

News & Success Stories from Around the Region

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Minimum Wage: HB12-1210 empowers towns and counties to raise the minimum wage

Today is Labor Day. Labor Day, the first Monday in September, is a creation of the labor movement and is dedicated to the social and economic achievements of American workers. It constitutes a yearly national tribute to the contributions workers have made to the strength, prosperity, and well-being of our country. So today it is fitting that we talk about HB12-1210, a piece of legislation that empowers towns and counties to raise the minimum wage in their own jurisdictions in recognition that cost of living varies across communities. Here are a couple perspectives on this new legislation from Jon Stavney, NWCCOG Executive Director and the Summit County Chamber of Commerce.

Are we ready to set local minimum wages? Not so fast....

from the NWCCOG eNews, date, by Jon Stavney

Sometimes prudence is the best course of action. Inquiries to the same counties out in front of teen tobacco and mental health confirm that each is slow walking their new powers to adopt a local minimum wage. This past year the Colorado legislature passed the buck on this one to local governments. In recent months, I've had the opportunity to listen to Commissioners in Eagle and in Summit County who invited their municipal partners in to discuss acting on HB12-1210, a measure passed last session that empowers towns and counties to raise the minimum wage (within limits and conditions). It acknowledges that the cost of living varies across the state. First item of note is how encouraging it is that these two counties, like some others in our region, have a mechanism in place and the habit of having discussions across jurisdictions. That this is being discussed locally in a fragmented manner is yet another result of Colorado's preference for local control. In both forums, while agreeing that many workers do not make a living wage, officials appeared extremely cautious about the topic. Most were interested in exploring the many unintended consequences, as well as the possible impacts to local businesses. In a Summit County BOCC work session, a number of businesses as well as the Summit Chamber were on hand voicing a mixture of caution and opposition. The Summit Chamber later officially opposed an increase to the local minimum wage. In Eagle County, the Mayors Managers back in March asked many questions of the Vail Valley Partnership, and it appears the discussion has been gone dormant.

While it is easy to note how large corporations-often retailers-underpay their workers resulting

in tremendous social costs to taxpayers through governments, the discussion gets stickier when the discussion turns to the many "mom & pop" proprietors in the high country. Even while the lack of livable wages is widely acknowledged, the impacts of a simple regulatory tool, raising the minimum wage, are not obvious. Some jurisdictions such as La Plata County and Region 9 Economic Development District have embraced a carrot approach by framing the discussion in terms of a living wage and allowing businesses that pay above that threshold to brand themselves. At this point in time there does not appear to be the political will in the high country to raise minimum wage in any comprehensive, strategic manner. We have decided to re-publish the Summit Chamber's information on the topic for now.

Summit Chamber has officially opposed government intervention in setting a local minimum wage

from the Summit Chamber Newsletter, 8/30/19

Last week several business owners, non-profit execs, governmental reps, and others attended a work session of the Summit County BOCC in which the potential impacts of a minimum wage law recently signed by Gov. Polis were discussed. The simple version of the law is that local governments would have the authority to set a minimum wage for workers that would be higher than the federal and state minimum wage. The current minimum wage in Colorado is \$11.10 increasing to \$12 on January 1, 2020. In Summit County, however, according to the Colorado Center for Law and Policy, a "living wage" needs to be a minimum of \$14.60 per hour for a single adult - or \$30,000. For a single parent, with one child needing some childcare, the minimum wage jumps to \$29 - or \$59,700.

As of 2017 according to a CU LEEDS School of Business and the Colorado Department of Local Affairs study, 43% of Summit County residents made less than \$30,000 per year and an additional 23% made less than \$50,000 per year. As many know, that puts extreme pressures on the working poor in our community. According to a 2018 MIT Study, the Living Wage model is an alternative measure of basic needs. It is a market-based approach that draws upon geographically specific expenditure data related to a family's likely minimum food, childcare, health insurance, housing, transportation, and other basic necessities (e.g. clothing, personal care items, etc.) costs. The living wage draws on these cost elements and the rough effects of income and payroll taxes to determine the minimum employment earnings necessary to meet a family's basic needs while also maintaining self-sufficiency.

The living wage model is a 'step up' from poverty as measured by the poverty thresholds but it is a small 'step up', one that accounts for only the basic needs of a family. The living wage model does not allow for what many consider the basic necessities enjoyed by many Americans. It does not budget funds for pre-prepared meals or those eaten in restaurants. It does not include money for entertainment, nor does it allocate leisure time for unpaid vacations or holidays. Lastly, it does not provide a financial means for planning for the future through savings and investment or for the purchase of capital assets (e.g. provisions for retirement or home purchases).

The business owners attending the Summit County BOCC work session were understandably concerned that local governments could now be in the business of setting minimum wages. Many businesses in our community are already paying above minimum -- simply driven by the free market economy. When unemployment is at 2% and there are 1,200 jobs available, employers need to pay more to attract and retain good employees. On top of wanting to let the market drive wages, business owners do not want to have wages legislated at the local level.

Potential reasons to oppose this local legislation:

- Businesses should not be forced by any entity into paying employees for services beyond what a free, open and competitive market will bear.
- The term minimum wage is now being confused with the term living wage. Local minimum

wage adjustments will add additional costs to organizations who employ individuals who are not dependent on a living wage scenario. Costs will significantly increase for employers who only have part time, seasonal or unskilled labor.

- Labor is a pass through cost for most employers and this increase will increase the costs of goods and services in our communities
- Employers may look to limit or cut labor hours resulting in fewer employment opportunities.
- With costs increasing, consumers will go to other geographies to purchase similar goods and services for cheaper costs. This can already be seen with municipalities that charge significantly higher sales taxes.
- Within a significant portion of our county we are dependent business segments that employ tipped workers. Due to the tip credit, this law will unfairly reward the wrong work groups.
- Aggressive minimum wage adjustments close the gap between newer employees and employees who have worked up a wage ladder. Diminishing the value of longevity and continuity.
- Further raising the minimum wage will reduce benefits offered by employers and increase employer tax burden
- This legislation creates a burdensome level of enforcement for wage and hour oversight.

On the other hand, reasons business owners might want to pay a livable wage is that when a person earns less, he or she is forced to make undesirable choices such as working multiple jobs, longer hours, making longer commutes, sharing a residence, or giving up such basic items as phones or insurance. A healthy community has a diverse and sustainable economy that pays livable wages and offers meaningful work. When workers are not worried about how to make ends meet for their families, they tend to be better employees.

Potential Reasons to Support the Legislation:

Many communities throughout the country have made the decision that it is important for the entire community to thrive - and have thus joined Living Wage Coalitions. One such community - La Plata County in Southern Colorado, has had several years of experience and they found that the reality did not match the fears.

Will living wage laws cause job losses, especially among low-wage employees?

The most methodologically sound, quantitative study conducted to date on 15 cities implementing living wage laws showed that employment in the low-wage industries most likely impacted by the living wage laws was unaffected by the change. - American Progress Action

Will living wages increase consumer costs?

A recent study found that a \$12 per hour minimum wage would provide substantial benefits to workers in low-income families, while the costs to consumers would be small.
- University of California, Berkeley

Aren't low-wage workers mostly young people who use their money for recreational purposes?

This is a common perception which is no longer accurate. Today the average low-wage worker is 35 years old and is often the bread-winner with a family who depends on their earnings.
- Economic Policy Institute, Doug Hall & Dan Essrow.

Isn't education the answer to correcting low wages?

While education is one key to an improved standard of living, many low-wage workers are educated. In 2012, 46% of low-wage workers had some college and 79% had completed high school or GED. Many of the jobs filled in the "recovery" are low wage jobs filled by educated people that previously had higher-paying jobs. Economic Policy Institute, Lawrence Mishel.

Aspen Skiing Co. raises minimum wage for second straight year, to \$15 per hour

New \$15 starting wage is second consecutive season for the pay increase

by Scott Condon , [The Aspen Times](#), 8/12/19



Aspen Skiing Co. has increased its pay rates for a second consecutive year and has maintained what company officials believe is a leadership role in the ski industry.

Skico boosted its pay for entry-level positions to \$15 from \$13.50 per hour in June during the hiring of new summer employees. The new minimum wage will carry over to ski season.

"Fifteen dollars an hour - it's kind of unheard of," said Caleb Sample, Skico director of talent acquisition. "In the industry, that's going to make us much more appealing (than competitors). That's the hope anyway."

The pay hike has a "ripple effect" because it will increase the wages for second- and third-year employees as well as others up the line, Sample said. Raise the basement and it also raises the roof, Sample said. Skico also provided a cost-of-living increase to all salaried, full-time employees this year that was in excess of the rate of inflation. Skico raised its minimum wage to \$13.50 from \$12 per hour last season. Following Aspen's move, Vail Resorts raised its minimum wage at its U.S. resorts to \$12.25 per hour last season, according to the Park Record newspaper. Vail hasn't set the minimum wage for 2019-20. [Read full story here.](#)

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