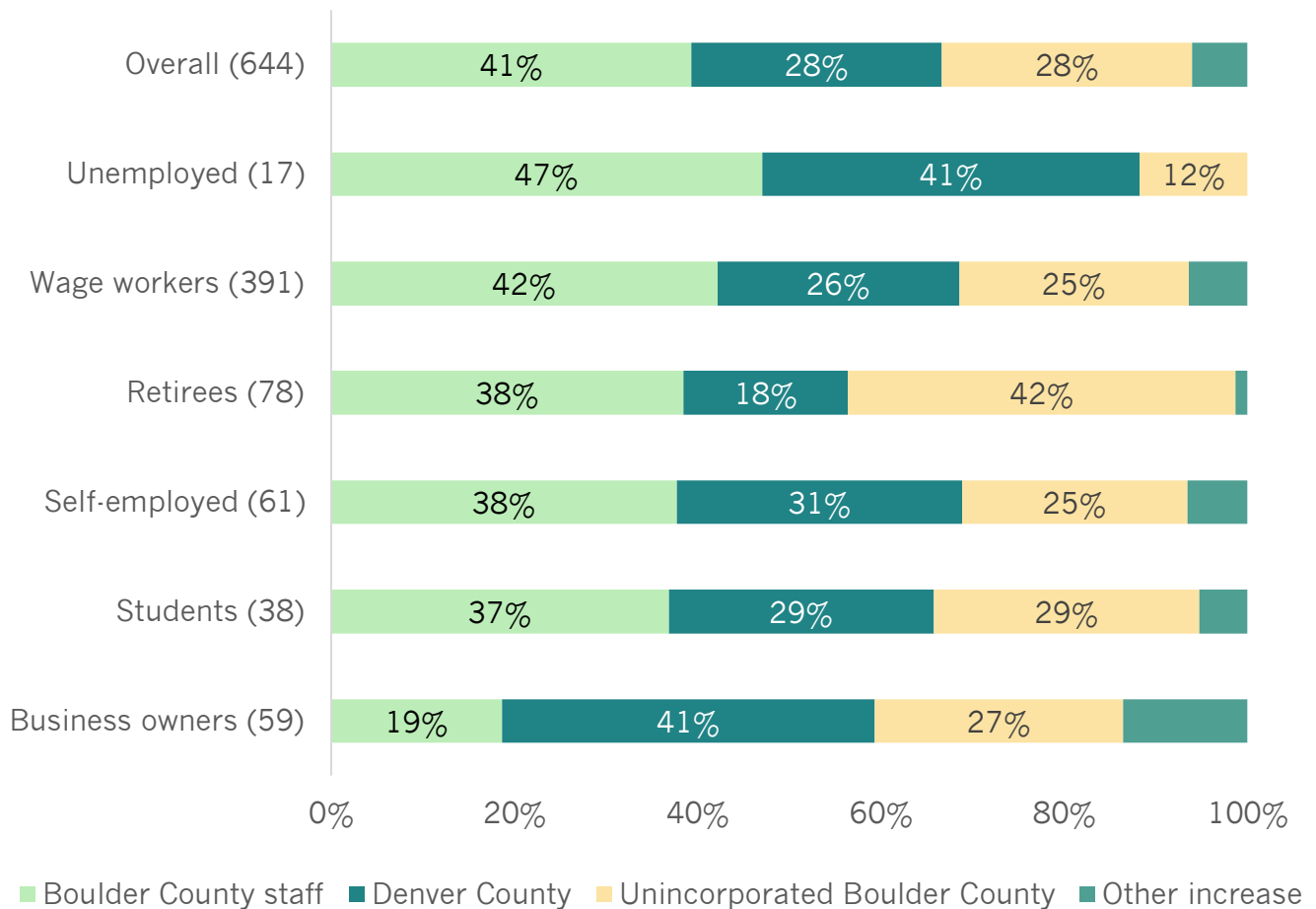
Exhibit A8 shows the most favored wage increase scenario was to match Boulder County staff wages of \$23.23 per hour (37 percent support). However, there does not appear to be a clear consensus as which scenario is best, as the City/County of Denver (29 percent support) and unincorporated Boulder County's (27 percent support) scenarios also received significant support. A small minority of respondents (7 percent) wrote in support for other wage increases.

**Exhibit A8. Among supporters of an increased minimum wage, what is the preferred new wage?**



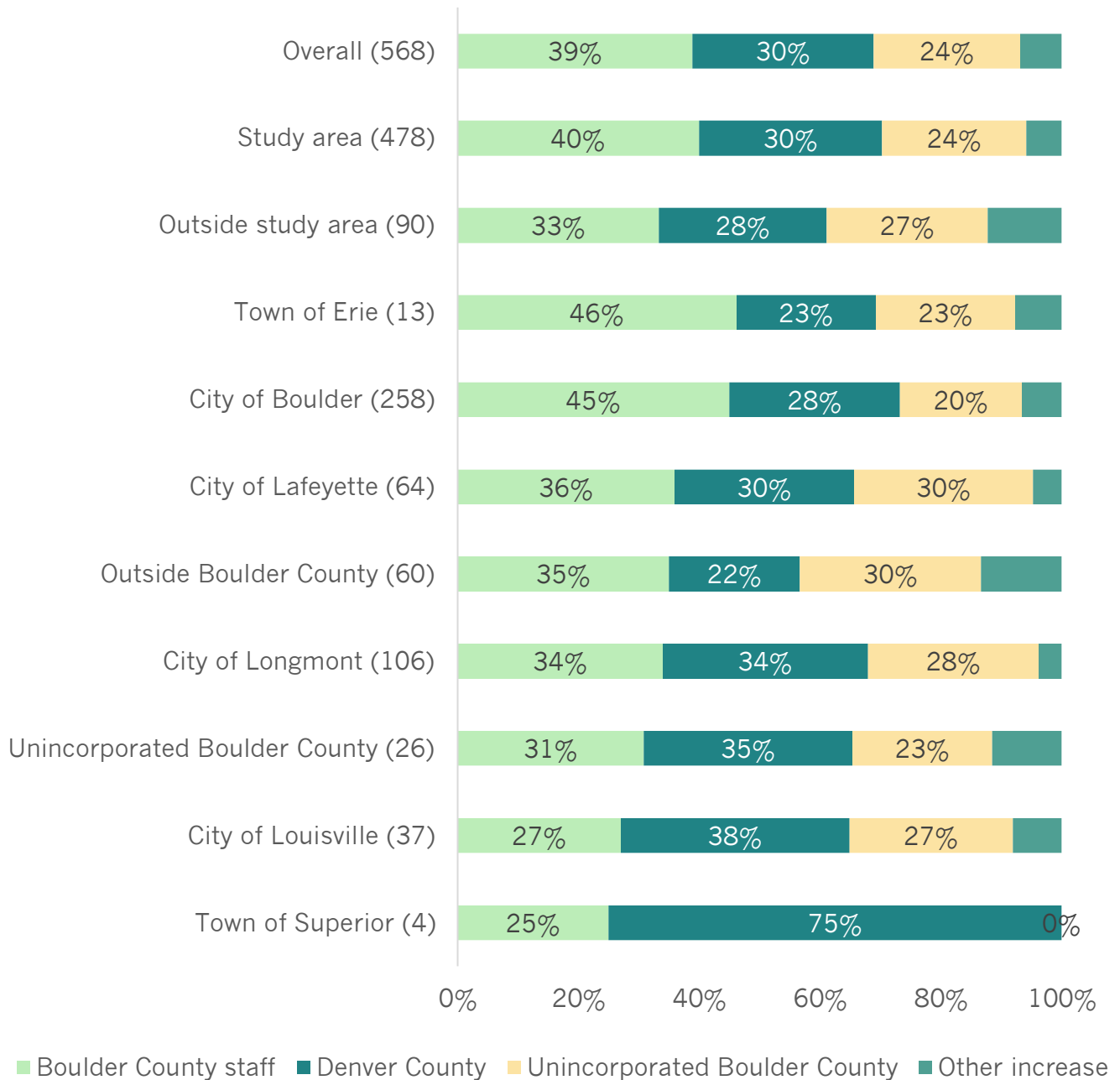
Separating supporters of each minimum wage increase level by their employment type shows some interesting variation (see Exhibit A9). For example, among business owners who support increasing the minimum wage, the most favored scenario was to match Denver's wage of \$18.29 per hour in 2024 (and increasing based on inflation thereafter). An individual's responses may appear in multiple categories.

**Exhibit A9. Among supporters of an increased minimum wage, what is the preferred new wage according to employment type?**



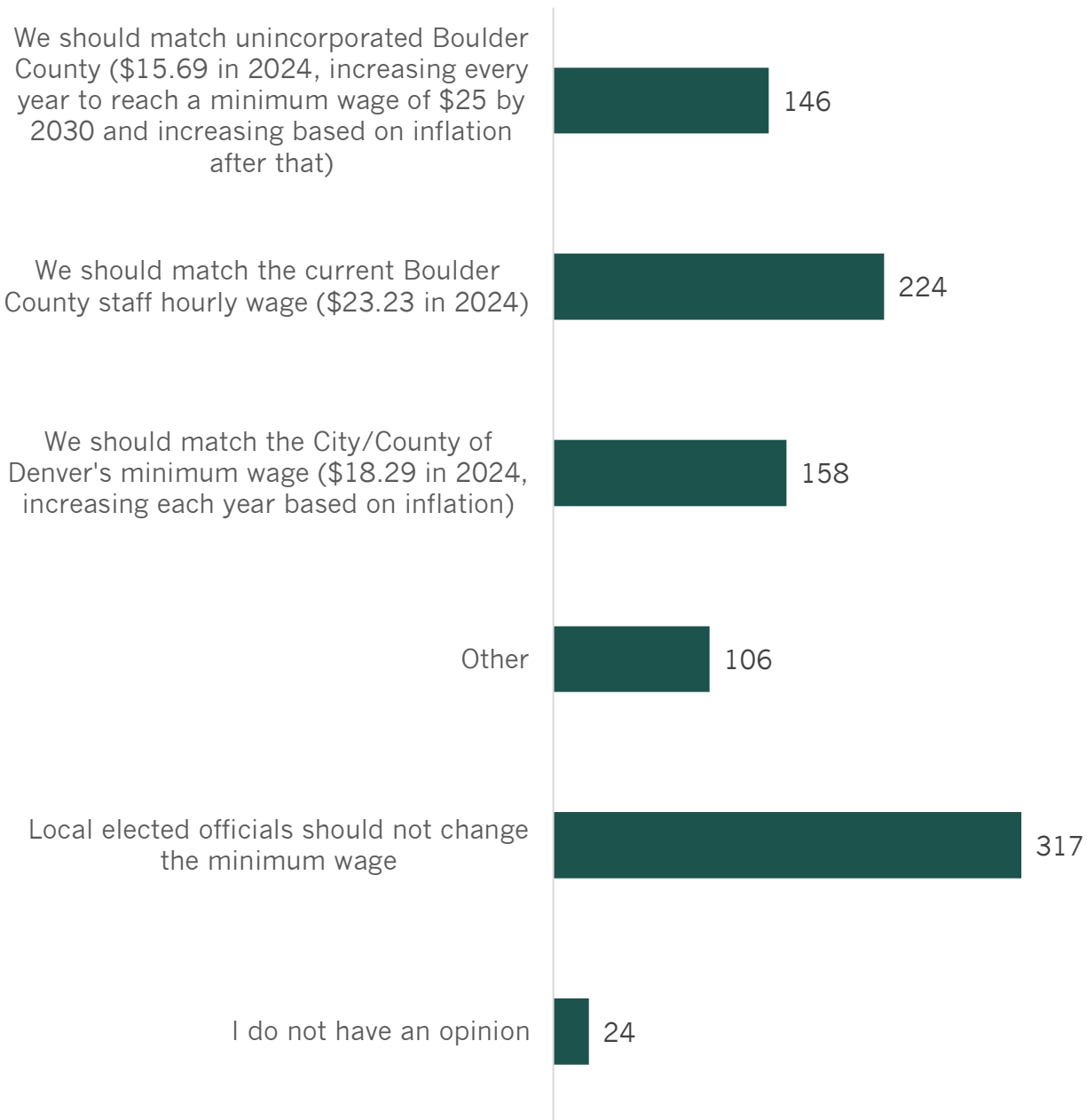
Finally, Exhibit A10 displays respondents’ preferences over minimum wage increase scenarios by reported location of work (“Study area” refers to the five municipalities party to the minimum wage economic analysis).

**Exhibit A10. Among supporters of an increased minimum wage, what is the preferred new wage according to work location?**

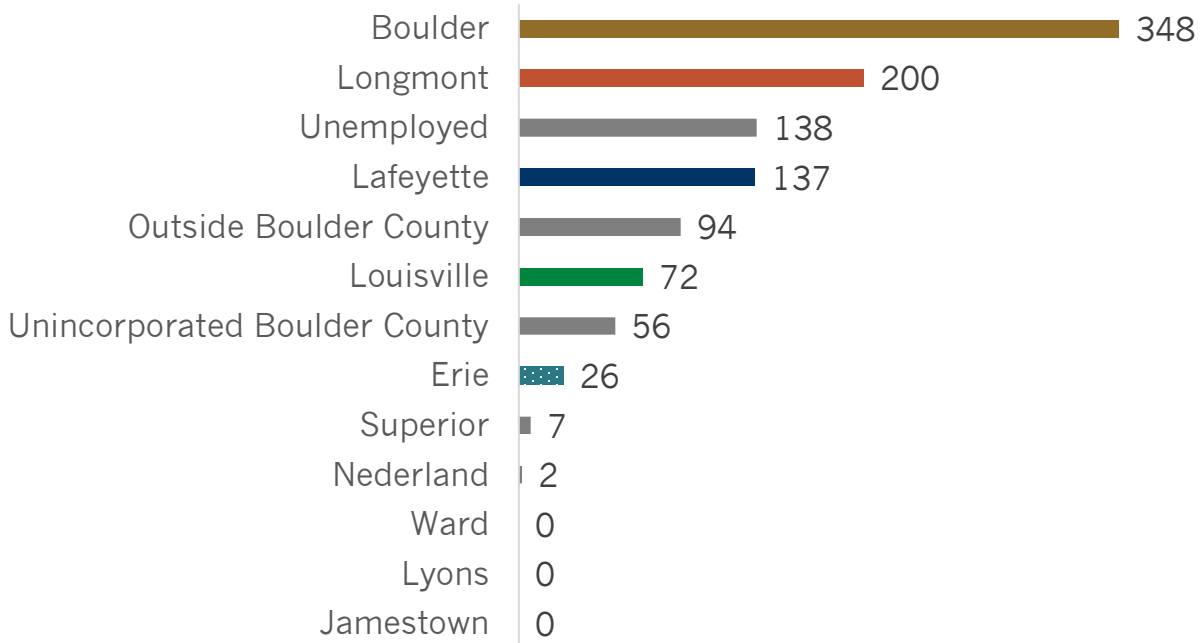


## Additional Detail

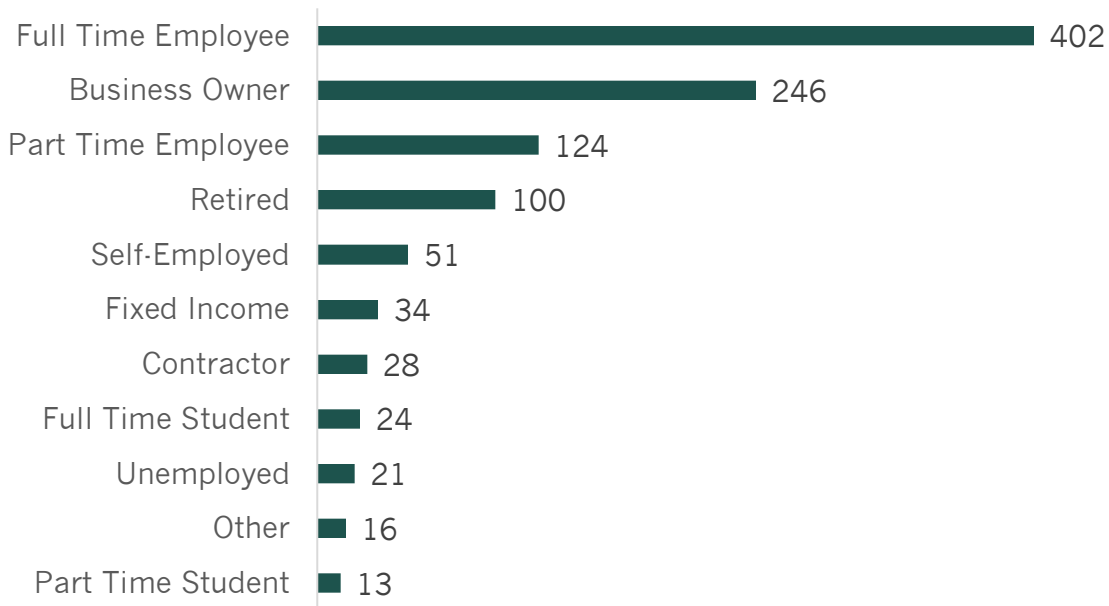
**Exhibit A11. Which statement best describes your feeling about a possible change in the minimum wage?**



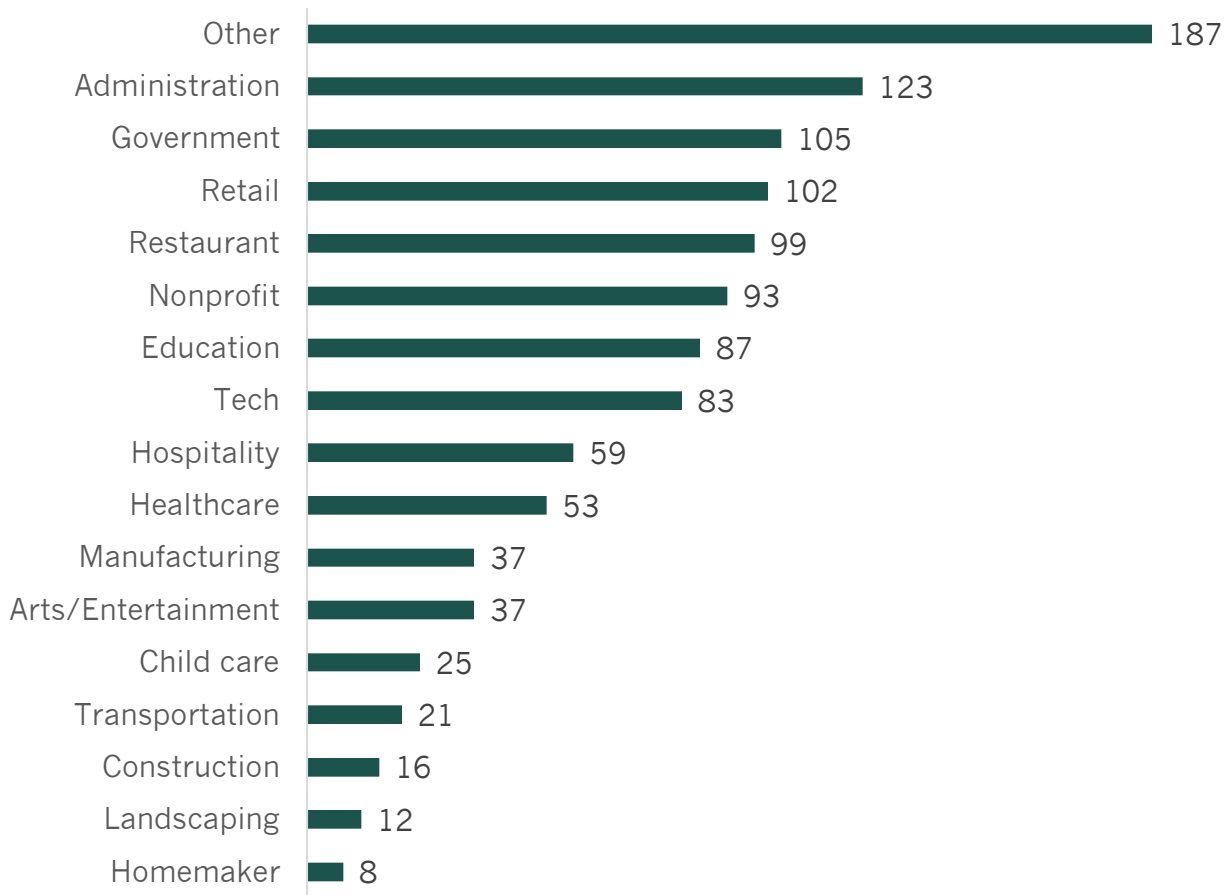
**Exhibit A12. If you are employed, where do you work?**



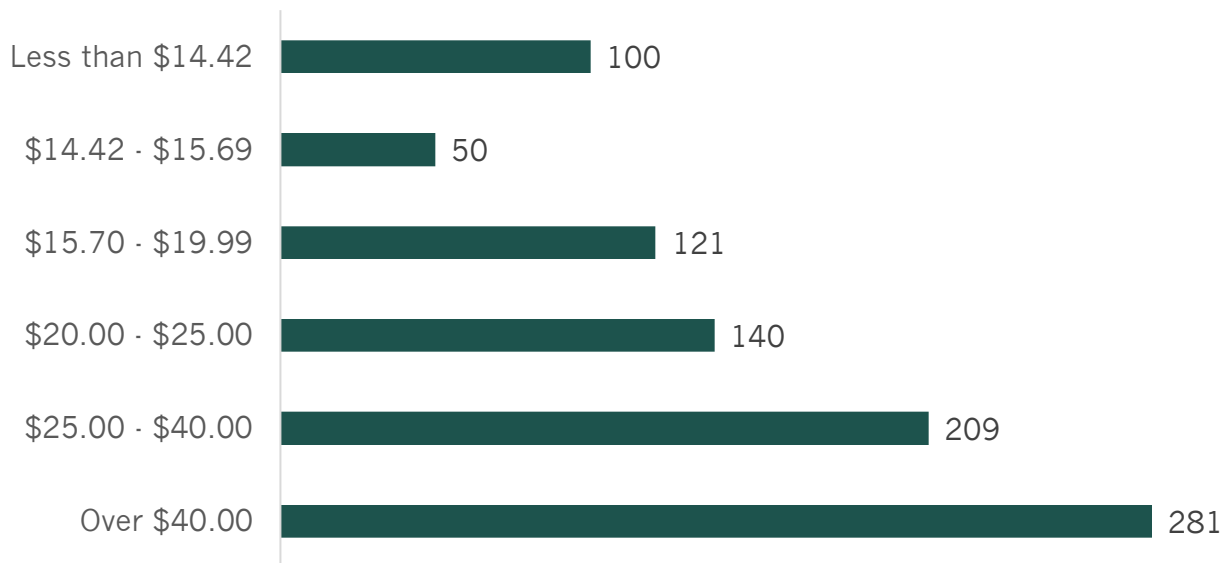
**Exhibit A13. Which of the following describe you?**



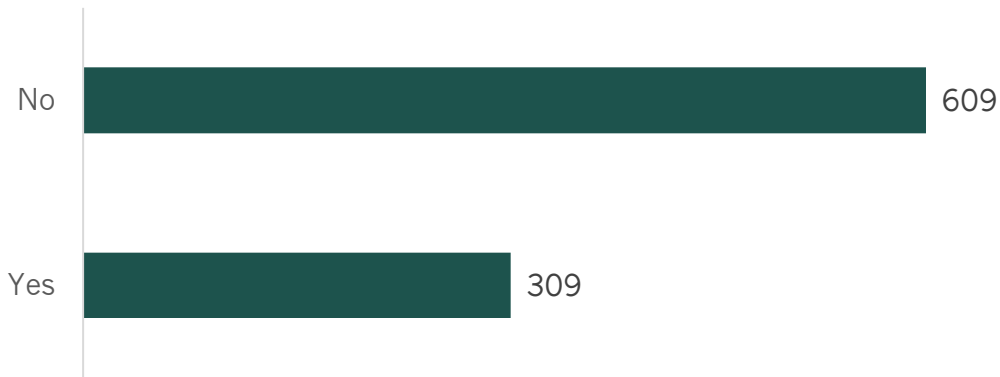
**Exhibit A14. Which of these best describes your job?**



**Exhibit A15. Which category includes your hourly wage before taxes, deductions and tips?**

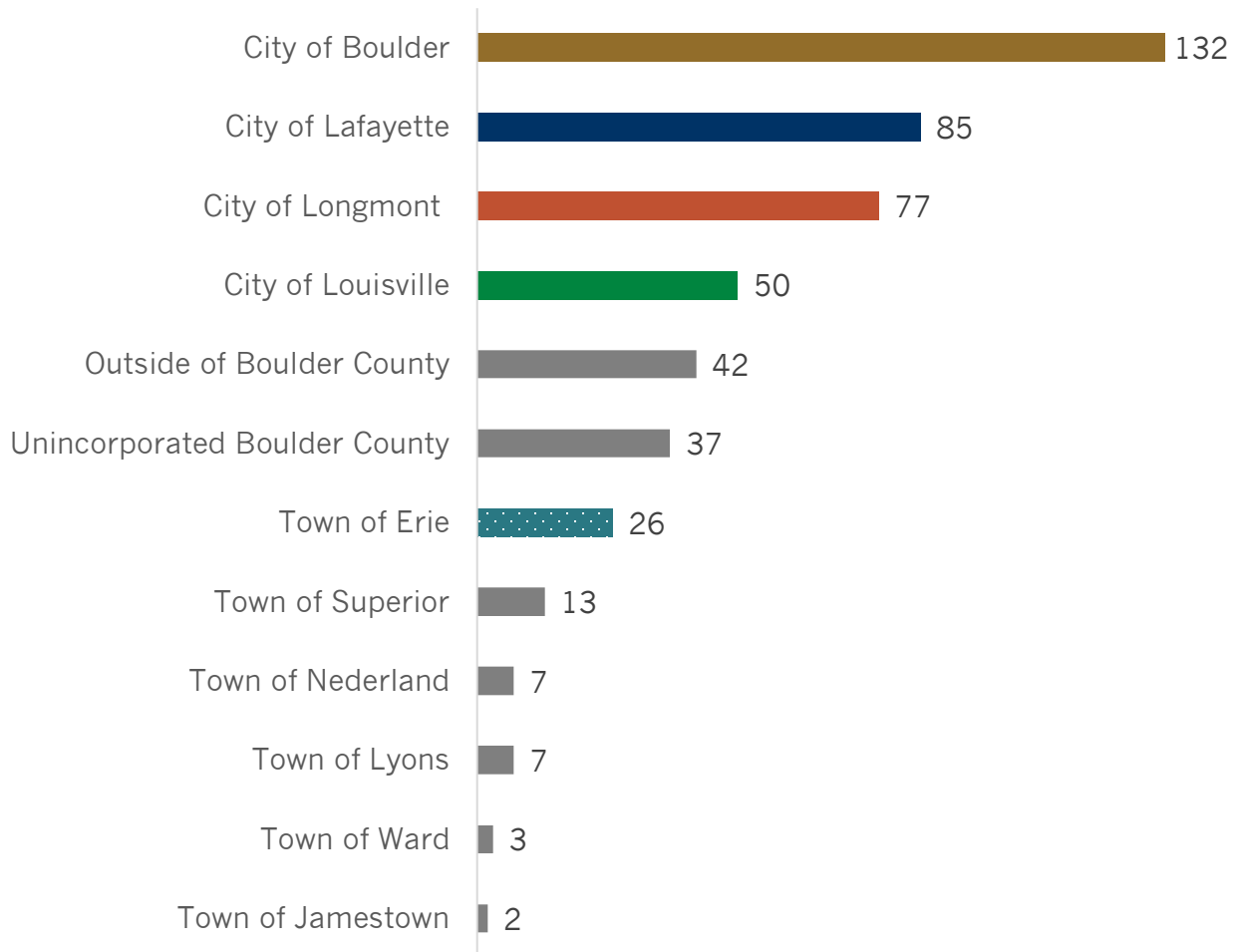


**Exhibit A16. Are you a business owner?**



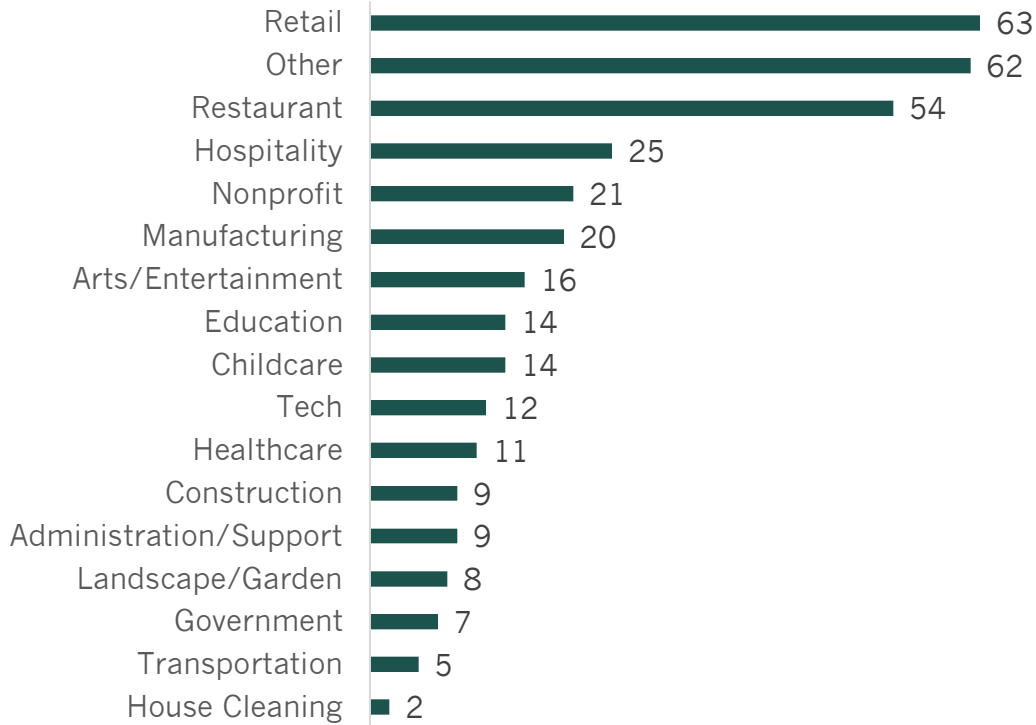
**BUSINESS OWNER RESPONSES**

**Exhibit A17. In which Boulder County cities/towns is your business or organization located? (respondents could select multiple cities/towns)**

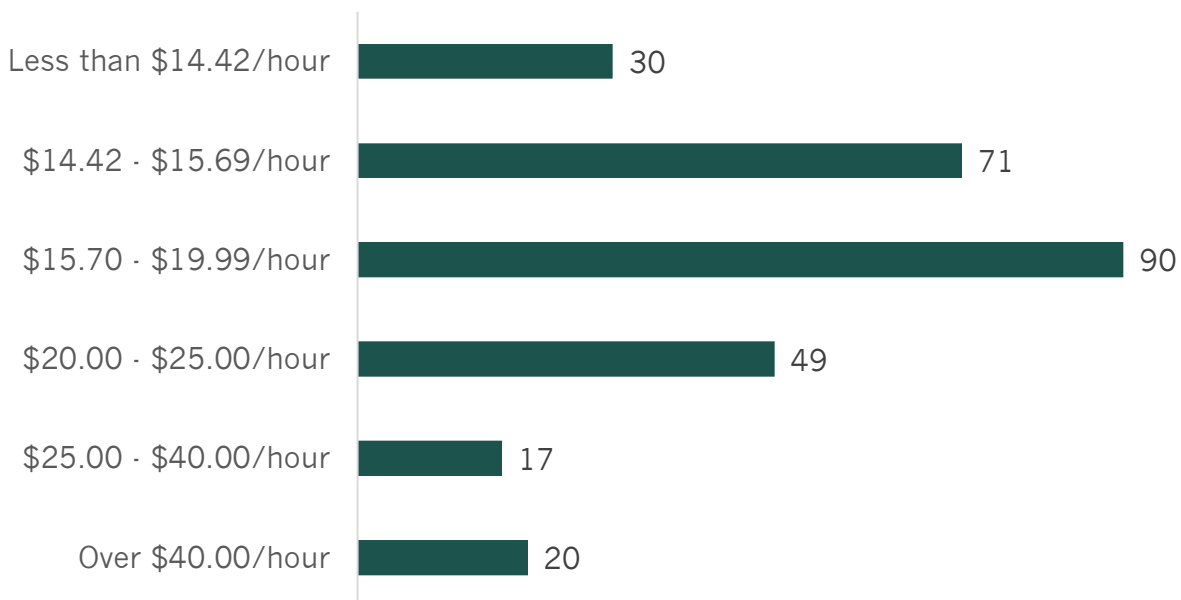




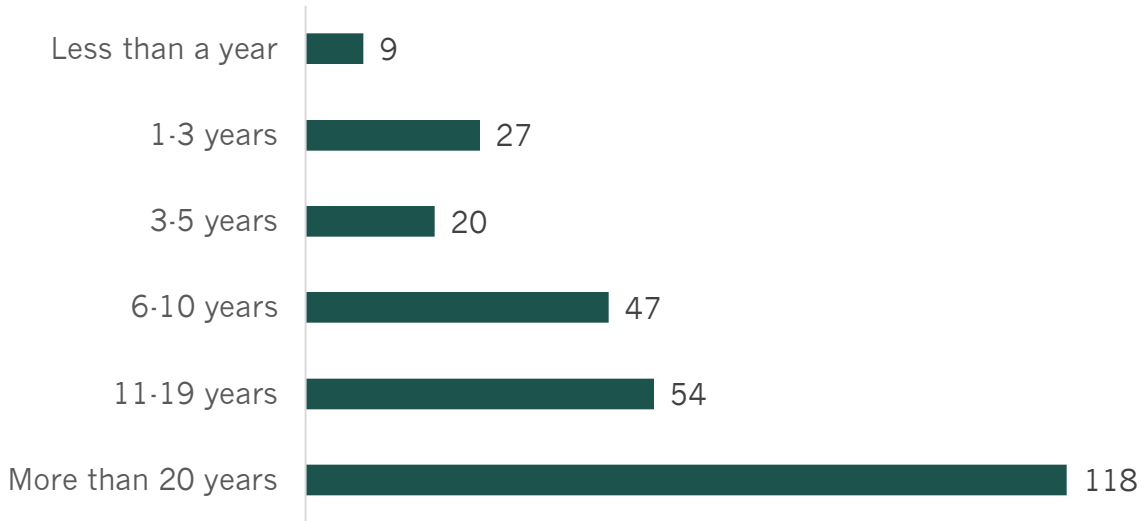
**Exhibit A18. Please indicate the type of business you own**



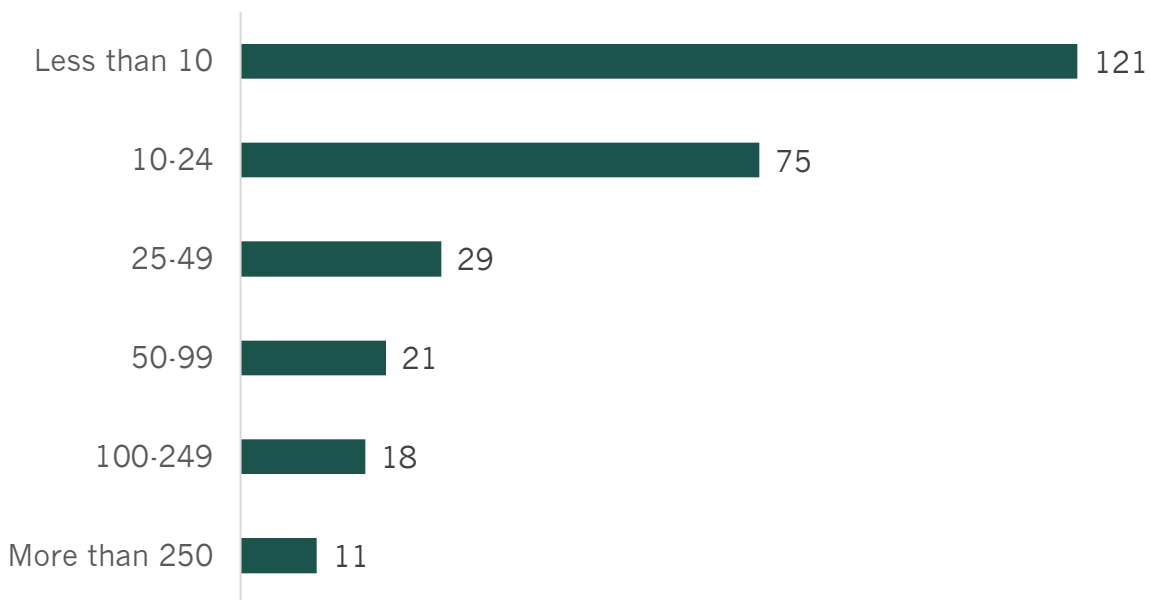
**Exhibit A19. What category includes the hourly wage for your lowest paid employees before taxes, deductions and tips?**



**Exhibit A20. How long has your business been in operation?**



**Exhibit A21. How many workers do you employ?**



# 8. Appendix B: Additional Material

## Existing Conditions Additional Material

### Exhibit B1. Population and Worker Statistics in Relevant PUMAs

METRIC	PUMA A	PUMA B	PUMA C	PUMA D	ALL
<b>Full Population</b>					
Total Population	121,470	123,484	120,216	171,852	537,022
Employed Population	68,698	68,107	64,262	96,716	297,783
Employed Population Share	57%	55%	53%	56%	55%
Share White	79%	73%	59%	72%	71%
Share Hispanic	9%	20%	35%	14%	19%
Share Asian, Black, Other Non-Hispanic	13%	7%	6%	14%	11%
Share Less than 18	12%	19%	28%	22%	20%
Share 18 to 24	29%	9%	9%	7%	13%
Share 25 to 64	45%	53%	53%	56%	52%
Share 65+	14%	20%	10%	15%	15%
Share High School Diploma or Lower	21%	38%	50%	33%	34%
Share Some College no degree	27%	16%	16%	13%	17%
Share Associate Degree	2%	6%	7%	7%	6%
Share Bachelor's Degree	26%	26%	16%	27%	24%
Share Graduate/Professional Degree	24%	14%	10%	20%	17%
Share Below Poverty Line	22%	9%	5%	6%	10%
Share of 16-64 Year Olds Working Full-time	40%	56%	58%	62%	54%
<b>Among Workers with Wages</b>					
Median Annual Wage	\$33,354	\$52,116	\$52,116	\$67,750	\$52,116
Median Hourly Wage	\$23.05	\$26.73	\$26.06	\$34.03	\$27.56
Share Earning the Minimum Wage or Less	29%	17%	16%	16%	20%
Share Employed in Low Wage Industries	33%	28%	31%	29%	30%
Share Employed in Low Wage Occupations	29%	26%	29%	19%	25%
<b>Municipality Population Share</b>					
Erie	0%	42%	58%	0%	100%
Boulder	95%	0%	0%	0%	95%
Lafayette	7%	3%	0%	89%	100%
Longmont	0%	99%	1%	0%	100%
Louisville	22%	0%	0%	78%	100%
<b>Share of PUMA Population in the Five Municipalities</b>					
	87%	89%	18%	26%	54%

Source: U.S. Census Bureau, ACS PUMS, 2022 1-year estimates

**Exhibit B2. Employment and Wages by Industry, Boulder County**

INDUSTRY	AVERAGE ANNUAL EMPLOYMENT	AVERAGE ANNUAL PAY	AVERAGE HOURLY WAGE
Professional and Technical Services	35,346	\$147,527	\$70.93
Health Care and Social Assistance	22,705	\$67,161	\$32.29
Manufacturing	21,230	\$98,028	\$47.13
Accommodation and Food Services	17,250	\$30,624	\$14.72
Retail Trade	16,824	\$43,257	\$20.80
Information	8,557	\$202,119	\$97.17
Wholesale Trade	7,335	\$140,240	\$67.42
Construction	5,713	\$73,838	\$35.50
Administrative and Waste Services	5,697	\$61,420	\$29.53
Other Services	5,649	\$56,962	\$27.39
Finance and Insurance	4,123	\$155,835	\$74.92
Arts, Entertainment, and Recreation	3,592	\$34,129	\$16.41
Educational Services	3,568	\$51,117	\$24.58
Real Estate and Rental and Leasing	2,643	\$75,230	\$36.17
Management of Companies and Enterprises	1,899	\$152,453	\$73.29
Transportation and Warehousing	1,559	\$56,480	\$27.15
Agriculture, Forestry, Fishing & Hunting	634	\$45,089	\$21.68
Utilities	420	\$164,132	\$78.91
Mining	195	\$129,939	\$62.47
Unclassified	72	\$85,666	\$41.19
<b>Total/Weighted Average</b>	<b>129,665</b>	<b>\$94,425</b>	<b>\$45.40</b>

Source: Colorado Department of Labor and Employment, QCEW, 2023



**Exhibit B3. Employment and Wages by Industry, Boulder County**

OCCUPATION	AVERAGE ANNUAL EMPLOYMENT	AVERAGE ANNUAL PAY	MEDIAN HOURLY WAGE
Business and Financial Operations	19,760	\$91,229	\$43.86
Sales and Related	19,640	\$47,570	\$22.87
Office and Administrative Support	19,360	\$50,066	\$24.07
Food Preparation and Serving Related	17,660	\$37,440	\$18.00
Computer and Mathematical	17,320	\$131,144	\$63.05
Management	12,750	\$157,726	\$75.83
Educational Instruction and Library	12,160	\$65,312	\$31.40
Healthcare Practitioners and Technical	9,990	\$94,349	\$45.36
Architecture and Engineering	8,960	\$105,310	\$50.63
Production	8,730	\$47,611	\$22.89
Transportation and Material Moving	7,290	\$46,301	\$22.26
Life, Physical, and Social Science	5,950	\$103,958	\$49.98
Healthcare Support	5,260	\$43,056	\$20.70
Installation, Maintenance, and Repair	4,770	\$61,443	\$29.54
Personal Care and Service	4,680	\$39,416	\$18.95
Arts, Design, Entertainment, Sports, and Media	4,450	\$75,192	\$36.15
Building and Grounds Cleaning and Maintenance	4,310	\$42,349	\$20.36
Construction and Extraction	4,030	\$59,946	\$28.82
Community and Social Service	3,210	\$64,064	\$30.80
Protective Service	2,180	\$65,790	\$31.63
Legal	1,770	\$96,179	\$46.24
Farming, Fishing, and Forestry	220	\$43,784	\$21.05
<b>Total/Weighted Average</b>	<b>194,440</b>	<b>\$75,565</b>	<b>\$36.33</b>

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (OES), 2023



# Comparative Analysis Methods and Additional Details

## PROCESS FOR SELECTING COMPARISON REGIONS

We identified a list of cities and counties that that, to the extent possible, resemble one or of the study's five municipalities in dimensions such as population, industry composition, demographic characteristics, and minimum-wage-law timeline. We examined available data about the comparison cities and counties for periods before and after their minimum wage laws were enacted. The collected data provide insight into how cities and counties have fared after minimum wage increases.

As of June 1, 2024, 67 municipalities and counties have minimum wage laws distinct from their state's law. Compared to 2012 this represents a more than tenfold increase in number of localities implementing such a law. These localities comprise the initial pool of comparison regions. The first step in our selection process was to exclude places with minimum wage laws passed prior to 2014 or after 2018, as well as places that increased the minimum wage after 2018. These restrictions allow for sufficient data availability before and after the first increase. This step filtered out about half of the localities that had increased their minimum wage.

Although three of the five municipalities have smaller populations, we further restricted the pool of comparison regions to those with populations greater than 65,000, due to data availability. We chose from the remaining list of cities/counties based on their population and industry mix relative to the study municipalities and whether the location had a published study on minimum wage effects. Compiling the top two industries by employment in each the five study municipalities yields the following four industries: Educational services; Professional, scientific, and technical services; Manufacturing; Health care, and social assistance. We prioritized comparison regions where employment aligned with this list. Geographic diversity was the final selection criteria, in part because most regions with their own minimum wage laws are in California and we wanted to avoid over-representation of regions dependent on conditions in a single state.

The selection criteria resulted in a list of the following 10 cities and counties:

- *Flagstaff, AZ*
- *Alameda, CA*
- *Milpitas, CA*
- *San Mateo, CA*
- *Santa Clara, CA*
- *Cook County, IL*
- *Montgomery County, MD*
- *Minneapolis, MN*
- *Santa Fe County, NM*
- *Seattle, WA*

Exhibit B4 provides summary information about the minimum wage increases and demographics of the region. Seven states are represented. Minimum wages before the first



increase ranged from \$7.50 to \$12.00 while “full” goal wages ranged from \$10.66 to \$15.00. The last four columns of the table provide demographic shares from each region’s “midpoint year”, the year halfway between the year the law was enacted and the year the target wage was reached.

**Exhibit B4. Demographic and Wage Information for Comparison Locations**

Cities	Population (Mid-point)	Minimum Wage Enacted Year	Wage before first increase	Year of First Increase	Year of First Increase Wage	Full Wage Year	Full Wage Year Wage	Mid-point Year	Age 19 & under (Mid-point)	Age 55 and above (Mid-point)	Associate and above (Mid-point)	% BIPOC (Mid-point)
Arizona	7,278,717				N/A			2019	25.3	30.0	38.8	46.0
Flagstaff, AZ	75,044	2016	\$ 10.0	2017	\$ 10.5	2021	\$ 15.0	2019	30.5	18.1	59.5	36.6
California	39,512,223				N/A			2018	25.1	26.9	42.9	63.7
Alameda, CA	77,630	2018	\$ 12.0	2019	\$ 13.5	2020	\$ 15.0	2019	22.3	29.6	62.5	59.2
Milpitas, CA	80,424	2017	\$ 10.5	2017	\$ 11.0	2019	\$ 15.0	2018	24.4	23.8	58.9	90.3
San Mateo, CA	105,016	2016	\$ 10.0	2017	\$ 12.0	2019	\$ 15.0	2018	21.4	29.0	63.7	55.2
Santa Clara, CA	127,131	2015	\$ 9.0	2016	\$ 11.0	2019	\$ 15.0	2017	22.7	21.6	62.3	70.5
Illinois	12,741,080				N/A			2018	25.2	28.7	43.2	39.0
Cook County, IL	5,180,493	2016	\$ 8.3	2017	\$ 10.0	2020	\$ 13.0	2018	24.1	26.8	45.7	58.0
Maryland	6,045,680				N/A			2019	24.6	29.4	47.8	49.9
Montgomery County, MD	1,050,688	2017	\$ 11.5	2018	\$ 12.3	2021	\$ 15.0	2019	25.3	29.2	63.2	57.4
Minnesota	5,639,632				N/A			2019	25.6	29.9	48.7	20.9
Minneapolis, MN	429,605	2017	\$ 7.8	2018	\$ 10.0	2022	\$ 15.0	2019	23.8	20.1	59.9	39.6
New Mexico	2,085,572				N/A			2014	26.8	28.3	34.5	61.2
Santa Fe County, NM	148,164	2014	\$ 7.5	2014	\$ 10.7	2014	\$ 10.7	2014	21.4	36.2	44.5	57.2
Washington	7,288,000				N/A			2016	24.9	27.8	45	30.5
Seattle, WA	704,358	2014	\$ 9.5	2015	\$ 11.0	2017	\$ 15.0	2016	17.9	23.5	69.9	35.5

Source: American Community Survey 1-Year Estimates, Tables DP05, DP02, DP03, Various Years; UC Berkeley Inventory of US City and County Minimum Wage Ordinance

## Regional Minimum Wage Impact Analysis

The information presented here provides additional details on the methodology and results of the impact analysis. Table 1 through Table 3 correspond to the minimum wage scenarios presented in Exhibits 42 through 44.

### EMPLOYMENT AND EARNINGS METHODS

The first step in evaluating the impact of an increase in the minimum wage on employment is to determine an appropriate elasticity, defined as the percentage change in employment associated with a percentage change in the minimum wage. Elasticity estimates for directly affected workers vary widely in the literature, from -1.70 (i.e., a 10 percent increase in the minimum wage would result in a 17 percent reduction in employment for directly affected workers) to *positive* 0.40 (i.e., a 10 percent increase in the minimum wage would result in a four percent increase in employment for directly affected workers) (Table 4). The Congressional Budget Office (CBO) identifies a median elasticity estimate for directly-affected workers of -.25, and a -0.004 elasticity for all adult workers.<sup>131</sup> Importantly, the elasticity for younger workers (teenagers, in particular) is substantially higher than the elasticity for adults generally. CBO estimates that elasticities for all teenagers (directly and potentially affected) is equal to -0.111 (Table 5).

<sup>131</sup> Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>.

The next step of the analysis is to apply the corresponding elasticities to current employment levels within each of the five municipalities. To account for the fact that elasticities vary by age, we also examine employment by age: teenagers (16-19 years old), young adults (20-24 years old), and adults (25 years and older).

## EMPLOYMENT AND EARNINGS DETAILED RESULTS

Tables 6a and 6b provide the modeled effects on employment by age group of worker for each scenario for 2025, 2030, and 2035, relative to the baseline status quo. Table 6a shows employment changes by age. The tables present low, middle, and high estimates for these effects with the range between low and high driven by the range of results observed in the literature.

Current (2023) employment across the five municipalities is estimated to be 197,714 based on data from the 2023 Quarterly Census of Employment and Wages distributed by the Colorado Department of Labor and Employment. Employment for each of the five municipalities is as follows: Boulder (106,847, 54.0%); Longmont (49,244, 24.9%); Erie (6,388, 3.2%); Lafayette (15,332, 7.8%); and Louisville (19,902, 10.1%). By age group, teenagers made up 10.7 percent (21,242) of the employed population, young adults made up 13.2 percent (26,401) of the employed population, and adults 25 years and older made-up 76.1 percent (150,071) of the employed population.

Taking the Unincorporated Boulder County scenarios first, we find that under Scenario B1 377 teenagers out of 21,242 (1.8%) would be laid off in 2025 relative to baseline, 1,067 (5.0%) would be laid off by 2030 relative to baseline, and 989 (4.7%) would be laid off by 2035 relative to baseline (Tables 6a and 6b). Under Scenario B2, 86 teenagers (0.4%) would be laid off by 2025 relative to baseline, 643 (3.0%) would be laid off by 2030 relative to baseline, and 1,477 (7.0%) would be laid off by 2035 relative to baseline. Among adults aged 25 years and older, less than 0.3 percent of workers would be laid off under either scenario through 2035. The number of workers laid off out of 197,714 relative to baseline is 282 in 2030 and 269 in 2035 under Scenario B1, and 167 in 2030 and 377 in 2035 under Scenario B2.

The impacts on employment under the Denver-based minimum wage scenarios, D1 and D2, are less pronounced than those under the Unincorporated Boulder County scenarios, as might be expected given that Denver's minimum wage in 2035 is scheduled to be below that of Unincorporated Boulder County (\$25.32 and \$28.98, respectively). That said, the impacts on employment for 2025 are the same for D1 and B1 because both are based on the maximum allowable annual increase under law of 15-percent. By 2030, however, Scenario D1 is projected to result in 772 teenagers (3.6%) being laid off relative to baseline in 2030 and 694 teenagers (3.3%) relative to baseline in 2035. The analogous numbers for Scenario D2 are 386 (1.8%) in 2030 and 859 (4.1%) in 2035. Similarly to the Unincorporated Boulder County-based scenarios, the percentage of adults experiencing a layoff is low—less than 0.2 percent—under the Denver-based scenarios. In terms of counts, under Scenario D1 the number of additional adults would be expected to be laid off relative to baseline is 167 in 2030 and 154 in 2035. For Scenario D2, the numbers are 97 in 2030 and 212 in 2035.



Many workers that remain employed, with earnings at or below the minimum wage will experience an increase in earnings. Under Scenario B1, approximately eight percent of workers (15,805) would experience an increase in earnings by 2030 and 14 percent of workers (26,784) would experience an increase by 2035 (Tables 7a and 7b). Under Scenario B2, 2.6 percent of workers (5,108) would experience an increase in earnings by 2030, and 14 percent (26,778) would experience an increase by 2035. Therefore, under the Unincorporated Boulder County-based scenarios, in 2035, the percentage of all workers experiencing a layoff is approximately one percent and the percentage of all workers experiencing an increase in earnings is 14 percent.

Just as the negative impacts on employment under the Denver-based scenarios are lower than those for the Unincorporated Boulder County scenarios, so are the positive ones with respect to the number of workers experiencing an increase. Under Scenario D1, approximately four percent of workers (3.5%, 6,968) would experience an increase in earnings above baseline by 2030, as would seven percent by 2035 (7.4%, 14,628). Under Scenario D2, one percent of workers (0.9%, 1,848) would experience an increase in earnings above baseline by 2030, as would seven percent by 2035 (7.4%, 14,620). Therefore, under the Denver-based scenarios, the percentage of all workers experiencing a layoff is approximately one half of one percent and the percentage of workers experiencing an increase in earnings is approximately seven percent. All estimates presented in this section are based on a middle estimate across all five cities. We have also estimated low and high estimates based on impact ranges from the literature, and we have estimated impacts for each of the five municipalities individually. These detailed results can be found in Tables 6a,b and Tables 7a,b.

## FAMILY INCOME

To calculate how an increase in the minimum wage under the four scenarios would affect average family income we follow the approach of CBO, in which impacts are quantified by income levels relative to poverty. We do so for two reasons. First, families with incomes near or slightly above the Federal Poverty Level (FPL) are likely to benefit more from an increase in the minimum wage than families with incomes that are several multiples of the FPL, and we want to capture this difference in our estimates. Second, our IMPLAN economic impacts analysis (IMPLAN stands for IMpact analysis for PLANning) is based not just on increases in family income, but also on the extent to which families spend their additional income. Families with lower incomes spend a higher portion of their incomes compared with families with higher incomes and, as a result, the spending multiplier will be higher for low-income families than for high-income families. Stratifying our impacts on families by income level allows us to take these different spending multipliers into account for our IMPLAN analysis.

Following the general approach by CBO, we stratify households in all five municipalities according to their incomes relative to poverty (< 1.00 FPL; 1.00 to 1.49 FPL; 1.50 to 1.99 FPL; 2.00 to 2.99 FPL; 3.00 to 4.99 FPL; and 5.00 or more of FPL) (Table 8a). An increase in the minimum wage raises average annual real income for all families with incomes below three times the FPL. The impact is largest among those with incomes below FPL, as might be

expected. Under Scenario B1, average family income increases by \$152 in 2030 for families below FPL, and increases between \$77 and \$86 for families with incomes between 1.00 and 2.99 of FPL. Families between 3.00 and 4.99 of FPL are projected to have no meaningful change in income in 2030 and those families with 5.00 or more of FPL are expected to have a reduction in real annual income of \$95. (The reduction in inflation-adjusted income (“real” income) occurs because of price increases.) By 2035 under Scenario B1, families with incomes less than 1.99 of FPL are expected to experience an increase in real annual income between \$291 and \$320. Those with incomes between 2.00 and 2.99 of FPL are expected to experience an increase of \$182 in 2035. Families with incomes between 3.00 and 4.99 of FPL are expected to have no meaning change in their incomes, and those with incomes of 5.00 of FPL or more are expected to experience a reduction of \$456.

The impact to average annual real family income under Scenario B2 in 2030 are approximately one quarter of those under Scenario B1 (Table 8b), as might be expected. The impacts in 2035 are the same for Scenario B1 and B2, as noted above, because by 2035 the minimum wage is the same under both scenarios.

Under Denver-based Scenario D1, families with incomes below the FPL are expected to experience an increase in average annual real family income of \$58 in 2030. Families with incomes between 1.00 and 2.99 of FPL are expected to experience an increase in average real family income between \$30 and \$33. Similar to the impacts for Unincorporated Boulder County, families with incomes between 3.00 and 4.99 FPL are expected to have no meaningful change in family income, whereas those with incomes five or more times as high as the FPL are expected to experience a reduction of \$36 on average in 2030. Under Scenario D2, families are not expected to experience a meaningful change in average annual real income in 2030.

By construction, the minimum wage in 2035 is the same under both Scenario D1 and D2, so the impacts to average annual real family income are expected to be the same as well. Families with incomes below the FPL are expected to experience an increase of \$176, whereas families with incomes between 1.00 FPL and 2.99 FPL are expected to experience an increase between \$100 and \$133. Families with household incomes between 3.00 and 4.99 FPL are no expected to experience no change while those with incomes five times FPL or higher are expected to have a reduction of \$183.

To summarize, across all four scenarios, families with incomes below 2.99 FPL are expected to experience an increase in average annual real family income by 2035, while families with incomes five times or more of FPL are expected to experience a reduction. As described below, the aggregate impact of these changes is negative, in large part because the number of families with incomes three times FPL or higher is much larger than the number of families below this threshold (120,548 compared with 52,557).

## LABOR AND OPERATING COSTS

Just as elasticities can be used to assess impacts to workers, elasticities can be used to assess impacts to businesses. First, by industry, we apply industry-specific elasticities from a

University of California-Berkeley study to estimate how the minimum wage increases for each of our scenarios impacts industry-specific payroll costs.<sup>132</sup> We then estimate, by industry, the change in total operating costs for each scenario by multiplying our estimated percentage increase in payroll costs by the fraction of total operating costs attributed to labor.

Under Scenario B1, across all industries payroll costs are expected to increase by 2.7 percent above baseline as of 2030 and 3.1 percent above baseline as of 2035 (Table 10a). The fraction of total operating costs attributed to labor is estimated to be 22.1 percent across all industries, so the impact of Scenario B1 on total operating costs is 0.6 percent as of 2030 and 0.7 as of 2035. Under Scenario B2, across industries, payroll costs are expected to increase by 1.3 percent, and match those under Scenario B1 as of 2035.

The average change in payroll costs across all industries masks wide variation in impacts across industries. For example, under both Scenario B1 and B2, payroll costs by 2035 are expected to increase 21.7 percent for restaurants, 13.2 percent for grocery stores, 12.0 percent for services, and 7.1 percent for food manufacturing. The associated operating costs are 6.7 percent for restaurants, 1.6 percent for grocery stores, 4.1 percent for services, and 0.8 percent for food manufacturing.

For the Denver-based scenarios, the average change in payroll costs across all industries is about 60 percent that of the Unincorporated Boulder County-based scenarios as of 2035. Under Scenario D1, across all industries payroll costs are expected to increase 1.6 percent above baseline in 2030 and 1.8 percent above baseline in 2035 (Table 10b). Under Scenario D2, across all industries payroll costs are expected to increase 0.8 percent above baseline in 2030 and 1.8 percent above baseline in 2035. The increase in operating costs is approximately one-fifth of these percentages. Like the Boulder County-based scenarios, wide variation exists across industry with the largest increases for restaurants, grocery stores, services, and food manufacturing.

The extent to which these increased operating costs translate into higher prices depends on many factors, including consumers' price elasticity of demand for products in these industries.

## PERCENTAGE OF WORKERS WITH INCREASED EARNINGS

To evaluate the percentage of workers with increased earnings by industry we combine our findings for directly-affected and potentially-affected workers in Tables 7a and 7b with the industry-specific analysis from the Berkeley study.<sup>133</sup> Consistent with our previous findings, under Scenario B1, eight percent of workers across all industries are expected to experience an increase in earnings by 2030 and 14 percent are expected to experience an increase in earnings by 2035 (Tables 11a and 11b). In comparison, under Scenario B2, approximately three percent

<sup>132</sup> Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment. <https://irle.berkeley.edu/wp-content/uploads/2016/03/The-Effects-of-a-15-Minimum-Wage-in-New-York-State.pdf>.

<sup>133</sup> Potentially-affected workers are those who have wages that exceed the proposed minimum wage. These workers are expected to also experience an increase in earnings because of ripple effects within an organization that retain differences in pay across workers.

(2.7%) of workers are expected to experience an increase in earnings by 2030 and 14 percent are expected to experience an increase by 2035 (equivalent to Scenario B1).

Industries with the highest percentage of workers expected to experience an increase in earnings by 2035 under the Unincorporated Boulder County-based scenarios are as follows: restaurants (29.5%), other services (25.5%), grocery stores (25.1%), and retail trade (21.4%).

Under the Denver-based scenarios, the percentage of workers expected to experience an increase in earnings in 2030 is 3.8 percent under Scenario D1 and 1.0 percent under Scenario D2. Under both scenarios, 7.9 percent of workers are expected to experience an increase in earnings by 2035. This percentage, therefore, is roughly one half the impact of the Unincorporated Boulder County-based scenarios, described above. Similar to Scenarios B1 and B2, the largest impacts would take place for workers in the following industries: restaurants (16.1%), other services (13.9%), grocery stores (13.7%), and retail trade (11.7%).

## PRICES

The price effects of minimum wage increases can be assessed using elasticities, much in the same way that elasticities are used to measure the impacts on employment. In this case, the elasticity measures the percentage change in prices resulting from a percentage change in the minimum wage. MacDonald and Nilsson (2016) evaluated restaurant food prices over nearly three decades and estimated an elasticity of .036 (i.e., that a 10 percent increase in the minimum wage resulted in a 0.36 percent change in prices).<sup>134</sup> The authors noted that their elasticity estimate is equal to approximately one half of the size reported in the literature. We, therefore, estimate the impact on prices using a range from 0.36—the value estimated by MacDonald and Nilsson—and 0.72.

The next part of the analysis of price impacts examines how prices in the Boulder County area compare with prices nationally. One challenge with doing so is that prices have fluctuated substantially over the past five years. The Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Aurora-Lakewood region was 1.9 percent in 2019, 2.0 percent in 2020, 3.5 percent in 2021, 8.0 percent in 2022, and 5.2 percent in 2023. Most recently, in May 2024, the CPI-U for the Denver-Aurora-Lakewood region was 2.6 percent.<sup>135</sup> The CPI-U for the United States, West Region, and Mountain Region are shown in Table 12a. Since 2020, inflation for the Mountain region exceeded inflation for the West Region and the nation as a whole. In 2023, inflation was 4.1 percent nationally, compared with 4.3 percent in the West Region, and 4.483

<sup>134</sup> MacDonald, D. and Nilsson, E. (2016). "The Effects of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context." Upjohn Institute Working Paper 16-260. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, <https://doi.org/10.17848/wp16-260>.

<sup>135</sup> U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood, CO." Washington, DC: U.S. Department of Labor, [https://www.bls.gov/regions/mountain-plains/news-release/ConsumerPriceIndex\\_Denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/ConsumerPriceIndex_Denver.htm); U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index for All Urban Consumers (CPI-U), Denver-Aurora-Lakewood, CO." Series Id: CUURS48BSA0. Washington, DC: U.S. Department of Labor. [https://data.bls.gov/timeseries/CUURS48BSA0?amp%253bdata\\_tool=XGtable&output\\_view=data&include\\_graphs=true](https://data.bls.gov/timeseries/CUURS48BSA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true).



percent in the Mountain Region. As note above, inflation in 2023 for Denver-Aurora-Lakewood was 5.2 percent.

Given the volatility of prices, it is a challenge to benchmark price increases through 2035. For the purposes of our analysis, we start with a national inflation rate of 3.0 percent. We then estimate an inflation rate of 3.267 for the five municipalities based on the relative price difference between the nation as a whole and the region. It turns out that this base inflation rate does not impact our analysis, because our focus is on changes from baseline (i.e., over and above any price increases associated with Colorado’s legislated increase in the minimum wage).

Using this approach, prices are expected to increase between 0.047 and 0.094 percent from baseline through 2030 under Scenario B1, after which price increases will follow those of the baseline scenario. Prices are expected to increase between 0.025 and 0.050 percent from baseline through 2030 under Scenario B2, and between .046 and .092 through 2035 (Table 12b).

The impact on inflation is lower for the Denver-based scenarios compared with the Unincorporated Boulder County-based scenarios. Prices would increase between 0.03 percent and 0.061 percent by 2030 under Scenario D1, at which point prices move in lockstep with the Colorado-based baseline. Under Scenario D2, prices increase between 0.016 percent and 0.032 percent by 2030 and then, over the subsequent five years, match the increase in prices of Scenario D1.

The main takeaways from the price impacts analysis are: 1) prices in the Mountain region and the Denver-Aurora-Lakewood area are currently above those of the West Region and the nation as a whole, and 2) prices would increase further under all four scenarios, albeit with magnitudes that are less than one tenth of one percent by 2035. The largest estimated increase is 0.092 percent on a base price increase of 3.267 percent.

## ECONOMIC OUTPUT

We use IMPLAN economic modeling software to estimate the impacts of our four scenarios on economic output in the region. IMPLAN is a widely recognized input-output modeling framework designed to estimate the economic impacts of firm expenditures or other changes in an economy. Impacts are measure in terms of output and jobs, with output representing the value of goods and services produced and jobs representing full-year equivalents (FYE).

In general terms, the IMPLAN model works by tracing how spending circulates throughout the economy within a study area, such as a county, by estimating the mathematical relationships between industries, labor, households, and consumers. The key is that changes in one sector or multiple sectors trigger changes in demand and supply throughout the economy. As these changes propagate through the economy via supply- and demand chain linkages, the equilibrium quantities of inputs and outputs are all altered. The resulting multiplier effects continue until the initial change in demand leaks out of the economy in the form of savings, taxes, and imports.

The IMPLAN model takes into account three levels of economic impacts: direct, indirect, and induced. For the purpose of this analysis, we are interested in the induced impacts that stem from any change in households' purchases of goods and services due to the increase in the minimum wage. These induced effects are often referred to as consumption-driven impacts.

For the purposes of this analysis, we focus on two impacts calculated using the IMPLAN model: economic output and tax revenue generation. Economic output represents the value of goods and services produced, and is the broadest measure of economic activity. Output can roughly be thought of as sales. Tax revenue generation includes state and local taxes and fees, including production business taxes, personal income taxes, social insurance (employer and employee contributions) taxes, and various other taxes, fines, licenses, and fees paid by businesses and households.

In this section, we describe the IMPLAN results with respect to economic output. Tax revenues are covered in the next section. Under both the Unincorporated Boulder County-based scenarios and the Denver-based scenarios, economic output increases minimally or remains unchanged by 2030, but then turns slightly negative by 2035. This finding is driven by the way that the minimum wage affects average real family income.

As described above, households in the highest group (i.e., with annual incomes equal to five times the FPL or more) are expected to experience a slight reduction in real family income, largely due to price increases. Further, families with incomes between three and five times of FPL are expected to have no change in real income. Because more households have incomes above three times the FPL than below three times the FPL (120,548 compared with 52,557), and because their incomes are higher, the reduction in income among higher-income households, aggregated, leads to a slight reduction in economic output.

Importantly, the magnitude of the impact is small relative to the size of the local economy. In particular, the Denver-based scenarios lead to a \$3.1 million reduction in economic output by 2035 and the Unincorporated Boulder County-based scenarios lead to an \$11.6 million reduction in economic output by 2035. Economic output for the five municipalities is approximately \$21 billion, based on the GDP of Colorado (\$428 billion) and the portion of Colorado's population in the five municipalities (4.9%). In percentage terms, therefore, the reduction in economic output from the increase in the minimum wage ranges from -0.015 percent to -0.055 percent of local GDP. Still, raising the minimum wage is expected to reduce the size of the local economy, albeit slightly.



**Table 1: Minimum Wages, Colorado, Denver, and Unincorporated Boulder County**

	Standard			Tipped		
	Dollar	% Change		Dollar	% Change	
		Annual	Cumulative		Annual	Cumulative
<b>Colorado</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$14.85	3.0%	3.0%	\$11.83	3.8%	3.8%
2026	\$15.30	3.0%	6.1%	\$12.28	3.8%	7.7%
2027	\$15.76	3.0%	9.3%	\$12.74	3.7%	11.7%
2028	\$16.23	3.0%	12.6%	\$13.21	3.7%	15.9%
2029	\$16.72	3.0%	15.9%	\$13.70	3.7%	20.1%
2030	\$17.22	3.0%	19.4%	\$14.20	3.7%	24.5%
2031	\$17.73	3.0%	23.0%	\$14.71	3.6%	29.1%
2032	\$18.27	3.0%	26.7%	\$15.25	3.6%	33.7%
2033	\$18.81	3.0%	30.5%	\$15.79	3.6%	38.6%
2034	\$19.38	3.0%	34.4%	\$16.36	3.6%	43.5%
2035	\$19.96	3.0%	38.4%	\$16.94	3.6%	48.6%
<b>Denver</b>						
2023	\$17.29	-----	-----	\$14.27	-----	-----
2024	\$18.29	5.8%	-----	\$15.27	7.0%	-----
2025	\$18.84	3.0%	3.0%	\$15.82	3.6%	3.6%
2026	\$19.40	3.0%	6.1%	\$16.38	3.6%	7.3%
2027	\$19.99	3.0%	9.3%	\$16.97	3.6%	11.1%
2028	\$20.59	3.0%	12.6%	\$17.57	3.5%	15.0%
2029	\$21.20	3.0%	15.9%	\$18.18	3.5%	19.1%
2030	\$21.84	3.0%	19.4%	\$18.82	3.5%	23.2%
2031	\$22.49	3.0%	23.0%	\$19.47	3.5%	27.5%
2032	\$23.17	3.0%	26.7%	\$20.15	3.5%	32.0%
2033	\$23.86	3.0%	30.5%	\$20.84	3.4%	36.5%
2034	\$24.58	3.0%	34.4%	\$21.56	3.4%	41.2%
2035	\$25.32	3.0%	38.4%	\$22.30	3.4%	46.0%
<b>Unincorporated Boulder County</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$15.69	14.9%	-----	\$12.67	19.2%	-----
2025	\$16.57	5.6%	5.6%	\$13.55	6.9%	6.9%
2026	\$17.99	8.6%	14.7%	\$14.97	10.5%	18.2%
2027	\$19.53	8.6%	24.5%	\$16.51	10.3%	30.3%
2028	\$21.21	8.6%	35.2%	\$18.19	10.2%	43.6%
2029	\$23.03	8.6%	46.8%	\$20.01	10.0%	57.9%
2030	\$25.00	8.6%	59.3%	\$21.98	9.8%	73.5%
2031	\$25.75	3.0%	64.1%	\$22.73	3.4%	79.4%
2032	\$26.52	3.0%	69.0%	\$23.50	3.4%	85.5%
2033	\$27.32	3.0%	74.1%	\$24.30	3.4%	91.8%
2034	\$28.14	3.0%	79.3%	\$25.12	3.4%	98.2%
2035	\$28.98	3.0%	84.7%	\$25.96	3.4%	104.9%

Sources: Economic Policy Institute. (2024). "Minimum Wage Tracker," [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/Colorado/Denver](https://www.epi.org/minimum-wage-tracker/#/min_wage/Colorado/Denver); GovDocs. (2024). "Boulder County, Colo., Minimum Wage Ordinance." <https://www.govdocs.com/boulder-county-colo-minimum-wage-ordinance/>; U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area - March 2024," [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm).  
Notes: Values for tipped workers are based on the published rate for 2024, with future growth tied to the growth rate for standard workers.

**Table 2: Minimum Wage Scenarios for Reaching Unincorporated Boulder County’s Minimum Wage**

Year	Standard			Tipped		
	% Change			% Change		
	Dollar	Annual	Cumulative	Dollar	Annual	Cumulative
<b>Baseline (Colorado)</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$14.85	3.0%	3.0%	\$11.83	3.8%	3.8%
2026	\$15.30	3.0%	6.1%	\$12.28	3.8%	7.7%
2027	\$15.76	3.0%	9.3%	\$12.74	3.7%	11.7%
2028	\$16.23	3.0%	12.6%	\$13.21	3.7%	15.9%
2029	\$16.72	3.0%	15.9%	\$13.70	3.7%	20.1%
2030	\$17.22	3.0%	19.4%	\$14.20	3.7%	24.5%
2031	\$17.73	3.0%	23.0%	\$14.71	3.6%	29.1%
2032	\$18.27	3.0%	26.7%	\$15.25	3.6%	33.7%
2033	\$18.81	3.0%	30.5%	\$15.79	3.6%	38.6%
2034	\$19.38	3.0%	34.4%	\$16.36	3.6%	43.5%
2035	\$19.96	3.0%	38.4%	\$16.94	3.6%	48.6%
<b>Scenario B1</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$16.58	15.0%	15.0%	\$13.56	19.0%	19.0%
2026	\$17.99	8.5%	24.8%	\$14.97	10.4%	31.3%
2027	\$19.53	8.6%	35.4%	\$16.51	10.3%	44.8%
2028	\$21.21	8.6%	47.1%	\$18.19	10.2%	59.6%
2029	\$23.03	8.6%	59.7%	\$20.01	10.0%	75.5%
2030	\$25.00	8.6%	73.4%	\$21.98	9.8%	92.8%
2031	\$25.75	3.0%	78.6%	\$22.73	3.4%	99.4%
2032	\$26.52	3.0%	83.9%	\$23.50	3.4%	106.2%
2033	\$27.32	3.0%	89.4%	\$24.30	3.4%	113.1%
2034	\$28.14	3.0%	95.1%	\$25.12	3.4%	120.3%
2035	\$28.98	3.0%	101.0%	\$25.96	3.4%	127.7%
<b>Scenario B2</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$15.36	6.6%	6.6%	\$12.34	8.3%	8.3%
2026	\$16.37	6.6%	13.5%	\$13.35	8.2%	17.1%
2027	\$17.44	6.6%	21.0%	\$14.42	8.0%	26.5%
2028	\$18.59	6.6%	28.9%	\$15.57	7.9%	36.5%
2029	\$19.80	6.6%	37.3%	\$16.78	7.8%	47.2%
2030	\$21.10	6.6%	46.3%	\$18.08	7.7%	58.6%
2031	\$22.48	6.6%	55.9%	\$19.46	7.6%	70.7%
2032	\$23.96	6.6%	66.1%	\$20.94	7.6%	83.7%
2033	\$25.53	6.6%	77.0%	\$22.51	7.5%	97.4%
2034	\$27.20	6.6%	88.6%	\$24.18	7.4%	112.1%
2035	\$28.98	6.6%	101.0%	\$25.96	7.4%	127.7%

Sources: Economic Policy Institute. (2024). "Minimum Wage Tracker," [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/Colorado](https://www.epi.org/minimum-wage-tracker/#/min_wage/Colorado); GovDocs. (2024). "Boulder County, Colo., Minimum Wage Ordinance." <https://www.govdocs.com/boulder-county-colo-minimum-wage-ordinance/>; U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area - March 2024," [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm).

Notes: Values for tipped workers are based on the published rate for 2024, with future growth tied to the growth rate for standard workers.



**Table 3: Minimum Wage Scenarios for Reaching Denver’s Minimum Wage**

Year	Standard			Tipped		
	Dollar	Pct Change		Dollar	Pct Change	
		Annual	Cumulative		Annual	Cumulative
<b>Baseline (Colorado)</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$14.85	3.0%	3.0%	\$11.83	3.8%	3.8%
2026	\$15.30	3.0%	6.1%	\$12.28	3.8%	7.7%
2027	\$15.76	3.0%	9.3%	\$12.74	3.7%	11.7%
2028	\$16.23	3.0%	12.6%	\$13.21	3.7%	15.9%
2029	\$16.72	3.0%	15.9%	\$13.70	3.7%	20.1%
2030	\$17.22	3.0%	19.4%	\$14.20	3.7%	24.5%
2031	\$17.73	3.0%	23.0%	\$14.71	3.6%	29.1%
2032	\$18.27	3.0%	26.7%	\$15.25	3.6%	33.7%
2033	\$18.81	3.0%	30.5%	\$15.79	3.6%	38.6%
2034	\$19.38	3.0%	34.4%	\$16.36	3.6%	43.5%
2035	\$19.96	3.0%	38.4%	\$16.94	3.6%	48.6%
<b>Scenario D1</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$16.58	15.0%	15.0%	\$13.56	19.0%	19.0%
2026	\$19.07	15.0%	32.3%	\$16.05	18.3%	40.8%
2027	\$19.99	4.8%	38.6%	\$16.97	5.7%	48.9%
2028	\$20.59	3.0%	42.8%	\$17.57	3.5%	54.1%
2029	\$21.21	3.0%	47.1%	\$18.19	3.5%	59.5%
2030	\$21.84	3.0%	51.5%	\$18.82	3.5%	65.1%
2031	\$22.50	3.0%	56.0%	\$19.48	3.5%	70.9%
2032	\$23.17	3.0%	60.7%	\$20.15	3.5%	76.8%
2033	\$23.87	3.0%	65.5%	\$20.85	3.4%	82.9%
2034	\$24.59	3.0%	70.5%	\$21.57	3.4%	89.2%
2035	\$25.32	3.0%	75.6%	\$22.30	3.4%	95.6%
<b>Scenario D2</b>						
2023	\$13.65	-----	-----	\$10.63	-----	-----
2024	\$14.42	5.6%	-----	\$11.40	7.2%	-----
2025	\$15.18	5.3%	5.3%	\$12.16	6.6%	6.6%
2026	\$15.97	5.3%	10.8%	\$12.95	6.6%	13.6%
2027	\$16.81	5.3%	16.6%	\$13.79	6.5%	21.0%
2028	\$17.70	5.3%	22.7%	\$14.68	6.4%	28.7%
2029	\$18.63	5.3%	29.2%	\$15.61	6.3%	36.9%
2030	\$19.60	5.3%	35.9%	\$16.58	6.3%	45.5%
2031	\$20.63	5.3%	43.1%	\$17.61	6.2%	54.5%
2032	\$21.72	5.3%	50.6%	\$18.70	6.2%	64.0%
2033	\$22.86	5.3%	58.5%	\$19.84	6.1%	74.0%
2034	\$24.06	5.3%	66.8%	\$21.04	6.1%	84.5%
2035	\$25.32	5.3%	75.6%	\$22.30	6.0%	95.6%

Sources: Economic Policy Institute. (2024). "Minimum Wage Tracker," [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/Colorado](https://www.epi.org/minimum-wage-tracker/#/min_wage/Colorado); U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index, Denver-Aurora-Lakewood area - March 2024," [https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex\\_denver.htm](https://www.bls.gov/regions/mountain-plains/news-release/consumerpriceindex_denver.htm)

Notes: Values for tipped workers are based on the published rate for 2024, with future growth tied to the growth rate for standard workers.

**Table 4: Congressional Budget Office Summary of Short-Run and Long-Run Elasticities for All Directly Affected Workers, Selected Studies**

Study	Short-Run Elasticities	Ratio of Long-Run to Short-Run Elasticities
Cengiz, et al. (2019)	0.40	1.0
Cengiz (2019)	0.30	1.0
Derenoncourt and Montialoux (2018)	0.20	1.0
Bailey, DiNardo, and Stuart (2018)	-0.10	2.0
Aaronson, French, and Sorkin (2018)	-0.20	2.0
Neumark, Schweltzer, and Wascher (2004)	-0.20	-----
CBO Median Estimate	-0.25	1.5
Gopalan, et al. (2018)	-0.90	-----
Monras (2019)	-1.00	1.5
Meer and West (2015)	-1.20	1.7
Jardim, et al. (2018)	-1.70	-----
Clemens and Wither (2016)	-1.70	-----

Source: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage."

Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>.

**Table 5: Congressional Budget Office Minimum Wage Employment Elasticities for Teenagers, Young Adults, and Adults, by CBO Scenario**

Group	RMWEA COLA (r=3.0%)	CBO #1 (\$10 Option; r=5.51%)	CBO #2 (\$12 Option; r=8.76%)	CBO #3 (\$15 Option; r=12.88%)	RMWEA Maximum (r=15%)
<b>Teenagers</b>					
Directly affected workers					
Median estimate		-0.653	-0.721	-0.829	
Range					
Low		0.001	0.001	0.001	
High		-1.306	-1.442	-1.658	
All workers					
Median estimate	-0.092	-0.100	-0.111	-0.128	-0.137
Range					
Low	0.001	0.001	0.001	0.001	0.001
High	-0.185	-0.201	-0.222	-0.255	-0.272
<b>Young Adults</b>					
Directly affected workers					
Median estimate		-0.433	-0.478	-0.549	
Range					
Low		0.001	0.001	0.001	
High		-0.971	-1.072	-1.232	
All workers					
Median estimate	-0.047	-0.052	-0.058	-0.066	-0.070
Range					
Low	0.001	0.001	0.001	0.001	0.001
High	-0.097	-0.106	-0.117	-0.134	-0.143
<b>Adults</b>					
Directly affected workers					
Median estimate		-0.212	-0.234	-0.269	
Range					
Low		0.001	0.001	0.001	
High		-0.635	-0.701	-0.806	
All workers					
Median estimate	-0.002	-0.003	-0.004	-0.004	-0.004
Range					
Low	0.001	0.001	0.001	0.001	0.001
High	-0.009	-0.010	-0.011	-0.013	-0.014

Source: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>.

**Table 6a: Effects of Increases in the Minimum Wage on Employment, Unincorporated Boulder County-Based Scenarios, 2025, 2030, and 2035**

	Current Employment	2025		2030		2035	
		Scenario B1	Scenario B2	Scenario B1	Scenario B2	Scenario B1	Scenario B2
<b>All Five Municipalities</b>	<b>197,714</b>						
Teenagers (16-19)	21,242						
Low		1	0	4	3	4	7
Middle		-377	-86	-1,067	-643	-989	-1,477
High		-749	-172	-2,122	-1,285	-1,965	-2,953
Young Adults (20-24)	26,401						
Low		2	0	5	4	5	8
Middle		-242	-55	-688	-414	-638	-951
High		-489	-112	-1,385	-838	-1,282	-1,926
Adults (25 or older)	150,071						
Low		9	3	29	20	26	47
Middle		-80	-23	-282	-167	-269	-377
High		-274	-60	-753	-450	-698	-1,034
<b>Boulder</b>	<b>106,847</b>						
Teenagers (16-19)	11,479						
Low		1	0	2	2	2	4
Middle		-204	-46	-577	-348	-535	-798
High		-405	-93	-1,147	-695	-1,062	-1,596
Young Adults (20-24)	14,268						
Low		1	0	3	2	2	4
Middle		-131	-30	-372	-224	-345	-514
High		-265	-61	-749	-453	-693	-1,041
Adults (25 or older)	81,100						
Low		5	1	16	11	14	25
Middle		-43	-12	-152	-90	-145	-204
High		-148	-32	-407	-243	-377	-559
<b>Erie</b>	<b>6,388</b>						
Teenagers (16-19)	686						
Low		0	0	0	0	0	0
Middle		-12	-3	-34	-21	-32	-48
High		-24	-6	-69	-42	-63	-95
Young Adults (20-24)	853						
Low		0	0	0	0	0	0
Middle		-8	-2	-22	-13	-21	-31
High		-16	-4	-45	-27	-41	-62
Adults (25 or older)	4,849						
Low		0	0	1	1	1	2
Middle		-3	-1	-9	-5	-9	-12
High		-9	-2	-24	-15	-23	-33
<b>Longmont</b>	<b>49,244</b>						
Teenagers (16-19)	5,291						
Low		0	0	1	1	1	2
Middle		-94	-21	-266	-160	-246	-368
High		-187	-43	-529	-320	-489	-736
Young Adults (20-24)	6,576						
Low		0	0	1	1	1	2
Middle		-60	-14	-171	-103	-159	-237
High		-122	-28	-345	-209	-319	-480
Adults (25 or older)	37,378						
Low		2	1	7	5	6	12
Middle		-20	-6	-70	-42	-67	-94
High		-68	-15	-188	-112	-174	-257
<b>Lafayette</b>	<b>15,332</b>						
Teenagers (16-19)	1,647						
Low		0	0	0	0	0	1
Middle		-29	-7	-83	-50	-77	-115
High		-58	-13	-165	-100	-152	-229
Young Adults (20-24)	2,047						
Low		0	0	0	0	0	1
Middle		-19	-4	-53	-32	-50	-74
High		-38	-9	-107	-65	-99	-149
Adults (25 or older)	11,637						



Low	1	0	2	2	2	4
Middle	-6	-2	-22	-13	-21	-29
High	-21	-5	-58	-35	-54	-80
<b>Louisville (est.)</b>	<b>19,903</b>					
Teenagers (16-19)	2,138					
Low	0	0	0	0	0	1
Middle	-38	-9	-107	-65	-100	-149
High	-75	-17	-214	-129	-198	-297
Young Adults (20-24)	2,658					
Low	0	0	1	0	0	1
Middle	-24	-6	-69	-42	-64	-96
High	-49	-11	-139	-84	-129	-194
Adults (25 or older)	15,107					
Low	1	0	3	2	3	5
Middle	-8	-2	-28	-17	-27	-38
High	-28	-6	-76	-45	-70	-104

Source: EConorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; Colorado Department of Labor and Employment, QCEW, 2023

**Table 6b: Effects of Increases in the Minimum Wage on Employment, Denver-Based Scenarios, 2025, 2030, and 2035**

	Current Employment	2025		2030		2035	
		Scenario D1	Scenario D2	Scenario D1	Scenario D2	Scenario D1	Scenario D2
<b>All Five Municipalities</b>	<b>197,714</b>						
Teenagers (16-19)	21,242						
Low		1	0	3	2	2	4
Middle		-377	-53	-772	-386	-694	-859
High		-749	-106	-1,531	-773	-1,373	-1,719
Young Adults (20-24)	26,401						
Low		2	0	3	2	3	5
Middle		-242	-34	-494	-249	-444	-552
High		-489	-69	-1,000	-504	-898	-1,121
Adults (25 or older)	150,071						
Low		9	2	18	12	15	28
Middle		-80	-14	-167	-97	-154	-212
High		-274	-37	-560	-271	-504	-602
<b>Boulder</b>	<b>106,847</b>						
Teenagers (16-19)	11,479						
Low		1	0	1	1	1	2
Middle		-204	-29	-417	-209	-375	-464
High		-405	-58	-827	-418	-742	-929
Young Adults (20-24)	14,268						
Low		1	0	2	1	1	3
Middle		-131	-19	-267	-134	-240	-298
High		-265	-38	-541	-272	-485	-606
Adults (25 or older)	81,100						
Low		5	1	10	7	8	15
Middle		-43	-7	-90	-52	-83	-114
High		-148	-20	-303	-146	-272	-325
<b>Erie</b>	<b>6,388</b>						
Teenagers (16-19)	686						
Low		0	0	0	0	0	0
Middle		-12	-2	-25	-12	-22	-28
High		-24	-3	-49	-25	-44	-56
Young Adults (20-24)	853						
Low		0	0	0	0	0	0

Middle		-8	-1	-16	-8	-14	-18
High		-16	-2	-32	-16	-29	-36
Adults (25 or older)	4,849						
Low		0	0	1	0	0	1
Middle		-3	0	-5	-3	-5	-7
High		-9	-1	-18	-9	-16	-19
<b>Longmont</b>	<b>49,244</b>						
Teenagers (16-19)	5,291						
Low		0	0	1	0	1	1
Middle		-94	-13	-192	-96	-173	-214
High		-187	-27	-381	-193	-342	-428
Young Adults (20-24)	6,576						
Low		0	0	1	1	1	1
Middle		-60	-9	-123	-62	-111	-138
High		-122	-17	-249	-126	-224	-279
Adults (25 or older)	37,378						
Low		2	0	5	3	4	7
Middle		-20	-3	-42	-24	-38	-53
High		-68	-9	-139	-67	-126	-150
<b>Lafayette</b>	<b>15,332</b>						
Teenagers (16-19)	1,647						
Low		0	0	0	0	0	0
Middle		-29	-4	-60	-30	-54	-67
High		-58	-8	-119	-60	-106	-133
Young Adults (20-24)	2,047						
Low		0	0	0	0	0	0
Middle		-19	-3	-38	-19	-34	-43
High		-38	-5	-78	-39	-70	-87
Adults (25 or older)	11,637						
Low		1	0	1	1	1	2
Middle		-6	-1	-13	-8	-12	-16
High		-21	-3	-43	-21	-39	-47
<b>Louisville (est.)</b>	<b>19,903</b>						
Teenagers (16-19)	2,138						
Low		0	0	0	0	0	0
Middle		-38	-5	-78	-39	-70	-86
High		-75	-11	-154	-78	-138	-173
Young Adults (20-24)	2,658						
Low		0	0	0	0	0	0
Middle		-24	-3	-50	-25	-45	-56
High		-49	-7	-101	-51	-90	-113
Adults (25 or older)	15,107						
Low		1	0	2	1	2	3
Middle		-8	-1	-17	-10	-15	-21
High		-28	-4	-56	-27	-51	-61

Source: ECONorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; Colorado Department of Labor and Employment, QCEW, 2023

**Table 7a: Number of Workers Who Could See Increases in Earnings in an Average Week, Unincorporated Boulder County-Based Scenarios, 2030 and 2035**

	Current Employment	2030		2035	
		Scenario B1	Scenario B2	Scenario B1	Scenario B2
<b>All Five Municipalities</b>	<b>197,714</b>				
Directly affected workers		8,116	2,242	17,107	17,102
Potentially affected workers		7,689	2,866	9,677	9,675
<b>Boulder</b>	<b>106,847</b>				
Directly affected workers		4,386	1,212	9,245	9,242
Potentially affected workers		4,155	1,549	5,229	5,229
<b>Erie</b>	<b>6,388</b>				
Directly affected workers		262	72	553	553
Potentially affected workers		248	93	313	313
<b>Longmont</b>	<b>49,244</b>				
Directly affected workers		2,021	558	4,261	4,260
Potentially affected workers		1,915	714	2,410	2,410
<b>Lafayette</b>	<b>15,332</b>				
Directly affected workers		629	174	1,327	1,326
Potentially affected workers		596	222	750	750
<b>Louisville</b>	<b>19,903</b>				
Directly affected workers		817	226	1,722	1,722
Potentially affected workers		774	288	974	974

Source: ECONorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; Colorado Department of Labor and Employment, QCEW, 2023



**Table 7b: Number of Workers Who Could See Increases in Earnings in an Average Week, Denver-Based Scenarios, 2030 and 2035**

	Current Employment	2030		2035	
		Scenario D1	Scenario D2	Scenario D1	Scenario D2
<b>All Five Municipalities</b>	<b>197,714</b>				
Directly affected workers		3,056	815	7,933	7,927
Potentially affected workers		3,912	1,033	6,695	6,693
<b>Boulder</b>	<b>106,847</b>				
Directly affected workers		1,652	441	4,287	4,284
Potentially affected workers		2,114	558	3,618	3,617
<b>Erie</b>	<b>6,388</b>				
Directly affected workers		99	26	256	256
Potentially affected workers		126	33	216	216
<b>Longmont</b>	<b>49,244</b>				
Directly affected workers		761	203	1,976	1,974
Potentially affected workers		974	257	1,668	1,667
<b>Lafayette</b>	<b>15,332</b>				
Directly affected workers		237	63	615	615
Potentially affected workers		303	80	519	519
<b>Louisville</b>	<b>19,903</b>				
Directly affected workers		308	82	799	798
Potentially affected workers		394	104	674	674

Source: ECONorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; Colorado Department of Labor and Employment, QCEW, 2023



**Table 8a: Effect of Increases in the Minimum Wage on Average Annual Real Family Income, Unincorporated Boulder County-Based Scenarios, 2030 and 2035**

FPL Level	Average Real Family Income (Estimated) (\$2024) <sup>a</sup>	Change in Average Annual Real Family Income				
		Scenario B1		Scenario B2		
		Dollars	Percent	Dollars	Percent	
<b>2030</b>						
Less than 1.0 of FPL	\$7,907	\$151.66	1.92%	\$35.96	0.45%	
1.00 to 1.49 of FPL	\$21,764	\$77.28	0.36%	\$18.32	0.08%	
1.50 to 1.99 of FPL	\$32,259	\$84.45	0.26%	\$20.02	0.06%	
2.00 to 2.99 of FPL	\$46,717	\$86.07	0.18%	\$20.41	0.04%	
3.00 to 4.99 of FPL	\$80,363	\$0.00	0.00%	\$0.00	0.00%	
5.00 or more of FPL	\$216,446	-\$95.41	-0.04%	-\$22.62	-0.01%	
<b>2035</b>						
Less than 1.0 of FPL	\$7,907	\$320.42	4.05%	\$320.35	4.05%	
1.00 to 1.49 of FPL	\$21,764	\$317.94	1.46%	\$317.85	1.46%	
1.50 to 1.99 of FPL	\$32,259	\$291.10	0.90%	\$291.01	0.90%	
2.00 to 2.99 of FPL	\$46,717	\$181.84	0.39%	\$181.80	0.39%	
3.00 to 4.99 of FPL	\$80,363	\$0.00	0.00%	\$0.00	0.00%	
5.00 or more of FPL	\$216,446	-\$456.19	-0.21%	-\$456.05	-0.21%	

Source: ECONorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; FRED Economic Data. (2024). "Employment Cost Index: Wages and Salaries: Private Industry Workers." St. Louis, MO: Federal Reserve Bank of St. Louis.

Notes: Based on the increase in the Employment Cost Index (ECI) between Q1 2018 (129.8) and Q1 2024 (162.5). The increase in the ECO over this time period (25.2%) is comparable to the increase in the CPI-U between January 2018 (248.859) and March 2018 (312.23) (25.5%).



**Table 8b: Effect of Increases in the Minimum Wage on Average Annual Real Family Income, Denver-Based Scenarios, 2030 and 2035**

FPL Level	Average Real Family Income (Estimated) (\$2024) <sup>a</sup>	Change in Average Annual Real Family Income				
		Scenario D1		Scenario D2		
		Dollars	Percent	Dollars	Percent	
<b>2030</b>						
Less than 1.0 of FPL	\$7,907	\$57.99	0.73%	.....	.....	
1.00 to 1.49 of FPL	\$21,764	\$29.55	0.14%	.....	.....	
1.50 to 1.99 of FPL	\$32,259	\$32.29	0.10%	.....	.....	
2.00 to 2.99 of FPL	\$46,717	\$32.91	0.07%	.....	.....	
3.00 to 4.99 of FPL	\$80,363	\$0.00	0.00%	.....	.....	
5.00 or more of FPL	\$216,446	-\$36.48	-0.02%	.....	.....	
<b>2035</b>						
Less than 1.0 of FPL	\$7,907	\$175.63	2.22%	\$175.52	2.22%	
1.00 to 1.49 of FPL	\$21,764	\$133.50	0.61%	\$133.36	0.61%	
1.50 to 1.99 of FPL	\$32,259	\$129.86	0.40%	\$129.73	0.40%	
2.00 to 2.99 of FPL	\$46,717	\$99.67	0.21%	\$99.61	0.21%	
3.00 to 4.99 of FPL	\$80,363	\$0.00	0.00%	\$0.00	0.00%	
5.00 or more of FPL	\$216,446	-\$182.93	-0.08%	-\$182.73	-0.08%	

Source: EConorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; FRED Economic Data. (2024). "Employment Cost Index: Wages and Salaries: Private Industry Workers." St. Louis, MO: Federal Reserve Bank of St. Louis.

Notes: Based on the increase in the Employment Cost Index (ECI) between Q1 2018 (129.8) and Q1 2024 (162.5). The increase in the ECO over this time period (25.2%) is comparable to the increase in the CPI-U between January 2018 (248.859) and March 2018 (312.23) (25.5%).

**Table 9a: Effect of Increases in the Minimum Wage on the Number of People in Poverty, by City, Demographic Characteristics, Unincorporated Boulder County-Based Scenarios, 2030 and 2035**

	Population (Estimated)		Change in the Number of People in Poverty			
			2030		2035	
	Number	Percent	Scenario B1	Scenario B2	Scenario B1	Scenario B2
<b>All Five Municipalities</b>						
All	286,542	100%	-481	-103	-987	-987
Age						
0 to 19	69,526	24%	-164	-26	-445	-445
20 to 64	176,561	62%	-249	-51	-530	-530
65 or older	40,455	14%	0	0	0	0
Sex						
Male	144,421	50%	-249	-51	-530	-530
Female	142,121	50%	-233	-51	-457	-457
Educational Attainment						
Less than high school	8,758	3%	-265	-51	-602	-602
High school diploma or some college	62,309	22%	-217	-51	-385	-385
Bachelor's degree or more	113,482	40%	-16	0	-72	-72
Hours Worked per Week						
Fewer than 35	50,690	18%	-48	0	-217	-217
35 or more	116,127	41%	-201	-51	-313	-313
None (Children and nonworking adults)	119,725	42%	-249	-51	-530	-530
<b>Boulder</b>						
All	106,598	100%	-179	-38	-367	-367
Age						
0 to 19	23,644	22%	-30	-10	-134	-166
20 to 64	69,970	66%	-92	-19	-197	-197
65 or older	12,984	12%	0	0	0	0
Sex						
Male	55,075	52%	-92	-19	-197	-197
Female	51,523	48%	-87	-19	-170	-170
Educational Attainment						
Less than high school	1,869	2%	-98	-19	-224	-224
High school diploma or some college	12,229	11%	-81	-19	-143	-143
Bachelor's degree or more	46,028	43%	-6	0	-27	-27
Hours Worked per Week						
Fewer than 35	27,561	26%	-18	0	-81	-81
35 or more	40,140	38%	-75	-19	-116	-116
None (Children and nonworking adults)	38,897	36%	-92	-19	-197	-197
<b>Erie</b>						
All	30,447	100%	-51	-11	-105	-105
Age						
0 to 19	9,679	32%	-8	-3	-38	-47
20 to 64	17,794	58%	-26	-5	-56	-56
65 or older	2,974	10%	0	0	0	0



<b>Sex</b>						
Male	14,929	49%	-26	-5	-56	-56
Female	15,518	51%	-25	-5	-49	-49
<b>Educational Attainment</b>						
Less than high school	545	2%	-28	-5	-64	-64
High school diploma or some college	6,322	21%	-23	-5	-41	-41
Bachelor's degree or more	12,758	42%	-2	0	-8	-8
<b>Hours Worked per Week</b>						
Fewer than 35	3,848	13%	-5	0	-23	-23
35 or more	12,780	42%	-21	-5	-33	-33
None (Children and nonworking adults)	13,819	45%	-26	-5	-56	-56
<b>Longmont</b>						
All	98,282	100%	-165	-35	-339	-339
<b>Age</b>						
0 to 19	22,928	23%	-27	-9	-124	-153
20 to 64	58,403	59%	-85	-18	-182	-182
65 or older	16,951	17%	0	0	0	0
<b>Sex</b>						
Male	48,880	50%	-85	-18	-182	-182
Female	49,402	50%	-80	-18	-157	-157
<b>Educational Attainment</b>						
Less than high school	5,242	5%	-91	-18	-206	-206
High school diploma or some college	32,146	33%	-74	-18	-132	-132
Bachelor's degree or more	31,887	32%	-5	0	-25	-25
<b>Hours Worked per Week</b>						
Fewer than 35	12,479	13%	-16	0	-74	-74
35 or more	41,569	42%	-69	-18	-107	-107
None (Children and nonworking adults)	44,234	45%	-85	-18	-182	-182
<b>Lafayette</b>						
All	30,295	100%	-51	-11	-104	-104
<b>Age</b>						
0 to 19	7,501	25%	-8	-3	-38	-47
20 to 64	18,385	61%	-26	-5	-56	-56
65 or older	4,409	15%	0	0	0	0
<b>Sex</b>						
Male	14,949	49%	-26	-5	-56	-56
Female	15,346	51%	-25	-5	-48	-48
<b>Educational Attainment</b>						
Less than high school	894	3%	-28	-5	-64	-64
High school diploma or some college	6,971	23%	-23	-5	-41	-41
Bachelor's degree or more	13,445	44%	-2	0	-8	-8
<b>Hours Worked per Week</b>						
Fewer than 35	3,833	13%	-5	0	-23	-23
35 or more	13,084	43%	-21	-5	-33	-33
None (Children and nonworking adults)	13,378	44%	-26	-5	-56	-56
<b>Louisville</b>						
All	20,920	100%	-35	-7	-72	-72
<b>Age</b>						
0 to 19	5,774	28%	-6	-2	-26	-33



20 to 64	12,009	57%	-18	-4	-39	-39
65 or older	3,137	15%	0	0	0	0
<b>Sex</b>						
Male	10,588	51%	-18	-4	-39	-39
Female	10,332	49%	-17	-4	-33	-33
<b>Educational Attainment</b>						
Less than high school	208	1%	-19	-4	-44	-44
High school diploma or some college	4,641	22%	-16	-4	-28	-28
Bachelor's degree or more	9,364	45%	-1	0	-5	-5
<b>Hours Worked per Week</b>						
Fewer than 35	2,969	14%	-4	0	-16	-16
35 or more	8,554	41%	-15	-4	-23	-23
None (Children and nonworking adults)	9,397	45%	-18	-4	-39	-39

Source: EConorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; FRED Economic Data. (2024). "Employment Cost Index: Wages and Salaries: Private Industry Workers." St. Louis, MO: Federal Reserve Bank of St. Louis.

**Table 9b: Effect of Increases in the Minimum Wage on the Number of People in Poverty, by City, Demographic Characteristics, Denver-Based Scenarios, 2030 and 2035**

	Population (Estimated)		Change in the Number of People in Poverty			
	Number	Percent	2030		2035	
			Scenario D1	Scenario D2	Scenario D1	Scenario D2
<b>All Five Municipalities</b>						
All	286,542	100%	-166	0	-522	-522
<b>Age</b>						
0 to 19	69,526	24%	-41	0	-187	-187
20 to 64	176,561	62%	-83	0	-271	-271
65 or older	40,455	14%	0	0	0	0
<b>Sex</b>						
Male	144,421	50%	-83	0	-271	-271
Female	142,121	50%	-83	0	-251	-251
<b>Educational Attainment</b>						
Less than high school	8,758	3%	-83	0	-292	-292
High school diploma or some college	62,309	22%	-83	0	-230	-230
Bachelor's degree or more	113,482	40%	0	0	-21	-21
<b>Hours Worked per Week</b>						
Fewer than 35	50,690	18%	0	0	-62	-62
35 or more	116,127	41%	-83	0	-210	-210
None (Children and nonworking adults)	119,725	42%	-83	0	-271	-271
<b>Boulder</b>						
All	106,598	100%	-62	0	-194	-194
<b>Age</b>						
0 to 19	23,644	22%	-15	0	-38	-70
20 to 64	69,970	66%	-31	0	-101	-101
65 or older	12,984	12%	0	0	0	0
<b>Sex</b>						
Male	55,075	52%	-31	0	-101	-101
Female	51,523	48%	-31	0	-93	-93
<b>Educational Attainment</b>						



Less than high school	1,869	2%	-31	0	-109	-108
High school diploma or some college	12,229	11%	-31	0	-86	-86
Bachelor's degree or more	46,028	43%	0	0	-8	-8
<b>Hours Worked per Week</b>						
Fewer than 35	27,561	26%	0	0	-23	-23
35 or more	40,140	38%	-31	0	-78	-78
None (Children and nonworking adults)	38,897	36%	-31	0	-101	-101
<b>Erie</b>						
All	30,447	100%	-18	0	-55	-55
<b>Age</b>						
0 to 19	9,679	32%	-4	0	-11	-20
20 to 64	17,794	58%	-9	0	-29	-29
65 or older	2,974	10%	0	0	0	0
<b>Sex</b>						
Male	14,929	49%	-9	0	-29	-29
Female	15,518	51%	-9	0	-27	-27
<b>Educational Attainment</b>						
Less than high school	545	2%	-9	0	-31	-31
High school diploma or some college	6,322	21%	-9	0	-24	-24
Bachelor's degree or more	12,758	42%	0	0	-2	-2
<b>Hours Worked per Week</b>						
Fewer than 35	3,848	13%	0	0	-7	-7
35 or more	12,780	42%	-9	0	-22	-22
None (Children and nonworking adults)	13,819	45%	-9	0	-29	-29
<b>Longmont</b>						
All	98,282	100%	-57	0	-179	-179
<b>Age</b>						
0 to 19	22,928	23%	-14	0	-35	-64
20 to 64	58,403	59%	-28	0	-93	-93
65 or older	16,951	17%	0	0	0	0
<b>Sex</b>						
Male	48,880	50%	-28	0	-93	-93
Female	49,402	50%	-28	0	-86	-86
<b>Educational Attainment</b>						
Less than high school	5,242	5%	-28	0	-100	-100
High school diploma or some college	32,146	33%	-28	0	-79	-79
Bachelor's degree or more	31,887	32%	0	0	-7	-7
<b>Hours Worked per Week</b>						
Fewer than 35	12,479	13%	0	0	-21	-21
35 or more	41,569	42%	-28	0	-72	-72
None (Children and nonworking adults)	44,234	45%	-28	0	-93	-93
<b>Lafayette</b>						
All	30,295	100%	-18	0	-55	-55
<b>Age</b>						
0 to 19	7,501	25%	-4	0	-11	-20
20 to 64	18,385	61%	-9	0	-29	-29
65 or older	4,409	15%	0	0	0	0
<b>Sex</b>						
Male	14,949	49%	-9	0	-29	-29
Female	15,346	51%	-9	0	-27	-26



Educational Attainment						
Less than high school	894	3%	-9	0	-31	-31
High school diploma or some college	6,971	23%	-9	0	-24	-24
Bachelor's degree or more	13,445	44%	0	0	-2	-2
Hours Worked per Week						
Fewer than 35	3,833	13%	0	0	-7	-7
35 or more	13,084	43%	-9	0	-22	-22
None (Children and nonworking adults)	13,378	44%	-9	0	-29	-29
Louisville						
All	20,920	100%	-12	0	-38	-38
Age						
0 to 19	5,774	28%	-3	0	-8	-14
20 to 64	12,009	57%	-6	0	-20	-20
65 or older	3,137	15%	0	0	0	0
Sex						
Male	10,588	51%	-6	0	-20	-20
Female	10,332	49%	-6	0	-18	-18
Educational Attainment						
Less than high school	208	1%	-6	0	-21	-21
High school diploma or some college	4,641	22%	-6	0	-17	-17
Bachelor's degree or more	9,364	45%	0	0	-2	-1
Hours Worked per Week						
Fewer than 35	2,969	14%	0	0	-5	-4
35 or more	8,554	41%	-6	0	-15	-15
None (Children and nonworking adults)	9,397	45%	-6	0	-20	-20

Source: EConorthwest analysis of data from: Congressional Budget Office. (2019). "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." Washington, DC: Congressional Budget Office, <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>; FRED Economic Data. (2024). "Employment Cost Index: Wages and Salaries: Private Industry Workers." St. Louis, MO: Federal Reserve Bank of St. Louis.

**Table 10a: Effect of Increases in the Minimum Wage on Labor and Operating Costs, by Industry, Unincorporated Boulder County-Based Scenarios, 2030 and 2035**

Year	Labor Costs as a % of Operating Costs (Estimated)	2030				2035			
		Scenario B1		Scenario B2		Scenario B1		Scenario B2	
		Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs
<b>All industries</b>	<b>22.1%</b>	<b>2.7%</b>	<b>0.6%</b>	<b>1.3%</b>	<b>0.3%</b>	<b>3.1%</b>	<b>0.7%</b>	<b>3.1%</b>	<b>0.7%</b>
Nondurable manufacturing	6.9%	3.2%	0.2%	1.6%	0.1%	3.7%	0.3%	3.7%	0.3%
Food manufacturing	10.7%	6.2%	0.7%	3.1%	0.3%	7.1%	0.8%	7.1%	0.8%
Wholesale trade	6.2%	2.2%	0.1%	1.1%	0.1%	2.5%	0.2%	2.5%	0.2%
Retail trade	10.8%	6.6%	0.7%	3.3%	0.4%	7.6%	0.8%	7.6%	0.8%
Grocery stores	12.2%	11.4%	1.4%	5.7%	0.7%	13.2%	1.6%	13.2%	1.6%
Admin. services and waste management	61.1%	4.9%	3.0%	2.4%	1.5%	5.6%	3.4%	5.6%	3.4%
Health care and social assistance	48.4%	2.9%	1.4%	1.5%	0.7%	3.4%	1.6%	3.4%	1.6%
Ambulatory care	52.9%	4.4%	2.3%	2.2%	1.2%	5.1%	2.7%	5.1%	2.7%
Hospitals	44.1%	1.0%	0.4%	0.5%	0.2%	1.1%	0.5%	1.1%	0.5%
Residential care	52.2%	4.8%	2.5%	2.4%	1.2%	5.5%	2.9%	5.5%	2.9%
Restaurants	30.7%	18.7%	5.7%	9.3%	2.9%	21.7%	6.7%	21.7%	6.7%
Other services	33.8%	10.4%	3.5%	5.2%	1.7%	12.0%	4.1%	12.0%	4.1%

Sources: ECONorthwest analysis of data from: Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.





**Table 10b: Effect of Increases in the Minimum Wage on Labor and Operating Costs, by Industry, Denver-Based Scenarios, 2030 and 2035**

Year	2030				2035				
	Scenario D1		Scenario D2		Scenario D1		Scenario D2		
	Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs	Change in Payroll Costs	Change in Operating Costs	
<b>All industries</b>	<b>22.1%</b>	<b>1.6%</b>	<b>0.4%</b>	<b>0.8%</b>	<b>0.2%</b>	<b>1.8%</b>	<b>0.4%</b>	<b>1.8%</b>	<b>0.4%</b>
Nondurable manufacturing	6.9%	1.9%	0.1%	1.0%	0.1%	2.2%	0.2%	2.2%	0.2%
Food manufacturing	10.7%	3.7%	0.4%	1.9%	0.2%	4.2%	0.5%	4.2%	0.5%
Wholesale trade	6.2%	1.3%	0.1%	0.7%	0.0%	1.5%	0.1%	1.5%	0.1%
Retail trade	10.8%	3.9%	0.4%	2.0%	0.2%	4.5%	0.5%	4.5%	0.5%
Grocery stores	12.2%	6.8%	0.8%	3.5%	0.4%	7.9%	1.0%	7.9%	1.0%
Administrative services and waste management	61.1%	2.9%	1.8%	1.5%	0.9%	3.3%	2.0%	3.3%	2.0%
Health care and social assistance	48.4%	1.7%	0.8%	0.9%	0.4%	2.0%	1.0%	2.0%	1.0%
Ambulatory care	52.9%	2.6%	1.4%	1.3%	0.7%	3.0%	1.6%	3.0%	1.6%
Hospitals	44.1%	0.6%	0.3%	0.3%	0.1%	0.7%	0.3%	0.7%	0.3%
Residential care	52.2%	2.8%	1.5%	1.5%	0.8%	3.3%	1.7%	3.3%	1.7%
Restaurants	30.7%	11.1%	3.4%	5.7%	1.8%	12.9%	4.0%	12.9%	4.0%
Other services	33.8%	6.2%	2.1%	3.2%	1.1%	7.1%	2.4%	7.1%	2.4%

Sources: ECONorthwest analysis of data from: Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.

**Table 11a: Effect of Increases in the Minimum Wage on the Number of Workers who could see Increased Earnings, by Selected Industry, Unincorporated Boulder County-Based Scenarios**

Industry Code	Industry Description	Percent of Workforce	Number of Workers	Number of Workers who could see Increased Earnings			
				Scenario B1		Scenario B2	
				2030	2035	2030	2035
<b>All Five Municipalities</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.3%	661	91	154	30	154
23	Construction	3.7%	7,402	556	943	180	943
31	Manufacturing	2.2%	4,252	361	610	117	610
311	Food Manufacturing	1.6%	3,126	342	579	110	579
32,33	Manufacturing	9.7%	19,118	1,287	2,180	416	2,179
42	Wholesale Trade	3.7%	7,354	525	890	170	890
44,45	Retail Trade	8.6%	16,908	2,131	3,611	689	3,610
445110	Grocery Stores	1.5%	2,974	441	746	143	746
48,49,22	Transportation and Warehousing; Utilities	1.3%	2,500	220	373	71	373
51	Information	4.1%	8,191	353	598	114	598
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.4%	6,629	284	481	92	481
54	Professional, Scientific, and Technical Services	18.2%	35,915	1,263	2,140	408	2,140
56	Admin. and Support and Waste Mngmt. and Rem. Services	3.3%	6,431	696	1,179	225	1,178
61	Educational Services	9.0%	17,785	1,352	2,290	437	2,290
62	Health Care and Social Assistance	11.8%	23,259	2,153	3,650	696	3,649
71	Arts, Entertainment, and Recreation	1.6%	3,113	321	544	104	543
72	Accommodation and Food Services (minus 72251)	1.3%	2,489	283	479	91	479
72251	Restaurants and Other Drinking and Eating Places	7.2%	14,165	2,466	4,179	797	4,178
81	Other Services (except Public Administration)	2.9%	5,766	869	1,473	281	1,472
<b>Boulder</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.2%	242	33	56	10	56
23	Construction	1.8%	1,915	144	244	46	244
31	Manufacturing	1.4%	1,500	128	215	42	215
311	Food Manufacturing	1.1%	1,123	123	209	40	208
32,33	Manufacturing	9.5%	10,171	684	1,160	221	1,159
42	Wholesale Trade	3.3%	3,558	254	431	82	431
44,45	Retail Trade	7.3%	7,838	987	1,674	319	1,673
445110	Grocery Stores	1.5%	1,608	238	403	77	403
48,49,22	Transportation and Warehousing; Utilities	1.1%	1,129	99	168	32	168



51	Information	6.1%	6,543	281	477	91	477
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.7%	3,960	170	288	55	288
54	Professional, Scientific, and Technical Services	20.9%	22,358	786	1,332	254	1,332
56	Admin. and Support and Waste Mngmt. and Rem. Services	2.3%	2,490	269	456	87	456
61	Educational Services	15.8%	16,894	1,284	2,176	415	2,175
62	Health Care and Social Assistance	8.3%	8,828	818	1,386	264	1,386
71	Arts, Entertainment, and Recreation	1.6%	1,685	174	294	56	294
72	Accommodation and Food Services (minus 72251)	1.5%	1,617	184	312	60	312
72251	Restaurants and Other Drinking and Eating Places	6.5%	6,972	1,213	2,057	392	2,056
81	Other Services (except Public Administration)	3.0%	3,251	490	830	159	830
<b>Erie</b>							
11	Agriculture, Forestry, Fishing and Hunting	.....	.....	.....	.....	.....	.....
23	Construction	11.8%	755	57	96	18	96
31	Manufacturing	0.5%	30	3	4	1	4
311	Food Manufacturing	0.1%	7	1	1	-	1
32,33	Manufacturing	4.1%	262	18	30	6	30
42	Wholesale Trade	2.9%	184	13	22	4	22
44,45	Retail Trade	12.4%	790	99	168	32	168
445110	Grocery Stores	.....	.....	.....	.....	.....	.....
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.2%	75	4	5	1	5
52,53	Finance and Insurance; Real Estate and Rental and Leasing	4.0%	252	11	18	4	18
54	Professional, Scientific, and Technical Services	14.4%	920	33	55	11	55
56	Admin. and Support and Waste Mngmt. and Rem. Services	8.7%	555	60	101	20	101
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	7.2%	461	43	72	14	72
71	Arts, Entertainment, and Recreation	4.4%	280	29	49	9	49
72	Accommodation and Food Services (minus 72251)	0.5%	32	3	6	1	6
72251	Restaurants and Other Drinking and Eating Places	8.9%	566	98	167	31	167
81	Other Services (except Public Administration)	5.1%	326	49	83	16	83
<b>Lafayette</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.1%	21	3	5	1	5
23	Construction	5.1%	780	59	100	19	100
31	Manufacturing	1.5%	228	19	33	6	33
311	Food Manufacturing	0.6%	94	11	17	4	17



32,33	Manufacturing	8.4%	1,290	87	147	28	147
42	Wholesale Trade	4.4%	678	48	82	15	82
44,45	Retail Trade	8.5%	1,307	164	279	53	279
445110	Grocery Stores	1.5%	228	33	58	11	58
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.2%	185	8	14	3	14
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.1%	478	20	34	6	34
54	Professional, Scientific, and Technical Services	11.0%	1,679	59	101	19	101
56	Admin. and Support and Waste Mngmt. and Rem. Services	4.2%	640	70	118	23	118
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	31.5%	4,829	448	758	145	758
71	Arts, Entertainment, and Recreation	2.5%	390	40	68	13	68
72	Accommodation and Food Services (minus 72251)	0.8%	120	14	23	4	23
72251	Restaurants and Other Drinking and Eating Places	6.8%	1,043	181	307	59	307
81	Other Services (except Public Administration)	1.9%	287	43	73	14	73
<b>Longmont</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.8%	398	55	93	18	93
23	Construction	6.2%	3,059	229	390	74	390
31	Manufacturing	2.9%	1,431	121	205	39	205
311	Food Manufacturing	2.1%	1,042	114	193	37	193
32,33	Manufacturing	8.8%	4,354	293	496	95	496
42	Wholesale Trade	4.0%	1,963	140	238	46	238
44,45	Retail Trade	12.1%	5,959	751	1,272	243	1,272
445110	Grocery Stores	1.8%	883	131	221	42	221
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.0%	476	20	34	6	34
52,53	Finance and Insurance; Real Estate and Rental and Leasing	2.7%	1,316	56	95	18	95
54	Professional, Scientific, and Technical Services	13.0%	6,379	224	380	72	380
56	Admin. and Support and Waste Mngmt. and Rem. Services	4.9%	2,418	261	443	84	443
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	12.2%	5,985	554	939	179	939
71	Arts, Entertainment, and Recreation	1.2%	594	62	104	20	104
72	Accommodation and Food Services (minus 72251)	1.1%	526	60	101	20	101
72251	Restaurants and Other Drinking and Eating Places	9.0%	4,412	768	1,301	249	1,301
81	Other Services (except Public Administration)	3.2%	1,554	234	397	76	397



Louisville							
11	Agriculture, Forestry, Fishing and Hunting	.....	.....	.....	.....	.....	.....
23	Construction	4.5%	893	67	113	22	113
31	Manufacturing	5.3%	1,063	90	153	29	153
311	Food Manufacturing	4.3%	860	94	160	30	160
32,33	Manufacturing	15.3%	3,041	205	347	66	347
42	Wholesale Trade	4.9%	971	69	118	22	118
44,45	Retail Trade	5.1%	1,015	127	216	41	216
445110	Grocery Stores	1.3%	256	38	64	12	64
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	4.6%	911	40	66	13	66
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.1%	623	26	46	8	46
54	Professional, Scientific, and Technical Services	23.0%	4,578	161	273	52	273
56	Admin. and Support and Waste Mngmt. and Rem. Services	1.7%	329	35	60	11	60
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	15.9%	3,156	292	495	95	495
71	Arts, Entertainment, and Recreation	0.8%	164	17	28	6	28
72	Accommodation and Food Services (minus 72251)	1.0%	193	22	37	7	37
72251	Restaurants and Other Drinking and Eating Places	5.9%	1,172	204	346	66	346
81	Other Services (except Public Administration)	1.8%	349	53	89	17	89

Sources: ECONorthwest analysis of the American Community Survey and Colorado Department of Labor and Employment, QCEW; Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.

Notes: Selected industries are those with documented impacts in the literature; these industries cover 92 percent of employees in the region (92% = 181,938 / 197,714). "....." denotes no available data.

**Table 11b: Effect of Increases in the Minimum Wage on Number of Workers who could see Increased Earnings, by Selected Industry, Denver-Based Scenarios**

Industry Code	Industry Description	Percent of Workforce	Number of Workers	Number of Workers who could see Increased Earnings			
				Scenario D1 2030	Scenario D1 2035	Scenario D2 2030	Scenario D2 2035
<b>All Five Municipalities</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.3%	661	40	84	11	84
23	Construction	3.7%	7,402	246	515	65	515
31	Manufacturing	2.2%	4,252	159	333	43	333
311	Food Manufacturing	1.6%	3,126	151	316	40	316
32,33	Manufacturing	9.7%	19,118	568	1,191	151	1,190
42	Wholesale Trade	3.7%	7,354	232	486	61	486
44,45	Retail Trade	8.6%	16,908	940	1,973	249	1,971

445110	Grocery Stores	1.5%	2,974	195	408	52	407
48,49,22	Transportation and Warehousing; Utilities	1.3%	2,500	97	204	26	204
51	Information	4.1%	8,191	156	327	42	326
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.4%	6,629	125	263	33	263
54	Professional, Scientific, and Technical Services	18.2%	35,915	557	1,169	148	1,168
56	Admin. and Support and Waste Mngmt. and Rem. Services	3.3%	6,431	307	644	82	643
61	Educational Services	9.0%	17,785	596	1,251	159	1,250
62	Health Care and Social Assistance	11.8%	23,259	949	1,994	251	1,992
71	Arts, Entertainment, and Recreation	1.6%	3,113	142	297	38	297
72	Accommodation and Food Services (minus 72251)	1.3%	2,489	124	262	33	262
72251	Restaurants and Other Drinking and Eating Places	7.2%	14,165	1,088	2,282	289	2,281
81	Other Services (except Public Administration)	2.9%	5,766	383	804	102	804
<b>Boulder</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.2%	242	14	31	3	31
23	Construction	1.8%	1,915	63	133	17	133
31	Manufacturing	1.4%	1,500	57	117	15	117
311	Food Manufacturing	1.1%	1,123	54	114	14	114
32,33	Manufacturing	9.5%	10,171	302	633	80	633
42	Wholesale Trade	3.3%	3,558	112	235	30	235
44,45	Retail Trade	7.3%	7,838	435	914	115	914
445110	Grocery Stores	1.5%	1,608	105	220	28	220
48,49,22	Transportation and Warehousing; Utilities	1.1%	1,129	43	92	11	92
51	Information	6.1%	6,543	124	260	33	260
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.7%	3,960	75	157	20	157
54	Professional, Scientific, and Technical Services	20.9%	22,358	347	727	92	727
56	Admin. and Support and Waste Mngmt. and Rem. Services	2.3%	2,490	119	249	31	249
61	Educational Services	15.8%	16,894	566	1,188	150	1,188
62	Health Care and Social Assistance	8.3%	8,828	361	757	96	757
71	Arts, Entertainment, and Recreation	1.6%	1,685	76	160	20	160
72	Accommodation and Food Services (minus 72251)	1.5%	1,617	81	170	22	170
72251	Restaurants and Other Drinking and Eating Places	6.5%	6,972	535	1,123	141	1,123
81	Other Services (except Public Administration)	3.0%	3,251	216	453	58	453
<b>Erie</b>							
11	Agriculture, Forestry, Fishing and Hunting	.....	.....	.....	.....	.....	.....
23	Construction	11.8%	755	25	52	6	52
31	Manufacturing	0.5%	30	1	2	1	2

311	Food Manufacturing	0.1%	7	-	1	-	1
32,33	Manufacturing	4.1%	262	8	16	2	16
42	Wholesale Trade	2.9%	184	6	12	1	12
44,45	Retail Trade	12.4%	790	44	92	11	92
445110	Grocery Stores	.....	.....	.....	.....	.....	.....
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.2%	75	2	3	1	3
52,53	Finance and Insurance; Real Estate and Rental and Leasing	4.0%	252	5	10	2	10
54	Professional, Scientific, and Technical Services	14.4%	920	15	30	4	30
56	Admin. and Support and Waste Mngmt. and Rem. Services	8.7%	555	27	55	7	55
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	7.2%	461	19	39	5	39
71	Arts, Entertainment, and Recreation	4.4%	280	13	27	3	27
72	Accommodation and Food Services (minus 72251)	0.5%	32	1	3	-	3
72251	Restaurants and Other Drinking and Eating Places	8.9%	566	43	91	11	91
81	Other Services (except Public Administration)	5.1%	326	21	45	5	45
<b>Lafayette</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.1%	21	2	3	1	3
23	Construction	5.1%	780	26	55	7	55
31	Manufacturing	1.5%	228	8	18	2	18
311	Food Manufacturing	0.6%	94	5	9	2	9
32,33	Manufacturing	8.4%	1,290	38	81	10	81
42	Wholesale Trade	4.4%	678	21	44	5	44
44,45	Retail Trade	8.5%	1,307	72	152	19	152
445110	Grocery Stores	1.5%	228	14	32	4	32
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.2%	185	4	8	1	8
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.1%	478	9	19	2	19
54	Professional, Scientific, and Technical Services	11.0%	1,679	26	55	7	55
56	Admin. and Support and Waste Mngmt. and Rem. Services	4.2%	640	31	64	9	64
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	31.5%	4,829	198	414	53	414
71	Arts, Entertainment, and Recreation	2.5%	390	17	37	4	37
72	Accommodation and Food Services (minus 72251)	0.8%	120	6	12	1	12
72251	Restaurants and Other Drinking and Eating Places	6.8%	1,043	80	168	21	168
81	Other Services (except Public Administration)	1.9%	287	19	40	5	40
<b>Longmont</b>							
11	Agriculture, Forestry, Fishing and Hunting	0.8%	398	25	51	7	51



23	Construction	6.2%	3,059	101	213	26	213
31	Manufacturing	2.9%	1,431	53	112	14	112
311	Food Manufacturing	2.1%	1,042	50	105	13	105
32,33	Manufacturing	8.8%	4,354	129	271	34	271
42	Wholesale Trade	4.0%	1,963	62	130	17	130
44,45	Retail Trade	12.1%	5,959	331	695	88	694
445110	Grocery Stores	1.8%	883	58	120	15	120
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	1.0%	476	9	19	2	19
52,53	Finance and Insurance; Real Estate and Rental and Leasing	2.7%	1,316	25	52	6	52
54	Professional, Scientific, and Technical Services	13.0%	6,379	99	207	26	207
56	Admin. and Support and Waste Mngmt. and Rem. Services	4.9%	2,418	115	242	30	242
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	12.2%	5,985	244	513	65	513
71	Arts, Entertainment, and Recreation	1.2%	594	27	57	8	57
72	Accommodation and Food Services (minus 72251)	1.1%	526	27	55	7	55
72251	Restaurants and Other Drinking and Eating Places	9.0%	4,412	339	710	90	710
81	Other Services (except Public Administration)	3.2%	1,554	103	217	28	217
<b>Louisville</b>							
11	Agriculture, Forestry, Fishing and Hunting	.....	.....	.....	.....	.....	.....
23	Construction	4.5%	893	30	62	8	62
31	Manufacturing	5.3%	1,063	40	84	11	84
311	Food Manufacturing	4.3%	860	41	87	11	87
32,33	Manufacturing	15.3%	3,041	90	190	24	189
42	Wholesale Trade	4.9%	971	30	65	8	65
44,45	Retail Trade	5.1%	1,015	56	118	15	118
445110	Grocery Stores	1.3%	256	17	35	5	35
48,49,22	Transportation and Warehousing; Utilities	.....	.....	.....	.....	.....	.....
51	Information	4.6%	911	18	36	5	36
52,53	Finance and Insurance; Real Estate and Rental and Leasing	3.1%	623	11	25	3	25
54	Professional, Scientific, and Technical Services	23.0%	4,578	71	149	19	149
56	Admin. and Support and Waste Mngmt. and Rem. Services	1.7%	329	16	33	4	33
61	Educational Services	.....	.....	.....	.....	.....	.....
62	Health Care and Social Assistance	15.9%	3,156	129	270	34	270
71	Arts, Entertainment, and Recreation	0.8%	164	8	15	2	15
72	Accommodation and Food Services (minus 72251)	1.0%	193	10	20	3	20
72251	Restaurants and Other Drinking and Eating Places	5.9%	1,172	90	189	24	189
81	Other Services (except Public Administration)	1.8%	349	23	48	6	48





Sources: ECONorthwest analysis of the American Community Survey and Colorado Department of Labor and Employment, QCEW, 2023; Reich, M. Allegretto, S., Jacobs, K. and Montialoux, C. (2016). "The Effects of a \$15 Minimum Wage in New York State." Berkeley, CA: Institute for Research on Labor and Employment.

Notes: Selected industries are those with documented impacts in the literature; these industries cover 92 percent of employees in the region (92% = 181,938 / 197,714). "-----" denotes no available data.

**Table 12a: Effect of Increases in the Minimum Wage on Prices, Unincorporated Boulder County-Based Scenarios**

Year	Change in Prices			Scenario B1				Scenario B2			
	United States	West Region	Mountain	Lower		Upper		Lower		Upper	
				Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2015	0.12%	1.17%	----	----	----	----	----	----	----	----	----
2016	1.26%	1.93%	----	----	----	----	----	----	----	----	----
2017	2.13%	2.84%	----	----	----	----	----	----	----	----	----
2018	2.44%	3.35%	2.19%	2.19%	----	2.19%	----	2.19%	----	2.19%	----
2019	1.81%	2.69%	2.63%	2.63%	----	2.63%	----	2.63%	----	2.63%	----
2020	1.23%	1.74%	2.17%	2.17%	----	2.17%	----	2.17%	----	2.17%	----
2021	4.70%	4.52%	5.03%	5.03%	----	5.03%	----	5.03%	----	5.03%	----
2022	8.00%	8.01%	9.33%	9.33%	----	9.33%	----	9.33%	----	9.33%	----
2023	4.12%	4.29%	4.48%	4.48%	----	4.48%	----	4.48%	----	4.48%	----
2024	3.00%	3.13%	3.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2025	3.00%	3.13%	3.27%	0.01%	0.01%	0.03%	0.03%	0.00%	0.00%	0.01%	0.01%
2026	3.00%	3.13%	3.27%	0.01%	0.02%	0.01%	0.04%	0.00%	0.01%	0.01%	0.02%
2027	3.00%	3.13%	3.27%	0.01%	0.03%	0.01%	0.05%	0.00%	0.01%	0.01%	0.03%
2028	3.00%	3.13%	3.27%	0.01%	0.03%	0.01%	0.07%	0.00%	0.02%	0.01%	0.03%
2029	3.00%	3.13%	3.27%	0.01%	0.04%	0.01%	0.08%	0.00%	0.02%	0.01%	0.04%
2030	3.00%	3.13%	3.27%	0.01%	0.05%	0.01%	0.09%	0.00%	0.03%	0.01%	0.05%
2031	3.00%	3.13%	3.27%	0.00%	0.05%	0.00%	0.09%	0.00%	0.03%	0.01%	0.06%
2032	3.00%	3.13%	3.27%	0.00%	0.05%	0.00%	0.09%	0.00%	0.03%	0.01%	0.07%
2033	3.00%	3.13%	3.27%	0.00%	0.05%	0.00%	0.09%	0.00%	0.04%	0.01%	0.08%
2034	3.00%	3.13%	3.27%	0.00%	0.05%	0.00%	0.09%	0.00%	0.04%	0.01%	0.08%
2035	3.00%	3.13%	3.27%	0.00%	0.05%	0.00%	0.09%	0.00%	0.05%	0.01%	0.09%

Sources: ECONorthwest analysis of data from: U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index for All Urban Consumers (CPI-U): Selected Areas, All Items Index, Not Seasonally Adjusted." Washington, DC: U.S. Department of Labor. <https://www.bls.gov/regions/mountain-plains/data/xg-tables/ro7xg01.htm>.

**Table 12b: Effect of Increases in the Minimum Wage on Prices, Denver-Based Scenarios**

Year	Change in Prices			Scenario D1				Scenario D2			
	United States	West Region	Mountain	Lower		Upper		Lower		Upper	
				Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2015	0.12%	1.17%	---	---	---	---	---	---	---	---	---
2016	1.26%	1.93%	---	---	---	---	---	---	---	---	---
2017	2.13%	2.84%	---	---	---	---	---	---	---	---	---
2018	2.44%	3.35%	2.19%	2.19%	---	2.19%	---	2.19%	---	2.19%	---
2019	1.81%	2.69%	2.63%	2.63%	---	2.63%	---	2.63%	---	2.63%	---
2020	1.23%	1.74%	2.17%	2.17%	---	2.17%	---	2.17%	---	2.17%	---
2021	4.70%	4.52%	5.03%	5.03%	---	5.03%	---	5.03%	---	5.03%	---
2022	8.00%	8.01%	9.33%	9.33%	---	9.33%	---	9.33%	---	9.33%	---
2023	4.12%	4.29%	4.48%	4.48%	---	4.48%	---	4.48%	---	4.48%	---
2024	3.00%	3.13%	3.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2025	3.00%	3.13%	3.27%	0.01%	0.01%	0.03%	0.03%	0.00%	0.00%	0.01%	0.01%
2026	3.00%	3.13%	3.27%	0.01%	0.03%	0.03%	0.06%	0.00%	0.01%	0.01%	0.01%
2027	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.01%	0.01%	0.02%
2028	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.01%	0.01%	0.02%
2029	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.01%	0.01%	0.03%
2030	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.02%	0.01%	0.03%
2031	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.02%	0.01%	0.04%
2032	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.02%	0.01%	0.04%
2033	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.02%	0.01%	0.05%
2034	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.03%	0.01%	0.05%
2035	3.00%	3.13%	3.27%	0.00%	0.03%	0.00%	0.06%	0.00%	0.03%	0.01%	0.06%

Sources: ECOnorthwest analysis of data from: U.S. Bureau of Labor Statistics. (2024). "Consumer Price Index for All Urban Consumers (CPI-U): Selected Areas, All Items Index, Not Seasonally Adjusted." Washington, DC: U.S. Department of Labor. <https://www.bls.gov/regions/mountain-plains/data/xg-tables/ro7xg01.htm>.



July 2024

# Minimum Wage Economic Analysis

## Boulder Summary

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

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## Introduction

This document summarizes findings from the Minimum Wage Economic Analysis conducted by ECONorthwest for the municipalities of Boulder, Erie, Lafayette, Longmont, and Louisville. The analysis provides regional and municipal-specific information about current economic conditions and the potential effects of increasing the minimum wage beyond the level required by the state of Colorado. This summary focuses primarily on municipality-specific information. The full report provides additional regional context and findings and details data sources and analytic methods.

ECONorthwest applied an equity framework throughout this project, which relies on an understanding of the historical context, in which communities of color have not had the same educational and economic opportunities as white communities and are disproportionately represented among low-wage earners. Wherever possible we used data that can be disaggregated by race/ethnicity, income, and other demographics. In using such data, we seek to fully understand the limitations of any data source with respect to equity considerations.

## Comparison Municipalities with Minimum Wage Increases

The selection process for comparison municipalities began with examining factors similar to those present in the Scoping Team's five municipalities. We analyzed data from these comparison areas before and after their minimum wage laws were enacted to understand potential impacts on the Scoping Team's municipalities. As of 2024, 61 cities and counties have separate minimum wage laws, a ten-fold increase since 2012. We determined our final selection of 10 U.S. cities/counties based on the best alignment with the Scoping Team's municipalities on the following factors: population size, industry mix, geographic diversity, and the availability of studies on minimum wage effects.

Our review of research on local minimum wages indicates that localities with higher minimum wages differ significantly from those without and can tailor policies to local conditions without major economic disruption. Analysis of outcomes in 10 cities/counties with recent minimum wage increases suggests these changes do not necessarily result in large negative economic effects. The data show varied impacts on unemployment, poverty, labor force participation, and employment rates, without a consistent pattern indicating positive or negative effects on these outcomes.

## Potential Impacts of Minimum Wage Increases

The Minimum Wage Economic Analysis incorporates a large body of economic research to model potential municipality-level impacts of the defined minimum wage increase. While a



growing consensus indicates that minimum wage increases are unlikely to lead to the severe outcomes often projected by opponents, they also do not provide the comprehensive solution sometimes portrayed by supporters. In practice, the research suggests a mix of positive and negative effects, and a high degree of uncertainty about their magnitude, which will depend in large part on many local conditions.

Over the past three decades, economists have been studying the myriad and sometimes counterintuitive impacts of raising the minimum wage. The understandable initial focus on employment has been greatly expanded to include impacts on capital investment, prices, business productivity, poverty, inequality, and more. This rich body of academic literature reveals a complex picture, with empirical evidence frequently bolstering arguments for both limited and moderate impacts on various outcomes of interest.

### Research Summary:

- » **Employment:** A rich body of research on the impact of a minimum wage increase on aggregate employment shows a complex picture of dynamics, however the overall consensus indicates limited negative impacts on aggregate employment.
- » **Capital Investment:** One explanation for the limited employment impacts of a minimum wage increase is that employment effects are short-term, and that employers can and will shift towards more capital-intensive (less labor-intensive) operations over the long term.
- » **Prices:** In the traditional economic framework, wage increases lead to higher prices and recent empirical research provides evidence that minimum wage increases are passed on to consumers, however the estimated effects on price are relatively small.
- » **Business Productivity:** Current research indicates both positive and negative effects on business productivity, depending on firm size and industry, across varying metrics such as worker productivity, firm revenue, and product quality.
- » **Poverty and Income Inequality:** For low-income workers, researchers have found that a minimum wage increase can reduce income inequality, as well as the racial and gender wage gaps. Other effects, both positive and negative, have been documented, including improved social and health outcomes for children, low-income workers commuting to areas with higher minimum wages, and diminished access to jobs for workers without a high school diploma.

What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. **Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.**

**On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.** There is not



necessarily a single minimum wage approach optimal for all places; localities need to evaluate the relative importance of each potential impact to their communities.

## City of Boulder Population Characteristics

The population of Boulder was 105,650 in 2022, having grown at an annual average rate of 0.6 percent between 2010-2022. **Of the five municipalities, Boulder has the largest population, with a relatively low population growth.**

BIPOC (Black, Indigenous, People of Color) communities comprise 22 percent of the City's population. Roughly half of the BIPOC population are of Hispanic or Latino origin. Boulder's population has the highest educational attainment and college enrollment rates of the five municipalities. More than three-quarters of the population over the age of 25 has a bachelor's or advanced degree; **40 percent of the population has a graduate or professional degree.** The population age distribution in Boulder skews relatively young due to the presence of the university; 32 percent of the population is between the ages of 18 and 24, the highest among the municipalities. **Of the total population of Boulder, 31 percent are currently enrolled in college.**

Annual median household income Boulder is \$80,243. Income is relatively low compared to other municipalities, **with 22 percent of residents living below the Federal Poverty Level (FPL), the highest share among the five municipalities, due in part to the number of students in Boulder.**

Across the region, a disproportionate share of young, BIPOC, and female workers earn the minimum wage:

- ◆ 57 percent of workers aged between 18 and 24 earn the minimum wage, compared to 12 percent of those above 25 years old;
- ◆ 28 percent of Hispanic or Latino workers and 23 percent of non-Hispanic BIPOC<sup>1</sup> workers earn the minimum wage, while 20 percent of white workers earn the minimum wage;
- ◆ 25 percent of female workers and 18 percent of male workers earn the minimum wage.

Common across the five municipalities, Boulder has a concentration of employment in professional and technical services, and manufacturing. In addition to these industries, Boulder employment is relatively concentrated in educational services and information. **About 37 percent of Boulder employment is in low-wage industries.**<sup>2</sup> Additionally, 88

<sup>1</sup> Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

<sup>2</sup> Low-wage industries include service and retail industries, in addition to a few others. See full report for details.



percent of businesses in Boulder are small businesses, those with less than 25 employees, and 31 percent of workers are employed at small businesses.

A questionnaire administered as part of this study asked residents and business owners across the region questions regarding a minimum wage increase. The majority of respondents who work in Boulder support a minimum wage increase (66 percent). Of business owners in Boulder, 39 percent reported employing at least one worker who earns under \$15.69 per hour. Businesses owners were generally less supportive of an increase than other respondents.

## Minimum Wage Scenarios

The impact model for this analysis evaluates four minimum wage scenarios. The Colorado state minimum wage, indexed to inflation, serves the baseline. All scenarios assume inflation of 3.0 percent in all future years. Colorado's current (2024) minimum wage is \$14.42 per hour, a 5.6 percent increase from 2023, and will reach \$19.96 by 2035. We compare the modeled effects of proposed scenarios against those of increases in the state minimum wage to arrive at a net impact of each proposed scenario.

Two scenarios assume a minimum wage that increases to meet that of Unincorporated Boulder County's in either 2025 ("B1") or 2035 ("B2"). The remaining two scenarios assume an minimum wage that reaches Denver's in 2027 ("D1") or 2035 ("D2"). These scenarios reflect a range of minimum wage increases from relatively slow (D2) to as quickly as possible under state law (B1 and D1). Exhibit 1 shows the minimum wage levels by scenario in 2025, 2030, and 2035.

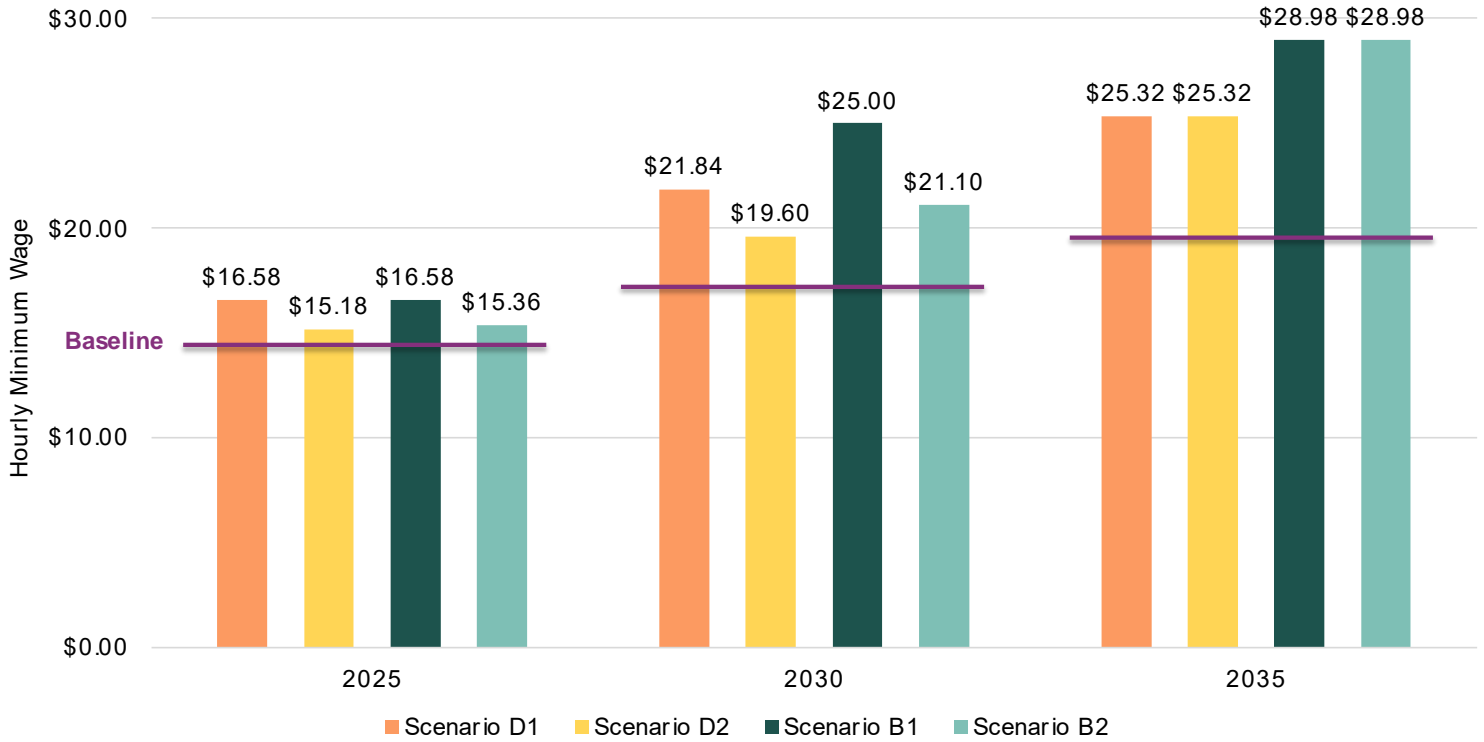
Comparing the proposed minimum wage scenarios to the Self-Sufficiency Standard highlights whether the proposed wage thresholds allow workers to adequately meet their basic needs without relying on public assistance. The Standard, developed by the University of Washington's Center for Women's Welfare and published by the Colorado Center on Law and Policy (CCLP), provides a more accurate and localized measure of the income required to cover essential expenses, reflecting the true cost of living in Boulder County.<sup>3</sup> Unlike the Federal Poverty Level, Self-Sufficiency Standards take into account the current cost of living, such as housing, child care, food, transportation, and healthcare. Exhibit 2 shows the 2025 minimum wage threshold under each proposed scenario and compares it to the Standard across example household types. **In 2025, all scenario wage-levels would only exceed the 2022 self-sufficiency wage for households with two working adults.** If the self-sufficiency wage were to remain the same, the proposed minimum wage scenarios in 2030 would exceed the Standard for one adult households but would still not meet the requirement for households with two working adult and two children. Note that projections of the self-sufficiency wage are not available to date and are likely to increase in the future.

<sup>3</sup> Colorado Center on Law and Policy. (2022). *The Self-Sufficiency Standard*. Accessed at: <https://copolicy.org/resource/self-sufficiency-standard-for-colorado-2022/>





**Exhibit 1. Proposed Minimum Wage Scenarios, 2025, 2030, 2035**



**Exhibit 2. 2025 Proposed Minimum Wage Scenarios Compared to the Self-Sufficiency Standard**

SCENARIO	2025 MINIMUM WAGE	DIFFERENCE FROM SS STANDARD (MIN. WAGE MINUS SS)		
		1 ADULT (\$19.44)	2 ADULTS (\$13.79)	2 ADULTS 1 PRESCHOOLER + 1 SCHOOL-AGED (\$25.44)
Baseline	\$14.85	-\$4.59	\$1.06	-\$10.59
Scenario B1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario B2	\$15.36	-\$4.08	\$1.57	-\$10.08
Scenario D1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario D2	\$15.18	-\$4.26	\$1.39	-\$10.26

Source: ECONorthwest analysis and CCLP, Self-Sufficiency Standard, Boulder County, 2022

Note: 2 Adult household wages assume both adults are working full-time.



# Impact Analysis of a Minimum Wage Increase

## Employment and Income of Affected Workers

Exhibit 3 shows the number of employees that would be laid off due to the defined minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. The loss of employment in Scenario B1 is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase. Overall, the Unincorporated Boulder County-based scenarios are associated with greater employment loss compared to the Denver-based scenarios.

Despite the potential loss of employment due to the minimum wage increase, many more workers will have increased earnings. Exhibit 4 shows the number of employees that would see an increase in their earnings in the average work week under each scenario. The number of workers (directly- and potentially-affected) ranges between 1 percent and 8 percent of Boulder's current employment. The share of workers with increased earnings due to a minimum wage increase is highest in food service and accommodation, and retail trade industries. Specifically, 17 percent of restaurant workers could see increased earnings under Scenario B1 by 2030.

### Exhibit 3. Change in Employment Relative to Baseline, 2030

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	-949	-152	-1,101	-1.0%
Scenario B2	-571	-90	-662	-0.6%
Scenario D1	-684	-90	-774	-0.7%
Scenario D2	-343	-52	-396	-0.4%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

### Exhibit 4. Workers with Increased Earnings Relative to Baseline, 2030

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	8,541	8.0%
Scenario B2	2,760	2.6%
Scenario D1	3,766	3.5%
Scenario D2	999	0.9%



Source: EConorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Note: Total workers include those directly and potentially affected. See report for full detail.

## Effect on Poverty

The FPL is widely regarded as inadequate for assessing family economic resiliency, with measures such as the CCLP Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>4</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional level (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios. Under Scenario B1, that with the fastest increase in the minimum wage, families below 300 percent of the FPL could see increases in average annual income of between \$77 and \$152. The full report provides detailed results by family income level.

Exhibit 5 presents the reduction of people in poverty in 2030 associated with each scenario. In Boulder, between 38 to 179 people would be lifted out of poverty by 2030.

### Exhibit 5. Change in Poverty Relative to Baseline, 2030

SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
<b>Scenario B1</b>	-179	-0.17%
<b>Scenario B2</b>	-38	-0.04%
<b>Scenario D1</b>	-62	-0.1%
<b>Scenario D2</b>	0	0.0%

Source: EConorthwest analysis

## Economic Effects Across the Five Municipalities

Exhibit 6 shows the change in prices, GDP, and local (county and municipality) tax revenue relative to baseline for the five municipalities combined in 2030.

The cumulative increase in prices is at maximum less than 0.1 percent in 2030. Under Scenario B1, prices could be 0.09 percent higher in 2030, and under Scenario B2, could be 0.05 percent higher. The Scenarios D1 and D2 show slightly lower price differences of between 0.03 and 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below,

<sup>4</sup> Colorado Center on Law and Policy. (2024). Self-Sufficiency Standard. Accessed at: <https://copolicy.org/resources-publications/publications/self-sufficiency-standard/>



and their income reductions lead to a slight reduction in economic output. In 2035, the negative impact ranges from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06 percent (Scenario B1). Additionally, impacts to local (county and municipality combined) tax revenues in Boulder County are expected to be negligible compared to overall municipality budgets. They range from increases of \$5,000 (Scenario B2) to \$20,900 (Scenario B1) in 2030, to decreases of \$98,000 under the Denver-based scenarios and about \$386,000 under the Unincorporated Boulder County-based scenarios in 2035.

**Exhibit 6. Change in Prices, GDP, and Local Tax Revenue Relative to Baseline, Five Municipalities Combined, 2030**

SCENARIO	CHANGE IN GDP	CHANGE IN LOCAL TAX REVENUE	CUMULATIVE CHANGE IN PRICES
<b>Scenario B1</b>	0.0012%	\$20,853	0.094%
<b>Scenario B2</b>	0.0003%	\$4,944	0.050%
<b>Scenario D1</b>	0.0005%	\$7,973	0.061%
<b>Scenario D2</b>	0.0000%	\$0	0.032%

Source: ECONorthwest analysis

Note: Change in cumulative prices is the upper estimate of potential price changes.





July 2024

# Minimum Wage Economic Analysis

## Longmont Summary

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

**ECOnorthwest**

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## Introduction

This document summarizes findings from the Minimum Wage Economic Analysis conducted by ECONorthwest for the municipalities of Boulder, Erie, Lafayette, Longmont, and Louisville. The analysis provides regional and municipal-specific information about current economic conditions and the potential effects of increasing the minimum wage beyond the level required by the state of Colorado. This summary focuses primarily on municipality-specific information. The full report provides additional regional context and findings and details data sources and analytic methods.

ECONorthwest applied an equity framework throughout this project, which relies on an understanding of the historical context, in which communities of color have not had the same educational and economic opportunities as white communities and are disproportionately represented among low-wage earners. Wherever possible we used data that can be disaggregated by race/ethnicity, income, and other demographics. In using such data, we seek to fully understand the limitations of any data source with respect to equity considerations.

## Comparison Municipalities with Minimum Wage Increases

The selection process for comparison municipalities began with examining factors similar to those present in the Scoping Team's five municipalities. We analyzed data from these comparison areas before and after their minimum wage laws were enacted to understand potential impacts on the Scoping Team's municipalities. As of 2024, 61 cities and counties have separate minimum wage laws, a ten-fold increase since 2012. We determined our final selection of 10 U.S. cities/counties based on the best alignment with the Scoping Team's municipalities on the following factors: population size, industry mix, geographic diversity, and the availability of studies on minimum wage effects.

Our review of research on local minimum wages indicates that localities with higher minimum wages differ significantly from those without and can tailor policies to local conditions without major economic disruption. Analysis of outcomes in 10 cities/counties with recent minimum wage increases suggests these changes do not necessarily result in large negative economic effects. The data show varied impacts on unemployment, poverty, labor force participation, and employment rates, without a consistent pattern indicating positive or negative effects on these outcomes.

## Potential Impacts of Minimum Wage Increases

The Minimum Wage Economic Analysis incorporates a large body of economic research to model potential municipality-level impacts of the defined minimum wage increase. While a



growing consensus indicates that minimum wage increases are unlikely to lead to the severe outcomes often projected by opponents, they also do not provide the comprehensive solution sometimes portrayed by supporters. In practice, the research suggests a mix of positive and negative effects, and a high degree of uncertainty about their magnitude, which will depend in large part on many local conditions.

Over the past three decades, economists have been studying the myriad and sometimes counterintuitive impacts of raising the minimum wage. The understandable initial focus on employment has been greatly expanded to include impacts on capital investment, prices, business productivity, poverty, inequality, and more. This rich body of academic literature reveals a complex picture, with empirical evidence frequently bolstering arguments for both limited and moderate impacts on various outcomes of interest.

### Research Summary:

- » **Employment:** A rich body of research on the impact of a minimum wage increase on aggregate employment shows a complex picture of dynamics, however the overall consensus indicates limited negative impacts on aggregate employment.
- » **Capital Investment:** One explanation for the limited employment impacts of a minimum wage increase is that employment effects are short-term, and that employers can and will shift towards more capital-intensive (less labor-intensive) operations over the long term.
- » **Prices:** In the traditional economic framework, wage increases lead to higher prices and recent empirical research provides evidence that minimum wage increases are passed on to consumers, however the estimated effects on price are relatively small.
- » **Business Productivity:** Current research indicates both positive and negative effects on business productivity, depending on firm size and industry, across varying metrics such as worker productivity, firm revenue, and product quality.
- » **Poverty and Income Inequality:** For low-income workers, researchers have found that a minimum wage increase can reduce income inequality, as well as the racial and gender wage gaps. Other effects, both positive and negative, have been documented, including improved social and health outcomes for children, low-income workers commuting to areas with higher minimum wages, and diminished access to jobs for workers without a high school diploma.

What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. **Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.**

**On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.** There is not





necessarily a single minimum wage approach optimal for all places; localities need to evaluate the relative importance of each potential impact to their communities.

## City of Longmont Population Characteristics

The population of Longmont was 99,779 in 2022. Longmont's population has grown at an annual average rate of 1.2 percent between 2010-2022. Of the five municipalities, Longmont has the second largest population and a third lowest population growth.

**City of Longmont has a BIPOC population of 31 percent, the highest compared to the other municipalities,** and residents of Hispanic or Latino origin make up 23 percent of the total population. **About 46 percent of the population 25 years or older received a bachelor's degree or higher, and 38 percent received a high school diploma or attended some college.** For the population age distribution, 20 percent of Longmont's population are under the age 18 while those 65 years or older comprise 17 percent of the population, the highest of the municipalities.

The annual median household income Longmont residents is \$89,720. **Income is relatively low compared to the other municipalities, with a relatively higher share of residents below the Federal Poverty Level (FPL) (8 percent).**

Across the region, a disproportionate share of young, BIPOC, and female workers earn the minimum wage:

- ◆ 57 percent of workers aged between 18 and 24 earn the minimum wage, compared to only 12 percent of those above 25 years old;
- ◆ 28 percent of Hispanic or Latino workers and 23 percent of non-Hispanic BIPOC<sup>1</sup> workers earn the minimum wage, while 20 percent of white workers earn the minimum wage;
- ◆ 25 percent of female workers and 18 percent of male workers earn the minimum wage.

Common across all municipalities, Longmont has a concentration of employment in professional and technical services, and manufacturing. In addition to these industries, Longmont employment is relatively concentrated in agriculture, and retail trade. **About 40 percent of Longmont employment is in low-wage industries.**<sup>2</sup> Additionally, 85 percent of businesses in Longmont are small businesses, those with less than 25 employees, and 32 of workers are employed at small businesses.

A questionnaire administered as part of this study asked residents and business owners across the five municipalities questions regarding a minimum wage increase. The results indicate that the majority of respondents who work in Longmont support a minimum wage increase (52 percent). Of business owners in Longmont, 31 percent reported employing at

<sup>1</sup> Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

<sup>2</sup> Low-wage industries include service and retail industries, in addition to a few others. See full report for details.



least one worker who earns under \$15.69 per hour. Businesses owners were generally less supportive of an increase than other respondents.

## Minimum Wage Scenarios

The impact model for this analysis evaluates four minimum wage scenarios. The Colorado state minimum wage, indexed to inflation, serves the baseline. All scenarios assume inflation of 3.0 percent in all future years. Colorado's current (2024) minimum wage is \$14.42 per hour, a 5.6 percent increase from 2023, and will reach \$19.96 by 2035. We compare the modeled effects of proposed scenarios against those of increases in the state minimum wage to arrive at a net impact of each proposed scenario.

Two scenarios assume a minimum wage that increases to meet that of Unincorporated Boulder County's in either 2025 ("B1") or 2035 ("B2"). The remaining two scenarios assume an minimum wage that reaches Denver's in 2027 ("D1") or 2035 ("D2"). These scenarios reflect a range of minimum wage increases from relatively slow (D2) to as quickly as possible under state law (B1 and D1). Exhibit 1 shows the minimum wage levels by scenario in 2025, 2030, and 2035.

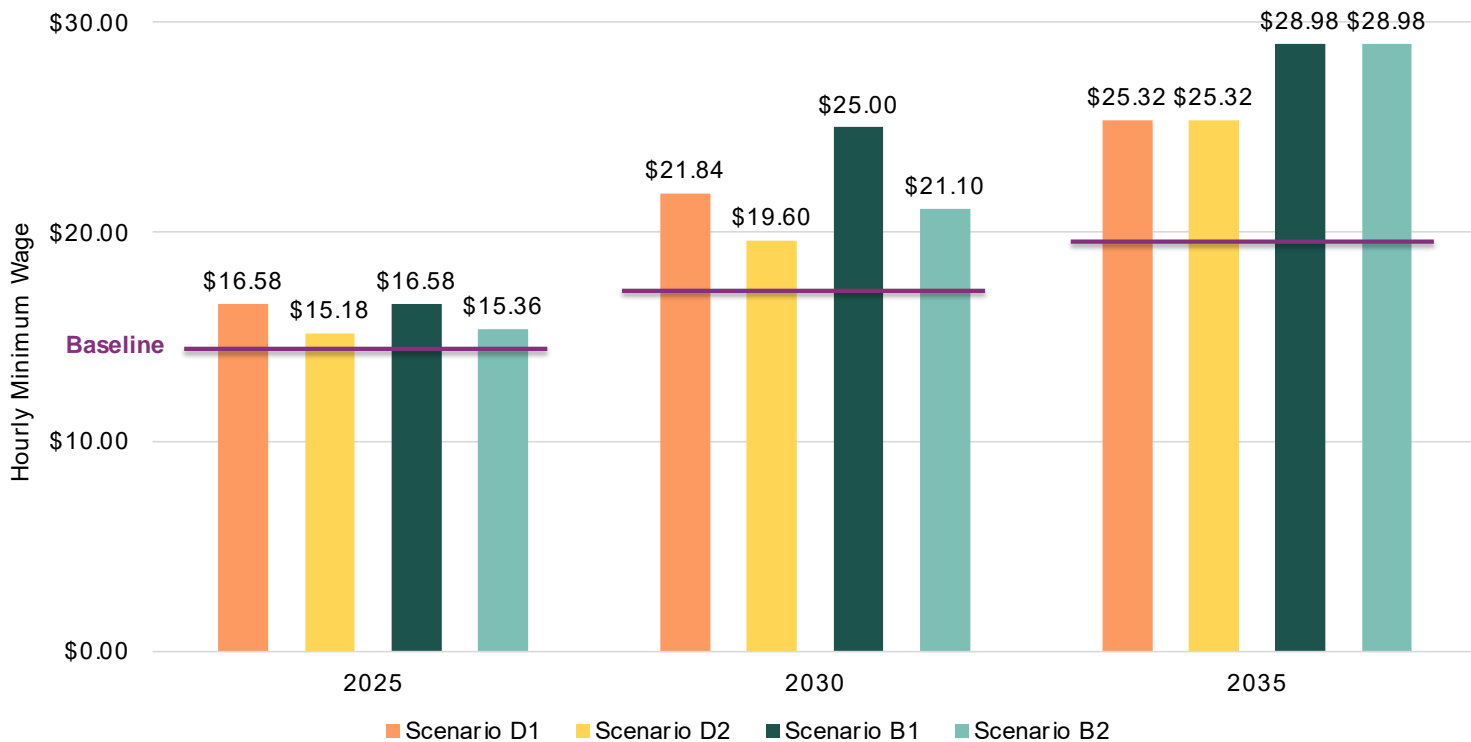
Comparing the proposed minimum wage scenarios to the Self-Sufficiency Standard highlights whether the proposed wage thresholds allow workers to adequately meet their basic needs without relying on public assistance. The Standard, developed by the University of Washington's Center for Women's Welfare and published by the Colorado Center on Law and Policy (CCLP), provides a more accurate and localized measure of the income required to cover essential expenses, reflecting the true cost of living in Boulder County.<sup>3</sup> Unlike the Federal Poverty Level, Self-Sufficiency Standards take into account the current cost of living, such as housing, child care, food, transportation, and healthcare. Exhibit 2 shows the 2025 minimum wage threshold under each proposed scenario and compares it to the Standard across example household types. **In 2025, all scenario wage-levels would only exceed the 2022 self-sufficiency wage for households with two working adults.** If the self-sufficiency wage were to remain the same, the proposed minimum wage scenarios in 2030 would exceed the Standard for one adult households but would still not meet the requirement for households with two working adult and two children. Note that projections of the self-sufficiency wage are not available to date and are likely to increase in the future.

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<sup>3</sup> Colorado Center on Law and Policy. (2022). *The Self-Sufficiency Standard*. Accessed at: <https://copolicy.org/resource/self-sufficiency-standard-for-colorado-2022/>



### Exhibit 1. Proposed Minimum Wage Scenarios, 2025, 2030, 2035



Source: ECONorthwest analysis and Scoping Team, 2024

### Exhibit 2. 2025 Proposed Minimum Wage Scenarios Compared to the Self-Sufficiency Standard

SCENARIO	2025 MINIMUM WAGE	DIFFERENCE FROM SS STANDARD (MIN. WAGE MINUS SS)		
		1 ADULT (\$19.44)	2 ADULTS (\$13.79)	2 ADULTS 1 PRESCHOOLER + 1 SCHOOL-AGED (\$25.44)
Baseline	\$14.85	-\$4.59	\$1.06	-\$10.59
Scenario B1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario B2	\$15.36	-\$4.08	\$1.57	-\$10.08
Scenario D1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario D2	\$15.18	-\$4.26	\$1.39	-\$10.26

Source: ECONorthwest analysis and CCLP, Self-Sufficiency Standard, Boulder County, 2022

Note: 2 Adult household wages assume both adults are working full-time.



# Impact Analysis of a Minimum Wage Increase

## Employment and Income of Directly Affected Workers

Exhibit 3 shows the number of employees that would be laid off due to the defined minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. The loss of employment in Scenario B1 is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase. Overall, the Unincorporated Boulder County-based scenarios are associated with greater employment loss compared to the Denver-based scenarios.

Despite the potential loss of employment due to the minimum wage increase, many more workers will have increased earnings. Exhibit 4 shows the number of employees that would see an increase in their earnings in the average work week under each scenario. The number of workers (directly- and potentially-affected) ranges between 1 percent and 8 percent of Boulder's current employment. The share of workers with increased earnings due to a minimum wage increase is highest in food service and accommodation, and retail trade industries. Specifically, 17 percent of restaurant workers could see increased earnings under Scenario B1 by 2030.

### Exhibit 3. Change in Employment Relative to Baseline, 2030

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	-437	-70	-507	-1.0%
Scenario B2	-263	-42	-305	-0.6%
Scenario D1	-315	-42	-357	-0.7%
Scenario D2	-158	-24	-182	-0.4%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

### Exhibit 4. Workers with Increased Earnings Relative to Baseline, 2030

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	3,936	8.0%
Scenario B2	1,272	2.6%
Scenario D1	1,736	3.5%
Scenario D2	460	0.9%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Note: Total workers include those directly and potentially affected. See report for full detail.



## Effect on Poverty

The FPL is widely regarded as inadequate for assessing family economic resiliency, with measures such as the CCLP Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>4</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios. Under Scenario B1, that with the fastest increase in the minimum wage, families below 300 percent of the FPL could see increases in average annual income of between \$77 and \$152. The full report provides detailed results by family income level.

Exhibit 5 presents the reduction of people in poverty in 2030 associated with each scenario. In Longmont, between 35 to 165 people would be lifted out of poverty by 2030, across scenarios.

**Exhibit 5. Change in Poverty Relative to Baseline, 2030**

SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
<b>Scenario B1</b>	-165	-0.17%
<b>Scenario B2</b>	-35	-0.04%
<b>Scenario D1</b>	-57	-0.06%
<b>Scenario D2</b>	0	0.00%

Source: EConorthwest analysis

## Economic Effects Across the Five Municipalities

Exhibit 6 shows the change in prices, GDP, and local (county and municipality) tax revenue relative to baseline for the five municipalities combined in 2030.

The cumulative increase in prices is at maximum less than 0.1 percent in 2030. Under Scenario B1, prices could be 0.09 percent higher in 2030, and under Scenario B2, could be 0.05 percent higher. The Scenarios D1 and D2 show slightly lower price differences of between 0.03 and 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below, and their income reductions lead to a slight reduction in economic output.. In 2035, the

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negative impact ranges from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06 percent (Scenario B1). Additionally, impacts to local (county and municipality combined) tax revenues in Boulder County are expected to be negligible compared to overall municipality budgets. They range from increases of \$5,000 (Scenario B2) to \$20,900 (Scenario B1) in 2030, to decreases of \$98,000 under the Denver-based scenarios and about \$386,000 under the Unincorporated Boulder County-based scenarios in 2035.

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Source: ECONorthwest analysis

Note: Change in cumulative prices is the upper estimate of potential price changes.

### BORDER CONSIDERATIONS

Municipalities that straddle county boundaries may have concerns about business location and migration and worker commuting patterns. As described in the full report, the literature in the business migration space is limited and suggests that business relocations following an increase in the minimum wage are rare. At the same time, studies have shown that increases in the minimum wage can affect the location decisions of *new* businesses. Regarding commuting, analysis in the full report shows that low-income workers already regularly commute to jobs out of their resident municipalities. A higher minimum wage in a neighboring locality may incentivize some workers to commute into the area, potentially increasing competition for jobs while boosting wages for those workers.





July 2024

# Minimum Wage Economic Analysis

## Lafayette Summary

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

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What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. **Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.**

**On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.** There is not



necessarily a single minimum wage approach optimal for all places; localities need to evaluate the relative importance of each potential impact to their communities.

## City of Lafayette Population Characteristics

The population of Lafayette was 30,890 in 2022. Lafayette's population has grown at an annual average rate of 1.9 percent between 2010-2022. **Of the five municipalities, Lafayette has the second smallest population, but the second highest population growth.**

**City of Lafayette has a BIPOC population of 28 percent, and residents of Hispanic or Latino origin make up 17 percent of the population. About 63 percent of Lafayette residents over the age of 25 received a bachelor's degree or higher.** Those with only a high school diploma or lower compose 26 percent of the population. For the population age distribution, the majority of the population (56 percent) is between the ages of 25 and 64, 23 percent of Lafayette population are under 18, and 15 percent are above the age of 65.

The annual median household income Lafayette residents is \$105,819. **Income is the relatively high compared to the other municipalities, with a relatively low share of residents below the Federal Poverty Level (FPL) (6 percent).**

Across the region, a disproportionate share of young, BIPOC, and female workers earn the minimum wage:

- ◆ 57 percent of workers aged between 18 and 24 earn the minimum wage, compared to only 12 percent of those above 25 years old;
- ◆ 28 percent of Hispanic or Latino workers and 23 percent of non-Hispanic BIPOC<sup>1</sup> workers earn the minimum wage, while 20 percent of white workers earn the minimum wage;
- ◆ 25 percent of female workers and 18 percent of male workers earn the minimum wage.

Common across the five municipalities, Lafayette has a concentration of employment in professional and technical services, and manufacturing. In addition to these industries, Lafayette employment is relatively concentrated in health care, wholesale trade, and arts and recreation. **About 26 percent of Lafayette employment is in low-wage industries.**<sup>2</sup> Additionally, 85 percent of businesses in Lafayette are small businesses, those with less than 25 employees, and 30 percent of workers are employed at small businesses.

A questionnaire administered as part of this study asked residents and business owners across the five municipalities questions regarding a minimum wage increase. The results indicate that the majority of respondents who work in Lafayette did not support a minimum wage increase (55 percent). Of business owners in Lafayette, 37 percent reported

<sup>1</sup> Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

<sup>2</sup> Low-wage industries include service and retail industries, in addition to a few others. See full report for details.



employing at least one worker who earns under \$15.69 per hour. Businesses owners were generally less supportive of an increase than other respondents.

## Minimum Wage Scenarios

The impact model for this analysis evaluates four minimum wage scenarios. The Colorado state minimum wage, indexed to inflation, serves the baseline. All scenarios assume inflation of 3.0 percent in all future years. Colorado's current (2024) minimum wage is \$14.42 per hour, a 5.6 percent increase from 2023, and will reach \$19.96 by 2035. We compare the modeled effects of proposed scenarios against those of increases in the state minimum wage to arrive at a net impact of each proposed scenario.

Two scenarios assume a minimum wage that increases to meet that of Unincorporated Boulder County's in either 2025 ("B1") or 2035 ("B2"). The remaining two scenarios assume an minimum wage that reaches Denver's in 2027 ("D1") or 2035 ("D2"). These scenarios reflect a range of minimum wage increases from relatively slow (D2) to as quickly as possible under state law (B1 and D1). Exhibit 1 shows the minimum wage levels by scenario in 2025, 2030, and 2035.

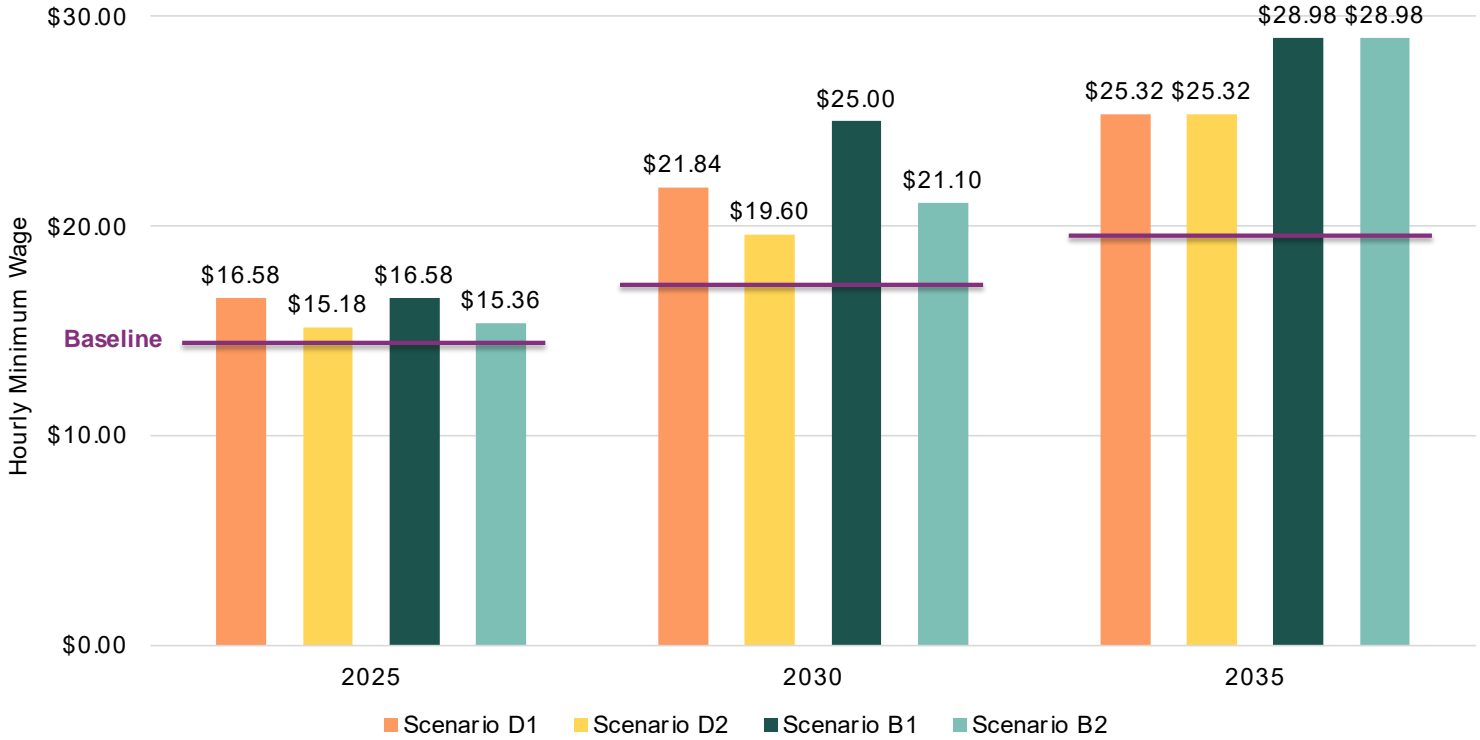
Comparing the proposed minimum wage scenarios to the Self-Sufficiency Standard highlights whether the proposed wage thresholds allow workers to adequately meet their basic needs without relying on public assistance. The Standard, developed by the University of Washington's Center for Women's Welfare and published by the Colorado Center on Law and Policy (CCLP), provides a more accurate and localized measure of the income required to cover essential expenses, reflecting the true cost of living in Boulder County.<sup>3</sup> Unlike the Federal Poverty Level, Self-Sufficiency Standards take into account the current cost of living, such as housing, child care, food, transportation, and healthcare. Exhibit 2 shows the 2025 minimum wage threshold under each proposed scenario and compares it to the Standard across example household types. **In 2025, all scenario wage-levels would only exceed the 2022 self-sufficiency wage for households with two working adults.** If the self-sufficiency wage were to remain the same, the proposed minimum wage scenarios in 2030 would exceed the Standard for one adult households but would still not meet the requirement for households with two working adult and two children. Note that projections of the self-sufficiency wage are not available to date and are likely to increase in the future.

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<sup>3</sup> Colorado Center on Law and Policy. (2022). *The Self-Sufficiency Standard*. Accessed at: <https://copolicy.org/resource/self-sufficiency-standard-for-colorado-2022/>



**Exhibit 1. Proposed Minimum Wage Scenarios, 2025, 2030, 2035**



Source: ECONorthwest analysis and Scoping Team, 2024

**Exhibit 2. 2025 Proposed Minimum Wage Scenarios Compared to the Self-Sufficiency Standard**

SCENARIO	2025 MINIMUM WAGE	DIFFERENCE FROM SS STANDARD (MIN. WAGE MINUS SS)		
		1 ADULT (\$19.44)	2 ADULTS (\$13.79)	2 ADULTS 1 PRESCHOOLER + 1 SCHOOL-AGED (\$25.44)
Baseline	\$14.85	-\$4.59	\$1.06	-\$10.59
Scenario B1	\$16.58	-\$2.86	\$2.79	-\$8.86
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Source: ECONorthwest analysis and CCLP, Self-Sufficiency Standard, Boulder County, 2022

Note: 2 Adult household wages assume both adults are working full-time.



# Impact Analysis of a Minimum Wage Increase

## Employment and Income of Directly Affected Workers

Exhibit 3 shows the number of employees that would be laid off due to the defined minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. The loss of employment in Scenario B1 is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase. Overall, the Unincorporated Boulder County-based scenarios are associated with greater employment loss compared to the Denver-based scenarios.

Despite the potential loss of employment due to the minimum wage increase, many more workers will have increased earnings. Exhibit 4 shows the number of employees that would see an increase in their earnings in the average work week under each scenario. The number of workers (directly- and potentially-affected) ranges between 1 percent and 8 percent of Boulder's current employment. The share of workers with increased earnings due to a minimum wage increase is highest in food service and accommodation, and retail trade industries. Specifically, 17 percent of restaurant workers could see increased earnings under Scenario B1 by 2030.

### Exhibit 3. Change in Employment Relative to Baseline, 2030

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	-136	-22	-158	-1.0%
Scenario B2	-82	-13	-95	-0.6%
Scenario D1	-98	-13	-111	-0.7%
Scenario D2	-49	-8	-57	-0.4%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

### Exhibit 4. Workers with Increased Earnings Relative to Baseline, 2030

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	1,226	8.0%
Scenario B2	396	2.6%
Scenario D1	540	3.5%
Scenario D2	143	0.9%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Note: Total workers include those directly and potentially affected. See report for full detail.



## Effect on Poverty

The FPL is widely regarded as inadequate for assessing family economic resiliency, with measures such as the CCLP Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>4</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios. Under Scenario B1, that with the fastest increase in the minimum wage, families below 300 percent of the FPL could see increases in average annual income of between \$77 and \$152. The full report provides detailed results by family income level.

Exhibit 5 presents the reduction of people in poverty in 2030 associated with each scenario. In Lafayette, between 11 to 51 people would be lifted out of poverty by 2030, across scenarios.

**Exhibit 5. Change in Poverty Relative to Baseline, 2030**

SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
<b>Scenario B1</b>	-51	-0.17%
<b>Scenario B2</b>	-11	-0.04%
<b>Scenario D1</b>	-18	-0.06%
<b>Scenario D2</b>	0	0.00%

Source: EConorthwest analysis

## Economic Effects Across the Five Municipalities

Exhibit 6 shows the change in prices, GDP, and local (county and municipality) tax revenue relative to baseline for the five municipalities combined in 2030.

The cumulative increase in prices is at maximum less than 0.1 percent in 2030. Under Scenario B1, prices could be 0.09 percent higher in 2030, and under Scenario B2, could be 0.05 percent higher. The Scenarios D1 and D2 show slightly lower price differences of between 0.03 and 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below,

<sup>4</sup> Colorado Center on Law and Policy. (2024). Self-Sufficiency Standard. Accessed at: <https://copolicy.org/resources-publications/publications/self-sufficiency-standard/>



and their income reductions lead to a slight reduction in economic output.. In 2035, the negative impact ranges from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06 percent (Scenario B1). Additionally, impacts to local (county and municipality combined) tax revenues in Boulder County are expected to be negligible compared to overall municipality budgets. They range from increases of \$5,000 (Scenario B2) to \$20,900 (Scenario B1) in 2030, to decreases of \$98,000 under the Denver-based scenarios and about \$386,000 under the Unincorporated Boulder County-based scenarios in 2035.

**Exhibit 6. Change in Prices, GDP, and Local Tax Revenue Relative to Baseline, Five Municipalities Combined, 2030**

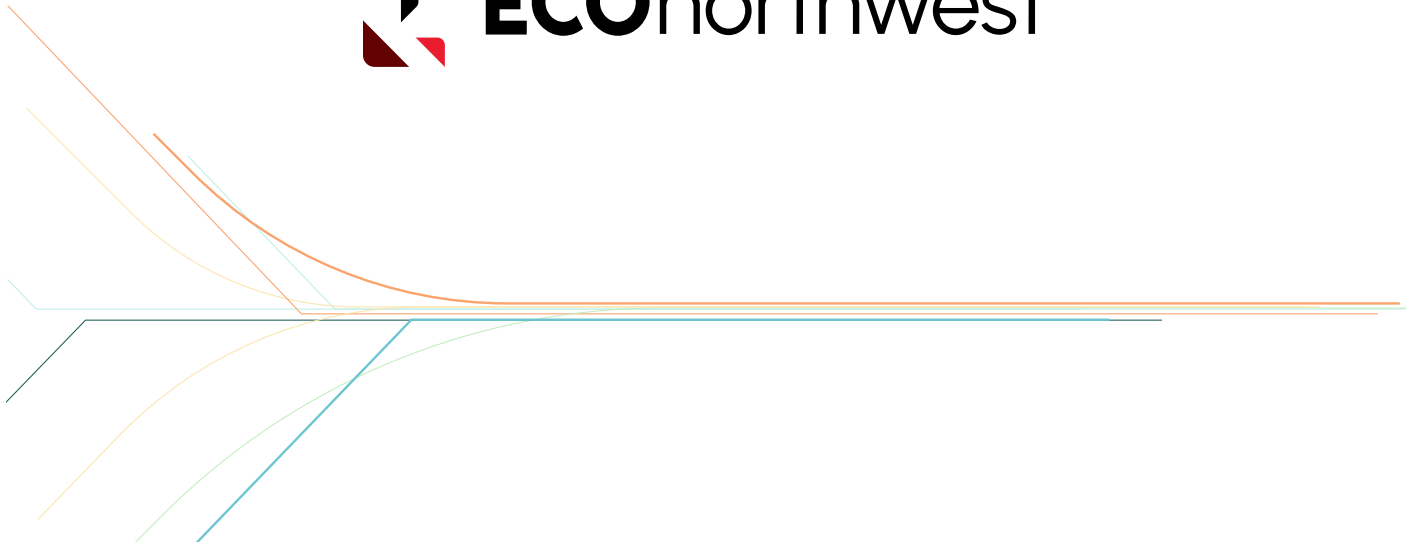
SCENARIO	CHANGE IN GDP	CHANGE IN LOCAL TAX REVENUE	CUMULATIVE CHANGE IN PRICES
<b>Scenario B1</b>	0.0012%	\$20,853	0.094%
<b>Scenario B2</b>	0.0003%	\$4,944	0.050%
<b>Scenario D1</b>	0.0005%	\$7,973	0.061%
<b>Scenario D2</b>	0.0000%	\$0	0.032%

Source: ECONorthwest analysis

Note: Change in cumulative prices is the upper estimate of potential price changes.







July 2024

# Minimum Wage Economic Analysis

## Erie Summary

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

**ECOnorthwest**

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## Introduction

This document summarizes findings from the Minimum Wage Economic Analysis conducted by ECONorthwest for the municipalities of Boulder, Erie, Lafayette, Longmont, and Louisville. The analysis provides regional and municipal-specific information about current economic conditions and the potential effects of increasing the minimum wage beyond the level required by the state of Colorado. This summary focuses primarily on municipality-specific information. The full report provides additional regional context and findings and details data sources and analytic methods.

ECONorthwest applied an equity framework throughout this project, which relies on an understanding of the historical context, in which communities of color have not had the same educational and economic opportunities as white communities and are disproportionately represented among low-wage earners. Wherever possible we used data that can be disaggregated by race/ethnicity, income, and other demographics. In using such data, we seek to fully understand the limitations of any data source with respect to equity considerations.

## Comparison Municipalities with Minimum Wage Increases

The selection process for comparison municipalities began with examining factors similar to those present in the Scoping Team’s five municipalities. We analyzed data from these comparison areas before and after their minimum wage laws were enacted to understand potential impacts on the Scoping Team’s municipalities. As of 2024, 61 cities and counties have separate minimum wage laws, a ten-fold increase since 2012. We determined our final selection of 10 U.S. cities/counties based on the best alignment with the Scoping Team’s municipalities on the following factors: population size, industry mix, geographic diversity, and the availability of studies on minimum wage effects.

Our review of research on local minimum wages indicates that localities with higher minimum wages differ significantly from those without and can tailor policies to local conditions without major economic disruption. Analysis of outcomes in 10 cities/counties with recent minimum wage increases suggests these changes do not necessarily result in large negative economic effects. The data show varied impacts on unemployment, poverty, labor force participation, and employment rates, without a consistent pattern indicating positive or negative effects on these outcomes.

## Potential Impacts of Minimum Wage Increases

The Minimum Wage Economic Analysis incorporates a large body of economic research to model potential municipality-level impacts of the defined minimum wage increase. While a



growing consensus indicates that minimum wage increases are unlikely to lead to the severe outcomes often projected by opponents, they also do not provide the comprehensive solution sometimes portrayed by supporters. In practice, the research suggests a mix of positive and negative effects, and a high degree of uncertainty about their magnitude, which will depend in large part on many local conditions.

Over the past three decades, economists have been studying the myriad and sometimes counterintuitive impacts of raising the minimum wage. The understandable initial focus on employment has been greatly expanded to include impacts on capital investment, prices, business productivity, poverty, inequality, and more. This rich body of academic literature reveals a complex picture, with empirical evidence frequently bolstering arguments for both limited and moderate impacts on various outcomes of interest.

### Research Summary:

- » **Employment:** A rich body of research on the impact of a minimum wage increase on aggregate employment shows a complex picture of dynamics, however the overall consensus indicates limited negative impacts on aggregate employment.
- » **Capital Investment:** One explanation for the limited employment impacts of a minimum wage increase is that employment effects are short-term, and that employers can and will shift towards more capital-intensive (less labor-intensive) operations over the long term.
- » **Prices:** In the traditional economic framework, wage increases lead to higher prices and recent empirical research provides evidence that minimum wage increases are passed on to consumers, however the estimated effects on price are relatively small.
- » **Business Productivity:** Current research indicates both positive and negative effects on business productivity, depending on firm size and industry, across varying metrics such as worker productivity, firm revenue, and product quality.
- » **Poverty and Income Inequality:** For low-income workers, researchers have found that a minimum wage increase can reduce income inequality, as well as the racial and gender wage gaps. Other effects, both positive and negative, have been documented, including improved social and health outcomes for children, low-income workers commuting to areas with higher minimum wages, and diminished access to jobs for workers without a high school diploma.

What is clear from the literature is that the often assumed simple, direct relationship between increases in the minimum wage and reductions in employment is overly simplistic. **Research has shown that increases in the minimum wage can have both positive and negative impacts of varying degrees on a wide array of economic outcomes over different time horizons.**

**On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.** There is not



necessarily a single minimum wage approach optimal for all places; localities need to evaluate the relative importance of each potential impact to their communities.

## Town of Erie Population Characteristics

The population of Erie was 34,982 in 2022. Erie's population grew significantly over the past decade, at an annual average rate of 5.3 percent between 2010-2022. **Of the five municipalities, Erie has the highest population growth, which positioned it as the third highest population.**

Erie has a BIPOC population of 21 percent, with roughly half of the BIPOC population identifying as Hispanic or Latino. 65 percent of the population 25 years or older received a bachelor's degree or higher, and 13 percent received a high school degree or lower. For the population age distribution, **30 percent of Erie population are under age 18, highest of the five municipalities.** Erie has the lowest concentration of population over the age of 65 (10 percent). This points to Erie having a higher concentration of families compared to the other municipalities.

The annual median household income Erie residents is \$154,509. **Erie has the highest annual median household income compared to other municipalities, with the lowest share of residents below the Federal Poverty Level (FPL) (3 percent).**

Across the region, a disproportionate share of young, BIPOC, and female workers earn the minimum wage:

- ◆ 57 percent of workers aged between 18 and 24 earn the minimum wage, compared to only 12 percent of those above 25 years old;
- ◆ 28 percent of Hispanic or Latino workers and 23 percent of non-Hispanic BIPOC<sup>1</sup> workers earn the minimum wage, while 20 percent of white workers earn the minimum wage;
- ◆ 25 percent of female workers and 18 percent of male workers earn the minimum wage.

Common across the five municipalities, Erie has a concentration of employment in professional and technical services. In addition, Erie employment is relatively concentrated in retail trade, arts and recreation, other services, and construction. **About 37 percent of Erie employment is in low-wage industries.**<sup>2</sup> Additionally, 90 percent of businesses in Erie are small businesses, those with less than 25 employees, and 50 percent of workers are employed at small businesses.

A questionnaire administered as part of this study asked residents and business owners across the five municipalities questions regarding a minimum wage increase. The results indicate that the majority of respondents who work in Erie did not support a minimum wage

<sup>1</sup> Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

<sup>2</sup> Low-wage industries include service and retail industries, in addition to a few others. See full report for details.



increase (54 percent). Of business owners in Erie, 43 percent reported employing at least one worker who earns under \$15.69 per hour. Businesses owners were generally less supportive of an increase than other respondents.

## Minimum Wage Scenarios

The impact model for this analysis evaluates four minimum wage scenarios. The Colorado state minimum wage, indexed to inflation, serves the baseline. All scenarios assume inflation of 3.0 percent in all future years. Colorado's current (2024) minimum wage is \$14.42 per hour, a 5.6 percent increase from 2023, and will reach \$19.96 by 2035. We compare the modeled effects of proposed scenarios against those of increases in the state minimum wage to arrive at a net impact of each proposed scenario.

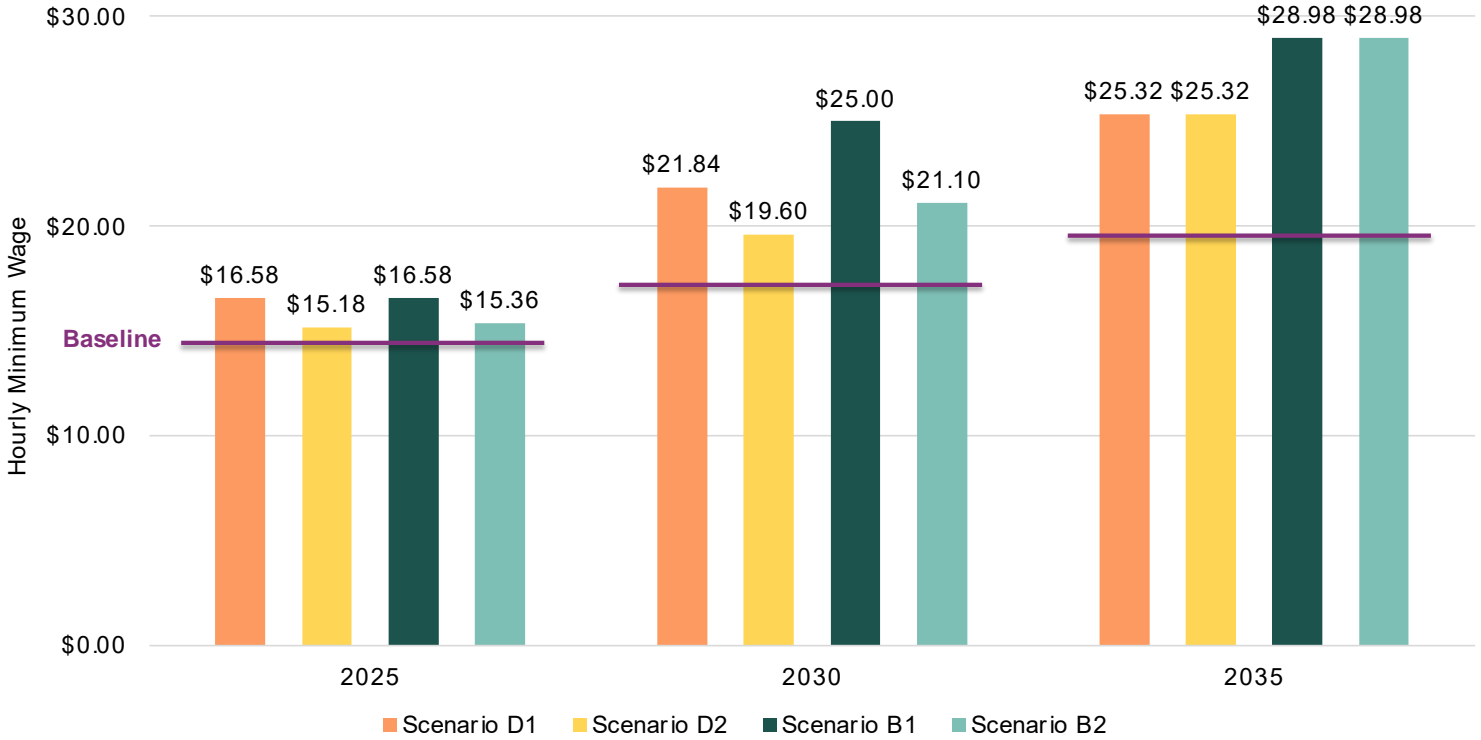
Two scenarios assume a minimum wage that increases to meet that of Unincorporated Boulder County's in either 2025 ("B1") or 2035 ("B2"). The remaining two scenarios assume an minimum wage that reaches Denver's in 2027 ("D1") or 2035 ("D2"). These scenarios reflect a range of minimum wage increases from relatively slow (D2) to as quickly as possible under state law (B1 and D1). Exhibit 1 shows the minimum wage levels by scenario in 2025, 2030, and 2035.

Comparing the proposed minimum wage scenarios to the Self-Sufficiency Standard highlights whether the proposed wage thresholds allow workers to adequately meet their basic needs without relying on public assistance. The Standard, developed by the University of Washington's Center for Women's Welfare and published by the Colorado Center on Law and Policy (CCLP), provides a more accurate and localized measure of the income required to cover essential expenses, reflecting the true cost of living in Boulder County.<sup>3</sup> Unlike the Federal Poverty Level, Self-Sufficiency Standards take into account the current cost of living, such as housing, child care, food, transportation, and healthcare. Exhibit 2 shows the 2025 minimum wage threshold under each proposed scenario and compares it to the Standard across example household types. **In 2025, all scenario wage-levels would only exceed the 2022 self-sufficiency wage for households with two working adults.** If the self-sufficiency wage were to remain the same, the proposed minimum wage scenarios in 2030 would exceed the Standard for one adult households but would still not meet the requirement for households with two working adult and two children. Note that projections of the self-sufficiency wage are not available to date and are likely to increase in the future.

<sup>3</sup> Colorado Center on Law and Policy. (2022). *The Self-Sufficiency Standard*. Accessed at: <https://copolicy.org/resource/self-sufficiency-standard-for-colorado-2022/>



**Exhibit 1. Proposed Minimum Wage Scenarios, 2025, 2030, 2035**



Source: ECONorthwest analysis and Scoping Team, 2024

**Exhibit 2. 2025 Proposed Minimum Wage Scenarios Compared to the Self-Sufficiency Standard**

SCENARIO	2025 MINIMUM WAGE	DIFFERENCE FROM SS STANDARD (MIN. WAGE MINUS SS)		
		1 ADULT (\$19.44)	2 ADULTS (\$13.79)	2 ADULTS 1 PRESCHOOLER + 1 SCHOOL-AGED (\$25.44)
Baseline	\$14.85	-\$4.59	\$1.06	-\$10.59
Scenario B1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario B2	\$15.36	-\$4.08	\$1.57	-\$10.08
Scenario D1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario D2	\$15.18	-\$4.26	\$1.39	-\$10.26

Source: ECONorthwest analysis and CCLP, Self-Sufficiency Standard, Boulder County, 2022

Note: 2 Adult household wages assume both adults are working full-time.



# Impact Analysis of a Minimum Wage Increase

## Employment and Income of Directly Affected Workers

Exhibit 3 shows the number of employees that would be laid off due to the defined minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. The loss of employment in Scenario B1 is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase. Overall, the Unincorporated Boulder County-based scenarios are associated with greater employment loss compared to the Denver-based scenarios.

Despite the potential loss of employment due to the minimum wage increase, many more workers will have increased earnings. Exhibit 4 shows the number of employees that would see an increase in their earnings in the average work week under each scenario. The number of workers (directly- and potentially-affected) ranges between 1 percent and 8 percent of Boulder's current employment. The share of workers with increased earnings due to a minimum wage increase is highest in food service and accommodation, and retail trade industries. Specifically, 17 percent of restaurant workers could see increased earnings under Scenario B1 by 2030.

### Exhibit 3. Change in Employment Relative to Baseline, 2030

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	-57	-9	-66	-1.0%
Scenario B2	-34	-5	-40	-0.6%
Scenario D1	-41	-5	-46	-0.7%
Scenario D2	-21	-3	-24	-0.4%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

### Exhibit 4. Workers with Increased Earnings Relative to Baseline, 2030

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	511	8.0%
Scenario B2	165	2.6%
Scenario D1	225	3.5%
Scenario D2	60	0.9%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Note: Total workers include those directly and potentially affected. See report for full detail.





## Effect on Poverty

The FPL is widely regarded as inadequate for assessing family economic resiliency, with measures such as the CCLP Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>4</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios. Under Scenario B1, that with the fastest increase in the minimum wage, families below 300 percent of the FPL could see increases in average annual income of between \$77 and \$152. The full report provides detailed results by family income level.

Exhibit 5 presents the reduction of people in poverty in 2030 associated with each scenario. In Erie, between 11 to 51 people would be lifted out of poverty by 2030, across scenarios.

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SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
Scenario B1	-51	-0.17%
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Scenario D1	-18	-0.06%
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Source: ECONorthwest analysis

## Economic Effects Across the Five Municipalities

Exhibit 6 shows the change in prices, GDP, and local (county and municipality) tax revenue relative to baseline for the five municipalities combined in 2030.

The cumulative increase in prices is at maximum less than 0.1 percent in 2030. Under Scenario B1, prices could be 0.09 percent higher in 2030, and under Scenario B2, could be 0.05 percent higher. The Scenarios D1 and D2 show slightly lower price differences of between 0.03 and 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below, and their income reductions lead to a slight reduction in economic output. In 2035, the negative impact ranges from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06

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percent (Scenario B1). Additionally, impacts to local (county and municipality combined) tax revenues in Boulder County are expected to be negligible compared to overall municipality budgets. They range from increases of \$5,000 (Scenario B2) to \$20,900 (Scenario B1) in 2030, to decreases of \$98,000 under the Denver-based scenarios and about \$386,000 under the Unincorporated Boulder County-based scenarios in 2035.

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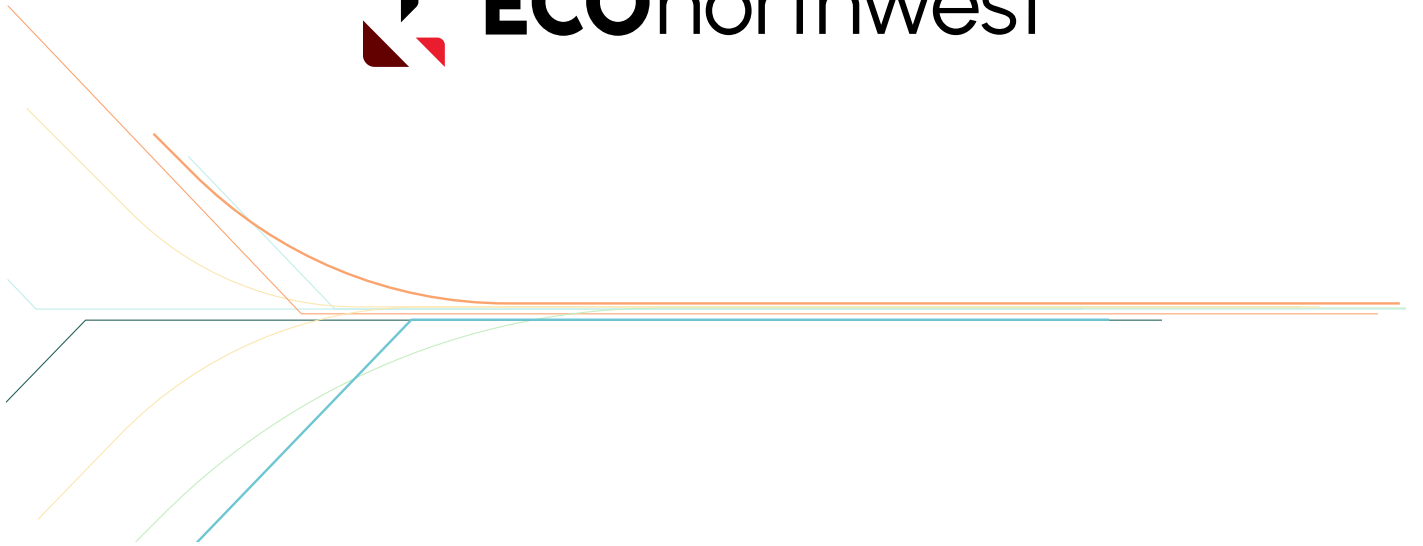
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### BORDER CONSIDERATIONS

Municipalities that straddle county boundaries may have concerns about business location and migration and worker commuting patterns. As described in the full report, the literature in the business migration space is limited and suggests that business relocations following an increase in the minimum wage are rare. At the same time, studies have shown that increases in the minimum wage can affect the location decisions of *new* businesses. Regarding commuting, analysis in the full report shows that low-income workers already regularly commute to jobs out of their resident municipalities. A higher minimum wage in a neighboring locality may incentivize some workers to commute into the area, potentially increasing competition for jobs while boosting wages for those workers.





July 2024

# Minimum Wage Economic Analysis

## Louisville Summary

Prepared for: The Boulder County Minimum Wage Economic Study Scoping Team,  
Consisting of the Cities of Boulder, Longmont, Louisville, and Lafayette, and the Town of Erie

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**On net, the literature indicates that increases in the minimum wage can be an effective way to improve outcomes for low-wage workers.** There is not



necessarily a single minimum wage approach optimal for all places; localities need to evaluate the relative importance of each potential impact to their communities.

## City of Louisville Population Characteristics

The population of Louisville was 19,394 in 2022. Louisville’s population has grown at an annual average rate of 0.4 percent between 2010-2022. **Of the five municipalities, Louisville has the lowest population and the lowest population growth.**

City of Louisville has a BIPOC population of 19 percent, the lowest compared to all the municipalities. Roughly half of the BIPOC population are of Hispanic or Latino origin. About 66 percent of the population 25 years or older received a bachelor’s degree or higher. **About 24 percent of Louisville’s population are age 18 or under, the second highest share compared to the other municipalities.** About 53 percent of Louisville population is between the ages of 25 and 44, and 15 percent are over the age of 65.

The annual median household income Louisville residents is \$135,840. **Income is the second highest compared to the other municipalities, with a relatively low share of residents below the Federal Poverty Level (FPL) (5 percent).**

Across the region, a disproportionate share of young, BIPOC, and female workers earn the minimum wage:

- ◆ 57 percent of workers aged between 18 and 24 earn the minimum wage, compared to only 12 percent of those above 25 years old;
- ◆ 28 percent of Hispanic or Latino workers and 23 percent of non-Hispanic BIPOC<sup>1</sup> workers earn the minimum wage, while 20 percent of white workers earn the minimum wage;
- ◆ 25 percent of female workers and 18 percent of male workers earn the minimum wage.

Common across the five municipalities, Louisville has a concentration of employment in professional and technical services, and manufacturing. In addition to these industries, Louisville employment is relatively concentrated in information technology, health care, and wholesale trade. **About 17 percent of Louisville employment is in low-wage industries.**<sup>2</sup> Additionally, 82 percent of businesses in Louisville are small businesses, those with less than 25 employees, and 23 percent of workers are employed at small businesses, the lowest of the five municipalities.

A questionnaire administered as part of this study asked residents and business owners across the five municipalities questions regarding a minimum wage increase. The results indicate that the majority of respondents who work in Louisville support a minimum wage increase (52 percent). Of business owners in Louisville, 31 percent reported employing at

<sup>1</sup> Non-Hispanic BIPOC includes individuals who identify as Asian, Black or African American, AIAN, NHPI, Two or more races, or Some other race.

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least one worker who earns under \$15.69 per hour. Businesses owners were generally less supportive of an increase than other respondents.

## Minimum Wage Scenarios

The impact model for this analysis evaluates four minimum wage scenarios. The Colorado state minimum wage, indexed to inflation, serves the baseline. All scenarios assume inflation of 3.0 percent in all future years. Colorado's current (2024) minimum wage is \$14.42 per hour, a 5.6 percent increase from 2023, and will reach \$19.96 by 2035. We compare the modeled effects of proposed scenarios against those of increases in the state minimum wage to arrive at a net impact of each proposed scenario.

Two scenarios assume a minimum wage that increases to meet that of Unincorporated Boulder County's in either 2025 ("B1") or 2035 ("B2"). The remaining two scenarios assume an minimum wage that reaches Denver's in 2027 ("D1") or 2035 ("D2"). These scenarios reflect a range of minimum wage increases from relatively slow (D2) to as quickly as possible under state law (B1 and D1). Exhibit 1 shows the minimum wage levels by scenario in 2025, 2030, and 2035.

Comparing the proposed minimum wage scenarios to the Self-Sufficiency Standard highlights whether the proposed wage thresholds allow workers to adequately meet their basic needs without relying on public assistance. The Standard, developed by the University of Washington's Center for Women's Welfare and published by the Colorado Center on Law and Policy (CCLP), provides a more accurate and localized measure of the income required to cover essential expenses, reflecting the true cost of living in Boulder County.<sup>3</sup> Unlike the Federal Poverty Level, Self-Sufficiency Standards take into account the current cost of living, such as housing, child care, food, transportation, and healthcare. Exhibit 2 shows the 2025 minimum wage threshold under each proposed scenario and compares it to the Standard across example household types. **In 2025, all scenario wage-levels would only exceed the 2022 self-sufficiency wage for households with two working adults.** If the self-sufficiency wage were to remain the same, the proposed minimum wage scenarios in 2030 would exceed the Standard for one adult households but would still not meet the requirement for households with two working adult and two children. Note that projections of the self-sufficiency wage are not available to date and are likely to increase in the future.

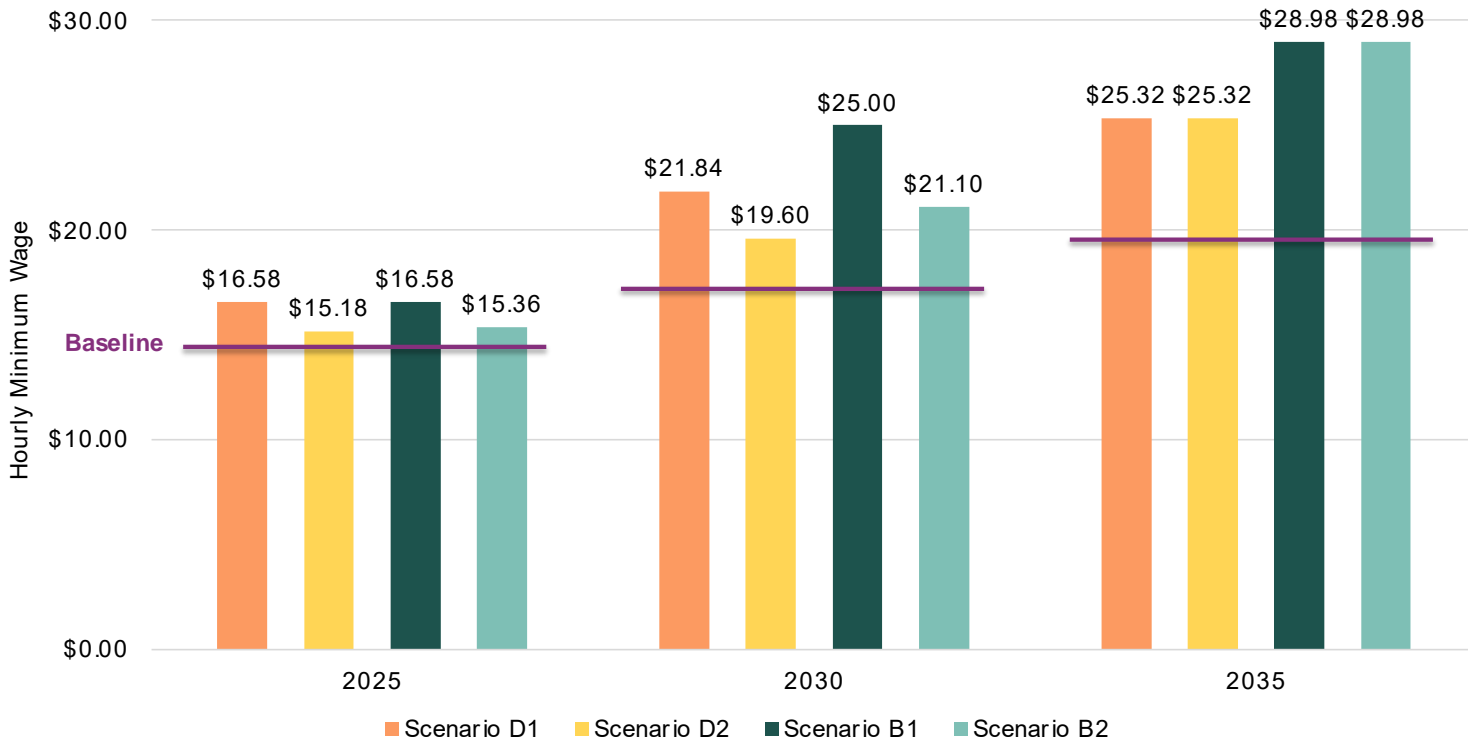
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<sup>3</sup> Colorado Center on Law and Policy. (2022). *The Self-Sufficiency Standard*. Accessed at: <https://copolicy.org/resource/self-sufficiency-standard-for-colorado-2022/>





### Exhibit 1. Proposed Minimum Wage Scenarios, 2025, 2030, 2035



Source: ECONorthwest analysis and Scoping Team, 2024

### Exhibit 2. 2025 Proposed Minimum Wage Scenarios Compared to the Self-Sufficiency Standard

SCENARIO	2025 MINIMUM WAGE	DIFFERENCE FROM SS STANDARD (MIN. WAGE MINUS SS)		
		1 ADULT (\$19.44)	2 ADULTS (\$13.79)	2 ADULTS 1 PRESCHOOLER + 1 SCHOOL-AGED (\$25.44)
Baseline	\$14.85	-\$4.59	\$1.06	-\$10.59
Scenario B1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario B2	\$15.36	-\$4.08	\$1.57	-\$10.08
Scenario D1	\$16.58	-\$2.86	\$2.79	-\$8.86
Scenario D2	\$15.18	-\$4.26	\$1.39	-\$10.26

Source: ECONorthwest analysis and CCLP, Self-Sufficiency Standard, Boulder County, 2022

Note: 2 Adult household wages assume both adults are working full-time.



# Impact Analysis of a Minimum Wage Increase

## Employment and Income of Directly Affected Workers

Exhibit 3 shows the number of employees that would be laid off due to the defined minimum wage increase at 2030 levels. Under all scenarios, teenagers and young adults are most likely to be affected by job loss due to a minimum wage increase. The loss of employment in Scenario B1 is the highest compared to other scenarios in 2030, due to the comparatively faster minimum wage increase. Overall, the Unincorporated Boulder County-based scenarios are associated with greater employment loss compared to the Denver-based scenarios.

Despite the potential loss of employment due to the minimum wage increase, many more workers will have increased earnings. Exhibit 4 shows the number of employees that would see an increase in their earnings in the average work week under each scenario. The number of workers (directly- and potentially-affected) ranges between 1 percent and 8 percent of Boulder's current employment. The share of workers with increased earnings due to a minimum wage increase is highest in food service and accommodation, and retail trade industries. Specifically, 17 percent of restaurant workers could see increased earnings under Scenario B1 by 2030.

### Exhibit 3. Change in Employment Relative to Baseline, 2030

SCENARIO	TEENAGERS & YOUNG ADULTS	ADULTS	ALL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	-177	-28	-205	-1.0%
Scenario B2	-106	-17	-123	-0.6%
Scenario D1	-127	-17	-144	-0.7%
Scenario D2	-64	-10	-74	-0.4%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Notes: Teenagers are those 16-19 years old and Younger Adults are those 20-24 years old.

### Exhibit 4. Workers with Increased Earnings Relative to Baseline, 2030

SCENARIO	TOTAL WORKERS	SHARE OF CURRENT EMPLOYMENT
Scenario B1	1,591	8.0%
Scenario B2	514	2.6%
Scenario D1	702	3.5%
Scenario D2	186	0.9%

Source: ECONorthwest analysis; Colorado Department of Labor and Employment, QCEW, 2023

Note: Total workers include those directly and potentially affected. See report for full detail.



## Effect on Poverty

The FPL is widely regarded as inadequate for assessing family economic resiliency, with measures such as the CCLP Self-Sufficiency Standard allowing for better and more holistic assessments.<sup>4</sup> Due to limitations in the research literature and available data, the economic model relies on a stratification of family income relative to the FPL at the regional (five municipalities combined). Families with lower incomes benefit more from minimum wage increases and tend to spend a higher portion of their income. Families with incomes below 300 percent FPL experience an increase in income in all scenarios. Under Scenario B1, that with the fastest increase in the minimum wage, families below 300 percent of the FPL could see increases in average annual income of between \$77 and \$152. The full report provides detailed results by family income level.

Exhibit 5 presents the reduction of people in poverty in 2030 associated with each scenario. In Louisville, between 7 to 35 people would be lifted out of poverty by 2030, across scenarios.

**Exhibit 5. Change in Poverty Relative to Baseline, 2030**

SCENARIO	CHANGE IN POPULATION IN POVERTY	CHANGE IN POVERTY RATE
<b>Scenario B1</b>	-35	-0.17%
<b>Scenario B2</b>	-7	0.00%
<b>Scenario D1</b>	-12	-0.06%
<b>Scenario D2</b>	0	0.00%

Source: EConorthwest analysis

## Economic Effects Across the Five Municipalities

Exhibit 6 shows the change in prices, GDP, and local (county and municipality) tax revenue relative to baseline for the five municipalities combined in 2030.

The cumulative increase in prices is at maximum less than 0.1 percent in 2030. Under Scenario B1, prices could be 0.09 percent higher in 2030, and under Scenario B2, could be 0.05 percent higher. The Scenarios D1 and D2 show slightly lower price differences of 0.03 and 0.06.

By 2030, Boulder County economic output under all scenarios increases minimally or remains unchanged, and then turns slightly negative by 2035. This small shift is due to reductions in average family income, particularly among higher-income households affected by price increases. More households have incomes above three times the FPL than below, and their income reductions lead to a slight reduction in economic output. In 2035, the

<sup>4</sup> Colorado Center on Law and Policy. (2024). Self-Sufficiency Standard. Accessed at: <https://copolicy.org/resources-publications/publications/self-sufficiency-standard/>



negative impact ranges from a decrease in GDP of 0.02 percent (Scenario D2) to 0.06 percent (Scenario B1). Additionally, impacts to local (county and municipality combined) tax revenues in Boulder County are expected to be negligible compared to overall municipality budgets. They range from increases of \$5,000 (Scenario B2) to \$20,900 (Scenario B1) in 2030, to decreases of \$98,000 under the Denver-based scenarios and about \$386,000 under the Unincorporated Boulder County-based scenarios in 2035.

**Exhibit 6. Change in Prices, GDP, and Local Tax Revenue Relative to Baseline, Five Municipalities Combined, 2030**

SCENARIO	CHANGE IN GDP	CHANGE IN LOCAL TAX REVENUE	CUMULATIVE CHANGE IN PRICES
<b>Scenario B1</b>	0.0012%	\$20,853	0.094%
<b>Scenario B2</b>	0.0003%	\$4,944	0.050%
<b>Scenario D1</b>	0.0005%	\$7,973	0.061%
<b>Scenario D2</b>	0.0000%	\$0	0.032%

Source: ECONorthwest analysis

Note: Change in cumulative prices is the upper estimate of potential price changes.



Dear Council Members,

8/5/24

The Boulder Self Sufficiency Wage Coalition appreciated that representatives from EFFA and our coalition were added to the working groups, along with representatives of other interests. We want to recognize the commitment, engagement, and hard work of the staff from the different cities. This allowed us to contribute feedback on proposals from contractors to do the research. We did not feel an economic analysis of raising the minimum wage was necessary due to the body of research and experience both in Colorado and nationally. We are hopeful that the city staff of each municipality will include some of these other studies and analysis done in Colorado and other parts of the country in the study packet.

We valued the opportunity to provide input on the survey questions for the community survey, however we felt that there were questions that were confusing and where feedback from community voices was not incorporated. Some cities had equal numbers of community feedback sessions for business and community, (Boulder, Louisville and Lafayette) while some had 3 times as many feedback sessions for business than community, (Longmont).

As the consultants produced a draft of the report, we had the opportunity to comment and provide feedback on it, which was important. We are disappointed that the input did not offer an opportunity for the economists and policy analysts that are part of the Boulder County Self-Sufficiency Wage coalition to meet with the consultants directly to discuss the feedback. While we have not seen the final report, we noticed that the research cited was not balanced with economists with different analyses of the impact of raising the wage. Again, if that balance was not achieved in the final report, we hope the city staff will provide some of the other analysis that the Boulder County Self-Sufficiency wage cited in its comments to the draft report.

We look forward to seeing the final report and contents of the study session packets provided to the council members. Community members, workers and faith leaders that are part of our coalition will continue to share our perspective on community needs and analysis on the needed wage as the cities move forward in consideration of enacting meaningful minimum wage increases. Below is a list of organizations that make up our coalition.

Thank you,

Ian Coggins, Campaign Manager for the Boulder County Self-Sufficiency Wage Coalition

*ACLU Colorado, American Federation of Teachers Colorado, Alphabet Workers Union, American Federation of State, County, and Municipal Employees, Boulder Area Labor Council, Boulder County Employees Union, Boulder County Young Democrats, Boulder Democratic Socialists of America, Boulder Food Rescue, Boulder Progressives, Colorado AFL-CIO, Colorado Center on Law and Policy, Colorado Coalition for the Homeless, Colorado Independent Drivers United, Colorado Immigrant Rights Coalition, Colorado Jobs with Justice, Colorado Organization for Latina Opportunity and Reproductive Rights, CU Young Democratic Socialists of America, CWA District 7, CWA 7799, Defenders Union of Colorado, East County Housing Opportunity Coalition, El Comite de Longmont, Food Security Network of Boulder County, League of Women Voters Boulder County, Longmont Leads with Love, The Longmont Unitarian Universalist Presence, NAACP Boulder County, the National Employment Law Project, New Era Colorado, Progress Now Colorado, SEIU Local 105, Starbucks Workers United, Together Colorado, Towards Justice, UFCW Local 7, UC Health Workers United, United Campus Workers of Colorado, Unite Here Local 23, Colorado Working Families Party*