

The State of Worker Earnings Metro Denver and Arapahoe/Douglas Region

Prepared by

Arapahoe/Douglas Works!

March 26, 2014
Patrick J. Holwell
Workforce Economist

For the

Arapahoe/Douglas Works! Workforce Investment Board

**Arapahoe County
Centennial Workforce Center**
6964 S. Lima Street
Centennial, Colorado 80112
Phone: 303.636.1160
Fax: 303.636.1250

**Arapahoe County
Aurora Workforce Center**
15400 E. 14th Place
Aurora, Colorado 80011
Phone: 303.636.2013
Fax: 303.636.2020

**Douglas County
Castle Rock Workforce Center**
100 Wilcox St, Suite 198
Castle Rock, Colorado 80104
Phone: 720.733.4321
Fax: 720.733.4324

Background

This report was prepared on behalf of the Arapahoe/Douglas Workforce Investment Board (WIB). Arapahoe/Douglas Works! uses earnings and new hire earnings data to gauge its economic impact each year. During the most recent analysis, other data was discovered in this source which may have bearing on workforce development strategies adopted by the Arapahoe/Douglas WIB.

In the report, average annual and new hire earnings are analyzed by industry sector, by educational attainment, race and ethnicity, gender and age grouping.

Average Annual and New Hire Earnings

This table shows average annual earnings and average annual new hire earnings year over year. A person who had no earnings from that employer in the four prior quarters counts as a 'new hire.' Notice that average earnings in Douglas County rose 5.78% between 2011 and 2012 and in the two county Arapahoe/Douglas region rose by nearly 3% during the same timeframe.

Geographic Area	Average Annual Earnings			Average Annual New Hire Earnings		
	2010	2011	2012	2010	2011	2012
Arapahoe County	\$ 53,163	\$ 53,751	\$ 54,873	\$ 35,532	\$ 36,123	\$ 36,057
Douglas County	\$ 51,612	\$ 51,105	\$ 54,060	\$ 35,289	\$ 34,371	\$ 35,967
Arapahoe/Douglas Workforce Region	\$ 52,767	\$ 53,085	\$ 54,663	\$ 35,535	\$ 35,655	\$ 36,027
Denver-Aurora-Broomfield MSA	\$ 52,071	\$ 52,206	\$ 53,949	\$ 34,407	\$ 34,590	\$ 35,013
Colorado	\$ 48,180	\$ 48,486	\$ 49,962	\$ 32,760	\$ 32,250	\$ 32,466

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics, Quarterly Workforce Indicators

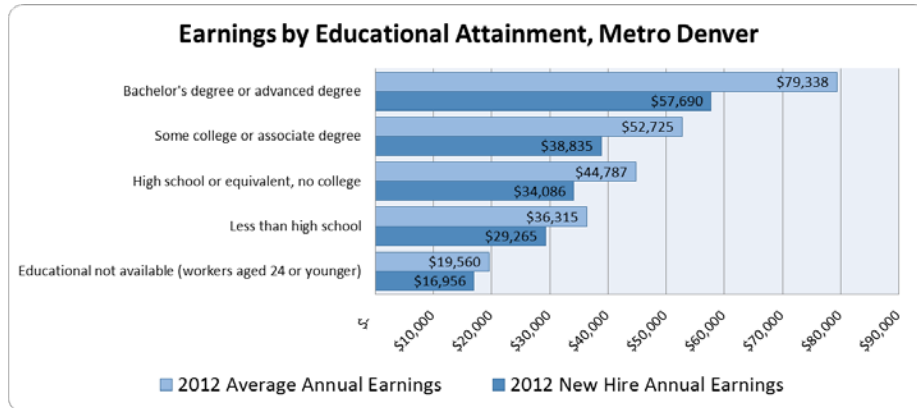
Annual Earnings by Industry Sector

This table shows year over year average earnings and new hire earnings for industries in the Denver-Aurora-Broomfield Metropolitan Statistical Area (metro Denver). According to the Consumer Price Index (CPI) U.S. City Average, inflation rose 5.42% between 2010 and 2012. The percent change in average earnings during the same period outpaced inflation in eight of the twenty industry groups in metro Denver.

Industry Sector	Average Annual Earnings				Average Annual Earnings - New Hires			
	2010	2012	Change	Percent Change	2010	2012	Change	Percent Change
Information	\$75,192	\$82,761	\$7,569	10.1%	\$60,555	\$62,103	\$1,548	2.6%
Finance & Insurance	\$70,209	\$76,878	\$6,669	9.5%	\$52,062	\$54,234	\$2,172	4.2%
Real Estate, Rental & Leasing	\$47,325	\$51,171	\$3,846	8.1%	\$34,839	\$38,580	\$3,741	10.7%
Mining, Quarrying and Oil & Gas Extraction	\$108,147	\$116,823	\$8,676	8.0%	\$81,015	\$88,707	\$7,692	9.5%
Administrative Support, Waste Management & Remediation	\$38,073	\$40,599	\$2,526	6.6%	\$28,566	\$31,125	\$2,559	9.0%
Wholesale Trade	\$69,615	\$73,896	\$4,281	6.1%	\$54,588	\$55,635	\$1,047	1.9%
Professional, Scientific & Technical Services	\$78,183	\$82,890	\$4,707	6.0%	\$62,622	\$64,800	\$2,178	3.5%
Transportation & Warehousing	\$43,473	\$45,906	\$2,433	5.6%	\$30,843	\$31,905	\$1,062	3.4%
Construction	\$51,540	\$54,132	\$2,592	5.0%	\$38,958	\$41,028	\$2,070	5.3%
Accommodation & Food Services	\$20,442	\$21,417	\$975	4.8%	\$14,733	\$15,234	\$501	3.4%
Other Services (except public administration)	\$36,735	\$38,439	\$1,704	4.6%	\$25,239	\$26,106	\$867	3.4%
Management of Companies & Enterprises	\$78,249	\$80,865	\$2,616	3.3%	\$52,422	\$54,897	\$2,475	4.7%
Retail Trade	\$29,757	\$30,306	\$549	1.8%	\$18,987	\$19,434	\$447	2.4%
Manufacturing	\$64,953	\$65,844	\$891	1.4%	\$47,142	\$41,622	(\$5,520)	-11.7%
Health Care & Social Assistance	\$48,798	\$49,386	\$588	1.2%	\$33,375	\$31,986	(\$1,389)	-4.2%
Public Administration	\$55,644	\$56,211	\$567	1.0%	\$31,617	\$33,342	\$1,725	5.5%
Arts, Entertainment & Recreation	\$26,259	\$26,478	\$219	0.8%	\$18,633	\$17,268	(\$1,365)	-7.3%
Utilities	\$86,445	\$86,337	(\$108)	-0.1%	\$65,094	\$70,308	\$5,214	8.0%
Educational Services (excluding government)	\$45,495	\$44,511	(\$984)	-2.2%	\$28,083	\$26,355	(\$1,728)	-6.2%
Agriculture, Forestry, Fishing & Hunting	\$31,611	\$29,592	(\$2,019)	-6.4%	\$26,259	\$19,416	(\$6,843)	-26.1%

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics, Quarterly Workforce Indicators

Education Still Pays



The correlation between educational attainment and earnings is one of the most closely studied labor force statistics.

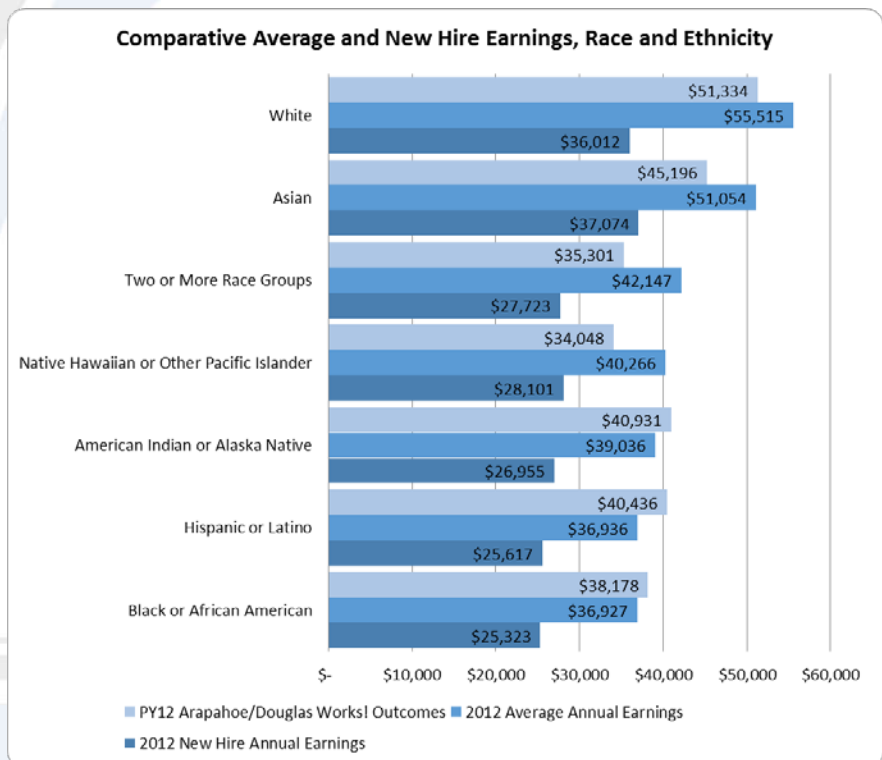
The bar chart shows that higher earnings come with higher educational attainment levels for both existing workers and new hires.

Of customers served through Arapahoe/Douglas Works! during the program year ending June 30, 2013, persons with post-secondary degree or certification had average annual earnings of \$64,859, well above the new hire earnings for the 'some college or associate' and the 'bachelor's degree or advanced degree' categories.

Race and Ethnicity

Over the past decade, according to the US Census, the number of minority children has risen 22%. In the millennial generation, just now entering the workplace, 34.5 million (43%) are minorities. Since the strength of our economy is consumers, a growing minority population with lower earnings will ultimately reduce demand for goods and services within the American economy.

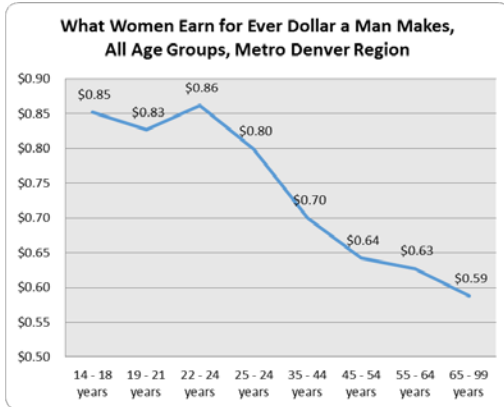
Advocates believe that wider career-relevant training opportunities can close the race/ethnicity gap in earnings. This chart shows Arapahoe/Douglas Works! wage outcomes for the year ending June 30, 2013 comparatively with average earnings and new hire earnings for 2012.



Every effort is made by Arapahoe/Douglas Works! to make sure its staff reflects the diversity in the region. This effort has paid off to a degree. Considering the light blue bars on the chart above:

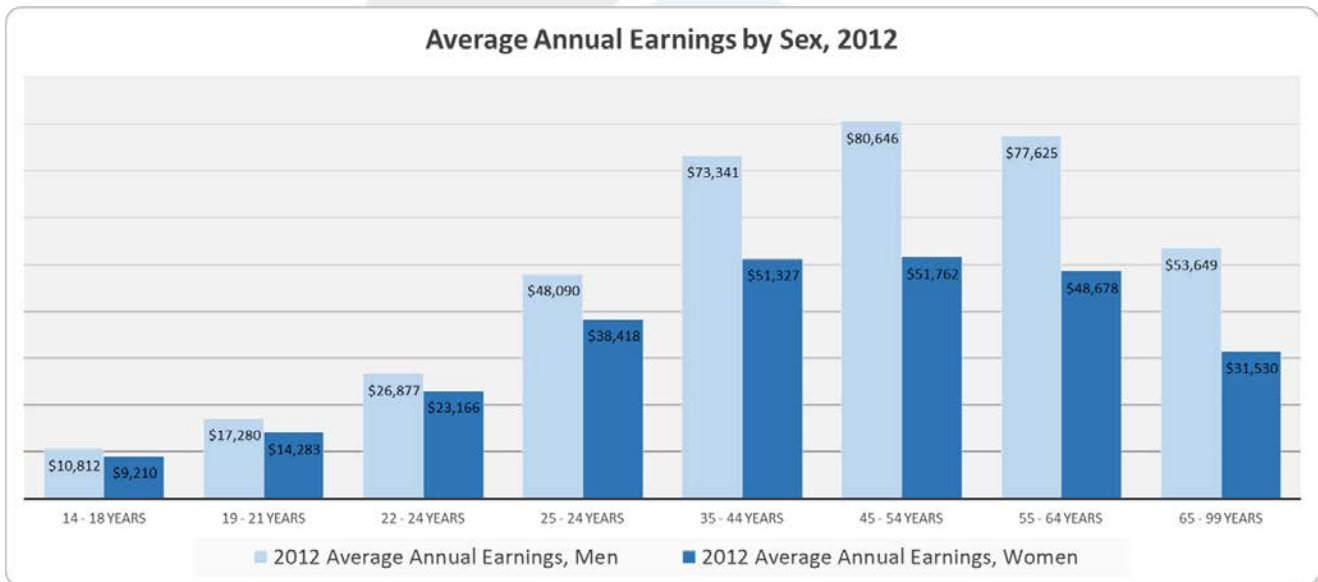
- Arapahoe/Douglas Works! far exceeds the average new hire earnings for all racial and ethnic groups
- For the Black/African American, Hispanic/Latino and American Indian/Alaskan populations served, Arapahoe/Douglas Works! exceeded not only average new hire earnings, but average earnings for existing workers in the region
- Earnings outcomes still reflect significant differences across racial and ethnic lines

Gender Disparity in Earnings



In the Metro Denver region, women earn an average of \$0.68 for every \$1.00 men earn. The line graph to the left shows that this gap is narrowest in the 22-24 age group, where women earn 86% of what men do, on average.

After age 25 there is a precipitous decline, with women only earning 64% of men during the so-called peak earning years between ages 45 and 54. In terms of earnings during that period known as the 'golden years' (after 65 years of age), women fare even worse with average earnings only 59% compared to men.



Data is not available on earnings by gender for the general population served by Arapahoe/Douglas Works! However, a client query was run for all customers served under WIA programming in PY12. This included youth, adult and dislocated worker customers. Here are the results:

- 152 females were placed at an average annual salary of \$39,505.36
- 130 males were placed at an average annual salary of \$46,370.08
- Based on the above, females served through WIA programming by Arapahoe/Douglas Works! made an average of \$0.85 for every \$1.00 made by men served through the program