# December 2016

Beverage INDUSTRY PROFILE

for Arapahoe & Douglas Counties Colorado WIOA Central Planning Region



**DOUGLAS COUNTY** 

Arapahoe/Douglas WORKFORCE BOARD

#### Background

This report was requested by the Arapahoe/Douglas Workforce Development Board. Data presented includes Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Larimer counties. These counties, with the exception of Elbert, make up the Colorado Central Planning Region.

#### Trends

These tables show what the beverage industry sector looks like on Colorado's northern front-range and specifically in Arapahoe and Douglas counties. The reader will note that drinking places (alcoholic beverages) has been added because for most breweries, the drinking place is the primary outlet, and many companies such as Breckenridge Brewery brew their featured beverages on site and are available in numerous drinking establishments.

	Regional Industry Growth Projections, Colorado Central Planning Region										
NAICS Code	Description	2016 Jobs	2017 Jobs	2018 Jobs	2019 Jobs	2020 Jobs	Change	Annual Growth Rate	National Location Quotient	Payrolled Business Locations	
312111	Soft Drink Manufacturing	1,393	1,370	1,350	1,333	1,318	(75)	(1.1%)	1.57	13	
312112	Bottled Water Manufacturing	193	191	190	188	187	(6)	(0.6%)	0.98	6	
312113	Ice Manufacturing	69	68	66	65	64	(5)	(1.4%)	0.69	3	
312120	Breweries	4,482	4,502	4,514	4,522	4,527	45	0.2%	6.71	110	
312130	Wineries	194	210	223	234	243	49	5.0%	0.25	23	
312140	Distilleries	171	187	201	212	222	51	6.0%	1.08	19	
722410	Drinking Places (Alcoholic Beverages)	6,468	6,557	6,642	6,725	6,805	337	1.0%	1.38	464	
	Totals	12,969	13,084	13,187	13,280	13,366	397	0.6%		637	

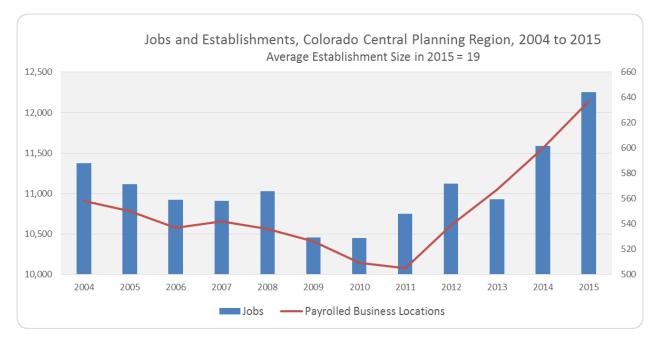
Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed Class of Worker

	Regional Industry Growth Projections, Arapahoe/Douglas Workforce Development Area									
NAICS Code	Description	2016 Jobs	2017 Jobs	2018 Jobs	2019 Jobs	2020 Jobs	Change	Annual Growth Rate	National Location Quotient	Payrolled Business Locations
312111	Soft Drink Manufacturing	201	198	195	192	190	(11)	(1.1%)	0.89	1
312112	Bottled Water Manufacturing	0	0	0	0	0	0	N/A	0.00	0
312113	Ice Manufacturing	0	0	0	0	0	0	N/A	0.00	0
312120	Breweries	236	258	276	292	305	69	5.8%	1.39	16
312130	Wineries	18	19	21	22	23	5	5.7%	0.09	4
312140	Distilleries	<10	<10	<10	<10	<10	Insf. Data	N/A	0.15	1
722410	Drinking Places (Alcoholic Beverages)	854	841	831	824	819	(35)	(0.8%)	0.72	74
	Totals	1,309	1,316	1,324	1,331	1,338	28	0.4%		96

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed Class of Worker

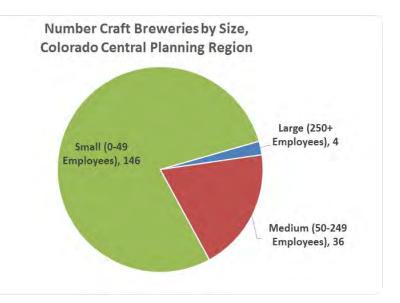


This combination graph shows the relationship between employment in the sector and the number of payrolled business locations, or establishments. The average establishment size has stayed stable, moving from 20 people in 2004 down to 19 people in 2015. Notice how the recent recession affected the industry group, with the upward trend not beginning until 2011, then steeply trending upward.



#### **Business Size**

Regional destination breweries are pairing brewing experience with tourist the attractions, and increasing members of suppliers and spinoff industries are driving growth in the region's beverage production cluster. The region's craft breweries and other entrepreneurial beverage companies are gaining market share and are attractive for acquisition assets from larger, mainstream companies. For example, Breckenridge Brewery was sold to Anheuser-Busch and will join The High End, Anheuser-Busch-InBev's unit of craft beer brands. The deal includes the new brewery and Farm House restaurant in Littleton, and the



original brewpub and innovation center in the town of Breckenridge. Many craft brewers are expected to remain local and independent, while others will expand sales and increase interstate distribution.

Other interesting trends include offshoots of companies that are working to turn brewery waste into biomass and recyclable material.

Note that entrepreneurial activity is still occurring, particularly with craft breweries. The pie chart clearly shows the predominance of small companies. In the Arapahoe/Douglas region, we see 24 small craft breweries and two medium sized ones.

#### **Staffing Patterns**

This table shows the top 20 occupations in the beverage sector by number employed in the industry. These occupations represent nearly 75% of total employment in the industry group. Note that the Colorado Central Planning Region, or northern front-range, is a national hub in this sector, particularly for breweries. The sector presents substantial opportunity for individuals with lower educational attainment.

	Sector Staffing Patterns, Colorado Central Planning Region									
SOC Code	Description	2016 Jobs	2020 Jobs	Change	% Change	% of Industry	Median Hourly Earnings	Typical Entry Level Education		
35-	Bartenders	2,845	3,027	182	6%	21.9%	\$9.12	No formal educational credential		
35-	Waiters and Waitresses	1,436	1,496	60	4%	11.1%	\$9.03	No formal educational credential		
51-	Packaging and Filling Machine Operators and Tenders	696	707	11	2%	5.4%	\$13.13	High school diploma or		
51- 9012	Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders	568	572	4	1%	4.4%	523.32	High school diploma or equivalent		
41- 4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	414	414	0	0%	3.2%	527.80	High school diploma or equivalent		
35-	Cooks, Restaurant	391	413	22	6%	3.0%	\$11.12	No formal educational credential		
35-	First-Line Supervisors of Food Preparation and Serving Workers	349	350	1	0%	2.7%	\$16.25	High school diploma or		
41-	Retail Salespersons	285	292	7	2%	2.2%	\$10.84	No formal educational credential		
33-	Security Guards	281	299	18	6%	2.2%	\$13.44	High school diploma or		
49-	Industrial Machinery Mechanics	262	280	18	7%	2.0%	\$25.55	High school diploma or		
11-	General and Operations Managers	233	238	5	2%	1.8%	\$52.07	Bachelor's degree		
53-	Laborers and Freight, Stock, and Material Movers, Hand	231	232	1	0%	1.8%	\$12.20	No formal educational credential		
45-	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	220	215	(5)	(2%)	1.7%	\$12.53	No formal educational credential		
53-	Industrial Truck and Tractor Operators	195	194	(1)	(1%)	1.5%	\$16.18	No formal educational credential		
53-	Driver/Sales Workers	189	189	0	0%	1.5%	\$10.30	High school diploma or		
53-	Heavy and Tractor-Trailer Truck Drivers	180	180	0	0%	1.4%	\$20.85	Postsecondary nondegree award		
43-	Stock Clerks and Order Fillers	179	180	1	1%	1.4%	\$12.44	No formal educational credential		
35-	Dining Room and Cafeteria Attendants and Bartender Helpers	176	185	9	5%	1.4%	\$9.05	No formal educational credential		
35-	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	162	167	5	3%	1.2%	\$9.38	No formal educational credential		
53-	Light Truck or Delivery Services Drivers	152	153	1	1%	1.2%	\$14.80	High school diploma or		

Source: EMSI 2016.2 - QCEW Employees, Non-QCEW Employees, and Self-Employed Class of Worker

#### **Competitive Wage Range**

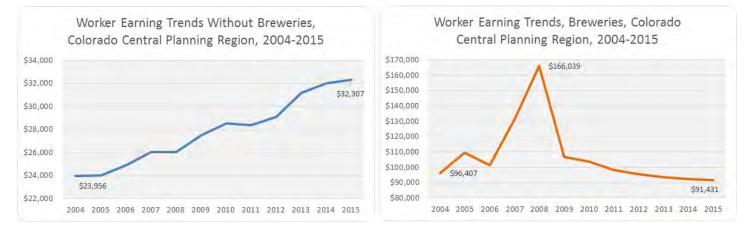
This table shows the actual wage range for each of the occupations in Colorado's northern front range. The number of available applicants is determined using unemployment data for occupational family and the yellowed cells indicate where the wage offer may have to fall to attract and retain quality workers based on estimated labor supply.

	Competitive Wage Analysis, Top 20 Occupations in Industry, Colorado Central Planning Region										
SOC Code	Description	Total Number Employed	Annual Openings	Available Applicants	Applicants per Job Opening	Median Wage	10th Percentile Wage	25th Percentile Wage	Average Wage	75th Percentile Wage	90th Percentile Wage
45-2092	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	3,343	128	13	0.10	\$12.53	\$8.68	\$10.03	\$12.86	\$14.47	\$17.13
33-9032	Security Guards	12,192	468	73	0.16	\$13.44	\$10.12	\$11.82	\$14.54	\$15.97	\$20.20
35-9031	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	7,776	706	358	0.51	\$9.38	\$8.38	\$8.74	\$10.31	\$11.02	\$13.84
49-9041	Industrial Machinery Mechanics	3,944	227	134	0.59	\$25.55	\$14.44	\$19.57	\$25.35	\$30.69	\$35.80
51-9111	Packaging and Filling Machine Operators and Tenders	3,701	207	126	0.61	\$13.13	\$9.23	\$10.51	\$15.88	\$20.06	\$27.93
35-9011	Dining Room and Cafeteria Attendants and Bartender Helpers	5,261	386	242	0.63	\$9.05	\$8.30	\$8.58	\$9.74	\$9.62	\$12.77
35-3031	Waiters and Waitresses	38,460	2,597	1,769	0.68	\$9.03	\$8.32	\$8.58	\$10.27	\$9.78	\$13.71
35-3011	Bartenders	7,743	479	356	0.74	\$9.12	\$8.35	\$8.64	\$12.16	\$10.50	\$21.19
35-1012	First-Line Supervisors of Food Preparation and Serving Workers	10,489	632	482	0.76	\$16.25	\$10.57	\$12.58	\$16.95	\$20.68	\$24.30
51-9012	Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders	948	42	32	0.77	\$23.32	\$12.33	\$15.99	\$22.43	\$28.62	\$32.63
35-2014	Cooks, Restaurant	18,753	1,042	863	0.83	\$11.12	\$8.80	\$9.71	\$11.60	\$13.13	\$14.95
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	23,420	1,152	1,897	1.65	\$12.20	\$8.92	\$10.07	\$13.58	\$15.77	\$20.60
41-2031	Retail Salespersons	58,518	2,822	4,916	1.74	\$10.84	\$8.51	\$9.18	\$13.01	\$14.06	\$20.36
11-1021	General and Operations Managers	29,882	1,379	2,420	1.76	\$52.07	\$24.66	\$34.91	\$62.41	\$82.09	\$118.78
43-5081	Stock Clerks and Order Fillers	23,634	1,115	2,174	1.95	\$12.44	\$8.68	\$9.70	\$13.48	\$16.43	\$19.11
53-7051	Industrial Truck and Tractor Operators	4,876	183	395	2.16	\$16.18	\$10.73	\$12.88	\$16.45	\$19.51	\$22.83
53-3031	Driver/Sales Workers	5,281	192	428	2.23	\$10.30	\$8.35	\$8.91	\$13.27	\$16.31	\$22.92
53-3032	Heavy and Tractor-Trailer Truck Drivers	17,776	576	1,440	2.50	\$20.85	\$14.41	\$17.12	\$21.41	\$25.34	\$30.11
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	23,923	754	2,010	2.66	\$27.80	\$13.50	\$18.94	\$34.19	\$42.80	\$62.14
53-3033	Light Truck or Delivery Services Drivers	11,127	296	901	3.05	\$14.80	\$9.37	\$11.97	\$16.46	\$18.76	\$27.72

Source: QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2016.2 Class of Worker

#### **Worker Earning Trends**

Average worker earnings in the beverage sector between 2004 and 2015 were analyzed. Note the two line graphs below which show the highest average workers earnings are in craft beer breweries. Also note the earnings 'bubble' in 2008, the year the 'great recession' began. The slight downward trend in brewery average worker earnings may suggest heightened competition in an already concentrated market, though worker earnings in breweries remain significantly higher than worker earnings in the rest of the industry group.



The upward trend in earnings on the graph to the left is indicative of wages being driven up as the labor market tightens; Colorado's Central Planning Region is presently in what is called a 'full employment' market, meaning that the unemployment rate is well below 4.9% What this means is that in the case of some specific occupations, there are more jobs than there are workers to fill them. When such conditions prevail, wages tend to be driven up. This conditional upward movement of wages is also suggested in the Competitive Wage Analysis table at the top of the page.



Beer Brewing Process

#### **Current Labor Market Demand**

This table is from CEB Talent Neuron and provides a variety of analytical options culled from de-duplicated job listings in any given geographic area. The reader will note that several of the occupations shown here are not listed in the staffing pattern table. This is because the staffing pattern table shows the top 20 occupations by number employed, and covers only about 75% of total employment in the industry group. In addition, the top companies listing positions are among the largest in the region including the two largest breweries.

Top Jobs Currently Listed, Colorado Central Planning Region, Last 120 Days							
Occupation	Occupation Code	Volume	Same Period Prior Year				
Industrial Engineers	17211200	36	0				
First-Line Supervisors of Production and Operating Workers	51101100	22	5				
Maintenance and Repair Workers, General	49907100	14	6				
Driver/Sales Workers	53303100	12	10				
Logisticians	13108100	11	2				
Management Analysts	13111100	11	4				
Stock Clerks- Stockroom, Warehouse, or Storage Yard	43508103	11	1				
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	41401200	10	3				
Automotive Specialty Technicians	19302302	10	3				
Sales Manager	11202200	8	3				
First-Line Supervisors of Mechanics, Installers, and Repairers	49101100	8	5				
First-Line Supervisors of Transportation and Material-Moving Machine and Vehicle Operators	53103100	8	5				
Training and Development Specialists	13112400	7	0				
Operations Research Analysts	15203100	7	2				
First-Line Supervisors of Office and Administrative Support Workers	43101100	7	2				
Water and Wastewater Treatment Plant and System Operators	51803100	7	0				
First-Line Supervisors of Food Preparation and Serving Workers	35101200	6	6				
Stock Clerks, Sales Floor	43508101	6	6				
Automotive Body and Related Repairers	49302100	6	1				
Industrial Truck and Tractor Operators	53705100	6	1				

Source: CEB Talent Neuron and Wanted Analytics Hiring Dashboard

Top Skills & Certifications in Demand							
Skills	Soft Skills	Certifications					
Computerized Maintenance Management System	Oral and Written Communication Skills	Commercial Driver's License (CDL)					
Equipment Maintenance	Strong Interpersonal Skills	Driver's License					
Instrumentation	Organizational Skills	Class B Commerical Driver's License (CDL B)					
Quality Assurance	Integrity	DOT Medical Card					
Water treatment	Work Ethic	Forklift Certification					
Precision Machining	Microsoft Office	International Federation of Technical Analysts (IFTA)					
SEC Reporting	Management Experience	Food Safety Programs (HAACCP)					
Information Management	Highly Motivated						
Quality Systems	Process Improvement						
Good Manufacturing Practice (GMP)	Troubleshooting						

Source: CEB Talent Neuron

As mentioned, the top companies listing are among the largest in the region and include breweries, a bottled water company and local operations of three of the world's largest soft drink manufacturers. These lists show the specific companies and top skills and certifications currently in demand.

#### Small Breweries (0-49 Employees), Arapahoe/Douglas Area

#### Aurora, CO

Coda Brewing CO Two 22 Brew Dad & Dudes Breweria Mu Brewery Launch Pad Brewery Inc Dry Dock Brewing Co

#### Centennial, CO

**Resolve Brewery** 

#### Englewood, CO

Rock Bottom Restaurant & Brewery Brew on Broadway Rail Sports Pub

#### Highlands Ranch, CO C B & Potts Grist Brewing Co

Grist Brewing Co Three Freaks Brewery

#### Littleton, CO

Breckenridge Brewery 38 State Brewing Co St Patricks Brewing Half Penny Brewing Jake's Brew Bar Lonetree Brewing Co Living The Dream Brewing

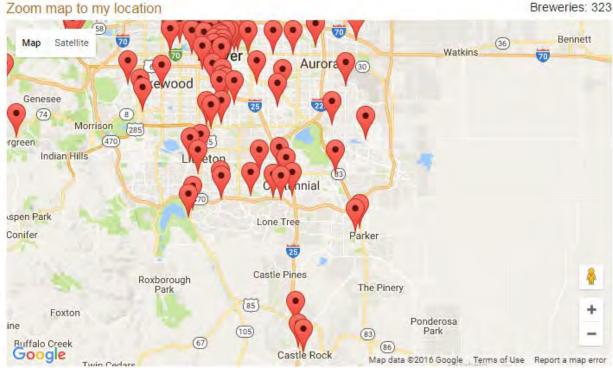
**Parker, CO** Hall Brewing Co Barnett & Son Brewing Co Elk Mountain Brewing Inc

#### **Top Companies Listing Positions**

Molson Coors	195
Anheuser-Busch Companies, Inc.	25
Dr. Pepper Snapple Group	21
Rock Bottom Brewery	17
Niagara Bottling, LLC	12

Pepsico	11
The Coca-Cola Company	11
Reddy Ice Corp.	5
DS Services of America	2
Bronco Wine Company	1

## **Colorado Brewery Map & List**



Map Source: www.coloradobrewerylist.com



### www.adw**o**rks.org

Follow 河@adwarks303 🔹 Connect in ADW Connections



Scan code to view report online