

The economic impacts of a minimum wage increase for Adams County, Colorado

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Executive Summary

Adams County, Colorado is considering developing a local minimum wage policy. Adams County only has jurisdiction to pass a minimum wage law for the unincorporated areas of the County but could work in collaboration with cities in the County to establish a countywide minimum wage level by adopting parallel minimum wage policies with the same phase-in schedules. To inform their approach, Adams County has contracted Movement Economics to conduct a comprehensive study of the economic impact of a local minimum wage policy. This report describes the results of this study as well as the methods and data sources used to produce them.

We first provide an overview of the local workforce and economy, including a comprehensive description of characteristics and trends of local workers, wages, employers, and the economy. This overview provides important context to understand the results of our economic impact analysis. Next, we apply a nationally recognized model developed by the UC Berkeley Center for Wage and Employment Dynamics (CWED) and the UC Berkeley Labor Center that has been used to produce prospective studies of the impacts of minimum wage policies, living wage policies, and industry wage standards for local and state governments across the country. Using this model, we estimate the likely impact of several minimum wage policy alternatives on worker earnings, employer operating costs, consumer prices, employment, the size of the local economy, and government tax revenues. Finally, we summarize best practices for enforcement of local minimum wage policies to maximize the effectiveness of an adopted minimum wage policy, based on a review of relevant literature and interviews with enforcement experts and field practitioners.

Our findings suggest that raising the minimum wage in Adams County to either 90 or 100 percent of the Denver minimum wage would increase earnings for a large group of

workers, while having minimal effects on employment, the size of the local economy, and tax revenues. If all jurisdictions within the County adopted a minimum wage policy simultaneously, six times as many workers would experience an increase in their earnings compared to a policy that would only cover the unincorporated areas of Adams County. A countywide minimum wage level would also have a more positive, but still small, impact on GDP and tax revenues. Our findings are consistent with a large body of research on the impacts of local minimum wage policies, as well as the Colorado Department of Labor and Employment's research on the impacts of the Denver minimum wage.

Key findings

Overview of local workforce and economy

- Adams County is experiencing a period of rapid economic expansion. **The County's population grew by nearly 40 percent over the past two decades and is projected to grow by 30 percent over the next two decades**, which is twice the projected growth rate for Denver County.
- **Job growth in Adams County over the past five years has outpaced Denver County and the State of Colorado.** Transportation and warehousing, health care and social assistance, and educational services have added the most new jobs.
- Despite experiencing faster than average economic growth, **the median hourly wage in Adams County is currently lower than for the State of Colorado and four of eight surrounding counties.** Wages in Adams County also increased at a slower rate (4.7 percent annually) than in the state as a whole (5.5 percent annually) between 2021 and 2023.
- **Although median hourly wages are lower in Adams County than in surrounding counties, median household income for residents is higher than in Denver County and the State of Colorado.** This could be the result of higher earner residents commuting to other counties to work and residents from other counties commuting into Adams County to work low-wage jobs.

- **One in five Adams County workers (20.0 percent) are low-wage workers** earning less than \$17.10. **Only one in twenty (5.3 percent) are minimum wage workers** (\$14.42 per hour). Adams County’s low-wage and minimum-wage workers are disproportionately Black, Hispanic/Latino, and female.
- We find that although they are younger on average than all workers, **less than three percent of low-wage and minimum wage workers are under 18**. More than two in three low-wage and minimum wage workers are 25 and over. More than one in four low-wage and minimum wage workers are parents of children under 18. More than one in three low-wage and minimum wage workers are the head of their household.
- **The current minimum wage is not enough to cover the cost of living in Adams County without working multiple jobs**. A minimum wage worker would need to work nearly the equivalent of two full-time jobs to cover the cost of living for a single adult. A single parent minimum wage worker with one child would need to work more than three full-time jobs to cover their household’s living expenses. More than one in four low-wage and minimum wage workers are parents of children under 18. More than one in three low-wage and minimum wage workers are the head of their household.
- Accommodation and food service and retail currently employ the most low-wage workers in Adams County and over the next ten years, the food service industry is expected to grow by over 22,000 additional jobs in the Denver-Aurora MSA. This suggests that **a significant proportion of projected job growth will be in low-wage industries**.

Economic impact of a minimum wage increase

- Adopting a countywide minimum wage equal to 90 percent of the Denver minimum wage would result in **higher earnings for about one in five workers (60,000)** and a countywide minimum wage equal to 100 percent of the Denver

minimum wage would result in **higher earnings for about one in four workers (80,000)**.

- A minimum wage at 90 percent of the Denver minimum wage would **increase earnings of impacted workers by 6.1 to 7.2 percent, or \$2,200 to \$2,400 annually**, and a minimum wage at 100 percent of the Denver minimum wage would **increase earnings by 10.7 to 13.3 percent, or \$3,500 to \$3,600 annually**, depending on whether the policy is phased in over a three-year or five-year period.
- Despite increasing earnings for a large number of workers, we find that a minimum wage at 90 percent of the Denver minimum wage would only **increase employer operating costs by 0.1 to 0.2 percent** and a minimum wage at 100 percent of the Denver minimum wage would only **increase employer operating costs by 0.3 to 0.4 percent**. However, some industries that employ a larger proportion of low-wage workers would experience larger cost increases. Employer operating costs for food services businesses would increase by 1.1 to 1.2 percent at 90 percent of the Denver minimum wage and 2.2 to 2.5 percent at 100 percent of the Denver minimum wage.
- Even assuming that all cost increases will be passed on to consumers through higher prices, we find that a minimum wage increase would lead to only a small increase in consumer prices. We estimate that an increase to 90 percent of the Denver minimum wage would **increase consumer prices by 0.1 to 0.2 percent** and a minimum wage increase to 100 percent of the Denver minimum wage would **increase consumer prices by 0.3 to 0.4 percent**. Consumer prices for food services would increase by an estimated 1.1 to 1.2 percent at 90 percent of the Denver minimum wage and 2.2 to 2.5 percent at 100 percent of the Denver minimum wage. These price increases would have the effect of **redistributing income from higher income consumers to lower wage workers**. Impacted workers would also pay higher prices, but the size of the increase in prices (0.1 to 0.4 percent) would be very small relative to the projected increase in their earnings (6.1 to 13.3 percent).
- Over the time period for which we model impacts, 2026-2030, employment in Adams County is projected to increase by 11.8 percent, to 300,000 jobs. We

estimate that a countywide increase to either 90 or 100 percent of the Denver minimum wage would **slow job growth by 0.1 to 0.2 percentage points, resulting in Adams County adding 30,500 - 30,700 jobs between 2026 and 2030 compared to 31,000 jobs under the status quo.** This represents approximately 300 to 500 fewer jobs created. Adams County would still be on track to outpace the State of Colorado in job growth through 2030.

- Adopting a minimum wage policy would **have almost no impact on the Adams County GDP** which we estimate will reach approximately \$55 billion by 2030. We find that increasing the minimum wage would have only a small impact on GDP growth, leading to between -0.0004 percent slower growth and 0.02 percent faster growth, depending on the minimum wage level and phase-in schedule. Adopting a minimum wage for the entire county would have a slightly larger and more positive impact on local economic growth compared to adopting a policy for just the unincorporated areas of the county.
- Adopting a minimum wage policy would result in **either a very small decrease or very small increase in tax revenues.** We estimate that the impact of a countywide minimum wage policy on local tax revenues would be between -\$400,000 and \$1,900,000, depending on the minimum wage level and phase-in schedule. We estimate that the impact of a minimum wage policy for the unincorporated areas of Adams County would be between -\$30,000 and \$350,000. This would represent a negligible change relative to the current size of local government budgets.

Minimum Wage Enforcement Best Practices

- **The success of Denver Labor's enforcement program suggests that establishing an in-house minimum wage enforcement team or office within the government of Adams County could significantly improve compliance with local minimum wage laws.** Delegating enforcement to the courts or the Colorado Department of Labor and Employment (CDLE) would likely be more cost-effective but would present vulnerable workers with more barriers to reporting violations. An

aggrieved worker using the CDLE complaint process or filing a case in civil court could not, for instance, take anonymous action or have a workers' organization or community group submit a third-party complaint on their behalf; this could be prohibitive for workers concerned about employer retaliation based on their immigration status or other factors. Such considerations are especially pressing given the Trump Administration's plans for mass deportations and workplace raids.

- **Adopting best practices for complaint-based investigations can reduce barriers to reporting for vulnerable groups of workers and prevent retaliation.** Best practices include explicit retaliation protections for complainants in local minimum wage ordinances, conducting company-wide investigations on behalf of all workers when responding to individual complaints, implementing a "triage" system to prioritize worker complaints, and accepting third-party and/or anonymous complaints.
- **Conducting direct investigations into low-wage, service-sector industries with records of high violation rates can increase compliance.** Direct investigations are another effective way to protect the minimum wage rights of vulnerable workers who face barriers to reporting violations, such as immigrant workers. Industries with higher violation rates in the Denver-Aurora MSA include private households, food services and drinking places, personal and laundry services, accommodation, and arts, entertainment, and recreation.
- **Establishing enforcement partnerships with workers and community organizations** has been demonstrated to improve the effectiveness of violation investigations and make the complaint process more accessible to those who need it most by gaining valuable on-the-ground insights into specific industries and worker populations, improving the dissemination of information about wage laws and enforcement procedures, and building trust with hard-to-reach or vulnerable workers.

1. Introduction

Adams County, Colorado is considering developing a local minimum wage policy. Adams County only has jurisdiction to pass a minimum wage law for the unincorporated areas of the County but could work in collaboration with cities in the County to establish a countywide minimum wage level by adopting parallel minimum wage policies with the same phase-in schedules. To inform their approach, Adams County has contracted Movement Economics to conduct a comprehensive study of the economic impact of a local minimum wage policy. This report describes the results of this study as well as the methods and data sources used to produce them.

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2. Overview of local workforce and economy

In this section, we provide a comprehensive overview of baseline economic indicators for Adams County, in comparison with surrounding counties and the State of Colorado. We describe trends and characteristics of wages, workers, employers, and the local economy to provide context for our later analysis of the economic impacts of a minimum wage increase.

Adams County is currently experiencing a period of rapid economic expansion. The County's resident population grew by nearly 40 percent over the past two decades and is projected to grow by 30 percent over the next two decades, which is twice the projected growth rate for Denver County. Job growth in Adams County has outpaced Denver County and the State of Colorado over the past five years. Transportation and warehousing, health care and social assistance, and educational services have added the most new jobs. This job growth has attracted more workers to commute in from surrounding counties. The proportion of Adams County residents that work within the county has also risen slightly as well.

Despite experiencing faster than average economic growth, the median hourly wage in Adams County is currently lower than in the State of Colorado and four of seven surrounding counties. Wages in Adams County also increased at a much slower rate than in the state between 2021 and 2023. Over the past several decades, Adams County has consistently had a slightly higher unemployment rate than surrounding counties and the state. Adams County firms tend to be small—over 85 percent employ 20 workers or fewer—and most fall into the transportation and warehousing, healthcare and social assistance, construction, and retail industries. However, more than three in four Adams County workers are employed by larger firms with 250 or more employees.

Although median hourly wages are lower in Adams County than in surrounding counties, median household income for residents is higher than in Denver County and the state of Colorado. At the same time, a growing proportion of Adams County workers commute in

from other counties. This could be due in part to higher earner Adams County residents commuting to other counties to work and a growing number of residents from other counties commute into Adams County to work low-wage jobs.

We also find that low-wage workers—those who make less than \$17.10 per hour—constitute a significant portion of the Adams County workforce (20.0 percent). A smaller proportion of workers (5.3 percent) who earn the current minimum wage (\$14.42 per hour) do not earn enough on their own to cover the cost of living in Adams County without working multiple jobs. Adams County’s low-wage and minimum-wage workers are disproportionately Black, Hispanic/Latino, and female; over two-thirds are twenty-five years old or older. Accommodation and food service and retail establishments currently employ the most low-wage workers in Adams County, and over the next ten years, the food service industry is expected to grow by over 22,000 additional jobs. This suggests that a notable proportion of emerging employment opportunities in the county’s near future will be low-wage.

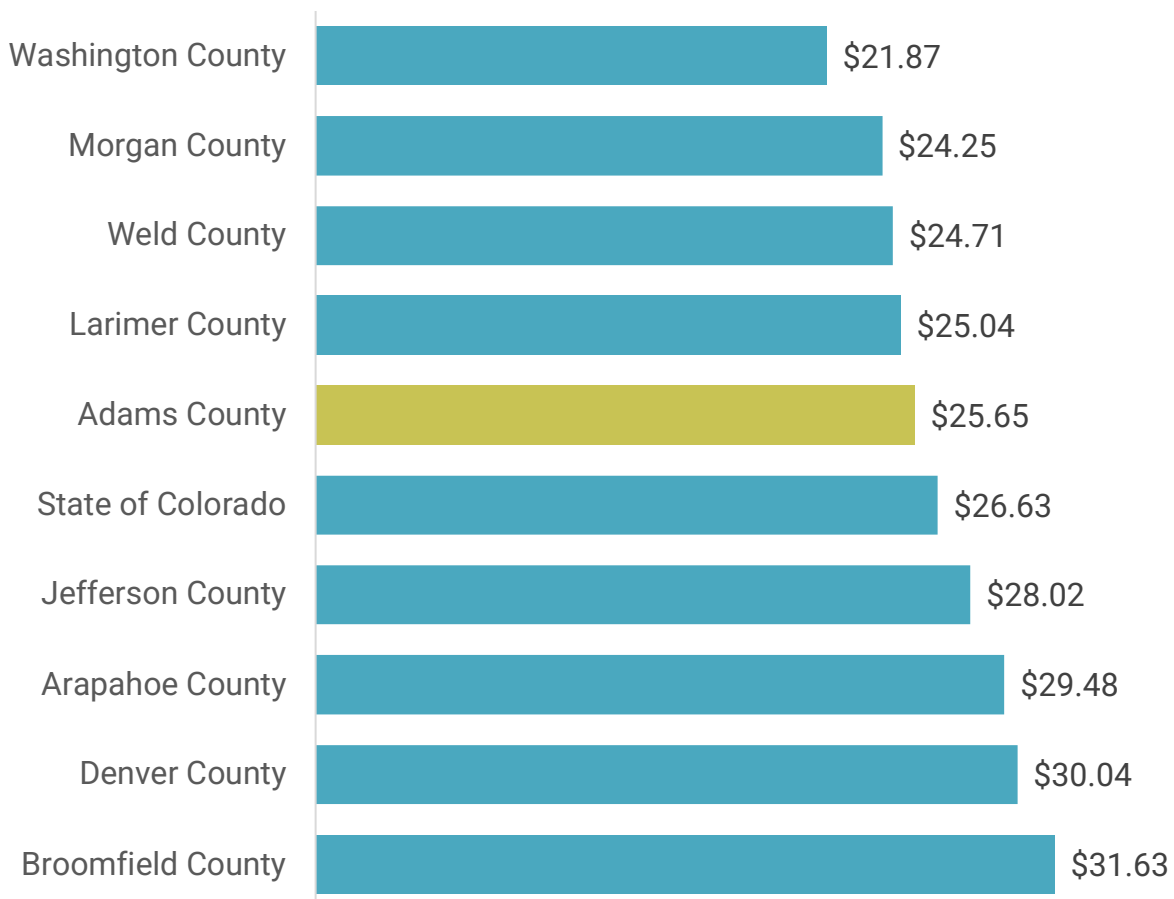
Wages

We first describe the wages of Adams County workers, including how they have changed over time and how they compare to the wages of workers in surrounding counties and the State of Colorado as a whole. We also compare the minimum wage to estimates of the cost of living and estimate the proportion of workers who are minimum wage and low-wage workers.

Figure 2.1 compares the median hourly wage for Adams County, surrounding counties, and the State of Colorado. Compared to the median hourly wages in surrounding counties, Adams County falls in the middle of the distribution. The median hourly wage for Adams County is higher than in four surrounding counties (Larimer, Morgan, Weld, and Washington) and lower than in four surrounding counties (Arapahoe, Broomfield, Denver, and Jefferson) and the State of Colorado. Although Adams County workers have

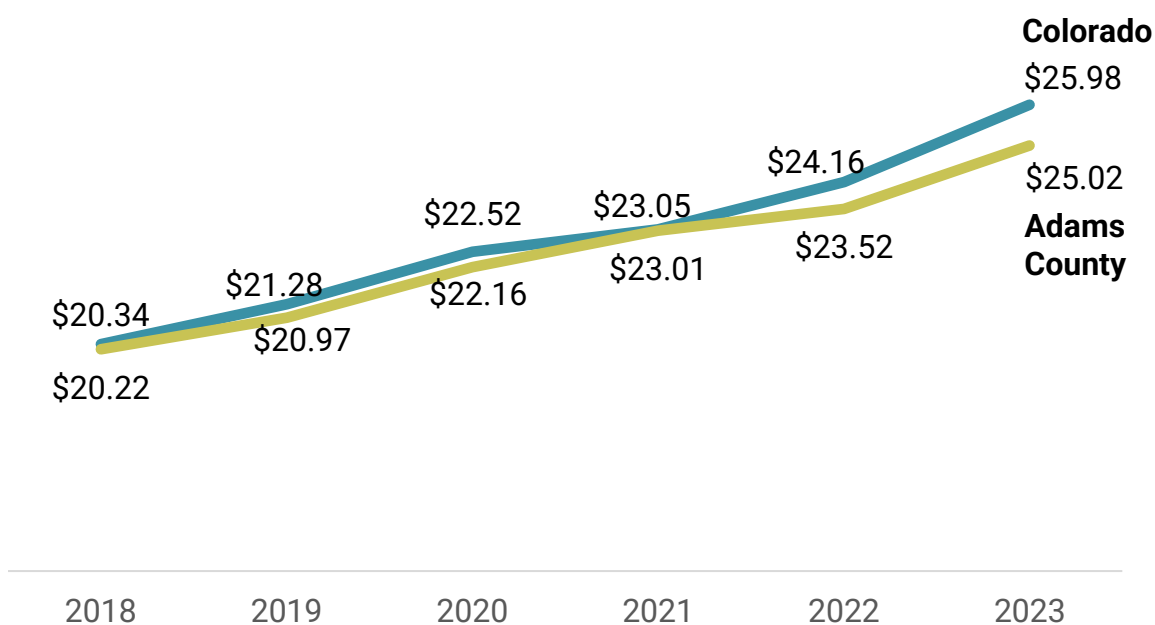
lower median hourly wages compared to Denver County and the State of Colorado, Adams County residents have a higher median household income (see **Table 2.6**). This could be the result of higher earner Adams County residents commuting to other counties to work and residents from other counties commuting into Adams County to work low-wage jobs.

Figure 2.1: Median hourly wage by work location, 2024



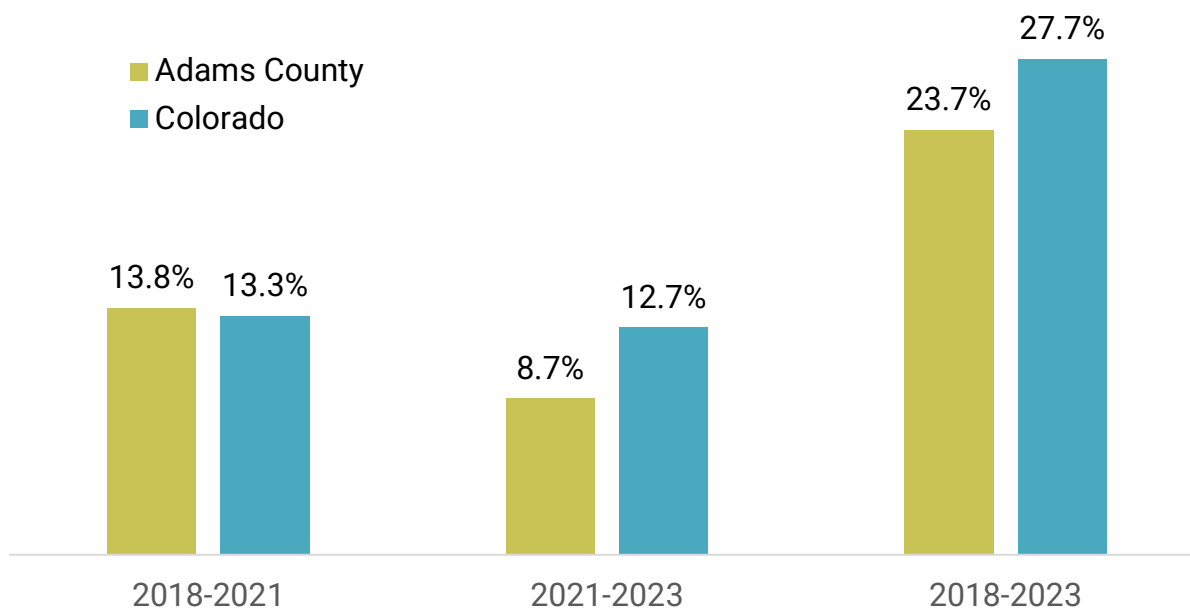
Source: Authors' analysis of 2023 Occupational Employment and Wages Survey data, adjusted to 2024 dollars using the average of projected CPI growth for 2024 from the Colorado Legislative Council and the Colorado Office of State Planning and Budgeting.

Figure 2.2: Median hourly wage, Adams County and Colorado 2018-2023



Source: Occupational Employment and Wage Statistics

Figure 2.3: Percentage change in the median hourly wage, Adams County and the State of Colorado



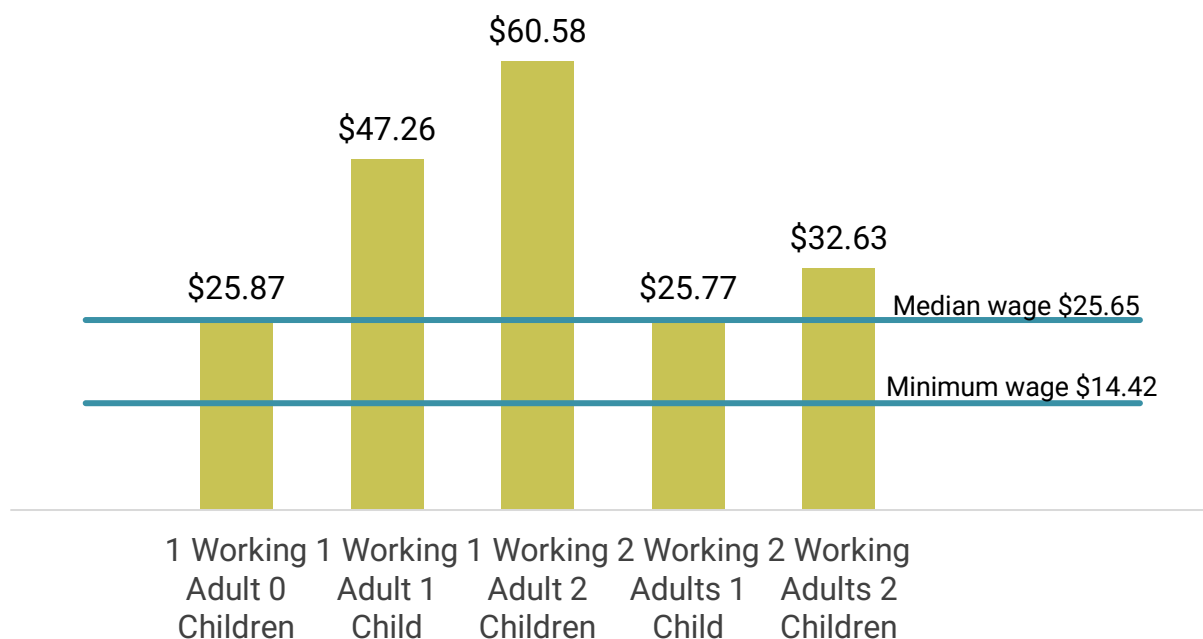
Source: Authors' analysis of Occupational Employment and Wage Statistics data

Since 2018, the median hourly wage in Adams County has grown at a slower rate (4.7 percent year over year) than the median hourly wage in the entire State of Colorado (5.5 percent year over year) (see **Figure 2.2** and **Figure 2.3**). In 2018, the median hourly wage for Adams County was just slightly lower than for the State of Colorado. The median wage for Colorado grew more in 2019 and 2020, but the Adams County median wage had effectively caught up by 2021. Between 2021 and 2023, the Colorado median wage increased significantly more than the Adams County median wage.

Figure 2.4 shows cost of living estimates for different types of households in Adams County from the MIT Living Wage Calculator, compared to the minimum wage and median wage. The MIT estimate of the hourly wage needed to cover costs for one single adult while working one full-time job is 80 percent higher than the current minimum wage. Absent other sources of support, a minimum-wage worker would need to work nearly the equivalent of two full-time jobs to cover the cost of living for a single adult in Adams County.

The difference between the minimum wage and the cost of living for single-parent households is much larger. The estimated hourly wage needed to cover costs for a single working parent with one child is more than three times the minimum wage, and with two children, it is more than four times the minimum wage. More than one in four low-wage and minimum wage workers are parents of children under 18. More than one in three low-wage and minimum wage workers are the head of their household (see **Table 2.1**).

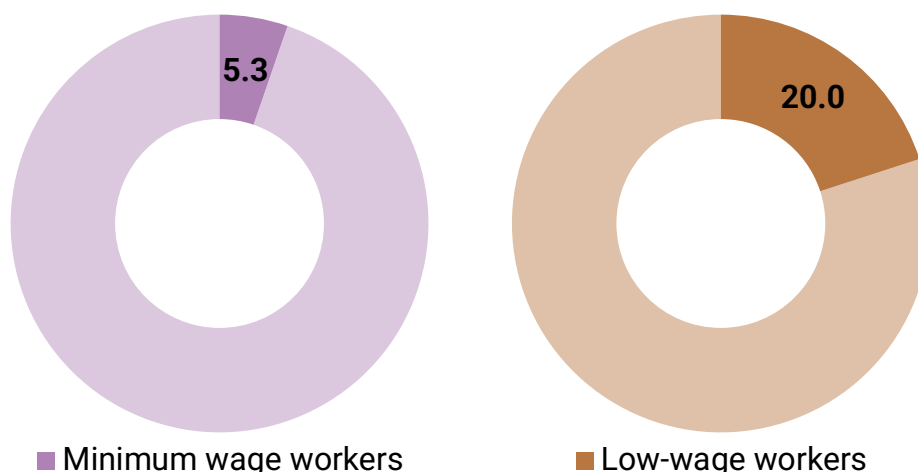
Figure 2.4: Estimates of the hourly wage needed to cover the cost of living in Adams County by household type compared to the minimum wage and median hourly wage, 2024



Source: MIT Living Wage Calculator estimates for Adams County and 2023 Occupational Employment and Wages Survey data, adjusted to 2024 dollars using the average of projected CPI growth for 2024 from the Colorado Legislative Council and the Colorado Office of State Planning and Budgeting

Figure 2.5 presents our estimates of the proportion of workers who are low-wage or minimum wage workers. We find that about one in five workers in Adams County are low-wage, earning less than two-thirds of the median hourly wage (\$17.10). We estimate that about five percent of Adams County workers are minimum wage workers, with estimated earnings between 80 and 100 percent of the minimum wage (\$11.54 to \$14.42).

Figure 2.5: Percentage of workers that earn the minimum wage and are low-wage, Adams County 2024



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data. Note: Minimum wage workers are those earning between 80 and 100 percent of the minimum wage (\$11.54-\$14.42). Low-wage workers are defined as those with an hourly wage less than two-thirds of the median (\$17.10). See Appendix A for a more detailed description of the methods used to produce these estimates.

Workers

Next, we describe the current workforce in Adams County by demographic characteristics, job characteristics, occupation, industry, and employer firm size. We compare these characteristics for all workers, low-wage workers, and minimum wage workers. We also compare the characteristics of Adams County workers to workers in surrounding counties.

Table 2.1 shows our estimates of Adams County worker characteristics. We find that, compared to all workers, low-wage and minimum wage workers in Adams County are more likely to be Black, Hispanic/Latino, and female. Low-wage workers are about four times more likely to be living in a household with income below the federal poverty level. Minimum wage workers are more than three times as likely to be living under the federal poverty level. Both low-wage and minimum wage workers are more than three times as likely as all workers to be living under 200 percent of the federal poverty level.

Table 2.1: Adams County worker characteristics

	Percentage of all workers	Percentage of low-wage workers	Percentage of minimum wage workers
American Indian or Alaska Native	1.0	1.3	1.1
Asian	4.2	4.7	4.6
Black	5.2	7.3	6.0
Other	7.7	12.1	12.2
Two or More Race Groups	15.0	21.2	18.1
White	66.9	53.5	57.9
Latinx/Hispanic	24.1	36.0	34.9
Female	43.7	50.2	51.8
14-17	0.7	2.6	2.8
18-24	10.8	28.2	29.2
25-44	49.7	40.6	39.3
45-64	34.1	23.2	23.0
65-99	4.7	5.4	5.7
Head of household	51.4	36.9	36.8
Parents of children under 18	37.5	29.1	30.6
Under 100 percent of FPL	2.3	9.1	8.9
Under 200 percent of FPL	9.7	30.7	33.6
Does not have health insurance	8.6	16.1	15.0
Has employer sponsored health insurance	75.6	53.7	54.4
Has public health insurance	13.3	25.6	25.4

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data. Note: Minimum wage workers are those earning between 80 and 100 percent of the minimum wage (\$11.54-\$14.42). Low-wage workers are defined as those with an hourly wage less than two-thirds of the median (\$17.10). See Appendix A for a more detailed description of the methods used to produce these estimates.

Slightly more than half of low-wage (53.7 percent) and minimum wage workers (54.4 percent) have employer-sponsored health insurance through either their own or a family member's employer, compared to three quarters of all workers (75.6 percent). About one

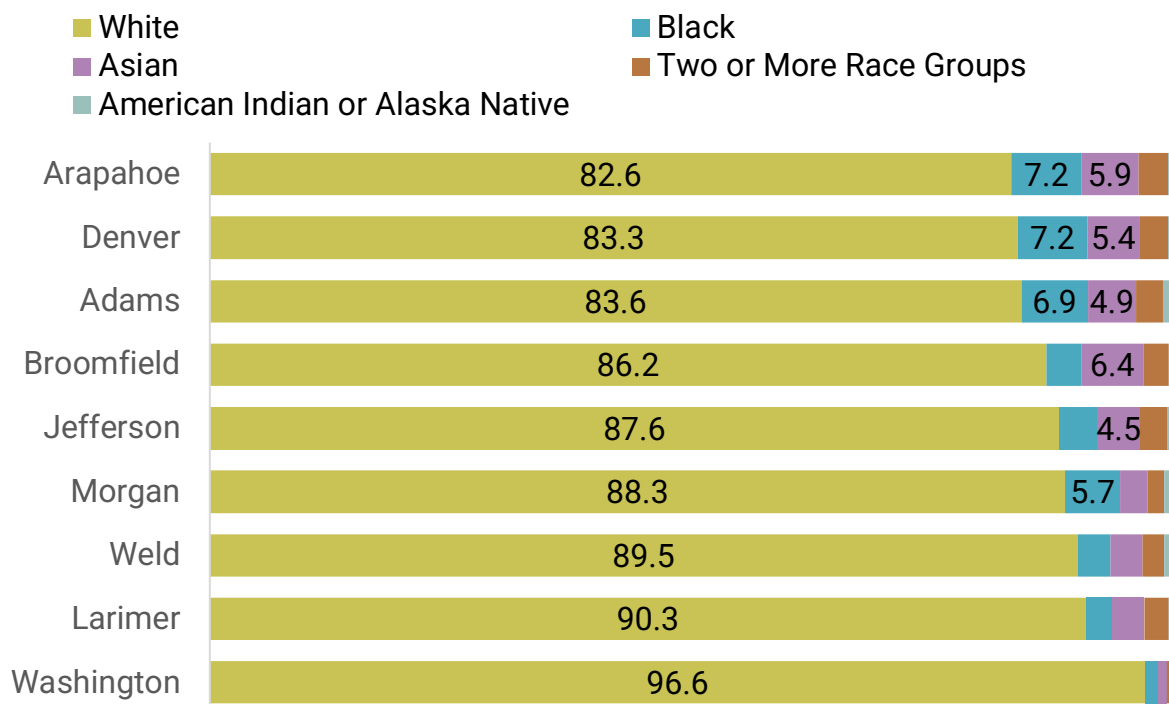
in four low-wage (25.6 percent) and minimum wage workers (25.4 percent) have public health insurance, and about one in six do not have health insurance coverage (16.1 percent for low-wage workers and 15.0 percent for minimum wage workers).

A common misconception is that low-wage and minimum wage workers are primarily teenagers. We find that low-wage and minimum wage workers are younger on average than all workers, but less than three percent are under 18. More than two in three low-wage (69.2 percent) and minimum wage workers (68.0 percent) are 25 and over. The assumption that low-wage and minimum wage workers are young implies that they are dependents and therefore do not rely solely on their earnings to cover their living expenses. However, we find that more than one in four low-wage (29.1 percent) and minimum wage workers (30.6 percent) are parents of children under 18 and more than one in three low-wage (36.9 percent) and minimum wage workers (36.8 percent) are the head of their household.

Figures 2.6 through 2.10 show estimates of worker characteristics from Quarterly Workforce Indicators (QWI) data. This data is based on unemployment insurance, Census, and SSA records, and result in slightly different estimates of worker characteristics than those presented in **Table 2.1**, which are based primarily on household survey data. However, QWI data uniquely allow us to make comparisons between Adams County and surrounding counties.

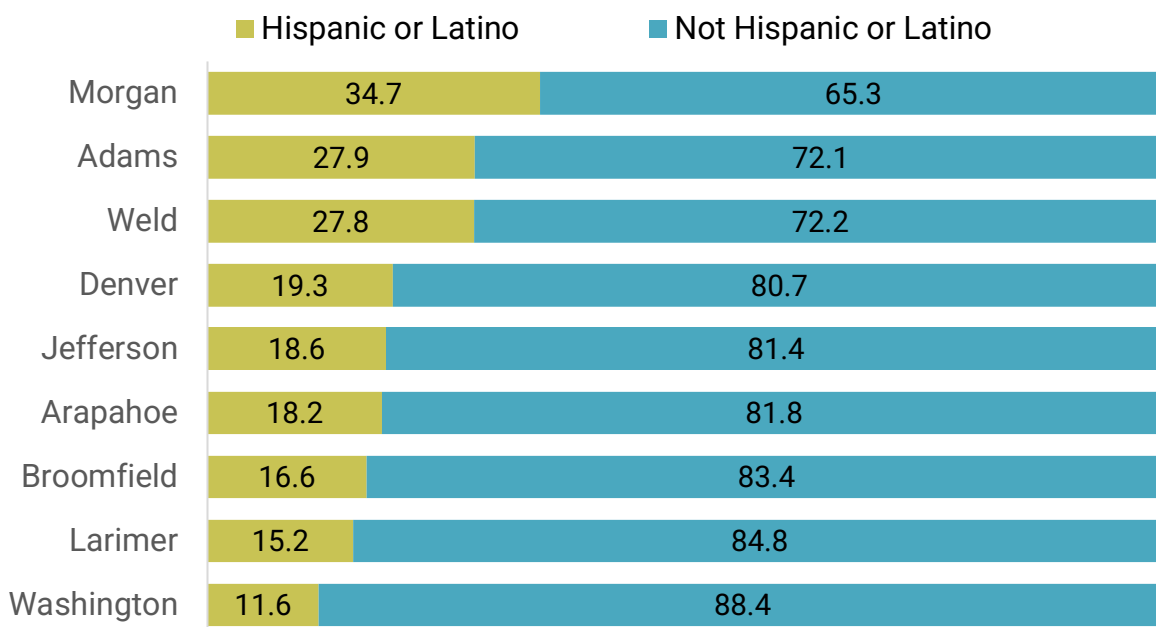
Compared to surrounding counties, a larger proportion of Adams County workers are Black and Asian. More than one in four Adams County workers are Hispanic/Latino (27.9 percent). Only Morgan County has a larger proportion of Hispanic/Latino workers. The share of Adams County workers that are women (44.5 percent) is smaller than all surrounding counties other than Weld County. Adams County workers are younger on average compared to most surrounding counties. Only Denver and Larimer counties have a larger share of workers under 45 years old.

Figure 2.6: Workers by race, Adams County and surrounding counties 2023



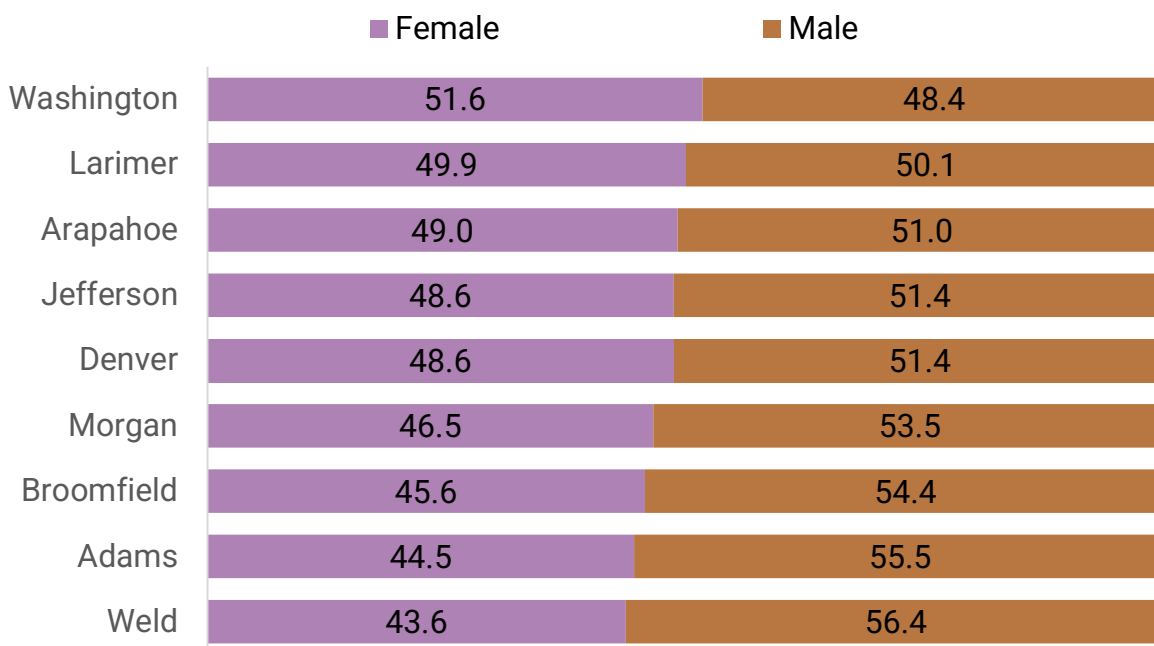
Source: Authors' analysis of 2023 Quarterly Workforce Indicators data

Figure 2.7: Workers by ethnicity, Adams County and surrounding counties 2023



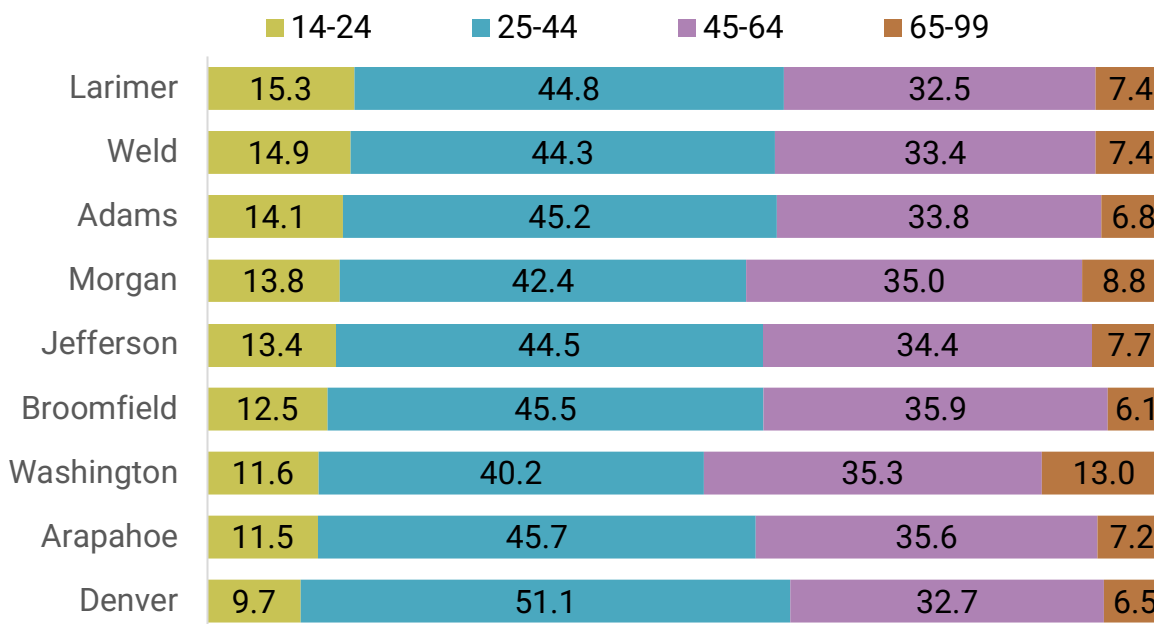
Source: Authors' analysis of 2023 Quarterly Workforce Indicators data

Figure 2.8: Workers by gender, Adams County and surrounding counties 2023



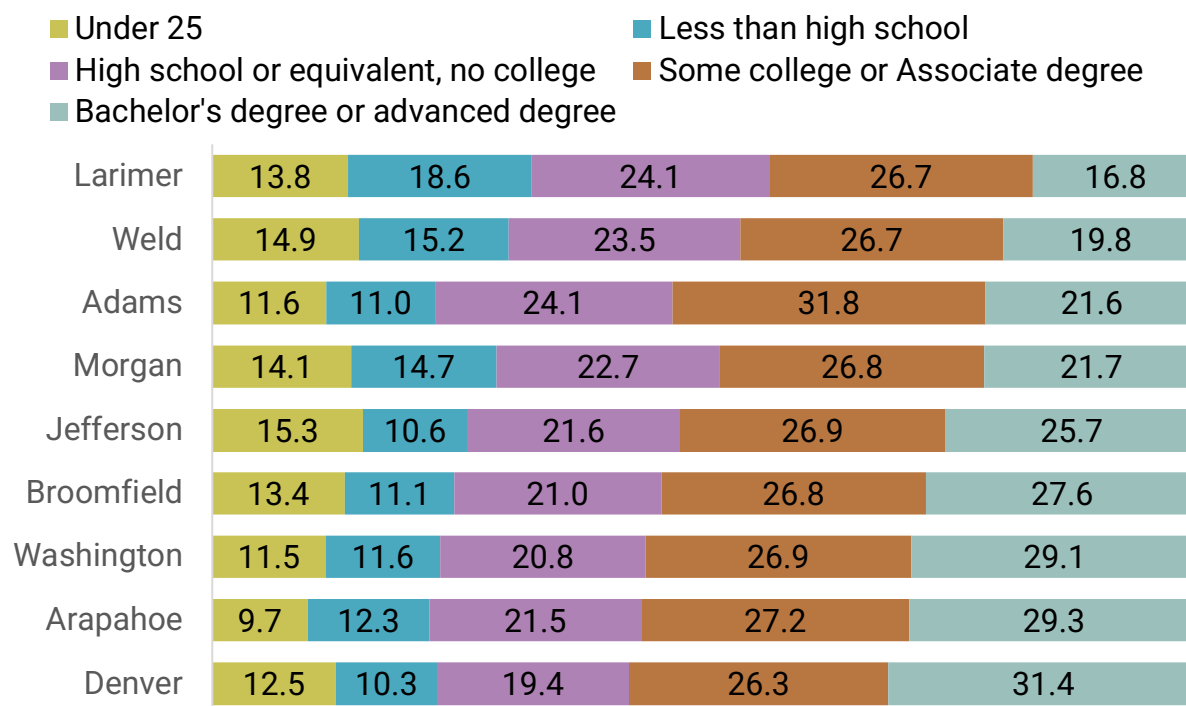
Source: Authors' analysis of 2023 Quarterly Workforce Indicators data

Figure 2.9: Workers by age group, Adams County and surrounding counties 2023



Source: Authors' analysis of 2023 Quarterly Workforce Indicators data

Figure 2.10: Workers by educational attainment, Adams County and surrounding counties 2023



Source: Authors' analysis of 2023 Quarterly Workforce Indicators data

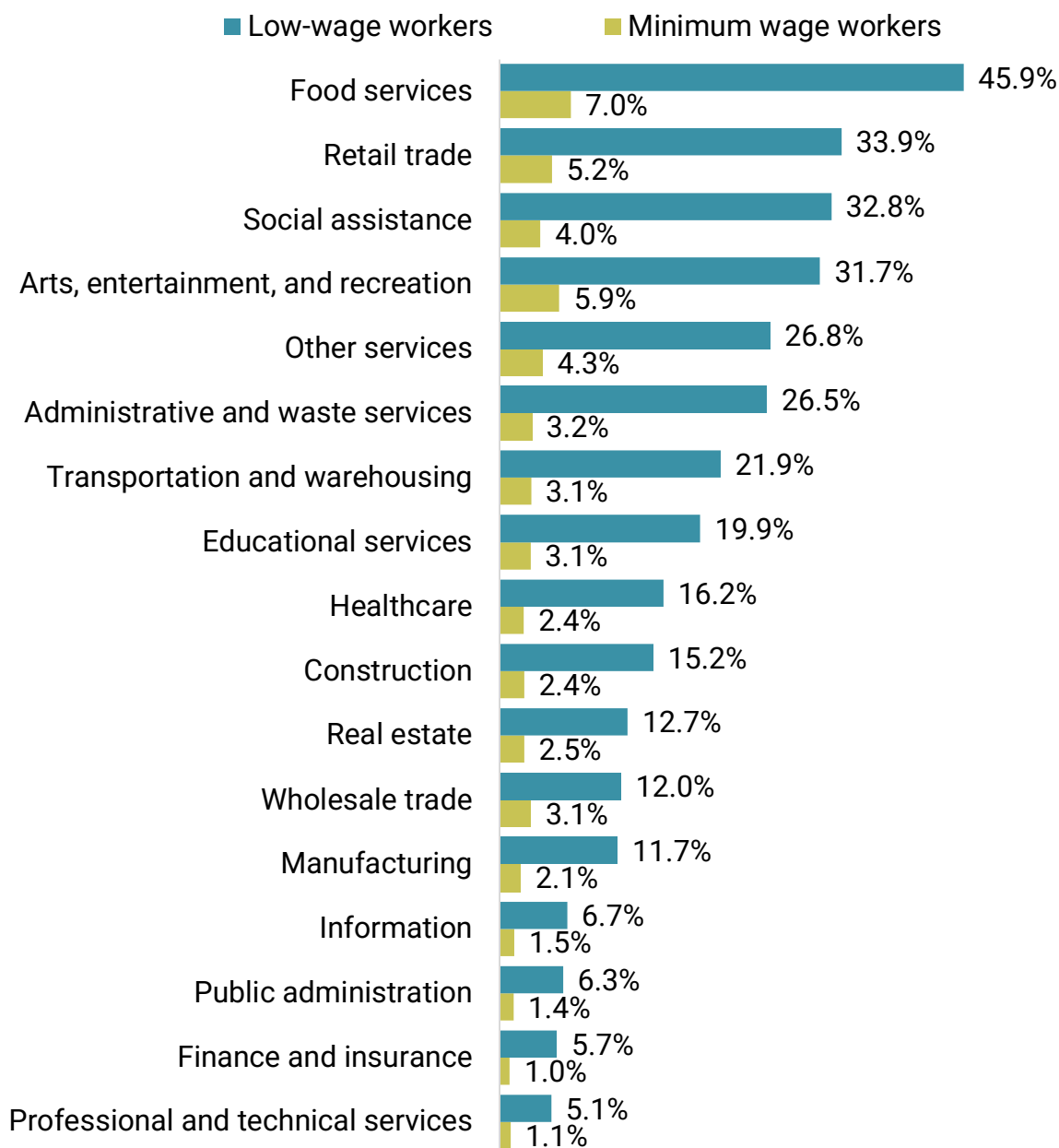
Table 2.2 presents our estimates of the industry distribution of all workers, low-wage workers, and minimum wage workers in Adams County. The industries that employ the most workers overall are transportation and warehousing, healthcare and social assistance, construction, and retail. The industries that employ the most minimum wage and low-wage workers are accommodation and food service, retail, healthcare and social assistance, and transportation and warehousing. In unincorporated Adams County, the industries that employ the most workers are transportation and warehousing, construction, wholesale trade, and manufacturing. The industries that employ the most minimum wage and low-wage workers in unincorporated Adams County are transportation and warehousing, construction, retail, and accommodation and food services. Major employers in Adams County include UCHHealth: University of Colorado, Amazon Warehousing & Distribution Services, Children's Hospital Colorado Healthcare and United Parcel Service (Adams County Colorado 2024).

Table 2.2: All workers, low-wage workers, and minimum wage workers by major industry, Adams County and Unincorporated Adams County

	Adams County			Unincorporated Adams County		
	All workers	Low-wage workers	Minimum wage workers	All workers	Low-wage workers	Minimum wage workers
Transportation and warehousing	12.1	13.2	12.0	26.9	29.5	27.0
Healthcare	11.5	9.3	8.8	1.3	1.1	1.0
Construction	11.0	8.4	8.5	18.6	14.2	14.5
Educational services	9.4	9.3	9.2	2.3	2.2	2.2
Retail trade	9.4	15.9	15.5	7.2	12.3	12.1
Wholesale trade	7.8	4.7	7.7	10.9	6.6	10.9
Administrative and waste services	7.2	9.6	7.3	7.5	9.9	7.7
Manufacturing	6.4	3.8	4.3	8.5	5.0	5.8
Food services	4.7	10.8	10.6	3.5	8.0	7.8
Public administration	4.2	1.3	1.8	0.5	0.2	0.2
Professional and technical services	3.8	1.0	1.3	1.6	0.4	0.6
Other services	2.9	3.9	4.0	3.8	5.0	5.2
Finance and insurance	1.6	0.5	0.5	0.7	0.2	0.2
Real estate	1.5	1.0	1.2	1.4	0.9	1.1
Social assistance	1.3	2.2	1.7	0.1	0.2	0.1
Information	1.1	0.4	0.5	1.2	0.4	0.5
Arts, entertainment, and recreation	1.1	1.7	2.0	0.3	0.5	0.6
Management	0.8	0.7	0.2	1.7	1.5	0.4
Accommodation	0.7	1.2	1.3	0.1	0.1	0.1
Agriculture	0.6	1.0	0.9	1.0	1.7	1.5
Mining, oil, and gas	0.4	0.1	0.5	0.0	0.0	0.0
Utilities	0.4	0.1	0.1	1.0	0.1	0.2

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data. Note: Table presents column percentages Minimum wage workers are those earning between 80 and 100 percent of the minimum wage (\$11.54-\$14.42). Low-wage workers are defined as those with an hourly wage less than two-thirds of the median (\$17.10). See Appendix A for a more detailed description of the methods used to produce these estimates.

Figure 2.11: Percentage of workers that are minimum wage and low-wage workers by major industry, Adams County



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data. Note: Minimum wage workers are those earning between 80 and 100 percent of the minimum wage (\$11.54-\$14.42). Low-wage workers are defined as those with an hourly wage less than two-thirds of the median (\$17.10). See Appendix A for a more detailed description of the methods used to produce these estimates. Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Table 2.3: Median hourly wage of most common occupations, Adams County

Occupation	Number of workers	2024 Median hourly wage
Stockers and order fillers	15,000	\$19.48
Registered nurses	8,220	\$42.89
Fast food and counter workers	6,980	\$17.48
Heavy and tractor-trailer truck drivers	6,870	\$29.58
Laborers and freight, stock, and material movers, hand	6,610	\$22.31
Health specialties teachers, postsecondary	5,540	NA
Retail salespersons	5,450	\$18.13
Cashiers	4,090	\$17.64
Sales representatives, wholesale and manufacturing	3,480	\$33.67
General and operations managers	3,170	\$62.61
Janitors and cleaners	3,170	\$18.49
Light truck drivers	3,120	\$23.52
First-line supervisors of construction trades and extraction workers	2,880	\$40.01
Customer service representatives	2,790	\$22.09
Construction laborers	2,670	\$23.46
Business operations specialists, all other	2,640	\$40.73
Secretaries and administrative assistants	2,440	\$23.85
First-line supervisors of transportation and material-moving workers	2,300	\$34.95
Waiters and waitresses	2,270	\$16.54
Sales representatives of services	2,260	\$38.87
Elementary school teachers, except special education	2,180	NA
Office clerks, general	2,150	\$25.64
Shipping, receiving, and inventory clerks	2,110	\$23.01
Home health and personal care aides	2,040	\$17.90
Biological technicians	1,970	\$26.07
Nursing assistants	1,960	\$21.01
Cooks, restaurant	1,890	\$18.94
Electricians	1,880	\$31.38
Industrial truck and tractor operators	1,870	\$23.17
First-line supervisors of retail sales workers	1,860	\$27.76

Source: Authors' analysis of 2023 Occupational Employment and Wage Survey data

Note: Median wage estimates are inflated to 2024 dollars. See Appendix A for details on methods.

Figure 2.11 shows our estimates of the proportion of workers within each major industry that are minimum wage and low-wage workers. The industry with the largest proportion of workers earning low wages is food services (45.9 percent), followed by retail (33.9 percent), social assistance (32.8 percent), and arts and entertainment (31.7 percent). These hourly wage estimates include both base wage and earnings from tips.

Table 2.3 reports the most common occupations in Adams County and estimates of their median hourly wages including tips. The common occupations with the lowest median wages are waiters and waitresses (\$16.54), fast food and counter workers (\$17.48), cashiers (\$17.64), home health and personal care aides (\$17.90), retail salesperson (\$18.13), janitors and cleaners (\$18.49), and restaurant cooks (\$18.94).

Table 2.4 lists the most common occupations of low-wage workers in Adams County, including laborers, drivers/sales workers, retail salespersons, cooks, and janitors.

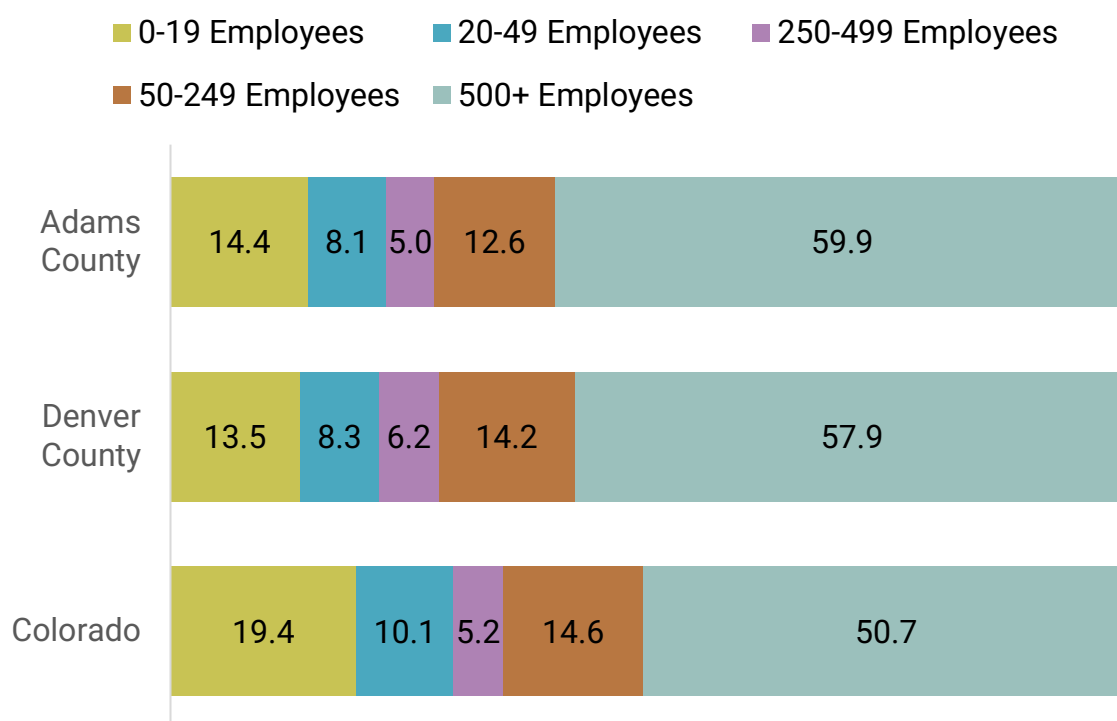
Table 2.4: Most common occupations of low-wage workers in Adams County

Laborers and Material Movers
Driver/Sales Workers and Truck Drivers
Retail Salespersons
Cooks
Janitors and Building Cleaners
Cashiers
Customer Service Representatives
Waiters and Waitresses
Grounds Maintenance Workers
Construction Laborers
Teaching Assistants
Receptionists and Information Clerks
Stockers and Order Fillers
Fast Food and Counter Workers

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data. Note: Low-wage workers are defined as those with an hourly wage less than two-thirds of the median (\$17.10). See Appendix A for a more detailed description of the methods used to produce these estimates.

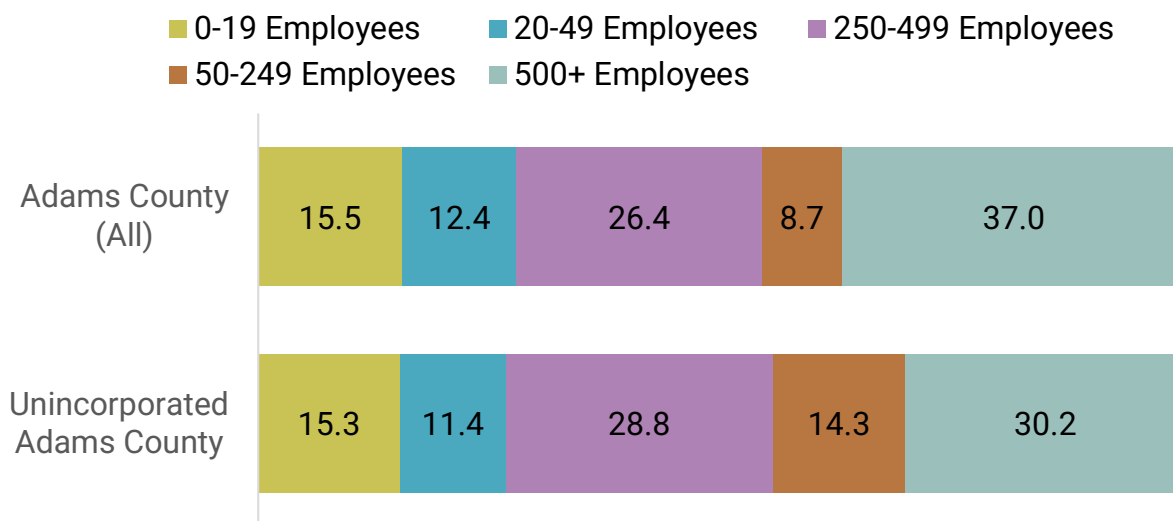
Figure 2.12 shows workers by their employer’s firm size. Adams County workers are less likely to work for smaller employers compared to workers in all of Colorado and are more likely to work for smaller employers than Denver County workers. **Figure 2.13** compares workers in Adams County and unincorporated Adams County by their employer’s firm size. Here we define firm size as the number of workers the firm employs within Adams County—these firms may have additional employees outside of Adams County. Compared to the entire county, workers in unincorporated Adams County are more likely to work for mid-size employers (50-499 employees) and less likely to work for small (<50 employees) or large (500+ employees) employers.

Figure 2.12: Workers by employer firm size (all employees), Adams County, Denver County, and Colorado 2023



Source: Authors’ analysis of 2023 Quarterly Census of Employment and Wages data

Figure 2.13: Workers by employer firm size (Adams County employees), Adams County and unincorporated Adams County 2023



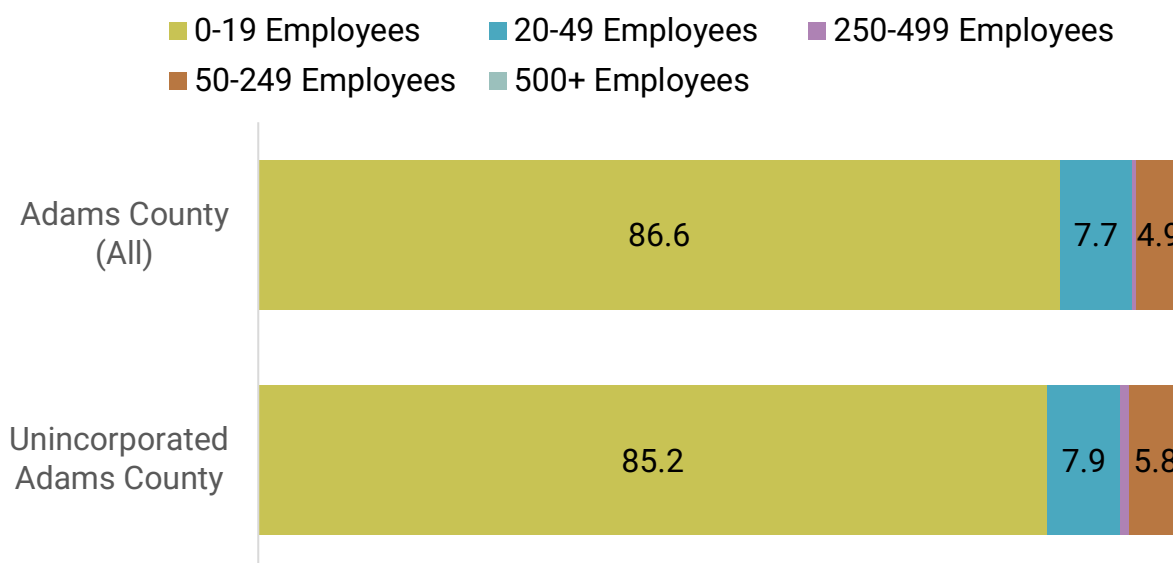
Source: Authors' analysis of 2023 Quarterly Census of Employment and Wages data

Employers

Next, we describe the landscape of Adams County employers by firm size and industry.

Figure 2.14 describes firms in Adams County and Unincorporated Adams County by number of employees. Most Adams County firms have fewer than 20 employees (86.6 percent). About 8 percent have between 20 and 49 employees and about 5 percent have between 250 and 499 employees. Less than one percent of firms have either 50-249 employees or 500 or more employees. Unincorporated Adams County has a very similar distribution of firms by number of employees, with only a slightly larger proportion of firms with more than 20 employees.

Figure 2.14: Firms by number of employees, Adams County and Unincorporated Adams County 2023



Source: Authors' analysis of 2023 Quarterly Census of Employment and Wages data

Note: Number of employees categories refer to the number of employees within Adams County. We therefore likely miscategorize some firms as smaller than they actually are when they employ additional workers outside of Adams County.

Firm size varies greatly across industries. The major industries with the most employees in Adams County (see **Table 2.2** in the previous section on workers) also have a higher proportion of larger-sized firms (see **Figure 2.15** below). **Figure 2.15** shows estimates of the firm size within major industries.

Table 2.5 describes firms by industry. The industries with the most firms in Adams County include professional and technical services; other services; real estate, finance and insurance; and management. These industries are not among the largest in terms of number of workers (see **Table 2.2** in the previous section on workers). However, a very large proportion of firms in these industries are small businesses with fewer than 20 employees (see **Figure 2.15**).

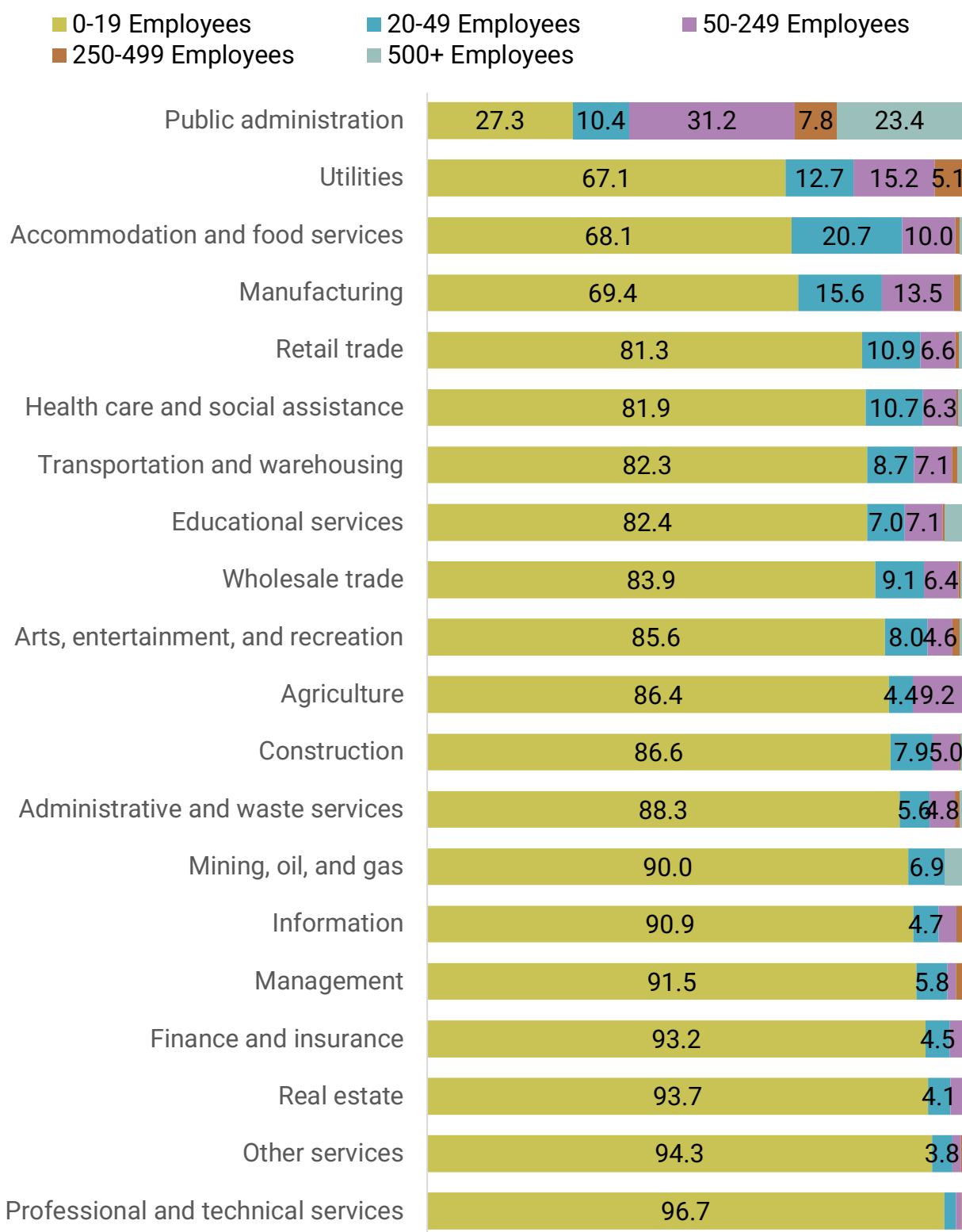
Table 2.5: Firms by industry, Adams County and Unincorporated Adams County 2023

	Adams County (All) percentage of firms	Unincorporated Adams County percentage of firms
Professional and technical services	15.7	10.5
Other services	15.7	22.7
Real estate	8.0	8.4
Finance and insurance	8.6	11.6
Management	7.1	7.9
Information	7.2	3.2
Mining and oil and gas extraction	6.9	6.2
Administrative and waste services	5.6	6.6
Construction	4.8	4.4
Agriculture	4.2	2.2
Arts, entertainment, and recreation	5.6	3.2
Wholesale trade	3.9	6.4
Educational services	1.9	1.3
Transportation and warehousing	1.5	1.4
Health care and social assistance	1.2	1.3
Retail trade	1.1	0.8
Manufacturing	0.4	1.2
Accommodation and food services	0.3	0.2
Utilities	0.2	0.3
Public administration	0.2	0.2

Source: Authors' analysis of 2023 Quarterly Census of Employment and Wages data

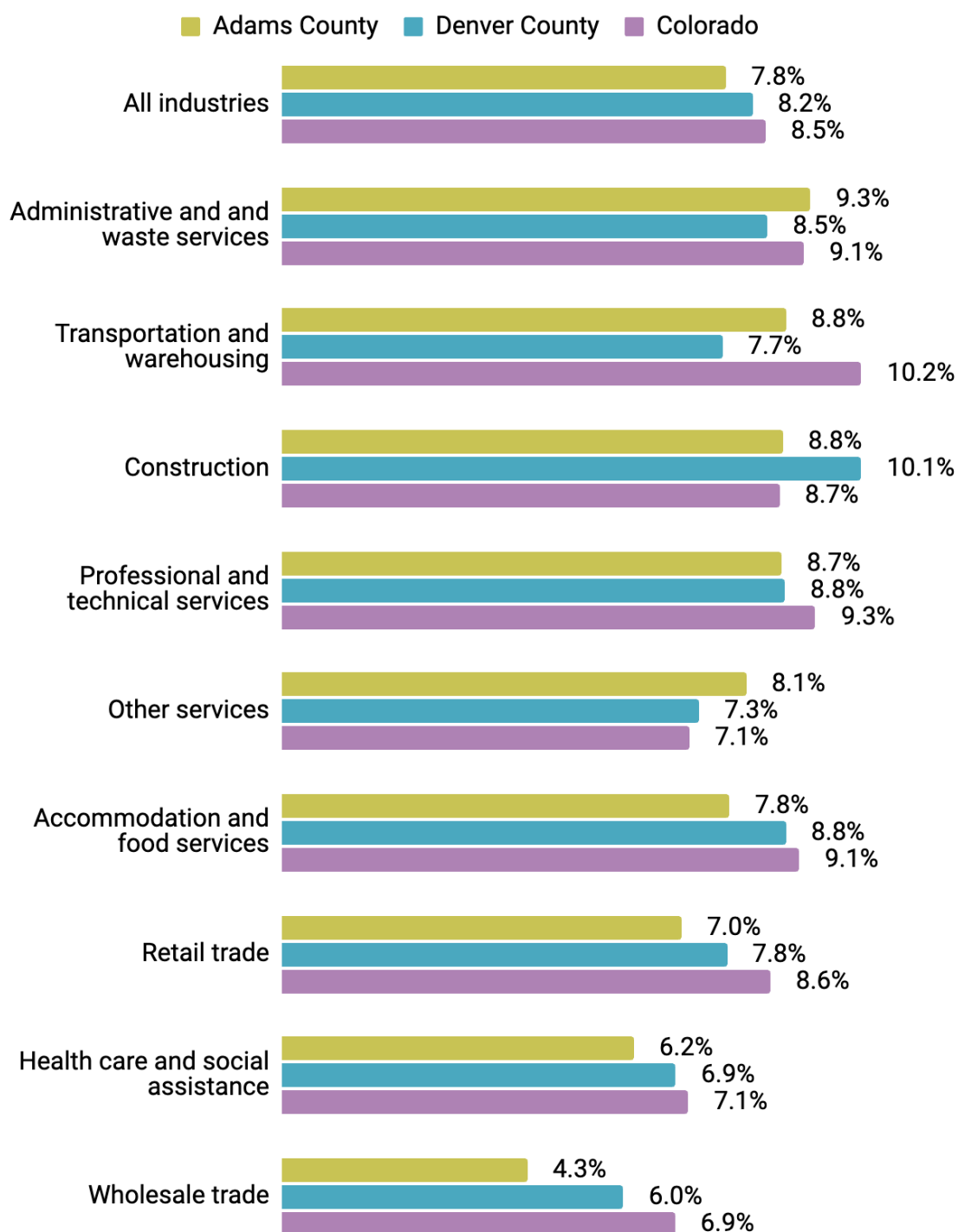
Note: Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Figure 2.15: Firm size by industry, Adams County 2023



Source: Authors' analysis of 2023 Quarterly Census of Employment and Wages data

Figure 2.16: Average firm exit rate by industry, Adams County, Denver County, and the State of Colorado



Source: Authors' analysis of 2018-2022 U.S. Census Bureau - Business Dynamics Statistics and U.S. Census Bureau - ECNSVY Business Dynamics Statistics data

The firm exit rate describes the proportion of firms that go out of business each year. The firm exit rate varies across industries and geography. **Figure 2.16** shows the average firm exit rate from 2018 to 2022 for the largest industries in Adams County, Denver County, and Colorado state. In Adams County, administrative and support services firms has the highest average firm exit rate of the selected industries (9.3 percent), while wholesale trade has the lowest (4.3 percent). The average firm exit rate for accommodation and food services (7.8 percent) is the same as the average for all industries in Adams County (7.8 percent). Across all industries, the firm exit rate in Adams County (7.8 percent) is lower than in Denver County (8.2 percent) and the State of Colorado (8.5 percent).

Local economy

We now turn to describing the local economy of Adams County and surrounding areas more broadly. We first describe the demographic and economic characteristics of resident households and population growth projections. Next, we describe labor force participation, unemployment rates, and the proportion of employed residents that work outside of the County. We then describe historical and projected job growth by industry and occupation. Finally, we describe the growth of the local economy overall.

Table 2.6 describes the demographic and economic characteristics of Adams County residents compared to residents of Denver County and the State of Colorado. Adams County residents are more likely to be Hispanic/Latino and under age 35. Median household income is higher in Adams County than in Denver County and Colorado.

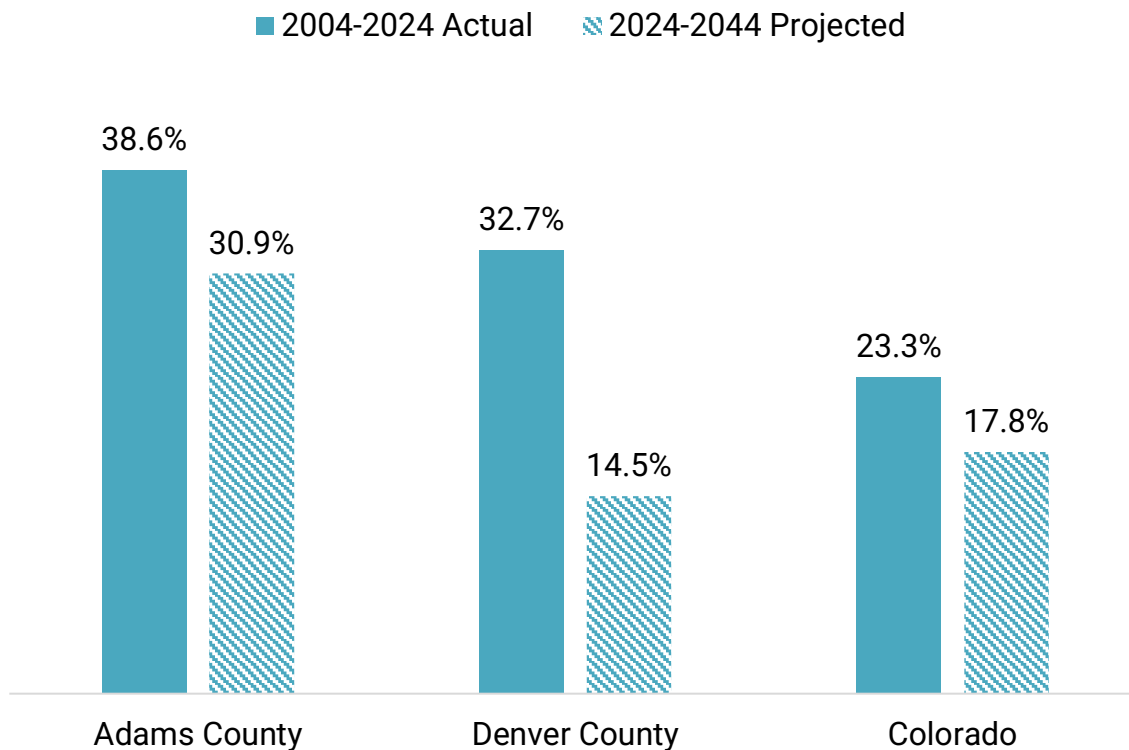
Table 2.6: Demographic and economic characteristics of residents, Adams County, Denver County, and Colorado 2023

	Adams County	Denver County	Colorado
Female	49.1	49.5	49.3
Under 5 years	6.6	5.6	5.5
5 to 9 years	6.6	4.9	5.9
10 to 14 years	8.0	5.3	6.3
15 to 19 years	7.1	4.9	6.5
20 to 24 years	6.7	6.2	6.8
25 to 34 years	16.1	23.2	15.6
35 to 44 years	15.2	16.6	14.2
45 to 54 years	12.3	11.7	12.3
55 to 59 years	5.6	5.0	6.2
60 to 64 years	5.1	4.6	6.0
65 years and over	10.8	12.0	14.8
White	81.1	77.6	86.2
Black or African American	4.8	10.8	5.6
Asian	5.5	5.2	4.7
American Indian and Alaska Native	4.0	2.6	2.7
Native Hawaiian and Other Pacific Islander	0.4	0.3	0.4
Some Other Race	21.2	17.0	11.8
Hispanic/Latino	41.4	29.2	22.1
Median household income	\$97,706	\$94,157	\$92,911
Below 100 percent of the FPL	9.6	10.0	9.3
Below 200 percent of the FPL	21.2	22.0	21.4

Source: 2023 American Community Survey accessed through data.census.gov.

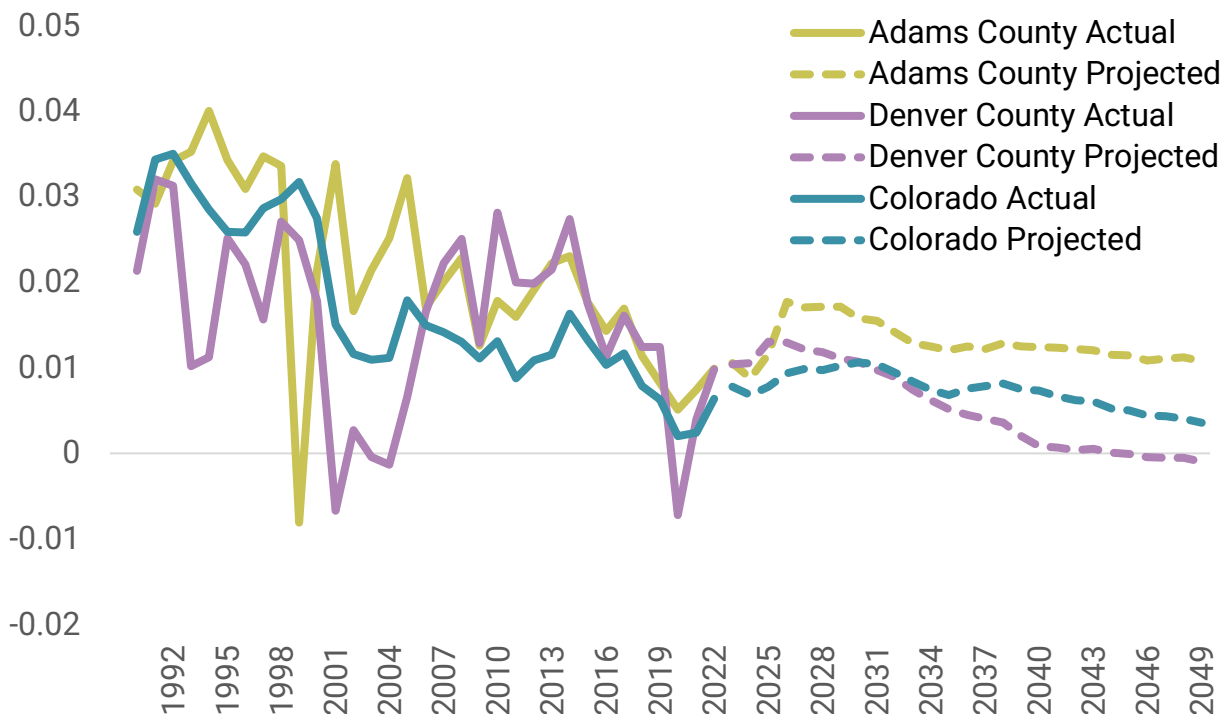
Figure 2.17 describes historical and projected growth in the working-age population for Adams County compared to Denver County and the State of Colorado. Between 2004 and 2024, Adams County's working-age population grew considerably faster (38.6 percent) than Denver County (32.7 percent) and the State of Colorado (23.3 percent). Between 2024 and 2044, Adams County's working-age population is projected to continue growing (30.9 percent) about twice as fast as that of Denver County's (14.5 percent) and more than 50 percent faster than that of Colorado (17.8 percent).

Figure 2.17: Actual and projected growth in the working-age population, Adams County, Denver County, and the State of Colorado 2004-2044



Source: Authors' analysis of data from Colorado's Department of Local Affairs (DOLA)

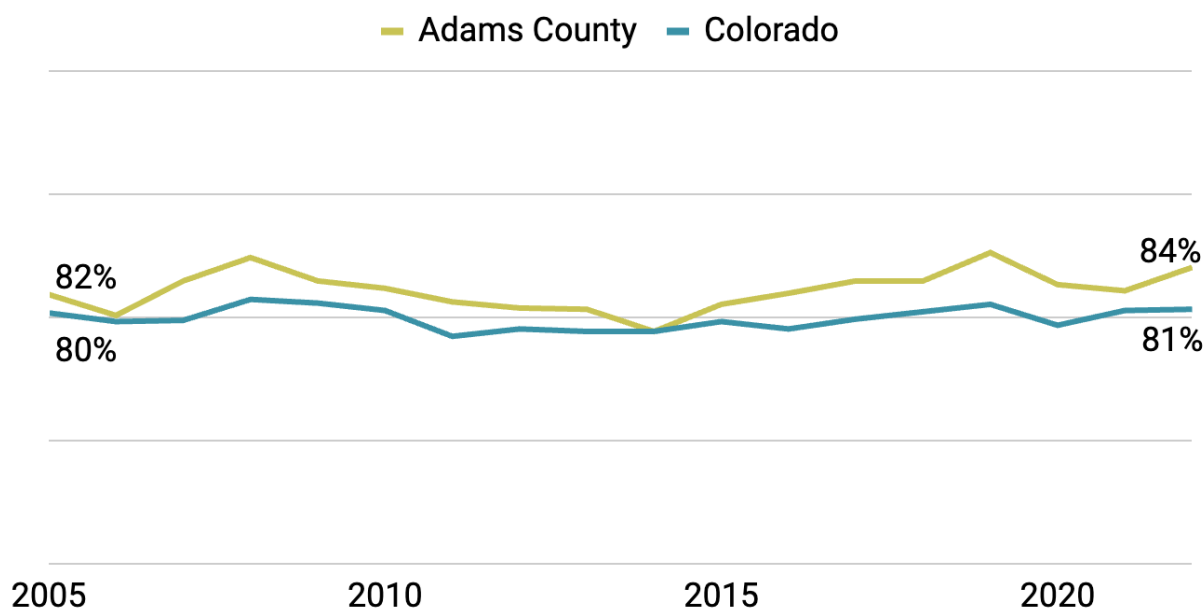
Figure 2.18: Actual and projected annual growth rate for working-age adults, Adams County, Denver County, and Colorado 1990-2050



Source: Authors' analysis of data from Colorado's Department of Local Affairs (DOLA)

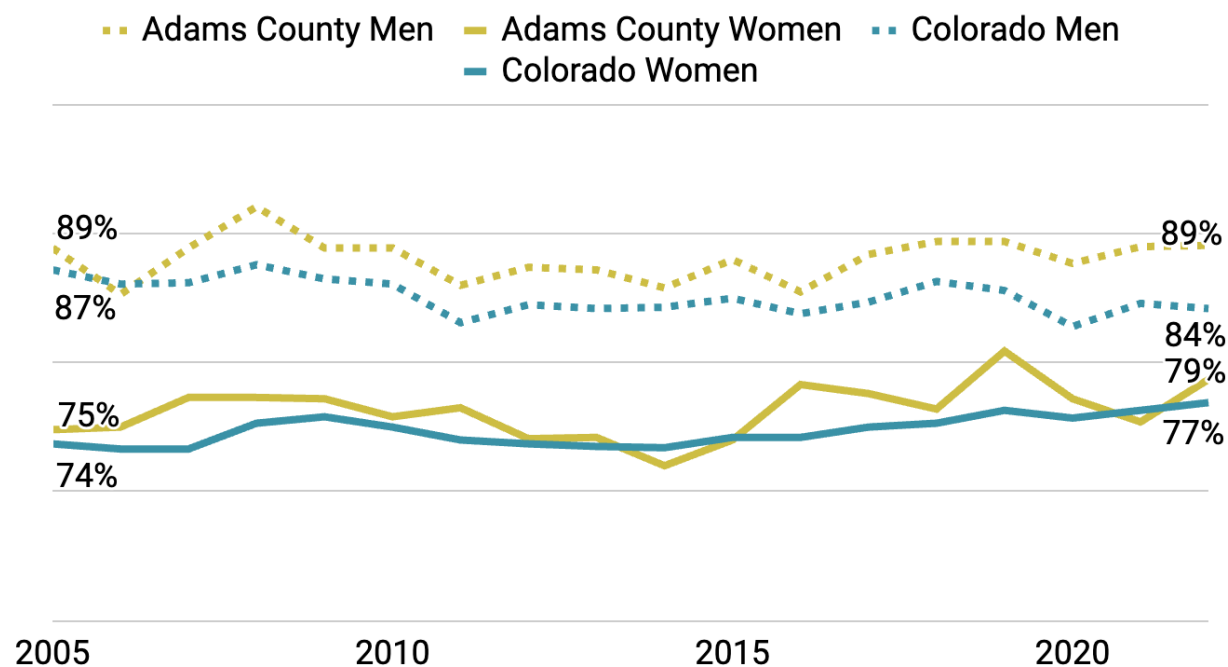
Figure 2.19 shows that labor force participation is slightly higher in Adams County (84 percent in 2022) compared to the State of Colorado (81 percent in 2022). Labor force participation has increased more in Adams County over the past two decades than in the State of Colorado. This increase is primarily due to an increase in the labor force participation among women during this period, as the labor force participation rate for Adams County remained flat (see **Figure 2.20**).

Figure 2.19: Labor force participation among working-age adults, Adams County and the State of Colorado 2005-2022



Source: Authors' analysis of 2005-2022 American Community Survey data. See Appendix A for detail on methods.

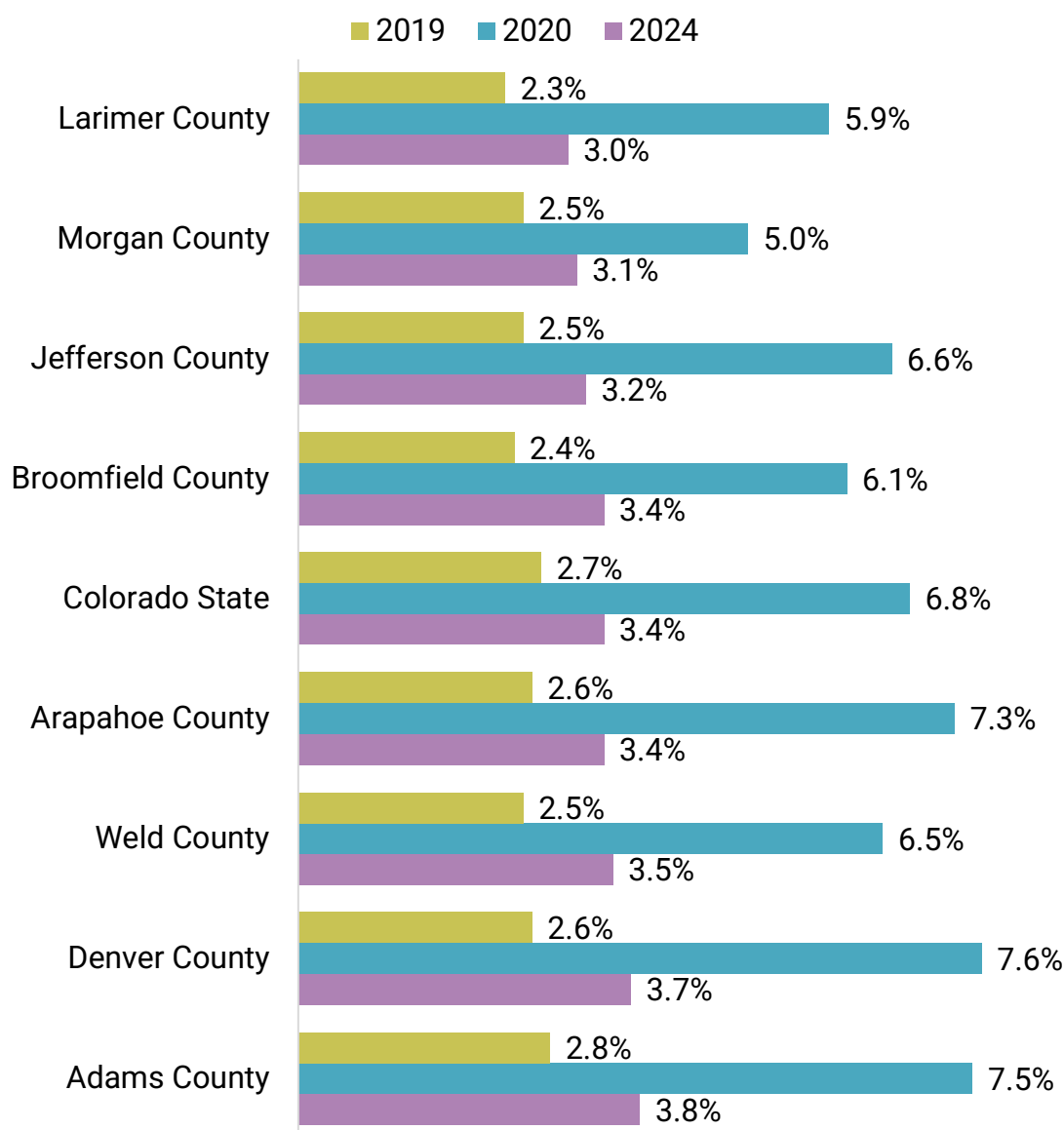
Figure 2.20: Labor force participation by gender among working-age adults, Adams County and the State of Colorado 2005-2022



Source: Authors' analysis of 2005-2022 American Community Survey data. See Appendix A for detail on methods.

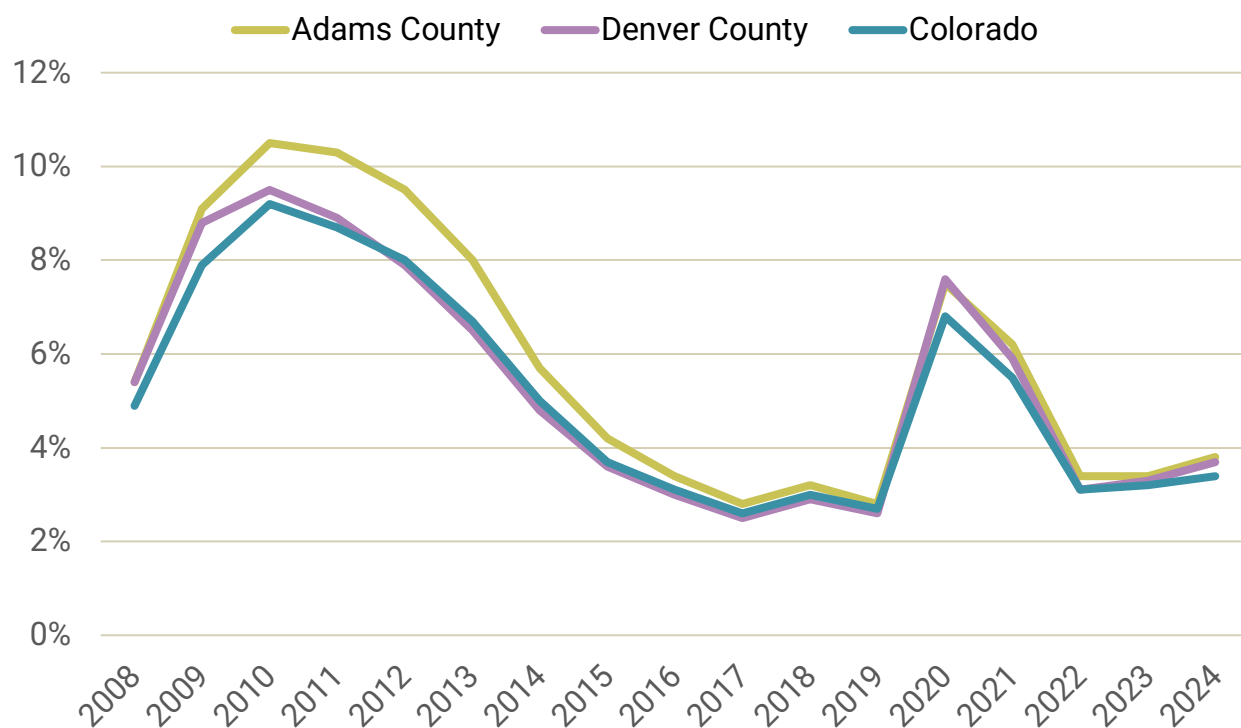
Unemployment is slightly higher in Adams County (3.8 percent) compared to nearby counties (3.0 - 3.7 percent) and the State of Colorado (3.4 percent) (see **Figure 2.21**). During the pandemic-induced economic crisis of 2020, the unemployment rate for Adams County was higher than all surrounding counties other than Denver. During the Great Recession between 2007 and 2009, unemployment in Adams County was significantly higher than in Denver County and the State of Colorado (see **Figure 2.22**).

Figure 2.21: Unemployment levels in Adams County, surrounding counties, and Colorado 2019, 2020, and 2024



Source: Local Area Unemployment Statistics 2019, 2020, and 2024

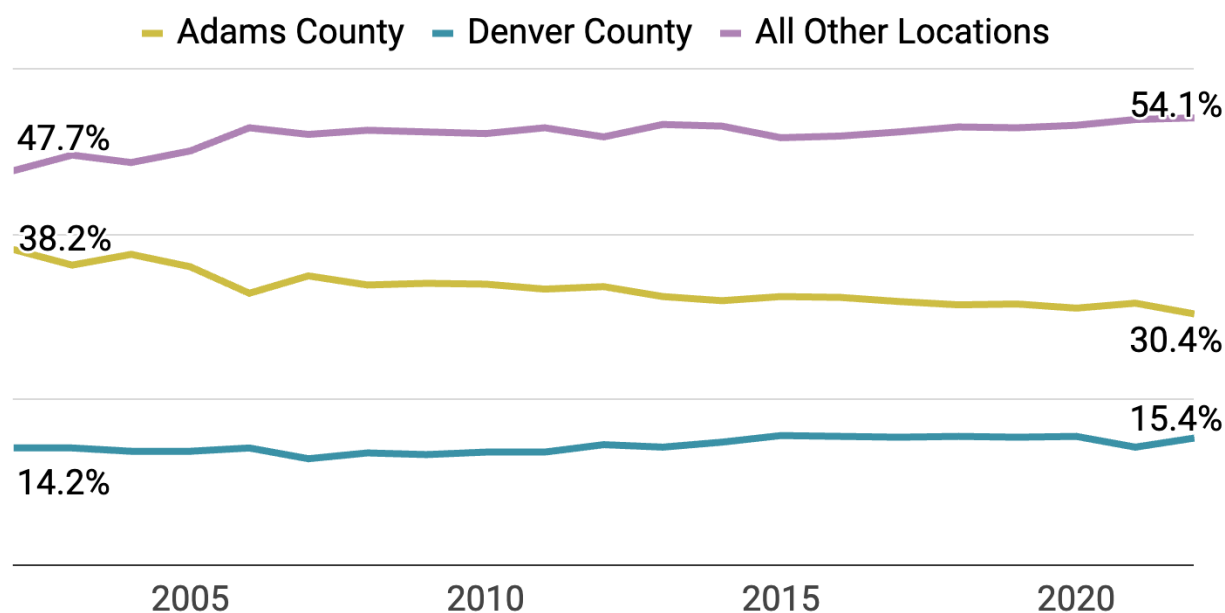
Figure 2.22: Unemployment levels in Adams County, Denver County, and Colorado 2008-2024



Source: Local Area Unemployment Statistics 2008-2024

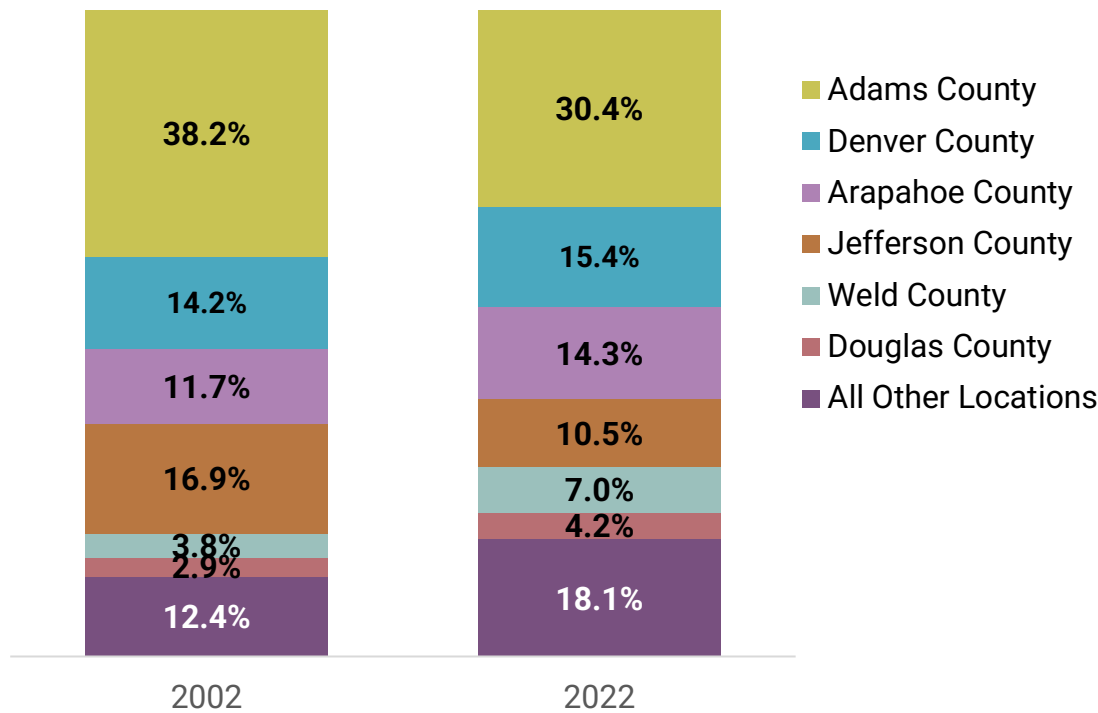
Figures 2.23 and 2.24 show the residential location of Adams County **workers** between 2002 and 2022. Over this time period, the proportion of workers that live in Adams County has decreased from 38.2 percent to 30.4 percent. However, this does not appear to be caused solely by Adams County residents seeking jobs elsewhere—during the same time period, the proportion of Adams County residents that work in Adams County also increased slightly from 28.7 percent to 29.0 percent (see **Figure 2.25**). Instead, this suggests that Adams County has attracted more workers who commute from other counties as more jobs have been created (see **Figure 2.27**). The proportion of Adams County residents that work in Denver County decreased from 27.8 percent to 25.6 percent over this time period and the proportion that work in locations besides Adams and Denver Counties increased from 43.5 percent to 45.5 percent.

Figure 2.23: Residential location of Adams County workers, 2002-2022



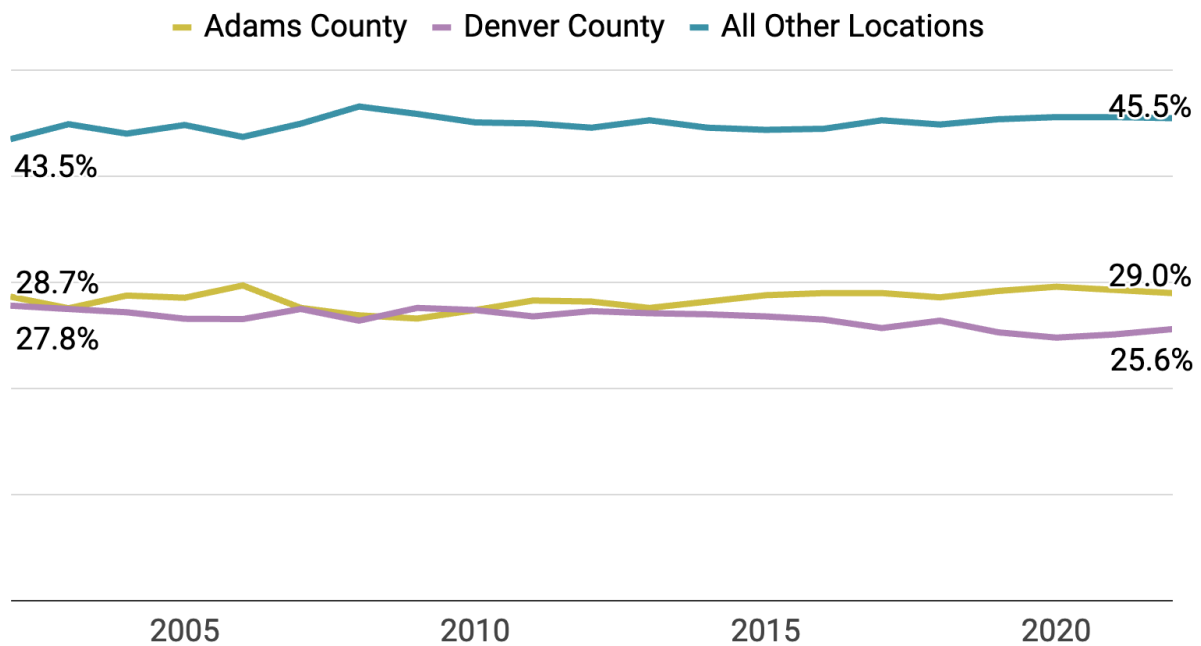
Source: Authors' analysis of Longitudinal Employer-Household Dynamics data accessed through OntheMap.

Figure 2.24: Residential location of Adams County workers, 2002-2022



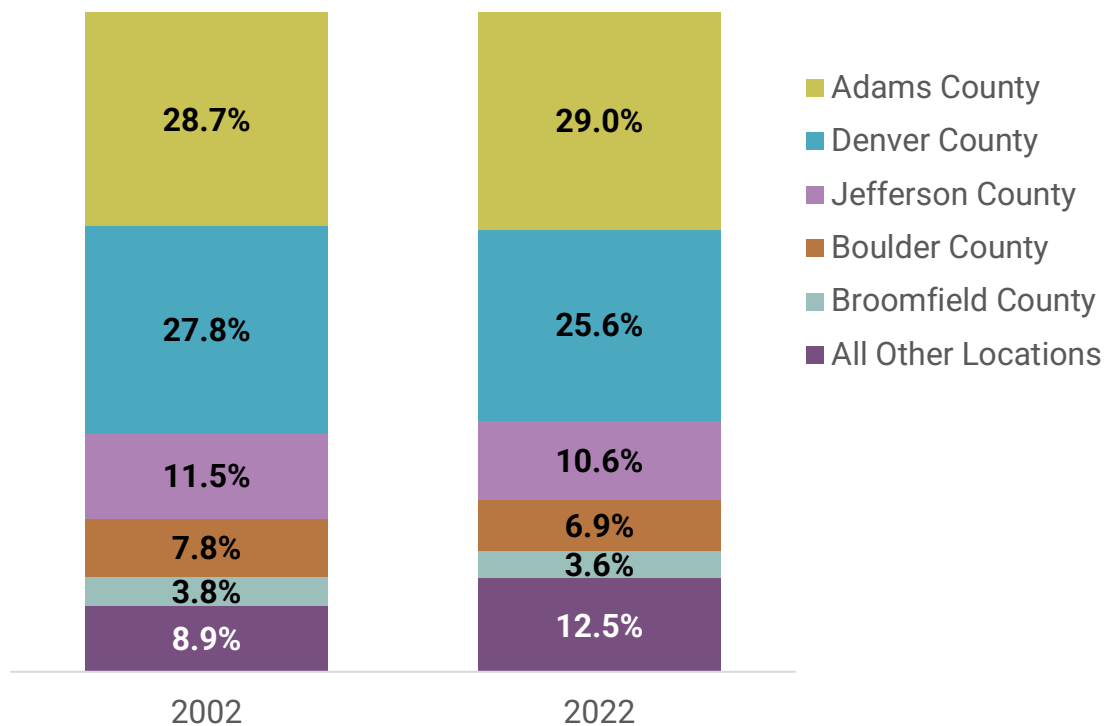
Source: Authors' analysis of Longitudinal Employer-Household Dynamics data accessed through OntheMap.

Figure 2.25: Work location of Adams County residents, 2002-2022






















Source: Authors' analysis of Longitudinal Employer-Household Dynamics data accessed through OntheMap.

Figure 2.26: Work location of Adams County residents, 2002-2022



Source: Authors' analysis of Longitudinal Employer-Household Dynamics data accessed through OntheMap.

Table 2.7: Projected job growth by detailed industry, Denver-Aurora MSA 2023-2033

	Jobs added 2023-2033	Percent growth 2023-2033	
Professional and Technical Services	56,156	31.2%	
Food Services and Drinking Places	21,972	17.2%	
Educational Services	20,787	17.3%	
Specialty Trade Contractors	20,474	28.9%	
Ambulatory Health Care Services	17,490	21.1%	
Hospitals	13,947	26.6%	
Local Government	9,911	17.2%	
Merchant Wholesalers, Durable Goods	9,229	18.3%	
Management	8,682	23.3%	
Social Assistance	8,502	23.3%	
Air Transportation	6,993	32.8%	
Construction of Buildings	6,918	34.3%	
Insurance Carriers and Related Activities	6,450	19.7%	
Real Estate	5,840	20.3%	
State Government	5,052	24.7%	
Religious, Grantmaking, and Similar Organizations	4,589	13.7%	
Warehousing and Storage	4,018	25.9%	
Merchant Wholesalers, Nondurable Goods	3,959	15.4%	
Personal and Laundry Services	3,604	18.0%	
Amusement, Gambling, and Recreation	3,382	16.2%	
Accommodation, including Hotels and Motels	2,984	17.2%	
General Merchandise Retailers	2,935	10.3%	
Securities and Other Financial Investments	2,808	14.0%	
Support Activities for Transportation	2,451	28.5%	
Nursing and Residential Care Facilities	2,422	11.4%	
Couriers and Messengers	2,337	18.0%	

Source: Colorado Department of Labor and Employment Industry Employment Projections - Long Term

Table 2.8: Projected job growth by detailed occupation, Denver-Aurora MSA 2023-2033

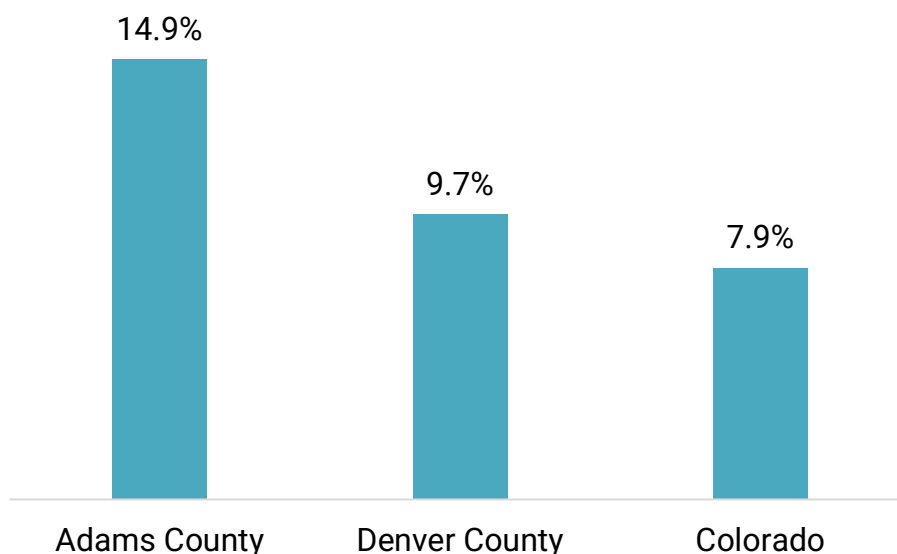
	Jobs added 2023-2033	Percent growth 2023-2033	
Fast Food and Counter Workers	1,758	4.2%	
Software Developers	1,706	6.5%	
Cooks, Restaurant	1,466	8.1%	
Home Health and Personal Care Aides	1,202	5.6%	
Stockers and Order Fillers	1,039	3.7%	
Market Research Analysts and Marketing Specialists	890	4.6%	
Registered Nurses	868	2.8%	
Business Operations Specialists, All Other	867	2.7%	
Sales Representatives of Services	860	3.0%	
Accountants and Auditors	815	3.2%	
General and Operations Managers	761	2.6%	
Waiters and Waitresses	737	3.3%	
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	708	3.5%	
First-Line Supervisors of Food Preparation and Serving Workers	645	4.7%	
Retail Salespersons	610	1.4%	
Lawyers	600	4.3%	
Project Management Specialists	559	3.0%	
Landscaping and Groundskeeping Workers	541	4.0%	
Laborers and Freight, Stock, and Material Movers, Hand	458	2.4%	
Financial Managers	436	5.2%	
Human Resources Specialists	428	3.4%	
Bartenders	420	4.3%	
Maids and Housekeeping Cleaners	417	3.8%	
Managers, All Other	414	2.2%	
Management Analysts	413	4.3%	
Security Guards	398	3.6%	
Substance Abuse, Behavioral Disorder, and Mental Health Counselors	382	4.9%	
Sales Representatives, Wholesale and Manufacturing	363	1.8%	
Health Specialties Teachers, Postsecondary	362	5.9%	
Computer and Information Systems Managers	357	4.4%	
Nursing Assistants	354	3.0%	

Source: Colorado Department of Labor and Employment Occupation Employment Projections - Long Term

Table 2.7 and **Table 2.8** report projected job growth by industry and occupation for the Denver-Aurora MSA between 2023 and 2033. These two tables are sorted by industries and occupations that are projected to add the most jobs over this time period, but also report industry and occupation growth rates. The food services industry, which employs the most minimum wage and low-wage workers in Adams County, is projected to add about 22,000 jobs in the Denver-Aurora MSA over the next 10 years. Some typically low-wage occupations are also projected to add the most new jobs, including fast food workers, cooks, home health and personal care aides, and stockers and order fillers.

Between 2018 and 2023, Adams County experienced much faster job growth (14.9 percent) than Denver County (9.7 percent) and the State of Colorado (7.9 percent) (see **Figure 2.27**). The industries that added the most new jobs in Adams County between 2018 and 2023 include transportation and warehousing (7,135), health care and social assistance (5,064), and educational services (4,162) (see **Figure 2.28**).

Figure 2.27: Percent growth in number of jobs, Adams County, Denver County, and Colorado 2018-2023



Source: Authors' analysis of Quarterly Census of Employment and Wages data

Figure 2.28: Number of jobs added by industry, Adams County 2018-2023

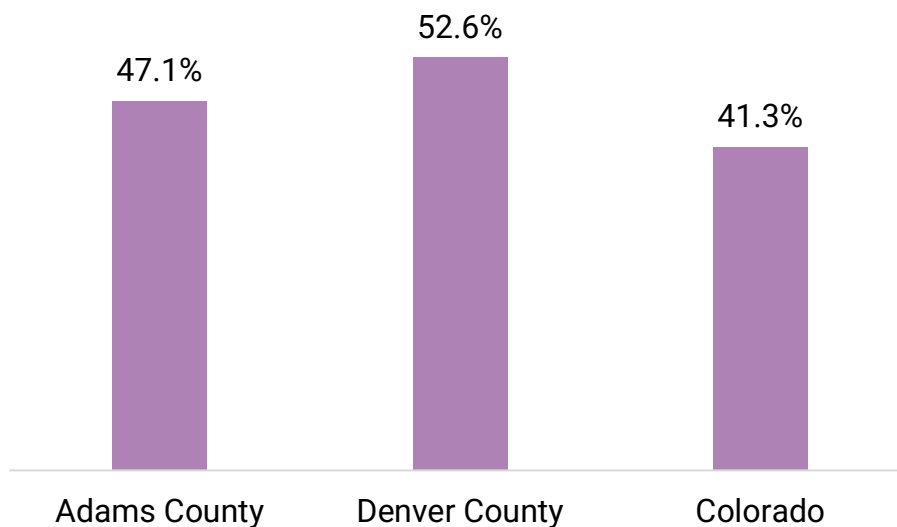


Source: Authors' analysis of Quarterly Census of Employment and Wages data

Note: Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Although Adams County has experienced faster population and job growth, Denver County's GDP grew faster between 2017 and 2022 (52.6 percent) than Adams County's GDP (47.1 percent) (see **Figure 2.29**). The Colorado Department of Labor and Employment projects that employment in the Denver-Aurora MSA will grow by about 2.8 percent annually between 2023 and 2033. Based on that estimate, we project that Adams County jobs will grow to about 300,000 by 2030.

Figure 2.29: Percent growth in Gross Domestic Product for all industries, Adams County, Denver County, and Colorado, 2017-2022



Source: Authors' analysis of Bureau of Economic Analysis data.

3. Economic impact of a minimum wage increase

In this section, we estimate the economic impacts of a local minimum wage policy for Adams County. We model raising the minimum wage to either 90 or 100 percent of the Denver minimum wage, phased in over either a three- (2026-2028) or five-year (2026-2030) period. We separately estimate the impact that a local minimum wage policy would have if adopted across the entire County and if adopted only in the unincorporated areas of the County. We also model the impacts an Adams County minimum wage policy would have on surrounding counties.

We first provide a brief overview of existing research on the impacts of local minimum wage policies and describe our rationale for modeling these particular policy options. We then provide a high-level overview of the data and methods used in our analysis, primarily based on a model developed by the Center for Wages and Employment Dynamics (CWED) and the UC Berkeley Labor Center. We then describe our estimates of the impacts on worker earnings, employer operating costs, consumer prices, employment, the size of the local economy, and government tax revenues.

We find that:

- Adopting a countywide minimum wage equal to 90 percent of the Denver minimum wage would result in **higher earnings for about one in five workers (60,000)** and a countywide minimum wage equal to 100 percent of the Denver minimum wage would result in **higher earnings for about one in four workers (80,000)**.
- A minimum wage at 90 percent of the Denver minimum wage would **increase earnings of impacted workers by 6.1 to 7.2 percent, or \$2,200 to \$2,400 annually**, and a minimum wage at 100 percent of the Denver minimum wage would **increase earnings by 10.7 to 13.3 percent, or \$3,500 to \$3,600 annually**, depending on whether the policy is phased in over a three-year or five-year period.
- Despite increasing earnings for a large number of workers, a minimum wage at 90 percent of the Denver minimum wage would only **increase employer operating**

costs by 0.1 to 0.2 percent and a minimum wage at 100 percent of the Denver minimum wage would only **increase employer operating costs by 0.3 to 0.4 percent**. However, industries that employ a larger proportion of low-wage workers would experience larger cost increases. Employer operating costs for food services businesses would increase by 1.1 to 1.2 percent at 90 percent of the Denver minimum wage and 2.2 to 2.5 percent at 100 percent of the Denver minimum wage.

- Even assuming that all cost increases will be passed on to consumers through higher prices, we find that a minimum wage increase would lead to only a small increase in consumer prices. The overall inflation rate is projected to continue decreasing over the timeframe of our model, 2026 to 2030. An increase to 90 percent of the Denver minimum wage would **increase consumer prices by 0.1 to 0.2 percent** and a minimum wage increase to 100 percent of the Denver minimum wage would **increase consumer prices by 0.3 to 0.4 percent**. Consumer prices for food services would increase by 1.1 to 1.2 percent at 90 percent of the Denver minimum wage and 2.2 to 2.5 percent at 100 percent of the Denver minimum wage. These price increases would have the effect of **redistributing income from higher income consumers to lower wage workers**. Impacted workers would also pay higher prices, but the size of the increase in prices (0.1 to 0.4 percent) is very small relative to the projected increase in their earnings (6.1 to 13.3 percent).
- Over the time period for which we model impacts, 2026-2030, employment in Adams County is projected to increase by 11.8 percent, to 300,000 jobs. We estimate that a countywide increase to either 90 or 100 percent of the Denver minimum wage would **slow job growth by 0.1- 0.2 percentage points, resulting in Adams County adding 30,500 - 30,700 jobs between 2026 and 2030 compared to 31,000 jobs under the status quo**. This represents approximately 300 - 500 fewer jobs created. Adams County would still be on track to outpace the State of Colorado in job growth through 2030.
- Adopting a minimum wage policy would **have almost no impact on the Adams County GDP**, which we estimate will reach approximately \$55 billion by 2030.

Increasing the minimum wage would either reduce GDP by less than 0.001 percent or increase GDP by less than 0.02 percent, depending on the minimum wage level and phase-in schedule. Adopting a minimum wage for the entire county would have a slightly larger impact on the size of the local economy compared to adopting a policy for just the unincorporated areas of the county. The impacts are slightly larger and all positive for Adams County and surrounding counties combined.

- Adopting a minimum wage policy would result in **either a very small decrease or very small increase in tax revenues**. We estimate that the impact of a countywide minimum wage policy on local tax revenues would be between -\$400,000 and \$1,900,000, depending on the minimum wage level and phase-in schedule. We estimate that the impact of a minimum wage policy for the unincorporated areas of Adams County would be between -\$30,000 and \$350,000. This would represent a negligible change relative to the current size of local government budgets.

Minimum wage policies modeled

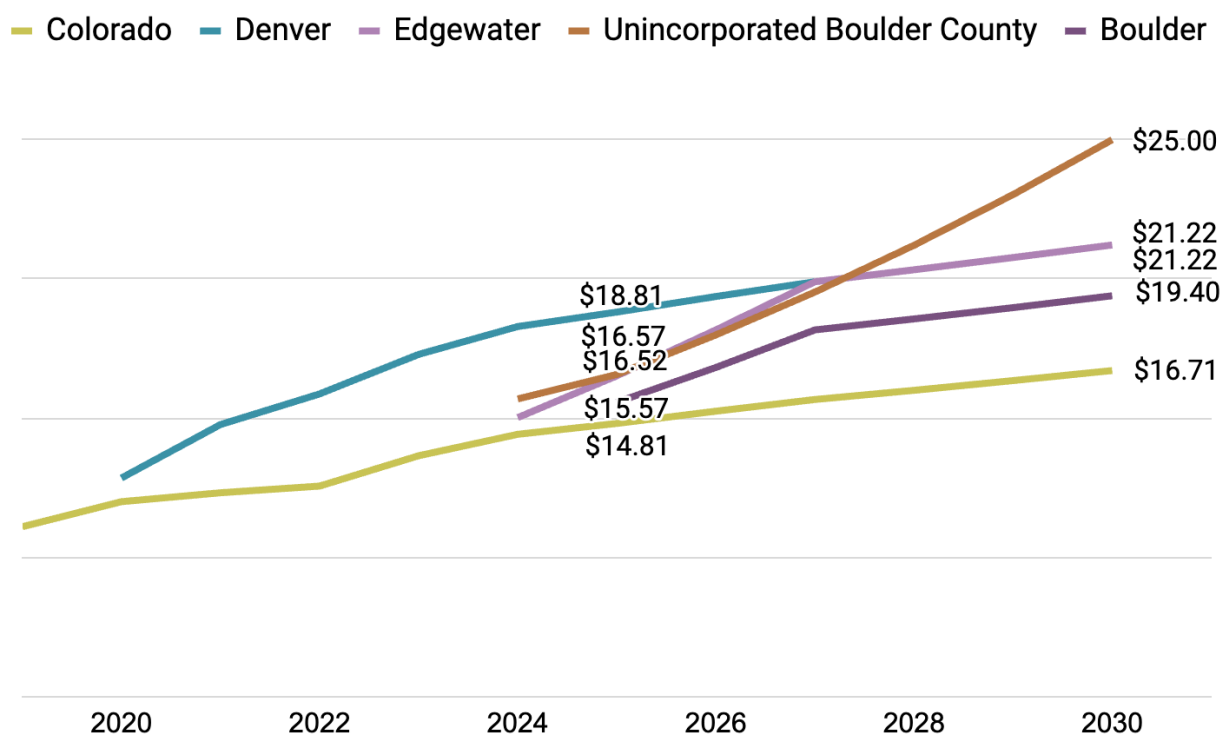
In 2019, Colorado passed House Bill 19-1210, allowing up to 10 percent of local governments within the state to establish minimum wage policies above the state minimum wage level (Moreno et al. 2019). The law allows local governments to increase the local minimum wage by \$1.75 or 15 percent per year, whichever is higher. Local policies must apply to all adult and emancipated minor workers expected to work at least four hours within the local jurisdiction. However, exemptions for other specific groups of workers, such as farm workers, are not allowed. The law allows local governments to set a separate minimum wage level for non-emancipated minors of up to 15 percent less than the local minimum wage.

To date, only Denver, Boulder, unincorporated Boulder County, and Edgewater have passed local minimum wage laws. **Figure 3.1** shows the state minimum wage and these local minimum wages between 2019 and 2030. As of 2025, the minimum wage is \$14.81 in the State of Colorado, \$15.57 in Boulder, \$16.52 in Edgewater, \$16.57 in

unincorporated Boulder County, and \$18.81 in Denver. We project that in 2030, the minimum wage will be \$16.71 for the state, \$19.40 in Boulder, \$21.22 in Denver and Edgewater, and \$25.00 in unincorporated Boulder County.

Additional local governments are considering minimum wage policies as well. The cities of Boulder, Longmont, Lafayette, Louisville and Erie conducted a joint study in 2024 of the economic impacts of increasing their local minimum wages to match the levels in either unincorporated Boulder County or Denver (ECONorthwest 2024).

Figure 3.1: State and local minimum wage levels in Colorado, 2019-2030



Source: Current and historical minimum wage rates for Colorado and Denver come from the Federal Reserve Bank of St. Louis (2024a) and the Denver Auditor's Office, City and County of Denver (2025). Scheduled minimum wage increases for Edgewater come from the City of Edgewater (2023). Based on an email from the Edgewater City Manager, we assume that Edgewater will amend their current ordinance so that their minimum wage will not surpass the Denver minimum wage level if it is reached earlier than planned. Scheduled minimum wage increases for unincorporated Boulder County come from the Boulder County Board of County Commissioners (2023). Scheduled minimum wage increases for the City of Boulder come from the City Council of the City of Boulder (2024). Inflation-based minimum wage increases are projected for future years using CPI projections through 2026 from the State of Colorado Governor's Office of State Planning & Budgeting (2024) and 2027 to 2030 from the Congressional Budget Office (2024).

Table 3.1: Modeled baseline and simulation minimum wage scenarios, 2024-2030

Year	Baseline: Colorado minimum wage applies	Simulation 1: Reach 90 percent of Denver minimum wage in 2030 (5.2 percent annual increase)	Simulation 2: Reach 90 percent of Denver minimum wage in 2028 (7.3 percent annual increase)	Simulation 3: Reach Denver minimum wage in 2030 (7.5 percent annual increase)	Simulation 4: Reach Denver minimum wage in 2028 (11.1 percent annual increase)
2024	\$14.42	\$14.42	\$14.42	\$14.42	\$14.42
2025	\$14.81	\$14.81	\$14.81	\$14.81	\$14.81
2026	\$15.25	\$15.58	\$15.89	\$15.91	\$16.46
2027	\$15.67	\$16.40	\$17.05	\$17.10	\$18.29
2028	\$16.00	\$17.25	\$18.29	\$18.38	\$20.33
2029	\$16.35	\$18.15	\$18.69	\$19.75	\$20.77
2030	\$16.71	\$19.10	\$19.10	\$21.22	\$21.22

Source: Current and historical minimum wage rates for Colorado and Denver come from the Federal Reserve Bank of St. Louis (2024a) and the Denver Auditor's Office, City and County of Denver (2025). Inflation-based minimum wage increases for Colorado and Denver are projected for future years using CPI projections through 2026 from the State of Colorado Governor's Office of State Planning & Budgeting (2024) and 2027 to 2030 from the Congressional Budget Office (2024).

For this study, we model the economic impacts of four potential minimum wage policies, described in **Table 3.1**. The first two scenarios would phase in minimum wage increases to reach 90 percent of the Denver minimum wage by 2028 or 2030. The second two scenarios would phase in minimum wage increases to reach the Denver minimum wage level by 2028 or 2030. Each of these scenarios assumes that the first minimum wage increase would go into effect on January 1, 2026. We model the impacts of a countywide minimum wage level and for the unincorporated areas of the County. Adams County only has jurisdiction to pass a minimum wage law for the unincorporated areas of the County, but could work in collaboration with cities in the County to adopt parallel minimum wage policies with the same phase-in schedules.

We have chosen to model two scenarios where the Adams County minimum wage would match the Denver minimum wage (Simulations 3 and 4). Given the County's geographical proximity to Denver, Adams County employers likely compete for qualified and skilled workers with Denver employers. Workers in low-wage occupations may currently prefer to do similar work in Denver, where they can earn a higher wage. Matching the Denver minimum wage could help Adams County employers better compete with Denver employers, making it easier to recruit and retain workers.

Previous studies have estimated that minimum wage levels can reach between 67 and 82 percent of the local median wage before they begin to have a negative impact on employment (Dube 2019; Godøy and Reich 2020). If Adams County had the same minimum wage level as Denver County in 2024, the minimum-to-median hourly wage ratio would be 71 percent. This would be above the level that Dube (2019) estimates to have no impact on employment levels (67 percent) and below the 82 percent minimum-to-median wage ratio that Godøy and Reich (2020) find to have no impact on employment or work hours. This suggests that matching the Denver minimum wage may have minimal or no impacts on employment in Adams County. For this reason, we also consider the Denver minimum wage level to be a reasonable one to consider in this economic impact analysis.

However, there are also important economic differences between Denver and Adams County that could make a lower minimum wage more appropriate. Median hourly wages are lower in Adams County than in Denver County (see **Figure 2.2**). Although Adams County has experienced much faster job growth than Denver in recent years (see **Figure 2.27**), unemployment is somewhat higher (see **Figure 2.22**). Adams County also contains both cities that border Denver and more rural areas that have very different types of businesses and may experience different impacts. For these reasons, we also model two scenarios where the Adams County minimum wage would match 90 percent of the Denver minimum wage (Scenarios 1 and 2), falling roughly in between the Colorado state minimum wage and the Denver minimum wage.

We model phasing in a minimum wage increase over either a three- or five-year period. This would require annual percentage increases of between 5.2 and 11.1 percent to reach the target minimum wage levels at the end of the phase-in period. This size of annual minimum wage increase is similar to the phase-in schedules of other local minimum wage laws in Colorado. For example, Denver’s initial phase-in period included annual increases of between 7.4 and 15.8 percent, Edgewater’s phase-in period includes annual increases of 10.0 percent, and Boulder’s phase-in period includes annual increases of 8.0 percent (see **Table AB.1**).

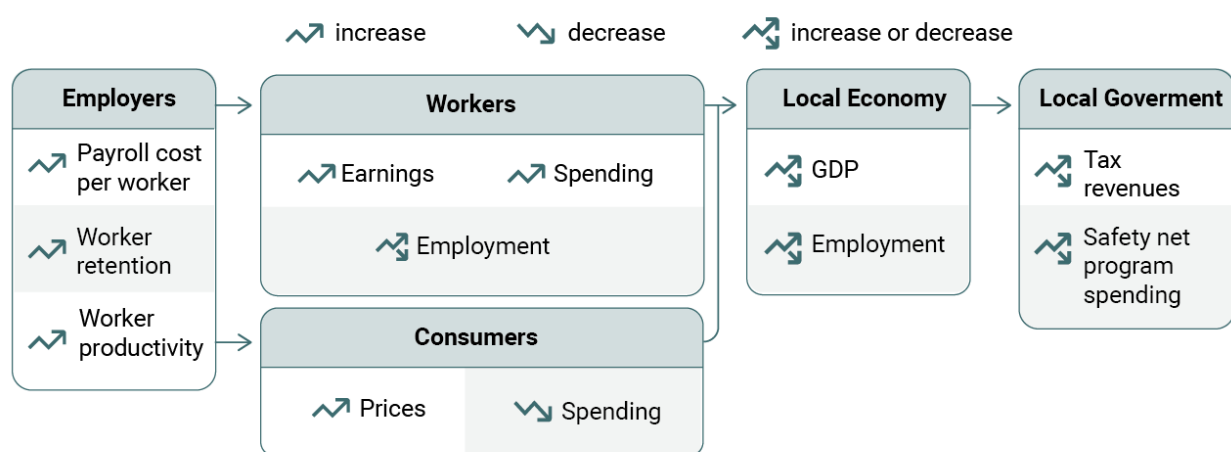
Methods and data

Our methods for estimating the economic impacts of a minimum wage increase are based primarily on a model developed by the Center for Wages and Employment Dynamics (CWED) and the UC Berkeley Labor Center (Reich, Allegretto, and Montialoux 2017). This model has been used to produce studies of the economic impacts of minimum and living wage policies for multiple local and state government agencies in California and other states. Here we provide a high-level overview of our methods. Appendix A provides a detailed description of the data and methods used in each step of our analysis.

Figure 3.2 shows our theoretical model of the economic impacts of a minimum wage increase. When the minimum wage increases and workers are paid more, they spend more, which creates additional jobs, increases the size of the local economy, and increases the amount of tax revenues collected by government agencies. At the same time, employers see their payroll costs increase for each individual worker but also experience an increase in worker retention and productivity. These productivity gains somewhat offset the increase in payroll costs, but also reduce overall employment and worker earnings as fewer workers are needed to complete the same amount of work. As payroll costs increase, employers may choose to invest in automation technologies that could potentially reduce employment. In addition, we expect that some or all of the

increased costs to employers will be passed on to consumers in the form of higher prices. As prices increase, consumers reduce their spending, which has the effect of reducing employment. The combined effect of increased worker spending from higher earnings, decreased worker spending from fewer jobs, and decreased consumer spending determine the size of the impact on employment and the local economy and whether or not those impacts are positive or negative.

Figure 3.2: Theoretical model for estimating the economic impacts of a minimum wage increase



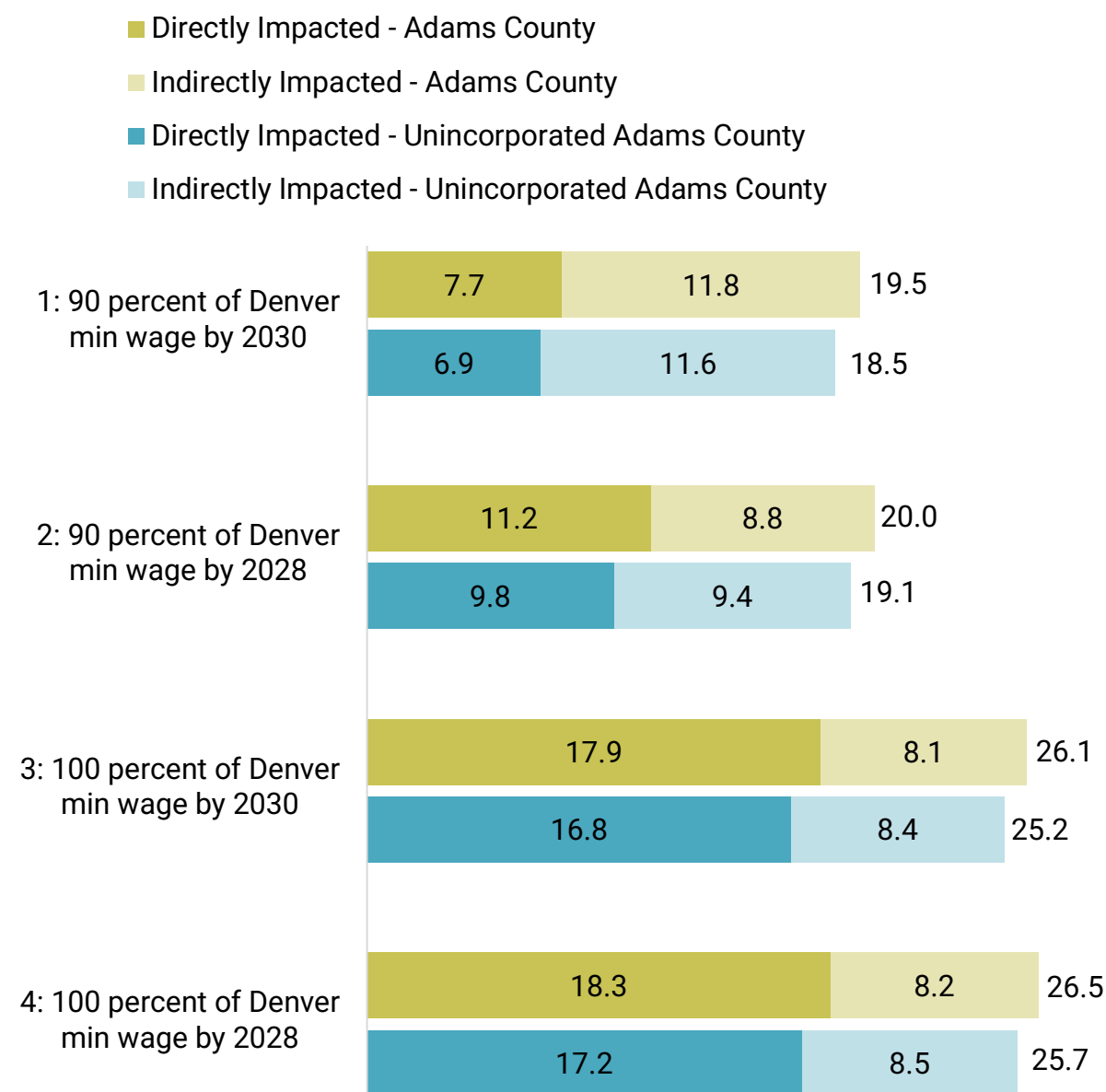
Impact on worker earnings

We first model the impact that a local minimum wage policy would have on worker earnings. Workers who earn less in the previous year than the modeled minimum wage level for the following year are **directly impacted**. Workers who in the previous year earned at or just above the modeled minimum wage for the next year are indirectly impacted. Employers typically pay different wage levels to workers based on differences in their position titles or responsibilities and education levels, skill sets, and experience. Our model assumes that **indirectly impacted** workers will receive a small wage increase as employers attempt to maintain wage differences and avoid wage compression across their workforce. (See Appendix A for more detail.)

Figure 3.3 reports our findings on the proportion of workers who would experience an increase in their wages as a result of a minimum wage increase. We estimate that **increasing the minimum wage to 90 percent of the Denver minimum wage countywide would increase earnings for about one in five workers (60,000) by 2030.** With a three-year phase-in period, 11.2 percent of Adams County workers would be directly impacted and 8.8 percent of workers earning just above the new minimum wage would be indirectly impacted. With a five-year phase-in period, 7.7 percent of Adams County workers would be directly impacted and 11.8 percent of workers would be indirectly impacted. A slightly smaller proportion of workers in unincorporated Adams County would be impacted by either phase-in schedule. If a minimum wage equal to 90 percent of the Denver minimum wage was adopted only for the unincorporated areas of Adams County, it would increase earnings for about 12,000 workers.

We estimate that **increasing the minimum wage to 100 percent of the Denver minimum wage countywide would increase earnings for about one in four workers (80,000) by 2030.** With a three-year phase-in period, 18.3 percent of Adams County workers would be directly impacted and 8.2 percent of workers earning just above the new minimum wage would be indirectly impacted. With a five-year phase-in period, 17.9 percent of Adams County workers would be directly impacted and 8.1 percent of workers would be indirectly impacted. A slightly smaller proportion of workers in unincorporated Adams County would be impacted by either phase-in schedule. If a minimum wage equal to 100 percent of the Denver minimum wage was adopted only for the unincorporated areas of Adams County, it would increase earnings for about 16,000 workers.

Figure 3.3: Estimates of the proportion of workers impacted by a minimum wage increase, Adams County and Unincorporated Adams County



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Scenarios with a phase-in period through 2028 show impacts in 2028 and scenarios with a phase-in period through 2030 show impacts in 2030.

Table 3.2: Estimates of the proportion of workers impacted by modeled minimum wage increases, 2026-2030

			2026	2027	2028	2029	2030
1: 90 percent of Denver min wage by 2030	Adams County	Direct	6.7	6.7	6.8	7.1	7.7
		Indirect	7.4	8.7	10	11.2	11.8
		All	14.1	15.4	16.8	18.3	19.5
	Unincorporated Adams County	Direct	6.2	5.9	6	6.3	6.9
		Indirect	7.8	7.8	9.3	10.8	11.6
		All	14	13.7	15.4	17.2	18.5
	Adams County	Direct	7.1	8.5	11.2		
		Indirect	8.1	9.3	8.8		
		All	15.3	17.8	20		
2: 90 percent of Denver min wage by 2028	Adams County	Direct	6.6	7.5	9.8		
		Indirect	8.5	9.1	9.4		
		All	15.2	16.6	19.1		
	Unincorporated Adams County	Direct	7.2	8.7	11.8	15.2	17.9
		Indirect	8.1	9.3	8.6	8	8.1
		All	15.3	17.9	20.3	23.2	26.1
	Adams County	Direct	6.7	7.7	10.2	13.5	16.8
		Indirect	8.5	9.1	9.2	9	8.4
		All	15.2	16.7	19.4	22.5	25.2
3: 100 percent of Denver min wage by 2030	Adams County	Direct	8.7	13.6	18.3		
		Indirect	8.3	7.9	8.2		
		All	17	21.5	26.5		
	Unincorporated Adams County	Direct	8.1	11.9	17.2		
		Indirect	8.8	8.9	8.5		
		All	16.9	20.7	25.7		
	Adams County	Direct	8.7	13.6	18.3		
		Indirect	8.3	7.9	8.2		
		All	17	21.5	26.5		
4: 100 percent of Denver min wage by 2028	Adams County	Direct	8.1	11.9	17.2		
		Indirect	8.8	8.9	8.5		
		All	16.9	20.7	25.7		

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Table 3.2 shows our estimates of the proportion of workers that would be impacted by each modeled minimum wage policy for each year of the phase-in period, for both a countywide minimum wage level and a policy covering only the unincorporated areas of the County. For each minimum wage policy modeled, the proportion of workers that are directly impacted generally grows year over year as the minimum wage increases. For example, an increase to 90 percent of the Denver minimum wage over a five-year phase-in period would directly impact 6.7 percent of workers in Adams County in the first year and 7.7 percent of workers in the final, fifth year. However, the proportion of workers that would be directly impacted sometimes decreases over the course of the phase-in period when the size of the increase is smaller than projected earnings growth for the workforce overall. In addition, the proportion of indirectly impacted workers can fall when the minimum wage increase directly covers some workers who were only indirectly impacted in previous years of the simulations.

Table 3.3 describes the demographic characteristics of impacted workers compared to those of all workers in Adams County. Compared to the workforce overall, workers impacted by a minimum wage increase are more likely to be Black, bi-racial/multiracial, or to report their race as “Other.” They are also more likely to be women and Hispanic/Latino.

One common misconception is that most minimum wage workers are teenagers and/or young workers who still receive economic support from their families and do not rely on their earnings to meet their basic needs. Our results suggest that this is not the case in Adams County. Although workers that would be impacted are disproportionately under age 25 when compared to all workers, the vast majority are older. In all scenarios, less than two percent of workers that would be impacted are under 18. About three in four workers that would be impacted by a minimum wage increase are 25 and over and about three in ten would be 45 and over. In addition, about three in ten workers that would be impacted are parents.

Table 3.3: Demographic characteristics of all workers and workers impacted by a minimum wage increase, Adams County 2030

Worker characteristics	All workers	Impacted workers			
		1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
White	67.0	55.4	55.3	56.1	56.0
Two or More Race Groups	15.1	20.9	21.0	20.9	20.9
Other	7.8	11.7	11.6	11.1	11.1
Black	4.9	6.3	6.6	6.3	6.4
Asian	4.1	4.1	4.1	4.1	4.1
American Indian or Alaska Native	1.0	1.5	1.5	1.5	1.6
Latinx/Hispanic	24.2	36.3	36.4	35.4	35.5
Women	43.7	48.9	49.0	48.1	48.2
14-17	0.7	1.6	1.6	1.3	1.2
18-24	10.9	25.2	24.9	22.7	22.6
25-44	50.0	43.1	43.2	44.6	44.7
45-64	33.8	24.8	25.0	26.3	26.3
65-99	4.7	5.3	5.3	5.2	5.1
Parents of minor children	37.3	29.6	29.8	30.0	30.1

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Tables 3.4 and 3.5 describe the industry composition of impacted workers compared to the overall workforce, for a countywide minimum wage level and a policy covering only the unincorporated areas of the County respectively. The industries with the most impacted workers in Adams County would be retail, food services, construction, administrative and waste services, and transportation and warehousing. Together, these five industries account for between 55.6 to 57.1 percent of impacted workers.

Table 3.4: Major industry composition of all workers and workers impacted by a minimum wage increase, Adams County 2030

Major industry	All workers	Impacted workers			
		1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Retail trade	9.4	15.8	15.7	15.5	15.4
Food services	4.5	11.4	11.3	9.4	9.4
Administrative and waste services	7.4	10.1	10.2	9.8	9.9
Transportation and warehousing	11.0	10.1	10.3	10.2	10.3
Construction	11.6	9.7	9.6	10.7	10.7
Educational services	9.7	9.6	9.5	9.6	9.5
Healthcare	11.8	7.9	8.1	8.6	8.7
Wholesale trade	8.3	5.7	5.7	6.5	6.4
Manufacturing	6.8	4.2	4.3	4.5	4.5
Other services	3.0	3.6	3.5	3.4	3.4
Social assistance	1.3	2.1	2.2	2.1	2.1
Accommodation	0.7	1.7	1.7	1.5	1.5
Arts, entertainment, and recreation	1.0	1.5	1.5	1.4	1.4
Real estate	1.6	1.4	1.4	1.4	1.4
Public administration	2.8	1.2	1.2	1.2	1.2
Professional and technical services	4.0	1.1	1.2	1.3	1.3
Agriculture	0.6	1.1	1.1	1.1	1.1
Management	0.8	0.6	0.6	0.5	0.5
Finance and insurance	1.7	0.5	0.5	0.6	0.6
Information	1.2	0.4	0.4	0.4	0.4
Mining, oil, and gas	0.4	0.1	0.1	0.1	0.1
Utilities	0.4	0.1	0.1	0.1	0.1

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Table 3.5: Major industry composition of all workers and workers impacted by a minimum wage increase, Unincorporated Adams County 2030

Major industry	All workers	Impacted workers			
		1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Transportation and warehousing	24.5	23.0	23.4	22.9	23.1
Construction	19.6	16.7	16.5	18.2	18.2
Retail trade	7.3	12.5	12.4	12.1	12.0
Administrative and waste services	7.7	10.7	10.7	10.2	10.4
Food services	3.3	8.6	8.4	7.0	6.9
Wholesale trade	11.5	8.1	8.1	9.1	9.0
Manufacturing	9.0	5.8	5.8	6.1	6.1
Other services	3.8	4.7	4.6	4.4	4.4
Educational services	2.3	2.4	2.3	2.3	2.3
Agriculture	1.0	2.0	1.9	1.9	1.9
Management	1.8	1.3	1.4	1.1	1.1
Real estate	1.4	1.2	1.3	1.3	1.2
Healthcare	1.4	0.9	1.0	1.0	1.0
Professional and technical services	1.6	0.5	0.5	0.5	0.5
Arts, entertainment, and recreation	0.3	0.4	0.4	0.4	0.4
Information	1.2	0.4	0.4	0.4	0.5
Finance and insurance	0.8	0.2	0.2	0.3	0.3
Utilities	1.0	0.2	0.2	0.2	0.2
Accommodation	0.1	0.2	0.2	0.2	0.2
Social assistance	0.1	0.2	0.2	0.2	0.2
Public administration	0.3	0.1	0.1	0.1	0.1
Mining, oil, and gas	0.0	0.0	0.0	0.0	0.0

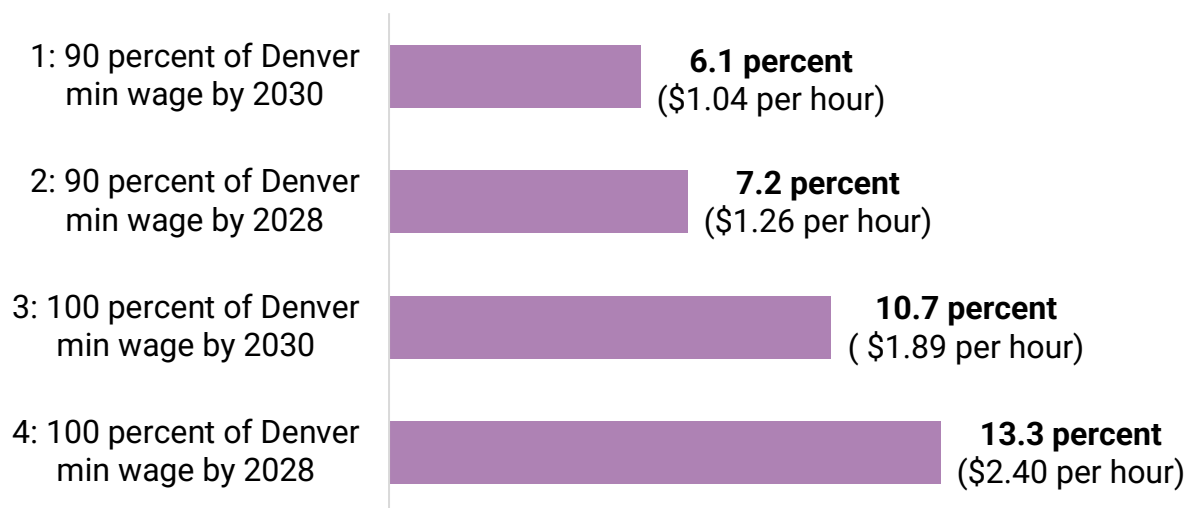
Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

The industry composition of impacted workers in the unincorporated areas of Adams County looks very different because of the differences in the types of businesses located there. More than one in five workers in unincorporated Adams County that would be impacted are employed in the transportation and warehousing industry and about one in six are in the construction industry.

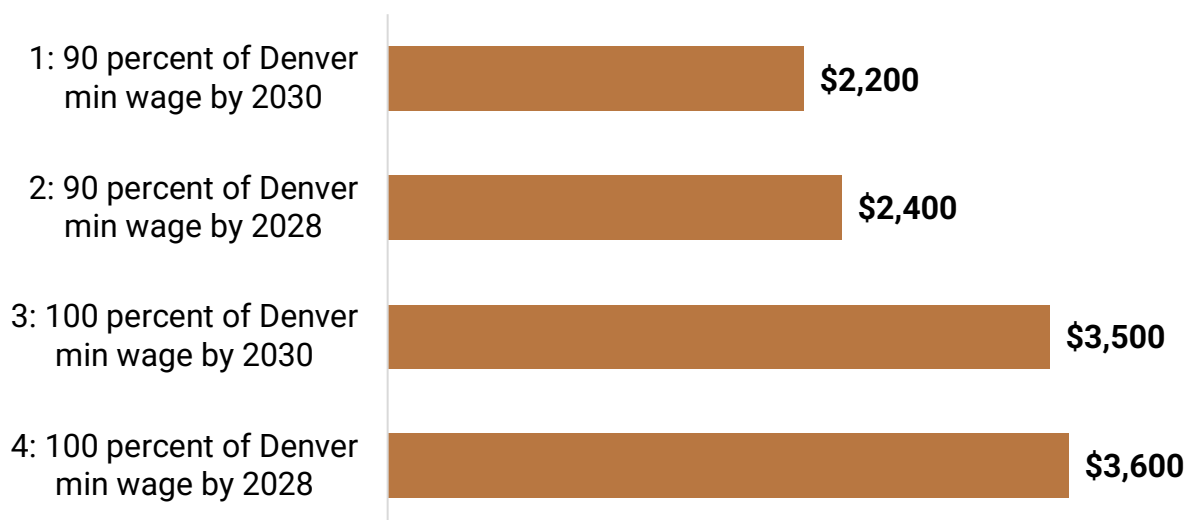
Figure 3.4 reports our estimates of the impact of each of the modeled minimum wage increases on the hourly wage of impacted workers. We estimate that increasing the minimum wage to 90 percent of the Denver minimum wage would increase the earnings of impacted workers by between 6.1 and 7.2 percent, depending on whether the increase is phased in over a three year or five-year period. We estimate that increasing the minimum wage to 100 percent of the Denver minimum wage would increase the earnings of impacted workers by between 10.7 percent (with a five-year phase-in) and 13.3 percent (with a three-year phase-in). This represents an average increase in annual earnings of between \$2,200 and \$3,600 for impacted workers (see **Figure 3.5**).

Figure 3.4: Average percentage increase in hourly earnings for workers impacted by a minimum wage increase (minimum wage simulation compared to baseline simulation), Adams County 2030



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

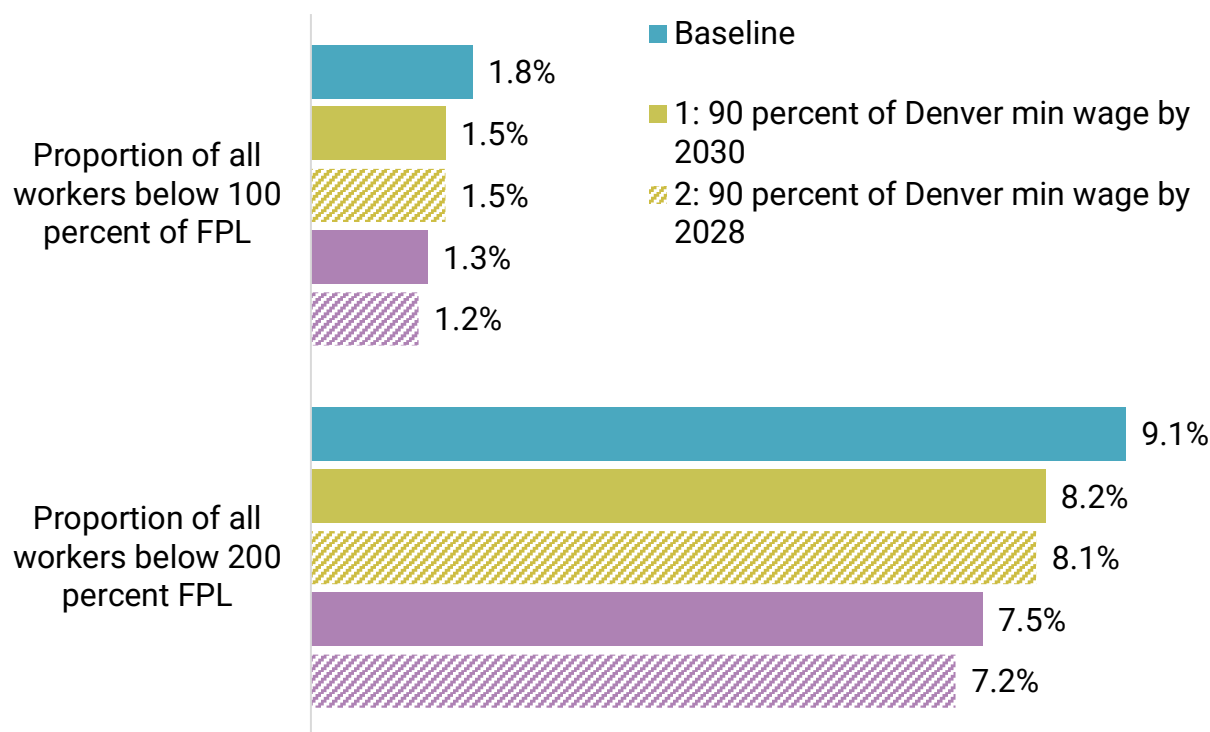
Figure 3.5: Average increase in annual earnings for workers impacted by a minimum wage increase (minimum wage simulation compared to baseline simulation), Adams County 2030



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Increasing the local minimum wage policy would reduce poverty by lifting some worker families above the Federal Poverty Level. **Figure 3.6** shows our estimates of the impact of each modeled minimum wage policy on the proportion of workers living below 100 and 200 percent of the Federal Poverty Level. We estimate that an increase to 90 percent of the Denver minimum wage would reduce the proportion of workers living below 100 percent of the Federal Poverty Line (FPL) from 1.8 percent to 1.5 percent and would reduce the proportion of workers living below 200 percent of the FPL from 9.1 to between 8.1 and 8.2 percent. We estimate that an increase to 100 percent of the Denver minimum wage would reduce the proportion of workers living below 100 percent of the FPL from 1.8 percent to between 1.2 and 1.3 percent and would reduce the proportion of workers living below 200 percent of the FPL from 9.1 to between 7.2 and 7.5 percent.

Figure 3.6: Projected percentage of workers below 100 percent and 200 percent of the Federal Poverty Level, Adams County 2030



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Enrollment in social safety net programs

It is well-documented that low-wage workers and their families are more likely to rely on government-funded social programs such as Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Section 8 housing vouchers to meet their basic needs (Brown Barnes 2021; Jacobs, Perry, and MacGillvary 2021; Cooper 2016; Jacobs, Perry, and MacGillvary 2015). A study by the UC Berkeley Labor Center estimates that between 2015 and 2019, about 40 percent of Colorado workers earning less than \$15 an hour had at least one family member enrolled in a social safety net program (Jacobs, Perry, and MacGillvary 2021). When workers earn more, they are less likely to rely on social safety net programs, which

could reduce costs for government agencies. However, for some workers, a wage increase may be large enough to push their earnings above eligibility limits for social safety net programs but too small to allow them to cover the cost of those benefits on their own. Previous research suggests that the number of workers that would lose eligibility entirely would be relatively small compared to the number of workers that would experience an increase in their earnings. For example, a study of the impacts of New Jersey's minimum wage finds that only about three percent of impacted workers would lose eligibility for Medicaid as a result of the minimum wage increase, and that all of these workers would be eligible for subsidized health insurance through the ACA marketplace (Gangopadhyaya et al. 2019). Our estimates of the impact of an Adams County minimum wage on poverty rates (see **Figure 3.6**), which determine eligibility for many public benefits programs, suggest that a relatively small proportion of impacted workers would lose eligibility for social safety net programs. For example, the Colorado SNAP program caps eligibility for benefits at 200 percent of the FPL. We find that a minimum wage increase in Adams County would reduce the number of workers living under 200 percent of the FPL in 2030 from 27,000 to between 22,000 and 24,000, depending on the minimum wage level and phase-in period. This means that about 3,000 to 5,000 workers, or between five and six percent of impacted workers, could potentially lose eligibility for SNAP.

Tipped workers

In Colorado, employers can pay tipped workers up to \$3.02 per hour below the minimum wage if workers earn at least this amount per hour in tips (Colorado Department of Labor and Employment 2023). This difference of \$3.02 is known as a “tip credit.” Colorado state law requires that local minimum wage laws include a \$3.02 tip credit as well.

We do not treat tipped workers differently in our analysis because our measure of hourly wage includes both wages and tips. Even with the tip credit, employers must ensure that workers earn at least the minimum wage when including earnings from tips. We may underestimate the true hourly wages of tipped workers if these workers

have underreported their earnings from tips in the American Community Survey. Research has found significant underreporting of tips to the IRS, estimating that tips reported on W2 forms are only between 45 and 88 percent of actual tips earned (Basker, Foster, and Stinson 2024; Internal Revenue Service 2022; Shierholz et al. 2017). However, it is unclear if tips are underreported to the same degree in household surveys such as the American Community Survey. If tips for these workers are underreported in our American Community Survey dataset, then we likely overestimate the proportion of workers that would be impacted. This would especially be the case for our estimates for the food services industry specifically, where we estimate that waiters and bartenders represent between 21 and 22 percent of impacted workers. However, this would only lead us to slightly overestimate the proportion of workers that would be impacted overall, as waiters and bartenders only represent between 2 and 3 percent of all impacted workers in our estimates.

A study of tip credits in New York State found that the poverty rate among tipped workers (fifteen percent) was more than twice as high as the poverty rate among the entire workforce (6.2 percent) (Allegretto 2018). Gould and Cooper (2018) found that poverty rates among waitstaff and bartenders were between 3.8 and 7.4 percentage points lower in the seven U.S. states that do not allow for an employer tip credit.

In their recent study of minimum wage compliance in the Denver-Aurora-Lakewood Metropolitan Statistical Area, Barnes et al. (2024) found that food services and drinking places had the second highest number of minimum wage violations across all industries between 2007 and 2022. Cooper and Kroeger's (Cooper and Kroeger 2017) national study on wage theft ranked food and drink services as the industry with the highest rate of minimum wage violations.

Impact on employer operating costs

Next, we describe the impacts of a minimum wage increase on employer operating costs. We first describe the proportion of workers that would be impacted in each industry. We then report our estimates of the percent increase in labor costs and overall operating costs. As described in the previous section, we find that increasing the

minimum wage in Adams County to either 90 or 100 percent of the Denver minimum wage level would increase worker earnings by between 6.1 and 13.3 percent compared to the status quo (see **Figure 3.4**). However, overall employer costs would not increase by nearly as much for two reasons. First, when worker compensation increases, worker productivity and retention also increase, offsetting some of the additional compensation costs. Second, wages represent a portion of operating costs, which also include other expenses such as worker benefits, materials, equipment, rent, insurance, and marketing.

Proportion of workers directly impacted by major industry

Not all industries would be equally impacted by a minimum wage increase - those that pay lower wages on average would need to raise the wages of a larger proportion of their workers. **Table 3.6** describes the proportion of workers within major industries that would be directly impacted by a minimum wage increase. The food services industry would be the most impacted by a minimum wage increase. An increase to 90 percent of the Denver minimum wage would directly impact 30.0 percent of food services workers over a five-year phase-in period and 36.5 percent over a three-year phase-in period. An increase to 100 percent of the Denver minimum wage would directly impact 45.3 percent of food services workers over a five-year phase-in period and 45.6 percent over a three-year phase-in period. After food services, the sectors with the largest proportion of workers receiving wage increases as a direct result of a minimum wage increase would be retail, social assistance, arts, entertainment, and recreation, administrative and waste services, and other services (includes repair and maintenance, personal and laundry services, religious and social service organizations, and private households).

These estimates are of the proportion of workers that would be directly impacted by a minimum wage increase. However, our estimates of the overall proportion of workers that would be impacted include workers that would be indirectly impacted as well (see **Figure 3.3**). These are workers that earn just above the new minimum wage level and that we assume would receive a small wage increase as employers seek to maintain a wage differential between workers in different types of positions and with different experience and skill levels.

Table 3.6: Projected proportion of workers directly impacted by major industry, Adams County

Major industry	Impacted workers			
	1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Food services	30.0	36.5	45.3	45.6
Retail trade	12.5	20.4	30.6	31.1
Social assistance	11.8	16.4	27.2	27.9
Arts, entertainment, and recreation	13.6	17.5	24.9	25.9
Administrative and waste services	8.3	15.6	24.5	25.0
Other services	9.6	13.8	22.0	22.3
Educational services	7.7	11.8	17.9	18.3
Transportation and warehousing	6.6	8.3	18.1	18.1
Real estate	8.9	11.0	14.9	15.4
Construction	5.0	8.4	14.0	14.8
Healthcare	4.0	5.9	12.0	12.2
Wholesale trade	5.2	7.0	11.4	12.1
Manufacturing	4.6	6.8	11.1	11.4
Public administration	3.0	4.8	7.2	7.6
Information	3.5	4.2	6.0	6.1
Finance and insurance	1.9	2.9	5.3	5.4
Professional and technical services	2.0	3.0	4.8	4.9
Utilities	1.4	2.1	2.7	2.9

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Some major industries are excluded from this table due to a small sample size. These estimates do not include workers that would be indirectly impacted. Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Impact on productivity and retention

A wide body of literature has demonstrated the connection between higher wages and increased worker productivity, including when wages increase as the result of a minimum wage policy (Haelbig, Mertens, and Müller 2023; Ku 2022; Coviello, Deserranno, and Persico 2022; Card et al. 2016; Hirsch, Kaufman, and Zelenska 2015; Reich, Jacobs, and Dietz 2014; Ton 2012; Wolfers and Zilinsky 2015). Higher wages incentivize workers to continue working for a specific employer and/or within a specific occupation for a longer period of time. When workers continue working in the same kind of job for longer periods, they gain valuable experience that increases their productivity over time. Spending more time in the same kind of job, even if they move between different employers, makes them more likely to receive training and education specific to that job, which also contributes to their productivity. Higher wages also incentivize workers to exert more effort, increasing the amount of work they complete over a given period of time (Ku 2022; Coviello, Deserranno, and Persico 2022).

By reducing worker turnover for employers, wage increases can reduce costs associated with recruiting, onboarding, and training new workers. Studies of minimum wage increases have found that cost savings associated with reductions in turnover offset the costs of wage increases by between 15 and 20 percent (Pollin and Wicks-Lim 2015; Dube, Freeman, and Reich 2010; Dube, Lester, and Reich 2010).

We conservatively assume productivity and retention savings combined offset 17.5 percent of the additional compensation costs associated with pay raises due to the minimum wage increase, based on an average of the estimates from the literature on worker turnover. This may lead us to underestimate the impact of increased productivity and retention, as our estimates only account for the cost savings associated with lower turnover and do not directly account for increased worker productivity. More recent studies suggest that productivity increases may offset a larger proportion of increased labor costs (Haelbig, Mertens, and Müller 2023; Ku 2022).

Impact on labor costs

To estimate the increase in labor costs for employers, we first estimate the average percentage difference in worker wages between the baseline and simulation scenarios. We assume that some of this cost of increased wages will be offset by savings from increased productivity and retention, based on existing research (see “Impact on productivity and retention”). Next, we add to these estimated compensation costs the additional cost of payroll taxes, worker’s compensation insurance, and unemployment insurance that result from a minimum wage increase, as these costs are determined by wages. Finally, to find the impact on total labor costs, we account for the proportion of total labor costs that go toward other sources of worker compensation, such as health insurance, retirement benefits, and paid leave.

Table 3.7 reports these estimates of the impact of a minimum wage increase on employer labor costs by major industry and for all industries. Employers in food services would experience the largest increase in labor costs, by 2.6 to 2.9 percent under an increase to 90 percent of the Denver minimum wage and 5.4 to 6.2 percent under an increase to 100 percent of the Denver minimum wage. After food services, social assistance, retail, arts and entertainment, and other services would experience the largest increases in labor costs.

Table 3.7: Projected percentage increase in labor costs by major industry, Adams County 2030

Major industry	Impacted workers			
	1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Food services	2.6	2.9	5.4	6.2
Social assistance	0.8	1.0	1.9	2.4
Retail trade	0.7	0.8	1.6	2.0
Arts, entertainment, and recreation	0.6	0.7	1.4	1.7
Other services	0.6	0.6	1.2	1.5
Administrative and waste services	0.5	0.6	1.2	1.5
Educational services	0.4	0.4	0.8	1.0
Construction	0.3	0.4	0.7	0.9
Transportation and warehousing	0.3	0.3	0.7	0.9
Real estate	0.2	0.3	0.6	0.7
Healthcare	0.2	0.2	0.4	0.5
Wholesale trade	0.2	0.2	0.4	0.5
Manufacturing	0.2	0.2	0.4	0.5
Public administration	0.1	0.1	0.3	0.3
Information	0.1	0.1	0.2	0.2
Finance and insurance	0.1	0.1	0.2	0.2
Professional and technical services	0.1	0.1	0.1	0.2
All industries	0.6	0.7	1.3	1.6

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Some major industries are excluded from this table due to small sample sizes. Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Increase in total operating costs

Labor costs represent only one of many expenses that contribute to a business's overall operating costs. Other costs may include materials, equipment, rent, insurance, and marketing. To estimate the impact of the minimum wage increases on total operating costs, we multiply our estimate of the percentage increase in labor costs (see **Table 3.7**) by estimates of the percentage of operating costs that go towards labor costs (see **Figure AA.2**).

Table 3.8 reports our estimates of the impact of a minimum wage increase on employer operating costs. Across all industries, an increase to 90 percent of the Denver minimum wage would increase employer operating costs by 0.1 to 0.2 percent, depending on the phase-in schedule. A minimum wage increase to 100 percent of the Denver minimum wage would increase employer operating costs by 0.3 percent with a five-year phase-in period and 0.4 percent with a three-year phase-in period. We find that employers in food services would experience the largest increase in their overall costs, followed by social assistance, retail, administrative and waste services, and other services. With an increase to 90 percent of the Denver minimum wage, businesses in the food services industry would see their overall operating costs increase by either 1.1 percent or 1.2 percent, depending on whether the increase is phased in over a three or five-year period. With an increase to 100 percent of the Denver minimum wage, businesses in the food services industry would see their overall operating costs increase by either 2.2 or 2.5 percent, depending on whether the increase is phased in over a three or five-year period.

Table 3.8: Projected percentage increase in employer operating costs by major industry, Adams County 2030

Major industry	1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Food services	1.1	1.2	2.2	2.5
Social assistance	0.5	0.6	1.1	1.4
Retail trade	0.3	0.4	0.7	0.9
Administrative and waste services	0.3	0.3	0.6	0.8
Other services	0.3	0.3	0.6	0.7
Arts, entertainment, and recreation	0.3	0.3	0.6	0.7
Educational services	0.2	0.3	0.5	0.6
Construction	0.1	0.1	0.3	0.4
Transportation and warehousing	0.1	0.1	0.3	0.4
Healthcare	0.1	0.1	0.2	0.3
Wholesale trade	0.1	0.1	0.1	0.2
Public administration	0.0	0.0	0.1	0.1
Manufacturing	0.0	0.0	0.1	0.1
Professional and technical services	0.0	0.0	0.1	0.1
Real estate	0.0	0.0	0.1	0.1
Information	0.0	0.0	0.0	0.1
Finance and insurance	0.0	0.0	0.0	0.1
All industries	0.1	0.2	0.3	0.4

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: Some major industries are excluded from this table due to a small sample size. Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Due to data limitations, our estimates of the impact on employers are for broad industry categories that may contain a wide variety of businesses. The proportion of workers that would be directly impacted and the ultimate impact on operating costs may vary within these major industries. For example, within food services, fast food restaurants may employ a larger share of low-wage workers than full-service restaurants and may therefore need to increase wages for a larger proportion of their workers. We are also unable to estimate the impacts on employers for several major industry categories that employ a relatively small number of workers in Adams County, including agriculture, accommodation, and utilities.

Restaurants

We find that the food service industry would be one of the most impacted industries, as it has the highest proportion of workers that would receive a wage increase and would experience the largest increase in operating costs. Previous research suggests that restaurants are able to pass on most of these costs to consumers in the form of higher prices (Reich and Sosinskiy 2024; Ashenfelter and Jurajda 2022; Allegretto and Reich 2016; MacDonald and Nilsson 2016; Aaronson, French, and MacDonald 2008; Aaronson 2001). However, a recent comprehensive study of the impacts of minimum wage policies across the country found no measurable effect on restaurant employment (Dube et al. 2024). A study of the impact of the recent \$20 fast food minimum wage in California similarly found no change in the number of fast food workers (Reich and Sosinskiy 2024).

A study of the impact of minimum wage increases in San Francisco online delivery platform data found that the policy increased the likelihood that some restaurants would go out of business (Luca and Luca 2017). However, restaurants were only more likely to go out of business if they had low average ratings in the online delivery platforms, suggesting that they were already struggling and vulnerable to closing down.

Overall, the restaurant industry in Adams County appears to be healthy - food services and drinking places in Adams County are projected to add approximately 22,000 new jobs between 2023 and 2033, growing by 17 percent (see **Table 2.7**).

Agriculture

Although the number of workers employed in agriculture in Adams County is relatively small, representing only about 0.5 percent of Adams County workers (see **Table 2.2**), agriculture has traditionally been an important part of Adams County's culture and identity. Because of this, the County has established several recent initiatives to support agricultural businesses and preserve the county's farmland.

Agricultural employment in Adams County has declined in recent years and this trend is projected to continue over the next decade. Although Adams County experienced rapid job growth overall between 2018 and 2023, the number of workers employed in agriculture declined slightly over this period (see **Figure 2.28**). The number of agriculture jobs in the Denver-Aurora MSA, which includes Adams County, is projected to decrease by 19 percent between 2023 and 2033 (Colorado Department of Labor and Employment, Office of Labor Market Information, n.d.). The most recent USDA census found that only 17 percent of Adams County farms employ farm workers (United States Department of Agriculture 2022).

We are unable to estimate the impact of a minimum wage increase on labor costs and operating costs for employers in the agricultural industry due to sample size limitations. However, there is evidence that employers in the agricultural sector may be disproportionately impacted by a minimum wage increase. A larger proportion of workers within the agriculture industry may be impacted by a minimum wage increase because agriculture workers are typically paid much less than other workers. A study by the Economic Policy Institute finds that nationally, the average hourly wage of farmworkers is only half of the average hourly wage of all other workers (Costa 2023b). In our analysis of American Community Survey data, we find that agricultural workers in Adams County are more likely to be low-wage workers (see **Table 2.2**).

Impact on firm exits

One common concern related to minimum wage policies is that the increased costs will cause some employers to go out of business. Many businesses close down every year as part of the regular economic cycle, even with no change in the minimum wage rate. Every

year, about 8 percent of businesses in Adams County close down (see **Figure 2.16**). Research has demonstrated that in the aggregate, minimum wage policies have limited to no effect on employment levels. However, the impact on individual businesses may vary widely. An analysis of online delivery platform data found that a minimum wage increase in San Francisco only increased the likelihood that restaurants would go out of business if they had low average customer ratings (Luca and Luca 2017). Similarly, a study from Portugal found that minimum wage laws there seemed to accelerate the exit of financially distressed and low-productivity firms, therefore increasing the overall productivity of the economy (Alexandre et al. 2022). These findings suggest that a minimum wage increase could be the final straw for firms that are already on the verge of going under, leading them to shut down on a shorter timeline than they would have otherwise.

Phasing in a minimum wage increase over a longer time period could make it easier for struggling businesses to adjust, while still increasing earnings for a large proportion of workers. Connecting struggling businesses to existing public resources could also provide support during the transition of a minimum wage increase. The minimum wage ordinance adopted by Edgewater, Colorado in May 2023 included the creation of a business support program. After the ordinance passed, the program sent letters to businesses informing them of the local minimum wage increase schedule and providing a list of support resources that could help them through the transition. Since then, the program has maintained regular contact with businesses through a monthly newsletter that contains support resources such as grant opportunities and free or low-cost business consulting, training, and workshops offered by the Colorado Small Business Development Center Network.

Consumer impacts

Because they increase payroll costs for employers, minimum wage increases often raise concerns about higher prices for consumers. However, research indicates that the effects of higher minimum wage rates on consumer prices are minimal. A 2016 study of 28 U.S. metropolitan areas found that restaurant prices increased by an average of only 0.36 percent for every 10-percent minimum wage increase between 1978 and 2015 (MacDonald and Nilsson 2016). This same study found that the specifics of minimum wage policy design, particularly phase-in schedules, have a significant impact on the degree to which minimum wage increases affect consumer prices. A separate study examined restaurant menus before and after San Jose, California raised their minimum wage in 2013; it found that their large, one-time minimum wage increase of 25 percent only resulted in restaurants raising their prices by an average of 1.45 percent. Because this study also found no statistically significant change in San Jose's restaurant employment numbers following the increase, its authors concluded that restaurants predominantly used price increases to pass higher payroll costs on to consumers (Allegretto and Reich 2016).

The impact that a minimum wage increase will ultimately have on prices for consumers depends on (1) the percentage increase in operating costs for employers and (2) the proportion of operating cost increases that are passed on to consumers. We conservatively assume that 100 percent of the increase in operating costs will be passed on to consumers in the form of higher prices, based on previous research demonstrating that the costs of minimum wage increases are completely passed on to consumers in the grocery store industry (Renkin, Montialoux, and Siegenthaler 2020; Leung 2021). However, other studies have found that costs are mostly, but not completely, passed on to consumers, including for the restaurant industry specifically (Harasztosi and Lindner 2019; MacDonald and Nilsson 2016; Aaronson, French, and MacDonald 2008; Aaronson 2001).

Table 3.9: Projected percentage increase in consumer prices by major industry, Adams County 2030

Major industry	1: 90% of Denver min wage by 2030	2: 90% of Denver min wage by 2028	3: 100% of Denver min wage by 2030	4: 100% of Denver min wage by 2028
Food services	1.1	1.2	2.2	2.5
Social assistance	0.5	0.6	1.1	1.4
Retail trade	0.3	0.4	0.7	0.9
Administrative and waste services	0.3	0.3	0.6	0.8
Other services	0.3	0.3	0.6	0.7
Arts, entertainment, and recreation	0.3	0.3	0.6	0.7
Educational services	0.2	0.3	0.5	0.6
Construction	0.1	0.1	0.3	0.4
Transportation and warehousing	0.1	0.1	0.3	0.4
Healthcare	0.1	0.1	0.2	0.3
Wholesale trade	0.1	0.1	0.1	0.2
Public administration	0.0	0.0	0.1	0.1
Manufacturing	0.0	0.0	0.1	0.1
Professional and technical services	0.0	0.0	0.1	0.1
Real estate	0.0	0.0	0.1	0.1
Information	0.0	0.0	0.0	0.1
Finance and insurance	0.0	0.0	0.0	0.1
All industries	0.1	0.2	0.3	0.4

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2021-2023 Quarterly Census of Employment and Wages data, and 2024 Employer Cost for Employee Compensation data. See Appendix A for a detailed description of methods used to arrive at these estimates.

Note: These estimates are based on countywide adoption of a minimum wage policy. Some major industries are excluded from this table due to a small sample size. Other services include a wide range of firms such as repair and maintenance, personal and laundry services, religious and social service organizations, and private households.

Because we assume that employers will fully pass increased costs on to consumers, our estimates of the impact on consumer prices (see **Table 3.9**) are equal to our estimates of the impact on employer operating costs (see **Table 3.8**). We find that consumer prices overall would increase by 0.1 or 0.2 percent with an increase to 90 percent of the Denver minimum wage, and by either 0.3 or 0.4 percent with an increase to 100 percent of the Denver minimum wage, depending on the phase-in schedule. We estimate that food services would see the largest increase in prices, by either 1.1 or 1.2 percent with an increase to 90 percent of the Denver minimum wage and either 2.2 or 2.5 percent with an increase to 100 percent of the Denver minimum wage, depending on the phase-in schedule.

Our estimates of the increase in consumer prices are in real terms and do not include expected annual inflation. The years during and immediately after the COVID-19 pandemic saw historic increases in inflation that made it much harder for many working families to meet their basic needs. The Denver MSA CPI-U increased by 3.5 percent in 2021, 8.0 percent in 2022, and 5.2 percent in 2023 (Colorado Department of Local Affairs Division of Local Government 2025). However, inflation has since slowed and prices are projected to increase at a slower pace in the coming years. The Colorado State Office of Planning and Budgeting projects annual growth in the Denver MSA CPI to be 2.5 percent in 2024, 3.0 percent in 2025, and 2.7 percent in 2026 (2024). The Congressional Budget Office estimates that annual growth in inflation will be 2.2 to 2.4 percent between 2026 and 2030 (Congressional Budget Office 2024). If inflation follows the trajectory of these projections, even with a minimum wage increase, inflation growth would likely still decline over the coming years. However, new tariffs enacted by the Trump administration in early 2025 have led some economic forecasters to project higher inflation rates (Kaye 2025). The Federal Reserve Bank of Boston projects that proposed new tariffs on Mexico, Canada, and China would increase 2025 inflation by between 0.5 and 2.2 percentage points (Barbiero and Stein 2025).

These price increases would have the effect of redistributing income from higher income consumers to lower income workers. Impacted workers are also consumers and would therefore be impacted by these price increases as well. However, the increase in prices of between 0.1 and 0.4 percent is much smaller than the projected increase of between 6.1 and 13.3 percent in the earnings of impacted workers (see **Figure 3.4**).

Child Care

Child care is another industry that we are unable to provide estimates for due to data limitations but that could be vulnerable to disproportionate impacts from a local minimum wage policy. Child care workers are typically paid low wages even though many positions require higher levels of education and training to meet quality standards and licensing requirements. The median hourly wage of child care workers in Adams County (\$17.89) is 30 percent lower than the median hourly wage for all workers (\$25.02) (“Occupational Employment and Wage Statistics,” n.d.). This suggests that a disproportionate share of child care workers would receive wage increases as the result of a local minimum wage policy. The unique characteristics of the child care industry may make it more difficult for child care providers to absorb these additional costs. At the same time, passing these costs on to families would make the already high cost of child care less affordable. These impacts could have implications beyond the child care industry itself as workers with young children rely on access to affordable care to work.

The true cost of high-quality child care is beyond the means of most working families. Some public subsidies are available for low-income families, but substantially more public investment would be needed to provide sufficient, affordable, quality care to all working families (Thomason et al. 2018). In Adams County, the true cost of providing child care services is 138 percent of the market rate price (Monnet 2023b). Without needed public investment, child care providers struggle to provide quality care at both subsidy rates and market rates and families struggle to cover the high cost of care. A 2023 study by The Bell Policy Center found Adams County to have a considerable shortage of child care, with only one licensed child care slot available for every three children under age six (Monnet 2023a). The cost of center-based care for infants and toddlers in Adams County is 26.1 percent of median household income (Monnet 2023b).

If the minimum wage were to increase in Adams County, child care providers that care for children who receive state child care subsidies would not have the ability to increase prices for these families to cover the additional cost of wage increases, which could put them at risk of shutting down if they are unable to absorb the additional costs. Child care providers may increase prices for families paying out of pocket to cover the additional cost of wages. However, this could create an additional financial burden for families already struggling to cover the cost of child care. A lack of access to affordable child care could lead some workers to reduce their work hours or leave the workforce entirely.

To support child care providers through a minimum wage increase, Adams County could explore expanding child care subsidies for families or providing wage support directly to child care providers. San Francisco's C-WAGES is an example of a local government program supporting child care providers to pay higher wages. This program subsidizes a portion of employee wages for child care providers that participate in the program and commit to both quality standards (Thomason et al. 2018).

Employment impacts

When workers began calling for minimum wage increases in the early 2010s as part of the Fight for \$15 movement, labor economists debated whether or not local minimum wage increases would lead to widespread job losses, especially in geographical areas with lower average wages (Bernhardt, Jacobs, and Reich 2014). At that point, few local minimum wage policies had been adopted that economists could study to confirm or disprove these projections—in 2010 only three US cities had passed local minimum wage laws. For decades prior, economists had debated whether or not minimum wage policies reduce employment. Most studies pre-2000 found that minimum wage policies had little to no impact on employment (Schmitt 2013). However, this previous research focused primarily on state and national-level policies.

As of 2024, 30 states, DC, and 63 local governments have minimum wage policies above the federal minimum wage of \$7.25 (Economic Policy Institute 2024). Seven states have

minimum wages at or above \$15 an hour (California, Connecticut, Maryland, Massachusetts, New Jersey, New York, and Washington) and more than two dozen local governments have minimum wages at or above \$17 an hour (in Arizona, California, Colorado, D.C., Maryland, and Washington). The growing adoption of local minimum wage policies has provided many opportunities for researchers to study their impacts on local economies. A 2018 retrospective study of six local minimum wage laws of between \$12 and \$15 an hour found that these policies caused either an insignificant loss of jobs or led to a slight increase in jobs (Allegretto et al. 2018). A 2020 study of local minimum wage policies found negligible impacts on local employment levels (Dube and Lindner 2020). A comprehensive review of 88 studies on the employment impacts of minimum wage policies in the United States and internationally found that the majority suggest negligible impacts on employment (Dube and Zipperer 2024).

We estimate the impact that a minimum wage policy would have on Adams County employment through four different pathways: **reduced consumer spending** that results from increased prices, capital-labor substitution as employers invest in **automation** in response to labor cost increases, **productivity gains**, and **increased worker spending** that results from higher earnings. Our model assumes that the first three of these pathways would have a negative impact on employment, but that these negative impacts could be offset wholly or in part by the positive employment impacts from increased worker spending. Our assumption of some negative employment impacts are conservative given the broad research cited above that has found minimum wage policies to have little to no impact on employment.

Below, we describe the impact of each of these pathways separately and then describe our estimates of their combined impact on future employment. We provide a high-level description of our methods and assumptions, which follow those of the CWED minimum wage studies, such as Reich et al. (2017). We provide a more detailed description of these methods in Appendix A.

Reduced consumer spending

As described in the previous section, we estimate that a minimum wage increase will cause a relatively small increase in the price of goods and services as employers pass on the cost of higher wages to consumers. When prices increase as a result of a minimum wage increase, consumers reduce their spending. In turn, businesses see fewer sales and employ fewer workers.

To estimate the impact of reduced consumer spending on employment, we first estimate the dollar amount of reduced consumer spending. We multiply the total amount of consumer spending in Adams County by our estimate of the percentage increase in consumer prices (see **Table 4.8**) and an estimate of the price elasticity of demand (0.72). We then use IMPLAN to model the change in the number of jobs that would result from the dollar amount of reduced consumer spending.

Increased automation

Over the last few decades, many businesses have adopted new technologies that automate processes previously completed by workers. For example, self-checkout stations in grocery stores and machines to pay for parking in a garage are now very common. The adoption of these new technologies has increased over time as their costs have decreased relative to labor costs. Although we estimate that a minimum wage policy would increase labor costs for employers, previous studies suggest that any impacts on automation would be small (Aaronson and Phelan 2019). Existing technologies that could automate tasks of low-wage workers have already been widely adopted by some industries, limiting opportunities for employers to further automate tasks until additional technologies are developed. A study by Lordan and Neumark finds that the degree to which minimum wage increases lead to automation varies significantly by industry (2018).

We model the impact of increased automation based on standard economic formulas for capital-labor substitution, using the percent increase in labor costs (see **Table 4.6**) and the number of workers impacted (see “Impact on worker earnings”).

Increased worker productivity

In the previous section on employer impacts, we describe how higher wages increase worker productivity. Productivity gains offset some of the additional cost of minimum wage increases as workers but also mean that employers need fewer workers to complete the same amount of work. Following the methods of the CWED studies, we assume that the impact of productivity gains on employment is equal to the number of workers impacted (see “Impact on worker earnings”) multiplied by -0.005 (Reich, Allegretto, and Montialoux 2017).

Increased worker spending

We estimate that the minimum wage increases that we model would increase annual worker earnings by between \$111 and \$345 million. When these workers and their families spend additional earnings on housing, food, transportation, and other goods and services, jobs are created. This creates a “multiplier effect,” where an increase in worker income creates an even larger increase in the size of the local economy. We use IMPLAN to model the number of additional jobs created by increased worker spending both within Adams County and across other surrounding counties.

Net impact on employment

Table 3.10 describes our estimates of the employment impact of each modeled minimum wage policy if adopted for the entire county or just the unincorporated areas of the county. Reduced consumer spending, increased automation, and gains in worker productivity would all result in a slightly lower number of jobs in Adams County, while the increase in worker spending would result in a slightly higher number of jobs. We estimate that these effects combined would have only a very small negative impact on

employment, resulting in between 300 and 500 fewer jobs in 2030 if adopted countywide and about 100 fewer jobs if adopted in the unincorporated areas of the county. Adams County has experienced rapid job growth in recent years and this growth is expected to continue into the near future. We project that under the status quo, Adams County's workforce will grow to approximately 300,000 workers by 2030. Compared to the status quo, our estimates therefore represent a difference of only about 0.10 to 0.20 percent in the number of jobs if adopted countywide and a difference of 0.03 percent if adopted in unincorporated Adams County.

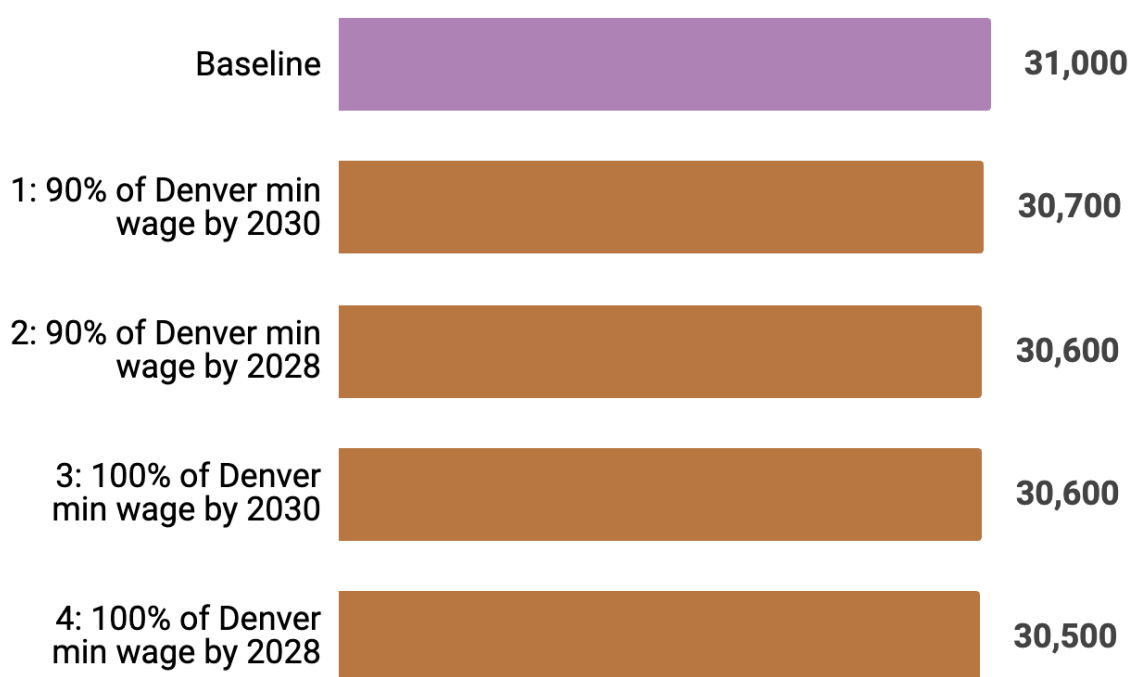
Table 3.10: Projected impact on Adams County employment

	Impact of reduced consumer spending	Impact of substitution and productivity	Impact of increased worker spending	Net impact on employment	Percentage impact on employment
Minimum wage adopted for Adams County					
1: 90% of Denver min wage by 2030	-100	-300	100	-300	-0.10
2: 90% of Denver min wage by 2028	-100	-400	100	-400	-0.13
3: 100% of Denver min wage by 2030	-200	-500	300	-400	-0.13
4: 100% of Denver min wage by 2028	-300	-600	400	-500	-0.17
Minimum wage adopted for unincorporated areas of Adams County					
1: 90% of Denver min wage by 2030	0	-100	0	-100	-0.03
2: 90% of Denver min wage by 2028	0	-100	0	-100	-0.03
3: 100% of Denver min wage by 2030	0	-100	100	0	0.00
4: 100% of Denver min wage by 2028	-100	-100	100	-100	-0.03

Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2018-2023 Quarterly Census of Employment and Wages data, 2024 Employer Cost for Employee Compensation data, and IMPLAN. See Appendix A for a detailed description of methods used to arrive at these estimates.

This size of this difference in employment would represent a nearly imperceptible deceleration of job growth over this period. Instead of gaining an additional 31,000 jobs between 2026 and 2030, Adams County would add 30,500 to 30,700 jobs, resulting in a growth rate of 11.6 to 11.7 percent instead of the projected 11.8 percent under the status quo (see **Figure 3.7**). Even with this reduction in job growth, recent employment trends suggest that Adams County would still be on track to outpace the State of Colorado in job growth through 2030 (See **Figure 2.27**).

Figure 3.7: Projected jobs added 2026-2030 in baseline and minimum wage scenarios, Adams County



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2018-2023 Quarterly Census of Employment and Wages data, 2024 Employer Cost for Employee Compensation data, IMPLAN, and Colorado Long-term Industry Employment Projections. See Appendix A for a detailed description of methods used to arrive at these estimates.

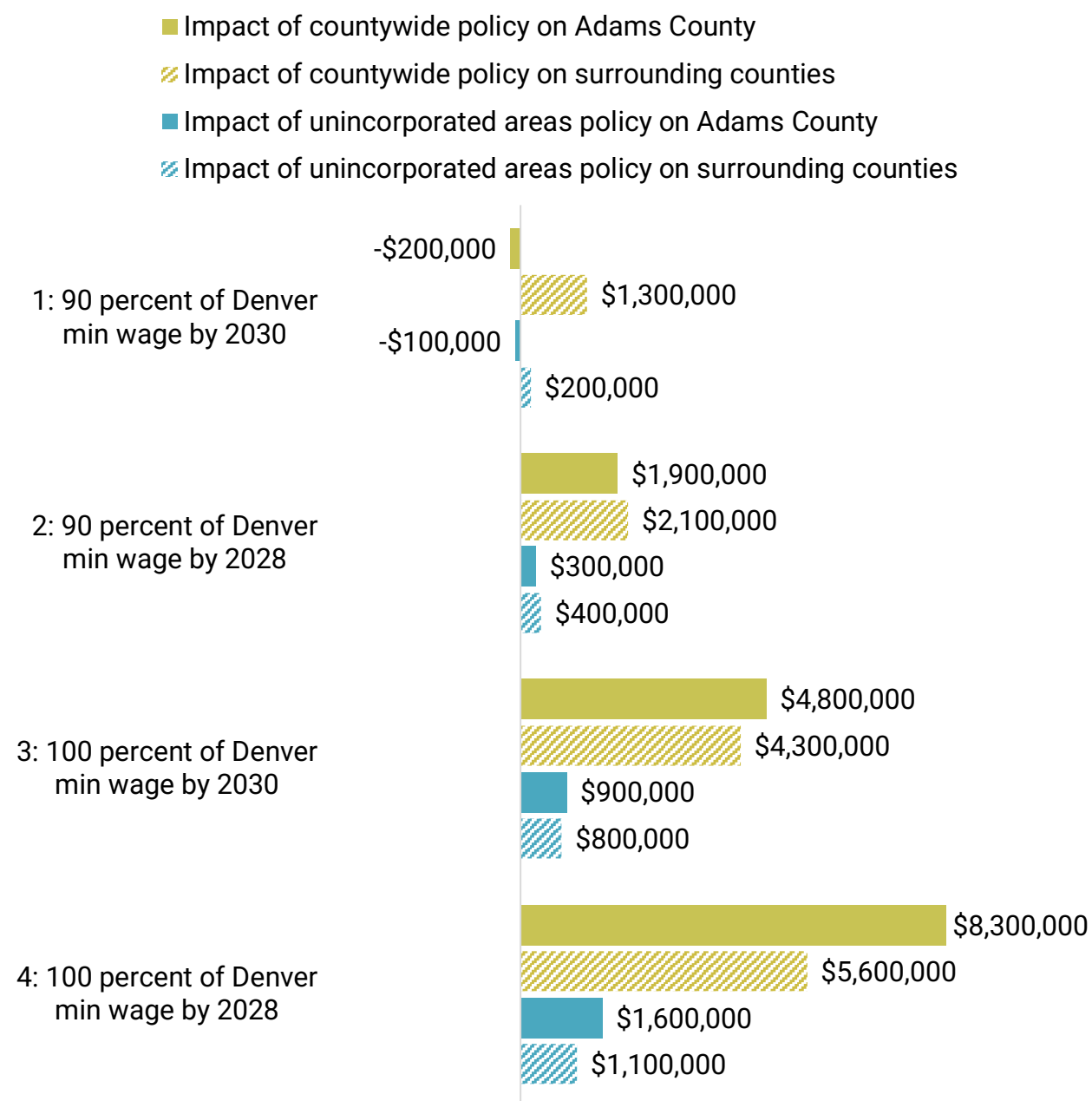
The estimates we present in **Table 3.10** and **Figure 2.7** are for net change in employment in Adams County only. However, the increased worker earnings that would result from an Adams County minimum wage policy would also impact employment in surrounding counties as workers spend their earnings on goods and services across the region. However, this impact would be very small—we estimate that increased worker spending would increase employment in surrounding counties by fewer than 100 jobs.

These estimates are consistent with previous research on the impact of minimum wage policies on employment, which typically find very small negative or positive impacts on employment (Dube and Zipperer 2024; Allegretto et al. 2018). They are also consistent with a study of the Denver minimum wage by the Colorado Department of Labor and Employment, which finds that Denver’s unemployment rate decreased more in 2021 and 2022 than in surrounding areas, including Adams County, suggesting that the large minimum wage increases during those years had no negative impact on employment (2023c).

Local economy impacts

We use the same model described above to estimate the impacts of each minimum wage policy on the size of the local economy. Here, we estimate the impacts of each of the four modeled minimum wage increases if adopted for the full county and if adopted only in the unincorporated areas of the county. These estimates include the impact of GDP from reduced consumer spending and increased worker spending. We estimate the impact these minimum wage policies would have on the GDP for Adams County as well as for surrounding counties. The IMPLAN model we use to estimate the impact of each simulated minimum wage policy on the size of the local economy uses data on worker spending patterns to estimate how much of their increased earnings workers would spend in Adams County and in each surrounding county.

Figure 3.8: Projected impact on the GDP of Adams County and surrounding counties (2025 dollars)



Source: Authors' analysis of 2021-2023 IPUMS American Community Survey data, 2018-2023 Quarterly Census of Employment and Wages data, 2024 Employer Cost for Employee Compensation data, and IMPLAN. See Appendix A for a detailed description of methods used to arrive at these estimates.

Figure 3.8 reports our estimates of the impact on GDP in Adams County and surrounding counties, including Arapahoe, Broomfield, Denver, Jefferson, Larimer, Morgan, Washington, and Weld Counties. Overall, we find that adopting a minimum wage policy would have almost no impact on the size of the local economy. Increasing the minimum wage would result in either a very small negative or very small positive difference in the Adams County GDP, depending on the minimum wage level and phase-in schedule. Adopting a minimum wage level for the entire County would have a slightly larger impact on the size of the local economy. The impacts are slightly larger and all positive when including the impacts on the size of surrounding counties. However, the impact of all of the simulated minimum wage policies would be almost imperceptible relative to the size of Adams County's GDP, which we estimate will grow by between 2 and 3 percent annually, reaching approximately \$55 billion by 2030. Our estimates therefore suggest that a minimum wage increase would have a negligible impact on the size of the local economy, either reducing GDP growth by less than 0.001 percent or increasing GDP growth by less than 0.02 percent.

Local government impacts

We use the same model described in the previous sections to estimate the impact of each minimum wage policy on tax revenues. We find that a local minimum wage policy would result in either a very small decrease or very small increase in tax revenues. We estimate that the impact of a countywide minimum wage policy on local tax revenues would be between -\$400,000 and \$1,900,000, depending on the minimum wage level and phase-in schedule. We estimate that the impact of a minimum wage policy for the unincorporated areas of Adams County would be between -\$30,000 and \$350,000. This would represent a very small change relative to the current size of local government budgets. For example, the total Adams County budget for 2025 is \$836 million (Adams County Colorado 2025).

Table 3.11: Projected impact on tax revenues

	Federal	State	Local	Total
Minimum wage adopted for Adams County				
1: 90% of Denver min wage by 2030	\$0	\$0	-\$400,000	-\$400,000
2: 90% of Denver min wage by 2028	\$200,000	\$800,000	\$200,000	\$1,200,000
3: 100% of Denver min wage by 2030	\$500,000	\$200,000	\$400,000	\$1,100,000
4: 100% of Denver min wage by 2028	\$800,000	\$400,000	\$700,000	\$1,900,000
Minimum wage adopted for unincorporated areas of Adams County				
1: 90% of Denver min wage by 2030	\$0	-\$10,000	-\$20,000	-\$30,000
2: 90% of Denver min wage by 2028	\$20,000	\$10,000	\$20,000	\$50,000
3: 100% of Denver min wage by 2030	\$80,000	\$40,000	\$70,000	\$190,000
4: 100% of Denver min wage by 2028	\$150,000	\$70,000	\$130,000	\$350,000

Source: Author's analysis of 2018-2022 IPUMS American Community Survey data, US Energy & Employment Jobs Report data, Quarterly Census of Employment and Wages data, 2019 National Compensation Survey, Kaiser Family Foundation Employer Health Benefits Survey, BLS Employer Costs for Employee Compensation data, and IMPLAN. Dollar amounts are adjusted to 2023 dollars using the Bay Area CPI-W. See Appendix A for a detailed description of methods used to arrive at these estimates.

Conclusion

Our findings suggest that raising the minimum wage in Adams County to either 90 or 100 percent of the Denver minimum wage would increase earnings for a large group of workers, while having minimal effects on employment, the size of the local economy, and tax revenues. A countywide minimum wage level would improve earnings for a much larger group of workers (between 60,000 and 80,000) compared to a policy that would only cover the unincorporated areas of Adams County (between 12,000 and 16,000 workers) and would have a more positive, but still very small, impact on the GDP and tax revenues. Our findings are consistent with a large body of research on the impacts of local minimum wage policies, as well as the Colorado Department of Labor and Employment's research on the impacts of the Denver minimum wage.

4. Local minimum wage policy enforcement

Currently, the Colorado state minimum wage law applies to Adams County workers and is enforced by the Colorado Division of Labor Standards and Statistics (DLSS). State and local governments have taken a variety of approaches to enforcement of minimum wage policies. A recent study commissioned by the City and County of Denver found that at least 65,000 workers in the Denver area, including Adams County, were paid less than the state minimum wage each year from 2020 to 2022 (Barnes et al. 2024). Rates of minimum wage violations were highest for women, immigrants, and workers of color. However, this study also found that efforts by Denver Labor to improve enforcement were successful in significantly increasing the amount of restitution paid to victims of minimum wage violations between 2020 and 2023. These findings suggest that some Denver area employers, including those in Adams County, currently violate minimum wage laws. They also suggest that stronger enforcement practices can reduce the prevalence of minimum wage violations and maximize the positive impacts of a local minimum wage law for workers.

In this section, we describe the prevalence and impact of minimum wage violations, including for workers in Adams County specifically. We then explore how incorporating certain best practices into a local minimum wage enforcement policy can effectively remedy and deter violations. We compiled these best practices based on a thorough review of the academic literature on minimum wage policy enforcement and a series of interviews with experts from the National Employment Law Project, the University of California, Los Angeles Labor Center, the City and County of Denver, and the Colorado Division of Labor Standards and Statistics. Each best practices section will also reference example enforcement protocols from the State of Colorado and the City of Denver.

Minimum Wage Violations at a Glance

Wage theft refers to situations in which employers fail to pay workers the full wages that they are legally owed (Cooper and Kroeger 2017). Minimum wage violations, which occur when employers pay workers less than the minimum hourly rate required by federal, state, or local laws, are one common type of wage theft. Other types of wage theft include violations related to overtime pay, off-the-clock work, meal break violations, illegal deductions, and misclassification of employees.

In addition to imposing severe financial and emotional harm on individual workers and their families, wage theft has wide-reaching social costs. The underpayment of workers weakens local economies by reducing consumer purchasing power and exerting downward pressure on wages, which makes it more difficult for compliant and responsible employers to remain competitive. It also undermines local governance by eroding payroll and income tax revenues, ultimately reducing funding for vital public services while simultaneously increasing demand for those services. Most critically, wage theft contributes to higher levels of poverty and its associated consequences. Research has shown that workers who report experiencing wage violations face significantly higher poverty rates and greater reliance on public assistance than the general workforce (Cooper and Kroeger 2017).

National and local studies consistently show that all types of wage theft, including minimum wage violations, are most prevalent in low-wage industries (Bernhardt et al. 2009; Fine and Gordon 2010; Cooper and Kroeger 2017). A 2009 survey of low-wage workers in Los Angeles, Chicago, and New York revealed that more than one-quarter of respondents were paid less than the minimum wage in the previous week. On average, these workers lost about 15 percent of their total weekly earnings to wage theft (Bernhardt et al. 2009). A subsequent study across the ten most populous U.S. states found that 2.4 million workers annually experience minimum wage violations, resulting in \$8 billion in lost wages—an average of \$3,300 per worker. These 2.4 million workers

represented 17 percent of the total minimum wage-eligible workforce in the ten states surveyed (Cooper and Kroeger 2017).

Minimum wage enforcement is complicated by certain business models and characteristics that are common in low-wage industries. Research has shown that low-wage sectors are increasingly dominated by small firms operating within complex networks of subcontracting and franchising. These models can obscure employer accountability and blur the lines of employer-employee relationships, making it difficult for enforcement agencies to establish critical details during wage violation investigations, such as a worker's employer of record (Weil 2010; Fine and Gordon 2010). Additionally, with workers spread across numerous small-scale worksites, enforcement agencies face the added challenge of dedicating more time and resources to gathering records and monitoring compliance (Fine and Gordon 2010). These challenges must be considered when designing new minimum wage enforcement policies, especially as traditional, worker complaint-based enforcement strategies struggle to keep pace with the evolving, service-based economy of the United States (Weil 2010).

While low-wage workers are more likely to experience wage theft, they often face significant barriers to reporting violations. The 2009 survey by Bernhardt et al. revealed employer practices in low-wage industries that hindered workers from filing complaints when they were underpaid. In their survey of 4,387 workers, 57 percent reported not receiving any pay documentation for the previous week and 43 percent reported facing retaliation when they complained about wage violations or sought help from labor unions. These challenges contributed to low rates of complaint filing—only 20 percent of workers who reported being underpaid pursued restitution for their lost wages and most of these workers made informal complaints rather than using official legal or enforcement agency processes (Bernhardt et al. 2009).

Immigrant workers, who are more likely to work in low-wage industries, face additional barriers to reporting minimum wage violations. National studies consistently demonstrate that Hispanic and Latino workers, foreign-born workers, and workers with

limited English proficiency experience wage theft at disproportionate rates (Bernhardt et al. 2009; Cooper and Kroeger 2017; Fine et al. 2021; Galvin 2016). However, language barriers, fear of deportation, and a lack of familiarity with U.S. labor laws and bureaucratic processes can make it particularly challenging for immigrant and non-citizen workers to navigate official complaint channels when they experience wage violations (Fine and Gordon 2010; Galemba and Kuhn 2019). Recent scholarship has also raised concerns that the current Trump Administration’s commitment to mass deportations and workplace raids could create a climate in which employers feel more emboldened to retaliate against immigrant workers who report workplace violations (Stratton Lopez 2025).

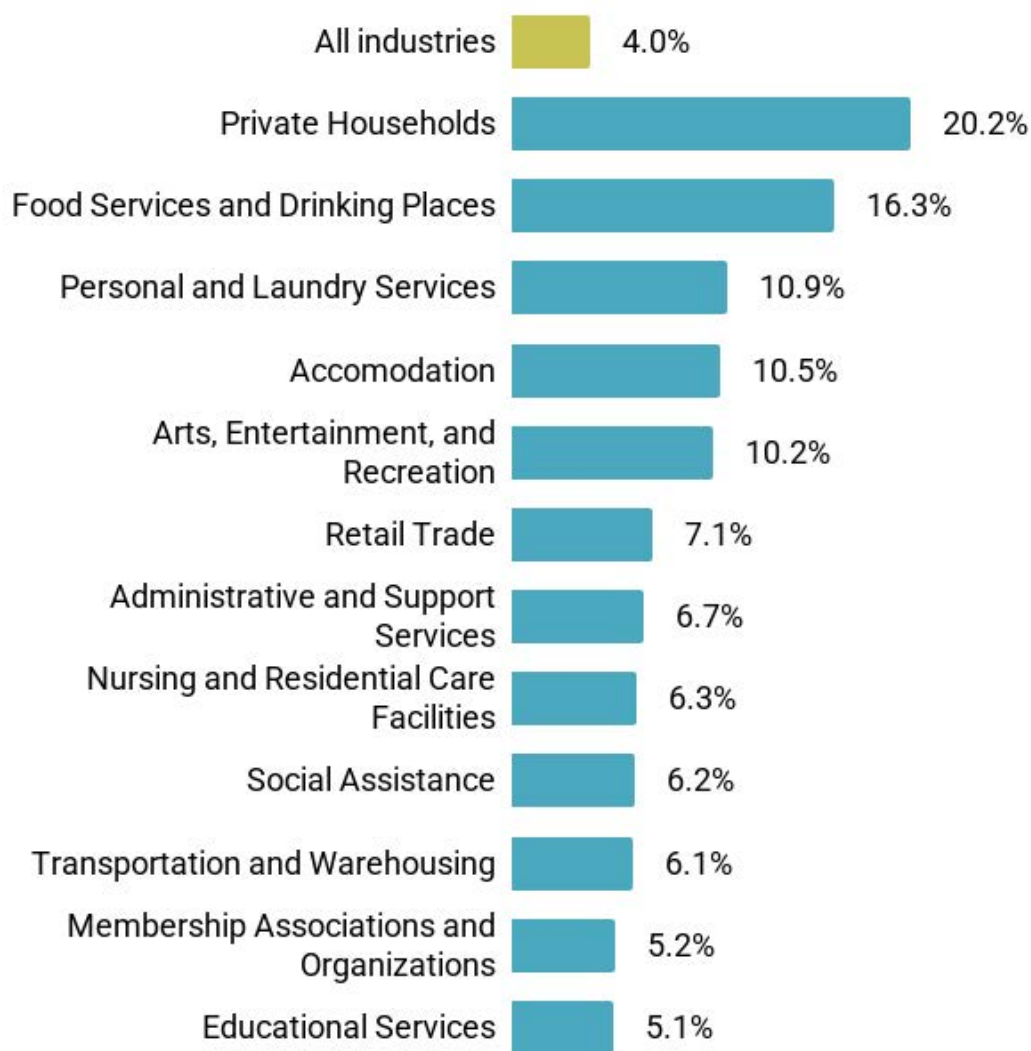
Minimum Wage Violations in Colorado and the Denver-Aurora MSA

The Colorado Fiscal Institute estimates that minimum wage violations and other types of wage theft combined cost Colorado workers \$728 million annually, which also leads to a loss of over \$45 million in state tax revenue each year (Jalali and Stiffler 2022). A separate study estimates that at least 45,000 workers in the Denver-Aurora Metropolitan Statistical Area (MSA) were paid below the minimum wage each year from 2007 to 2022, resulting in an average loss of \$136 million in worker wages. This study also found that minimum wage violations increased steeply in the Denver area starting in 2020 when Denver’s local minimum wage came into effect; Denver-Aurora MSA violation rates between 2020 and 2022 are estimated to be as high as 10.5 percent on average per year. Adams County is one of the ten counties that make up the Denver-Aurora MSA (Barnes et al. 2024).

As in the U.S. at large, minimum wage violations in Colorado and the Denver-Aurora MSA affect low-wage industries most severely. Between 2018 and 2022, food service and accommodation employed only 9.1 percent of Colorado workers but accounted for 29.2 percent of statewide Fair Labor Standards Act (FLSA) violations. Retail and construction saw the second and third-highest violation rates during this period (Jalali and Stiffler

2022). Between 2007 and 2022, the industries within the Denver-Aurora MSA with the highest wage violation rates were private households, food services and drinking places, personal and laundry services, accommodation, and arts, entertainment, and recreation (Barnes et al. 2024).

Figure 4.1: Minimum wage violation rates by industry, Denver-Aurora Metropolitan Statistical Area, 2007-2022



Source: Barnes et. al., "Informing Strategic Enforcement Practices: Minimum Wage Compliance and Complaints in the Denver Area", September 2024

Many of the demographic trends observed in national wage theft studies are also present in Colorado. Research repeatedly shows that Hispanic/Latino workers and women workers in Colorado are at an increased risk of experiencing wage theft because of their overrepresentation in high-violation industries. Between 2018 and 2022, Hispanic/Latino workers made up 20 percent of the total Colorado workforce but 28 percent of those employed in high-violation industries. During the same period, women made up 46 percent of the Colorado workforce but 51 percent of workers in high-violation industries (Jalali and Stiffler 2022).

Research on the Denver-Aurora MSA workforce specifically estimates that Hispanic/Latino workers are 70 percent more likely to experience minimum wage violations than white workers, non-citizen workers are 80 percent more likely to experience minimum wage violations than citizen workers, and women workers are 50 to 60 percent more likely to experience minimum wage violations than male workers (Barnes et al. 2024). These estimates are bolstered by a 2019 University of Denver study that found very high rates of wage theft among Denver-area day laborers in construction and landscaping trades. More than half (62 percent) of the day laborers surveyed reported experiencing wage theft at some point in the past and nearly one in five reported experiencing wage theft within the last six months. The majority of the workers in this sample were foreign-born, ethnically Hispanic/Latino, undocumented, and not fluent in English (Galemba and Kuhn 2019).

Establishing an Enforcement Agency

Local-Level Enforcement versus State-Level Enforcement

The Fair Labor Standards Act (FLSA) sets the federal US minimum wage and the Wage and Hour Division of the United States Department of Labor is responsible for enforcing it. The FLSA also gives U.S. states and localities the authority to set their own minimum wages. In these cases, the state or local minimum wage preempts the federal minimum wage, as long as it sets a higher hourly rate than the federal rate. As of 2024, 30 of the 50

U.S. states have their respective minimum wage laws, which set their minimum hourly wage rates higher than the federal minimum wage of \$7.25 per hour (Wage and Hour Division, United States Department of Labor 2025). In some states, including Colorado, local governments are also empowered to set their distinct minimum wage rates.

As of December 2024, 64 U.S. cities and counties have enacted local minimum wage ordinances (UC Berkeley Labor Center 2024). Larger municipalities generally establish their in-house agencies or offices to carry out local minimum wage enforcement— see, for example, Seattle’s Office of Labor Standards, San Francisco’s Office of Labor Standards Enforcement, and Los Angeles’s Office of Wage Standards. Smaller jurisdictions with fewer resources and administrative capacities may choose to delegate enforcement to state labor agencies or may direct workers with wage complaints to pursue their cases in civil court. For example, the city of Edgewater, Colorado’s minimum wage ordinance enumerates two ways in which employees who have experienced minimum wage violations can pursue restitution: they can bring a civil action against their employer in court within three years of the alleged violation and they can file a complaint with the Colorado Department of Labor and Employment (CDLE) (City of Edgewater, CO 2023).

Experts on minimum wage enforcement advise that cities and counties establish their individualized dedicated enforcement agencies when feasible (Koonse, Dietz, and Bernhardt 2015; Yoon and Gebreselassie 2015). Local enforcement agencies enable jurisdictions to customize complaint procedures and enforcement strategies to better address the specific needs of their workforce, while also addressing any gaps in state-level enforcement. For example, the City and County of Denver, alongside its labor agency, has developed a complaint process that is often more accessible to workers than the process offered by the Colorado Department of Labor and Employment. For example, the City and County of Denver allows third-parties to submit complaints on the behalf of a worker and has a longer statute of limitations. These differences are further explored in the "Denver Investigation Processes" section below.

If a local government does not have the resources or administrative capacity to establish its own enforcement office or agency, experts recommend designating a staff person or small team within an existing agency to act as a liaison between workers, the state enforcement agency, and other stakeholders (Koonse, Dietz, and Bernhardt 2015; Yoon and Gebreselassie 2015). This liaison or enforcement team would field worker questions and complaints, help workers use the state violation complaint process, and partner with the state agency on violation data collection and investigations when necessary. Enforcement partnerships with community and workers' organizations may also be particularly strategic for smaller jurisdictions with limited resources (see "Enforcement Partnerships" section).

Agency Funding and Staffing

Should a city or county opt to conduct in-house minimum wage enforcement through a specialized agency, staffing and funding levels will depend largely on the available resources. However, experts do recommend that enforcement agencies derive funding from sources beyond annual allocations from the city or county budget (Yoon and Gebreselassie 2015). Alternate sources of funding can help to minimize the enforcement disruptions that can occur when political leadership changes affect budgetary allocation levels from year to year. The most straightforward alternate funding sources for local enforcement agencies are fines and penalties collected for violations (see "Monetary Fines and Penalties" section).

Colorado's Enforcement Agency

In Colorado, the Division of Labor Standards and Statistics (DLSS) of the Colorado Department of Labor and Employment (CDLE) is responsible for state minimum wage law enforcement; they collect complaints, conduct investigations, issue penalties to offending employers, and facilitate the repayment of aggrieved workers.

In 2024, DLSS's Labor Standards Unit had a team of 28 investigators and a budget of \$12 million for a total Colorado workforce of 3,234,100. Ten of these staff worked specifically

on direct or agency-initiated investigations. The Labor Standards Unit's funding comes predominantly from general state and cash funds (70%), while the remaining portion comes from federal funding (30%). Each year, the Unit also collects approximately \$500,000 in fines for labor law violations (State of Colorado Joint Budget Committee 2024).

Denver's Enforcement Agency

The City and County of Denver have an in-house enforcement agency, Denver Labor, which is a division of the Denver Auditor's Office. Denver Labor is responsible for enforcing the citywide minimum wage, the prevailing wage, and the city's Civil Wage Theft Ordinance, which went into effect in 2023.

Denver Labor currently has a staff of 35, including a team of 12 who work on minimum wage enforcement for a workforce of 445,000. They also have a legal team of four who assist with minimum wage violations and other types of wage theft investigations and they work with the Denver Auditor's Office's six-person communications team that issues press releases about significant cases. Denver Labor's total budget in 2024 was \$3.9 million, and about one-quarter of it (approx \$975,000) was dedicated specifically to minimum wage enforcement (City and County of Denver 2024).

Enforcement of Other Local Minimum Wage Laws in Colorado

Within Colorado, there are currently four local jurisdictions with minimum wage laws: the City and County of Denver, the City of Edgewater, unincorporated Boulder County, and the City of Boulder. Out of these, only Denver has an enforcement agency; the others direct aggrieved workers to use the state enforcement apparatus or other existing dispute resolution channels, such as the municipal court system. A party from within the CDLE reported that the Labor Standard Unit's workload has not increased notably since they started also doing enforcement for local minimum wage policies in Edgewater, Boulder County and the City of Boulder.

Section 6-18-60 of Edgewater, Colorado’s minimum wage law enumerates two ways in which employees who have experienced minimum wage violations can pursue restitution: they can bring a civil action against their employer in court within three years of the alleged violation and they can file a complaint with the CDLE. The law also sets forth specific remedies for complainants who prevail in civil court, such as the payment of attorney fees and costs and compensation in the amount of all wages owed plus twelve percent annual interest (City of Edgewater, CO 2023). A representative from Edgewater’s city government shared with Movement Economics that they opted for this enforcement approach because setting up an in-house enforcement office would be cost-prohibitive given their small size.

Section V of Boulder County’s minimum wage ordinance and Section 12-6-5 of the City of Boulder’s minimum wage ordinance specifically delegate enforcement to the CDLE and direct aggrieved workers to pursue restitution through the Division of Labor Standards and Statistics’ complaint process (Board of County Commissioners, Boulder County, CO 2023; City of Boulder, Colorado 2024). A representative from the Boulder County Commissioner’s Office shared with Movement Economics that they chose to delegate minimum wage enforcement to the CDLE because Boulder County did not have an existing auditing office that would be a good fit for assuming enforcement duties. While building their local minimum wage policy, Boulder County also studied Denver’s in-house enforcement approach but noted that Denver already had a robust Auditor’s Office and dedicated labor division within it.

Investigating Minimum Wage Violations

Most state and local labor agencies primarily use complaint-based investigations to enforce minimum wage laws. This means that workers are responsible for reporting minimum wage violations and that the local labor agency only investigates employers that are reported. Some agencies also conduct direct investigations of employers in industries that are known to have high rates of minimum wage violations. In this section,

we describe best practices for each of these types of investigations and describe the investigation practices of the State of Colorado and Denver Labor.

Complaint-Based Investigations: Limitations and Best Practices

Workers who are at the highest risk of experiencing wage theft also tend to face the most barriers to using official complaint processes. While industries with higher violation rates should ideally yield higher numbers of worker complaints, research has instead found that the opposite is often true (Weil and Pyles 2005; Fine et al. 2021). To help remedy these barriers, the experts interviewed for this study recommend that enforcement agencies incorporate the following best practices into their complaint collection and investigation processes:

- **Adopt broad definitions of “employer” and “employee” in local minimum wage ordinances.** This practice can help to ensure that workers classified or misclassified as independent contractors are not barred from using the official complaint process and that employers cannot avoid accountability through the use of subcontracting and franchising.
- **Include explicit and broad retaliation protections for complainants in local minimum wage ordinances.** This practice can make it easier for workers to feel safe about reporting violations, especially if they face high-stakes vulnerabilities related to their immigration or socioeconomic status. Retaliation protections are more vital than ever to include in minimum wage policies given the Trump Administration’s threats of mass deportations and workplace immigration raids. Protections should establish a presumption of retaliation if an employer fires, demotes, or suspends a worker or takes other discriminatory action against them within ninety days of reporting a violation, discussing, asking about, or asserting their minimum wage rights, cooperating with a violation investigation, or engaging in any other protected activity. Examples of fines and penalties for retaliatory actions will be explored further in the “Addressing Minimum Wage Violations” section below.

- **Conduct company-wide investigations on behalf of all workers when responding to individual complaints.** If an employer has violated one employee's minimum wage rights, they have likely done the same to others. This practice can help agencies proactively address patterns of widespread noncompliance and protect individual complainants from employer retaliation.
- **Implement a "triage" system to prioritize worker complaints.** Rather than responding to complaints in the order they are received, Yoon and Gebreselassie of the National Employment Law Project (2015) recommend that agencies strategically prioritize complaints based on factors such as the seriousness of the alleged violation, the employer's violation history, whether the complaint is coming from a high-violation industry, and the likelihood that the complainant could face retaliation due to immigration status or other vulnerabilities.
- **Accept third-party and/or anonymous complaints.** This practice can help protect vulnerable workers from employer retaliation and enables aggrieved workers to get assistance from labor unions, community organizations, workers' centers, and other advocacy groups. The benefits of such collaborative efforts are discussed in the "Enforcement Partnerships" section below.
- **Adopt a long statute of limitations for filing wage violation complaints.** This practice improves the overall accessibility of the complaint-filing process, especially for workers who face language barriers or other administrative obstacles. While the standard statute of limitations for filing wage violation complaints in most jurisdictions is 2-3 years, Yoon and Gebreselassie (2015) suggest extending this to 4-6 years or longer.
- **Establish a concurrent right to private action for complainants.** This practice allows aggrieved workers to file charges against their employers in civil or criminal court while simultaneously pursuing restitution through an agency complaint process. By raising the potential cost of violations for employers, a right to concurrent private action can help deter minimum wage violations.

Direct Investigations

Enforcement agencies can also conduct proactive investigations of employers or industries with records of high minimum wage violation rates. Because these investigations are not initiated by complaints, many experts view them as another effective way to protect the minimum wage rights of vulnerable workers who face barriers to reporting violations (Bernhardt et al. 2009; Weil 2010; Fine et al. 2021). Best practices for direct investigations largely revolve around the thorough cataloging and analysis of minimum wage violation data. Enforcement agencies and offices that maintain detailed violation databases are best positioned to identify high-violation employers and industries and then allocate investigative resources where they will have the biggest impact. Forming data-sharing partnerships with other state, county, and city labor agencies can also help local enforcers identify geographically specific violation trends and better prioritize investigation targets. The “Denver Investigation Processes” section below provides an example of how targeted, direct investigations into high-priority industries can sometimes yield more in recovered compensation for aggrieved workers than complaint-based investigations.

Colorado Investigation Processes

The Colorado Division of Labor Standards and Statistics (DLSS) conducts both complaint-based and direct investigations into minimum wage violations. Ten out of the twenty-eight DLSS labor violation investigators work specifically on direct or agency-initiated investigations.

The DLSS complaint process can only assist with the recovery of unpaid wage claims of up to \$7,500; larger complaints must be pursued through civil court. The DLSS also does not assist with unpaid wage claims made by workers classified as independent contractors. The statute of limitations for filing a wage violation complaint through the DLSS process is two years. (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2024).

The Labor Standards Unit of the DLSS started conducting direct (or agency-initiated) investigations into wage and other labor violations in 2018-2019. Recent direct investigations have focused on and uncovered rampant violations in the construction industry (Department of Labor Standards and Statistics, Colorado Department of Labor and Employment 2024). As of 2024, ten out of the twenty-eight DLSS labor violation investigators work specifically on direct or agency-initiated investigations.

Denver Investigation Processes

Denver Labor conducts both complaint-based and direct investigations, although their procedures depart from those of the Colorado DLSS in several key ways. Firstly, there is no limit on the amount of unpaid wages that a worker can attempt to recover through Denver Labor’s complaint process, whereas the Colorado DLSS can only assist with unpaid wage claims of up to \$7,500. Secondly, unlike the DLSS, Denver Labor accepts wage violation complaints from both independent contractors and third parties. Thirdly, Denver Labor has a longer statute of limitations for filing a wage violation complaint—three years instead of the DLSS’s two years. These differences make Denver Labor’s complaint and investigation processes accessible to more workers and therefore speak to some of the benefits of local-level enforcement.

Denver Labor’s complaint collection and investigation protocols utilize many of the best practices detailed earlier in this section. Many of these practices were adopted via Ordinance No. 1614-22, Denver’s 2023 Civil Wage Theft Ordinance. These include:

- An expansive definition of “worker” that covers independent contractors.
- An expansive definition of “employer” that covers subcontractors and encourages up-the-chain accountability.
- The acceptance of third-party complaints.
- Retaliation protections that cover workers and third parties who file complaints, inquire about minimum wage rights, cooperate with or give testimony as part of wage investigations, and/or exercise their right to pursue private action alleging a

violation. These retaliation protections also explicitly prohibit threats or retaliatory actions based on immigration or citizenship status.

Recent research on Denver’s investigation processes and outcomes has revealed the importance of dedicating enforcement resources to direct investigations. Barnes et. al. found that between 2020 and 2023, Denver Labor’s direct investigations resulted in a larger share of the total compensation paid out to workers despite making up a smaller share of all minimum wage cases. Worker complaint-based investigations accounted for 49 percent of all minimum wage violation cases and resulted in 45 percent of the total compensation paid out to aggrieved workers. Direct investigations accounted for 32 percent of all minimum wage violation cases and resulted in 46 percent of the total compensation paid out to aggrieved workers. Direct investigations also yielded nearly twice as much in average compensation per worker than all other types of cases (Barnes et al. 2024). Between 2020 and 2023, the majority of Denver Labor’s direct investigations into wage violations focused on personal and laundry services, retail, administrative and support services, food services and drinking places, and ambulatory healthcare services (Barnes et al. 2024).

Minimum Wage Violation Penalties

While recovering unpaid wages for aggrieved workers is the primary goal of minimum wage enforcement, violation prevention and deterrence are also key considerations for an enforcement strategy. Enforcement experts agree that strategic and effective enforcement involves raising the “expected costs of noncompliance,” or sending a strong message to employers that violations will result in significant consequences, especially if they are persistent in nature (Weil 2010). The following best practices represent concrete enforcement policy design elements with proven deterrent effects.

Monetary Fines

Monetary fines are a common way for enforcement authorities to make minimum wage law noncompliance costly for violating employers. A 2016 study of state-level wage theft laws found that legislation that “dramatically increased punitive damages” resulted in the steepest reductions in minimum wage violations. States that implemented “treble damages” for minimum wage violations, or additional damages of three times the amount of unpaid wages, saw the most statistically significant drops in violation rates (Galvin 2016). Other types of monetary fines that can be included in local minimum wage laws include:

- **Duration- and occurrence-based fines:** Additional fines charged per each day that a violating employer was out of compliance with the minimum wage law or per each employee who was underpaid by a violating employer.
- **Posting requirement fines:** Additional fines incurred by employers who fail to post the prevailing minimum wage rates at their job sites or fail to post a notice that they are under investigation for minimum wage violations.
- **Retaliation fines:** Additional fines incurred by employers who take retaliatory action against workers who file minimum wage violation complaints, participate in minimum wage violation investigations, or take other actions related to the exercising of their minimum wage rights.

Other Penalties

In addition to monetary fines, some local minimum wage ordinances also make use of other types of penalties to further incentivize compliance and the quick payment of all due compensation to aggrieved workers. These can include:

- **Business license revocation:** This provision gives local governments the power to revoke or suspend a violating employer’s business license until they have paid all unpaid wages and additional fines or as a penalty for regular violations.

Edgewater, Colorado's municipal code states that violating the minimum wage ordinance constitutes cause for business license revocation or suspension (City of Edgewater, CO 2023).

- **Liens and levies:** These provisions allow local governments to freeze a violating employer's assets until they have paid all unpaid wages and fines or seize a violating employer's assets to satisfy a debt to an aggrieved employee. The following section will discuss the Colorado Department of Labor Standards and Statistics' use of liens and levies as a wage enforcement tool.
- **"Hot goods" provisions:** Borrowed directly from provisions included in the federal Fair Labor Standards Act (FLSA), these empower local governments to place holds on an employer's ability to transport and sell goods that were produced while workers' minimum wage rights were being violated.
- **Work stop orders:** Under these provisions, government agencies can issue legally binding orders to cease all labor at a job site until a violating employer pays all owed wages and fines.

Colorado State Enforcement Measures

The Colorado Division of Labor Standards and Statistics (DLSS) utilizes some of the best practices detailed above, including financial penalties and fines that incentivize prompt restitution and compliance with investigations and the ability to place administrative liens and levies on the assets of violating employers.

Monetary Penalties and Fines

According to Colorado's state-level wage law, minimum wage violations carry both monetary penalties and fines. Penalties are paid to the aggrieved employee on top of all wages owed; fines are paid directly to the DLSS.

Monetary penalty assessments for minimum wage violations depend on three factors: the amount of unpaid wages, the expediency of restitution, and whether or not the violation was "willful." If the DLSS investigates an unpaid wage complaint, finds evidence

of a violation, and issues a citation, the offending employee has fourteen days to pay all wages and additional penalties owed to the aggrieved employee. To incentivize timely payment, the DLSS may waive or reduce the amount of the additional penalties if the employer pays in full within this fourteen-day window. Conversely, employers who fail to pay the cited amount after 60 days or more face increased penalties. **Table 4.1** details the total amount an employer must compensate an aggrieved employee if they are cited for a non-willful wage violation (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023a).

Table 4.1: Monetary Penalties for Non-willful Minimum Wage Violations in Colorado

Unpaid wage amount	Total due 14 days after citation	Total due 60 days after citation
\$500 or less	Wages owed + \$1,000	Wages owed + \$4,000
Between \$500 and \$3,000	3X wages owed	3X wages owed + \$3,000
\$3,000 or more	3X wages owed	4X wages owed

Source: Colorado Department of Labor and Employment, Division of Labor Standards and Statistics

If an employer’s violation is found to be willful, they will also incur steeper penalties. Violations are typically deemed “willful” when there is evidence that an employer had notice of the relevant law and either knowingly or recklessly failed to abide by it. An employer who, for example, incurs repeated citations for similar wage violations over a short time is generally assumed to be acting willfully. **Table 4.2** details the total amount an employer must compensate an aggrieved employee if they are cited for a willful wage violation (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023a).

Table 4.2: Monetary Penalties for Willful Minimum Wage Violations in Colorado

Unpaid wage amount	Total due 14 days after citation	Total due 60 days after citation
\$1,000 or less	Wages owed + \$3,000	Wages owed + \$6,000
Between \$1,000 and \$2,000	4X wages owed	4X wages owed + \$3,000
\$2,000 or more	4X wages owed	5.5X wages owed

Source: Colorado Department of Labor and Employment, Division of Labor Standards and Statistics

When an employer owes an aggrieved employee more than \$5,000 in unpaid wages, that employee may also request compensation for attorney fees if they choose to pursue their claim in civil court.

Fines for wage law violations vary depending on several factors, including how long an employer takes to pay out all owed compensation, whether their violation occurred in “good faith” or “bad faith”, and their compliance or non-compliance with the Division’s orders and investigation processes. An employer may be fined up to \$50 for each day that an aggrieved employee’s owed wages went unpaid. These fines may be waived if the offending employer can prove “good faith legal justification”, meaning that they genuinely thought they were acting in compliance with the law when a violation occurred. If there is evidence that the offending employer committed a violation in bad faith– i.e., acted willfully, recklessly, or maliciously– they are more likely to face the maximum per-day fines. Offending employers may also incur the following fines for specific non-compliant actions during or after an agency investigation (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023a):

- \$250 for failing to respond to Division notices.
- \$250 per employee per month for failing to provide requested pay statements or records during an investigation.
- \$50 or more per day for failing to provide other requested information to the Division during an investigation.

- \$50 or more per day for refusing to provide vital records to the Division during an investigation.
- \$50 or more per day for hindering a Division investigation or inspection.
- \$100 or more per day for failing to obey any Division-issued order or perform and Division-issued duty.

Liens and Levies

Since the enactment of Senate Bill 22-161 in 2023, the DLSS has had the ability to place “administrative liens and levies” on an employer’s property if they have not paid all owed wages, fines, and penalties for a wage violation. A lien essentially freezes the employer’s assets until they have completed the DLSS’s payment order. A levy is the actual seizing or selling of an employer’s assets– which can include bank accounts, cash on hand, real estate, physical property, payments or credits due to the employer, and more– to satisfy their debt to an aggrieved worker and the Division (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023b).

Denver Enforcement Measures

Like the Colorado DLSS, Denver Labor imposes monetary penalties on employers who commit minimum wage violations. These are paid directly to the city’s General Fund. Denver also charges violating employers damages and interest on unpaid wages that are paid directly to the aggrieved worker. Unlike the Colorado DLSS, Denver Labor does not currently have the authority to place administrative liens and levies on the property of violating employers.

Monetary Penalties

Denver employers who commit minimum wage violations face escalating penalties based on violation frequency and on how many workers were underpaid for how long (Denver Labor 2024).

Table 4.3: Monetary Penalties for Minimum Wage Violations in Denver

Number of violations within a 3-year period	Total due in penalties
1st violation	\$50 per affected worker per day
2nd and 3rd violations	\$85 per affected worker per day + \$1,000-\$2,500
4th and subsequent violations	\$150 per affected worker per day + \$2,500-\$5,000

Source: Denver Labor

On top of this, Denver Labor can impose discretionary penalties of up to \$25,000 for incidents of civil wage theft (violations of the Civil Wage Theft Ordinance). For each violation, Denver Labor determines the overall penalty amount based on a series of mitigating or aggravating factors, including:

- The expediency with which an offending employer attempted to locate and pay aggrieved employees.
- Whether the violation was a first offense or part of a pattern.
- Whether an offending employer cooperated during the investigation.

An offending employer who cooperated with Denver Labor’s investigation paid all owed compensation to the aggrieved worker or workers within the required 30 days, and was a first-time violator would, for example, be more likely to see their penalties waived or greatly reduced.

Employers who are found to be in violation of Denver’s wage laws are also subject to mandatory penalties for certain non-compliant actions related to investigations and ordered payments (Denver Labor, Denver Auditor’s Office, City and County of Denver 2024). These include:

- Up to \$1,000 per record or per day for failing to provide certified payroll records during an investigation.
- \$1,000 per incident for providing payroll records containing false information.

- \$5,000 per incident for retaliating against workers or others involved in a wage violation claim.
- \$5,000 per worker for failing to make a good faith effort to locate and pay aggrieved employees within 30 days of an agency payment order.

Damages and Interest

When Denver employers are cited for wage violations, they must pay aggrieved workers all wages owed plus a mandatory 12 percent interest. Denver Labor can also order offending employers to pay aggrieved workers additional “treble damages”, or damages up to three times the amount of the unpaid wages (Denver Labor, Denver Auditor’s Office, City and County of Denver 2024).

Enforcement Partnerships

Many wage enforcement experts advocate for the development of formal partnerships between wage enforcement agencies and worker and community organizations (Bernhardt et al. 2009; Fine and Gordon 2010; Galvin 2016; Koonse, Dietz, and Bernhardt 2015; Yoon and Gebreselassie 2015). By forming coalitions with workers' groups, enforcement agencies can gain valuable on-the-ground insights into specific industries and worker populations, improve the dissemination of information about wage laws and enforcement procedures, and build trust with hard-to-reach or vulnerable workers. In these ways, such collaborations can enhance the effectiveness of violation investigations and make the complaint process more accessible to those who need it most.

Labor unions are logical candidates for enforcement partnerships because monitoring working conditions and protecting workers’ rights are already central to their work. But, in light of the ongoing decline in union density, Galvin (2016) highlights the growing importance of partnering with organizations such as workers' centers, workers' alliances, worker-focused nonprofits, and faith-based groups as well. As union membership continues to decrease, these groups have not only expanded in both number and influence, but they also play a crucial role in supporting workers who are excluded from

collective bargaining rights by law and therefore cannot unionize. By cultivating strategic partnerships with these organizations, alongside traditional labor unions, wage policy enforcers can build stronger connections and gain greater familiarity with a diverse and expansive range of workers across multiple industries.

Enforcement partnerships with workers' organizations and community groups can take many forms. These include:

- Contracting with organizations to conduct educational outreach and programming related to minimum wage rights and how to recognize and report violations.
- Training organizations to act as collection points for worker complaints and to help collect evidence during complaint-based investigations.
- Involving organizations in data collection on high-violation industries or workplaces and then in the planning and execution of direct investigations.
- Enlisting organizations to help with compliance and retaliation monitoring at workplaces where they already have a presence.

All of these examples make strategic use of organizations' preexisting relationships with workers and their intimate knowledge of certain industries, workplaces, and workers' daily realities. Yoon and Gebreselassie of the National Employment Law Project (2015) recommend including a legislative mandate for these types of partnerships in local minimum wage policies to encourage their prioritization and formalization. Local policy designers can also create valuable openings for collaboration by allowing third parties to make violation complaints on behalf of workers.

Several local enforcement agencies have robust and established community partnership programs. During the 2013-2014 fiscal year, the San Francisco Office of Labor Standards Enforcement (OLSE) collected more in restitution from wage violation cases with community organization involvement than from standard complaint-driven cases (Koonse, Dietz, and Bernhardt 2015). They currently operate a community outreach program that contracts with organizations to "disseminate information on workers' rights in low-income and immigrant communities, provide individualized worker rights

consultations, and encourage workers to file complaints regarding law violations.” These efforts reached a total of 12,536 workers in the 2023-2024 fiscal year (City and County of San Francisco, Office of Labor Standards Enforcement 2024). Similarly, since 2015, the Seattle Office of Labor Standards has provided grants to community partners through its Community Outreach and Education Fund (COEF). These partner organizations carry out labor standards education and help with complaint resolution “through methods that are community-centered, culturally relevant and accessible, and language-specific.” In 2024 the Seattle Office awarded \$3 million in COEF grants to ten organizations, many of which work with specific immigrant communities and minority demographics (Seattle Office of Labor Standards 2024).

Denver Enforcement Partnerships

Since the passage of their Civil Wage Theft Ordinance in January 2023, the City and County of Denver have adopted several practices that invite and facilitate the formation of enforcement partnerships. By accepting violation complaints from third parties, Denver Labor created a tangible opening for community and workers’ organizations to play an active role in wage enforcement. In their 2023 Annual Wage Theft Report, Denver Labor specifically mentions that their enforcement approach included “working closely with community organizations, including nonprofits, labor unions, registered neighborhood organizations, and trade and industry groups”, sending representatives to community engagement events, and forming information-sharing partnerships with other government agencies and offices. Denver Labor makes a direct connection between the “significant increases in the number of workers [they] helped, the number of cases [they] closed after finding violations, and the amount of money [they] recovered for workers” in 2023 and these collaborative efforts (Office of the Auditor, City and County of Denver 2024).

Conclusion

The success of Denver Labor’s enforcement program suggests that establishing an in-house minimum wage enforcement team or office within the government of Adams County can significantly improve compliance with local minimum wage laws.

Delegating enforcement to the courts or the CDLE would likely be more cost-effective but would increase violation reporting barriers for vulnerable workers. An aggrieved worker using the CDLE complaint process or filing a case in civil court could not, for instance, take anonymous action or have a workers’ organization or community group submit a third-party complaint on their behalf; this could be prohibitive for workers concerned about employer retaliation based on their immigration status or other factors. Such considerations are especially pressing given the incoming Trump Administration’s threats of mass deportations and workplace raids.

Adopting best practices for complaint-based investigations can reduce barriers to reporting for vulnerable groups of workers and prevent retaliation. Best practices include explicit retaliation protections for complainants in local minimum wage ordinances, conducting company-wide investigations on behalf of all workers when responding to individual complaints, implementing a “triage” system to prioritize worker complaints, and accepting third-party and/or anonymous complaints.

Conducting direct investigations into low-wage, service-sector industries with records of high violation rates can increase compliance. Direct investigations are another effective way to protect the minimum wage rights of vulnerable workers who face barriers to reporting violations, such as immigrant workers. Industries with higher violation rates in the Denver-Aurora MSA include private households, food services and drinking places, personal and laundry services, accommodation, and arts, entertainment, and recreation.

Establishing enforcement partnerships with workers and community organizations.

Enforcement partnerships have been demonstrated to improve the effectiveness of violation investigations and make the complaint process more accessible to those who

need it most by gaining valuable on-the-ground insights into specific industries and worker populations, improving the dissemination of information about wage laws and enforcement procedures, and building trust with hard-to-reach or vulnerable workers.

5. Conclusion

Matching the Denver minimum wage rate would increase earnings for nearly one in five workers in Adams County while having minimal impacts on employment, the size of the local economy, and tax revenues. A countywide minimum wage level would increase the earnings of between 60,000 and 80,000 workers by \$111 to \$345 million annually. Although the Adams County economy differs from Denver's in several important ways, including having lower median wages and higher unemployment historically, Adams County has also experienced stronger job growth in recent years compared to Denver and the State of Colorado and is projected to continue growing rapidly in the coming years. We find that a minimum wage would slow this job growth by a negligible amount (0.1 to 0.02 percentage points) and Adams County would still be on track to outpace the State of Colorado in job growth through 2030, adding between 30,500 and 30,700 jobs between 2026 and 2030. Matching the Denver minimum wage would allow Adams County businesses to remain competitive in attracting qualified workers, who currently may prefer to seek employment doing similar work for higher wages in Denver.

Phasing in annual minimum wage increases over five years would allow businesses time to more easily adjust. Increasing the minimum wage by 7.5 percent annually would allow the County to reach the Denver minimum wage in about five years. Phasing in smaller increases over a longer period allows businesses more time to adapt their business models and identify ways to absorb or pass on increased labor costs, while still increasing earnings for a large group of workers.

Collaborating with Adams County cities to create a countywide policy would have a larger positive impact. A countywide minimum wage would have a much larger impact in terms of the number of workers that would see their wages increase, as most workers are employed in the incorporated areas of Adams County. A policy that covers only part of the County would still have benefits but may make the recruitment and retention of low-wage workers more difficult in areas that don't adopt the policy as they are bordered

by higher wage areas in both Denver County and other parts of Adams County, as well as causing logistical complexities for employers of workers with multiple work locations across the County.

Adams County could explore ways to support businesses most vulnerable to

disproportionate impacts. Adams County could advocate for state level policy changes and/or fund new local programs to provide support for businesses that are an important part of the local economy but who may struggle to adapt to minimum wage increases. Adams County could also adopt a business support program similar to one created by Edgewater, Colorado, that connects disproportionately impacted businesses to existing resources. This could help lessen the potential negative impacts for some businesses while still reaping the overall benefits that a minimum wage increase would provide.

The success of Denver Labor’s enforcement program suggests that establishing an in-house minimum wage enforcement team or office within the government of Adams County can significantly improve compliance with local minimum wage laws.

Delegating enforcement to the courts or the CDLE would likely be more cost-effective but would increase violation reporting barriers for vulnerable workers. An aggrieved worker using the CDLE complaint process or filing a case in civil court could not, for instance, take anonymous action or have a workers’ organization or community group submit a third-party complaint on their behalf; this could be prohibitive for workers concerned about employer retaliation based on their immigration status or other factors. Such considerations are especially pressing given the incoming Trump Administration’s threats of mass deportations and workplace raids.

Appendix A: Data and Methods

Here we provide more detail on the data and methods used to produce the estimates described in the main report.

Overview of local workforce and economy

Labor force participation estimates for Adams County residents

The labor force participation rate for Adams County was calculated using IPUMS American Community Survey (ACS) data. IPUMS ACS data does not allow for the identification of residents of Adams County specifically. Adams County residents are included in several PUMAs, some of which also include residents from other counties. For our analysis, we include three PUMAs, two of which include only Adams County residents and one that includes a small number of Jefferson County residents. We estimate that about 89 percent of Adams County residents live in one of these three PUMAs. We exclude the other two PUMAs that include Adams County residents because most of the residents in those PUMAs are in Arapahoe County.

Hourly wage estimates using American Community Survey data

We use ACS data for 2021 to 2023 in our analysis, with earnings data adjusted to 2024 dollars using the Denver MSA CPI-W (Bureau of Labor Statistics, n.d.) and a projection of the 2024 Denver MSA CPI-W from the Colorado Governor's Office of State Budgeting and Planning (2024). The ACS provides data on annual earned income for individual workers. To construct an hourly wage variable, we divide annual earned income by weeks worked per year and the usual hours worked per week. Next, we randomly add an amount between \$-0.25 and \$0.25 to each individual's estimated hourly wage, which creates a more realistic wage distribution by smoothing some of the bunching that occurs in the wage estimates.

Definition of low-wage work

We use the OECD's definition of low-wage work, which is equal to two-thirds of the median wage. We use a median wage estimate for Adams County from 2023 OEWS data and adjust it to 2024 dollars using a projection of the 2024 Denver MSA CPI-W from the Colorado Governor's Office of State Budgeting and Planning (2024). This gives us an estimated 2024 median wage of \$25.65 and a low-wage threshold of \$17.10.

Establishment-level QCEW analysis

We use QCEW data on Adams County establishments, provided by Adams County, to estimate the number of firms and employment by NAICS sectors, subsectors, and industry groups, as well as the number of firms and employment by firm size.

We calculate average quarterly employment by averaging each quarter's monthly employment. We use the establishment's address to identify whether it is located in unincorporated Adams County.

To calculate the number of firms, we need to group establishments from the same firm. We use the establishments' employee identification number (EIN), UI account number, and Multi-Establishment Employer Code to identify establishments from the same firm. We wanted to calculate the number of firms by NAICS sector, but not all establishments from the same firm have the same six-digit NAICS code. To address inconsistent NAICS codes, we assign the NAICS from the establishment with the highest employment to all other establishments from the same firm, using the records from the most recent quarter.

After standardizing the NAICS codes, we collapse and summarize the data to the firm level grouping by firm, year, and quarter. For each firm, we identify the quarterly employment by summing the employment across establishments, the number of firms, and whether any establishment from the firm is in unincorporated Adams County (we use

this as our definition of firms in unincorporated Adams County). We also identify the firm size, using the following firm size categories:

- 0 - 19 employees
- 20 - 49 employees
- 50 - 249 employees
- 250-499 employees
- 500+ employees

Using the firm-level summarized data, we calculate the quarterly employment, annual employment, and number of firms in each firm size category for each NAICS sector (2-digit code), subsector (3-digit code), and industry group (4-digit code). We also calculate this information for each firm size category (without further splitting out by NAICS).

We calculate this information both for all firms in Adams County, as well as for firms with at least one establishment in unincorporated Adams County.

Approximating Adams County workers using American Community Survey data

We use American Community Survey (ACS) data to identify minimum wage and low-wage workers and estimate their demographic characteristics compared to all workers. We also use ACS data to estimate health insurance coverage and part-time/full-time status.

The ACS variable that identifies work location (PWPUMA00) does not allow us to identify workers in Adams County or unincorporated Adams County specifically - data for Adams County is included in a category along with seven other counties, including Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Gilpin, and Jefferson. Based on QCEW data, we estimate that Adams County workers represent approximately 14 percent of the workers in this eight-county area. To produce estimates for Adams County and unincorporated Adams County, we reweight observations so that the distribution of

workers across industries in our ACS dataset matches the industry distributions for Adams County and unincorporated Adams County from establishment-level QCEW data shared with our research team by Adams County. We also reweight our data to account for an undercount of agricultural workers in QCEW data, based on an estimate from the Economic Policy Institute (Costa 2023a).

Inflation and wage growth assumptions

We adjust all wage estimates for inflation to 2024 dollars using the Denver MSA CPI-W for all years through 2023 (Bureau of Labor Statistics, n.d.). For 2024 to 2026, we assume that wage growth is equal to projections of the percent growth in the Denver MSA CPI-W from the Colorado Governor’s Office of State Budgeting and Planning (2024). For 2027 to 2030, we assume that wage growth is equal to projections of the percent growth in CPI-U from the Congressional Budget Office (2012).

Economic impact of a minimum wage increase

In this section, we provide a detailed description of the methods and data used to produce the estimates of the economic impact of a minimum wage increase described in Section 3 of the main report.

Estimates of impact on worker earnings

To estimate the impact on workers’ earnings, we build a microsimulation model using individual-level data from the ACS. Our methods for estimating the impact on worker earnings are primarily based on the methods developed by the Center for Wage and Employment Dynamics (CWED) and the UC Berkeley Labor Center (Reich, Allegretto, and Montialoux 2017; Perry, Thomason, and Bernhardt 2016). We also incorporate some methods used in the Economic Policy Institute’s Minimum Wage Simulation Model (Cooper, Mokhiber, and Zipperer 2019).

Our microsimulation model allows us to estimate worker earnings through 2030 for the baseline scenario and each of the four simulation scenarios (see **Table 3.1** in the main report). Our estimates of a minimum wage policy's impact on worker earnings are equal to the difference between 2030 earnings in the baseline and simulation scenarios.

We use 2021-2023 IPUMS ACS data and restrict our sample to employed W2 workers that work at least 13 weeks per year and three hours per week. We then estimate hourly wages (see previous section on "Hourly wage estimates using American Community Survey data") for each worker in our sample and inflate to 2023 dollars using the Denver MSA CPI-W (Bureau of Labor Statistics, n.d.). We exclude from our sample workers earning less than 50 percent of the 2023 Colorado state minimum wage. We reweight our ACS data to approximate the industry distribution in Adams County because the ACS does not allow us to identify workers in Adams County specifically (see previous section on "Approximating Adams County workers using American Community Survey data"). The actual wage distribution for workers in Adams County may differ from the wage distribution in the nine counties that are included in our ACS sample. We adjust our hourly wage estimates for workers in industries where QCEW data show that there is more than a ten percent difference in mean annual earnings for workers in Adams County and for workers in the nine county PUMA. We find that compared to workers in all nine counties included in the PUMA, mean annual earnings are higher for Adams County workers in retail, transportation and warehousing, ambulatory health care services, hospitals, and nursing and residential care facilities. We find that mean annual earnings in Adams County are lower for workers in real estate, accommodation, and food services. For workers in these industries, we adjust our ACS hourly wage estimates by half of the percentage difference in annual mean earnings that we find in our analysis of QCEW data.

Next, we model each individual worker's annual hourly wage from 2024 through 2030 for the baseline and simulation scenarios (see **Table 3.1** in the main report). For 2024 and 2025, we model what workers' hourly wages would be based on scheduled increases in the Colorado state minimum wage. For each year 2026 to 2030, we model separately

what each workers' hourly wage would be in the baseline and four simulation scenarios.

Table AA.1 describes our methods for modeling each individual worker's hourly wage in the baseline and simulation scenarios.

We assume that when a minimum wage increase goes into effect, **workers earning between 50 and 80 percent of the previous year's minimum wage** receive a wage increase equal to the percentage difference between the new and previous year's minimum wage. We assume that these workers are **subminimum wage workers** and do not include them in our definition of impacted workers. However, we estimate their hourly wages to account for them when estimating the total Adams County wage bill in the baseline and simulation scenarios. In the year following the modeled minimum wage increase, we assume these workers' hourly wage increases by half of the projected annual wage growth.

For **workers earning between 80 percent of the previous year's minimum wage and 100 percent of the new minimum wage**, we assume that their hourly wage after the new minimum wage goes into effect will be equal to greater of (1) the difference between the new minimum wage and the previous year's minimum wage and (2) one quarter of the difference between 115 percent of the new minimum wage and the worker's previous hourly wage. We consider these workers to be **directly impacted** by the minimum wage increase. In the year following the modeled minimum wage increase, we assume these workers' hourly wage increases by half of the projected annual wage growth.

For **workers earning between 100 and 115 percent of the new minimum wage**, we assume that their hourly wage after the new minimum wage goes into effect will equal to greater of (1) the difference between the new minimum wage and the previous year's minimum wage and (2) one quarter of the difference between 115 percent of the new minimum wage and the worker's previous hourly wage. We consider these workers to be **indirectly impacted** by the minimum wage increase. In the year following the modeled minimum wage increase, we assume these workers' hourly wage increases by projected annual wage growth.

We assume that **workers earning more than 115 percent of the new minimum wage** are **not impacted** by a minimum wage increase. In the year following the modeled minimum wage increase, we assume these workers' hourly wage increases by projected annual wage growth plus 0.005.

Table AA.1: Methods for modeling hourly wages in microsimulation

Worker hourly wage	Minimum wage impact	Modeled hourly wage	Wage growth assumption
50 - 80 percent of the previous year's minimum wage	Not impacted	Worker's previous hourly wage * % difference between previous year's minimum wage and new minimum wage	1/2 annual projected CPI growth
80 percent of the previous year's minimum wage - 100 percent of the new minimum wage	Directly impacted	Greater of: a) Worker's previous hourly wage + (new minimum wage - previous year's minimum wage) b) Worker's previous hourly wage + (0.25 * (115 percent of the new minimum wage - worker's previous hourly wage))	1/2 annual projected CPI growth
100 - 115 percent of the new minimum wage	Indirectly impacted	Greater of: a) Worker's previous hourly wage + (new minimum wage - previous year's minimum wage) b) Worker's previous hourly wage + (0.25 * (115 percent of the new minimum wage - worker's previous hourly wage))	Annual projected CPI growth
> 115 percent of the new minimum wage	Not impacted	Worker's previous hourly wage	Annual projected CPI growth + 0.005

Note: These methods are based on those used by CWED and the UC Berkeley Labor Center (Reich, Allegretto, and Montialoux 2017) and the Economic Policy Institute (Cooper, Mokhiber, and Zipperer 2019).

Table AA.2 describes our assumptions of annual wage growth through 2030, based on inflation projections from the Colorado Office of State Planning and Budgeting and the Congressional Budget Office.

Table AA.2: Wage growth assumptions 2024-2030

Year	Wage Growth Assumption	Source
2024	2.5	Colorado Office of State Planning and Budgeting projections of growth in Denver MSA CPI
2025	3.0	
2026	2.7	
2027	2.2	Congressional Budget Office projections of growth in national CPI
2028	2.2	
2029	2.2	
2030	2.2	

Source: Colorado Office of State Planning and Budgeting (2024) and the Congressional Budget Office (2024)

Once we have estimated each individual worker’s hourly wage for 2026 to 2030 in the baseline and simulation scenarios, we calculate their annual earnings for each year in each scenario by multiplying their hourly wage by weeks worked per year and usual hours worked per week.

To estimate the impact of each simulation scenario on a worker’s hourly wage, we subtract each worker’s estimated hourly wage in the baseline scenario from their estimated hourly wage in the simulation scenario. To estimate the impact of each simulation scenario on a worker’s annual earnings, we subtract each worker’s estimated annual earnings in the baseline scenario from their estimated annual earnings in the simulation scenario.

Estimates of the number of impacted workers

To estimate the number of workers impacted by each simulated minimum wage increase, we multiply our estimates of the proportion of workers impacted by our projections of the number of workers employed in Adams County in 2030. To project 2030 employment, we start with published 2023 QCEW estimates of W2 employees in Adams County. We adjust the number of agricultural workers by applying an estimate of undercounting of these workers in QCEW data from the Economic Policy Institute (Costa 2023a). Finally, we assume that annual job growth between 2023 and 2030 will be equal to the average annual growth rate between 2018 and 2023, as measured with QCEW data for Adams County.

Estimates of the impact on poverty

To estimate the impact that an increase in worker earnings would have on poverty, we first estimate what the poverty threshold and baseline family income would be for each individual worker by adjusting for inflation to 2030 using the same projections described in **Table AA.2**. We then calculate what each worker's family income would be in the simulation by adding the difference between each worker's simulation and baseline earnings to their family's income (some family's have multiple impacted workers and we add the additional earnings of all impacted workers to their family's income). We then calculate the proportion of workers under the poverty threshold in the baseline and simulation scenarios in 2030. These estimates of the impact on poverty do not account for our projections of employment impacts that would result from a minimum wage increase. However, our estimates of employment impacts are so small that they would not change our poverty estimates as presented in the report due to rounding.

Estimates of the impact on employer operating costs

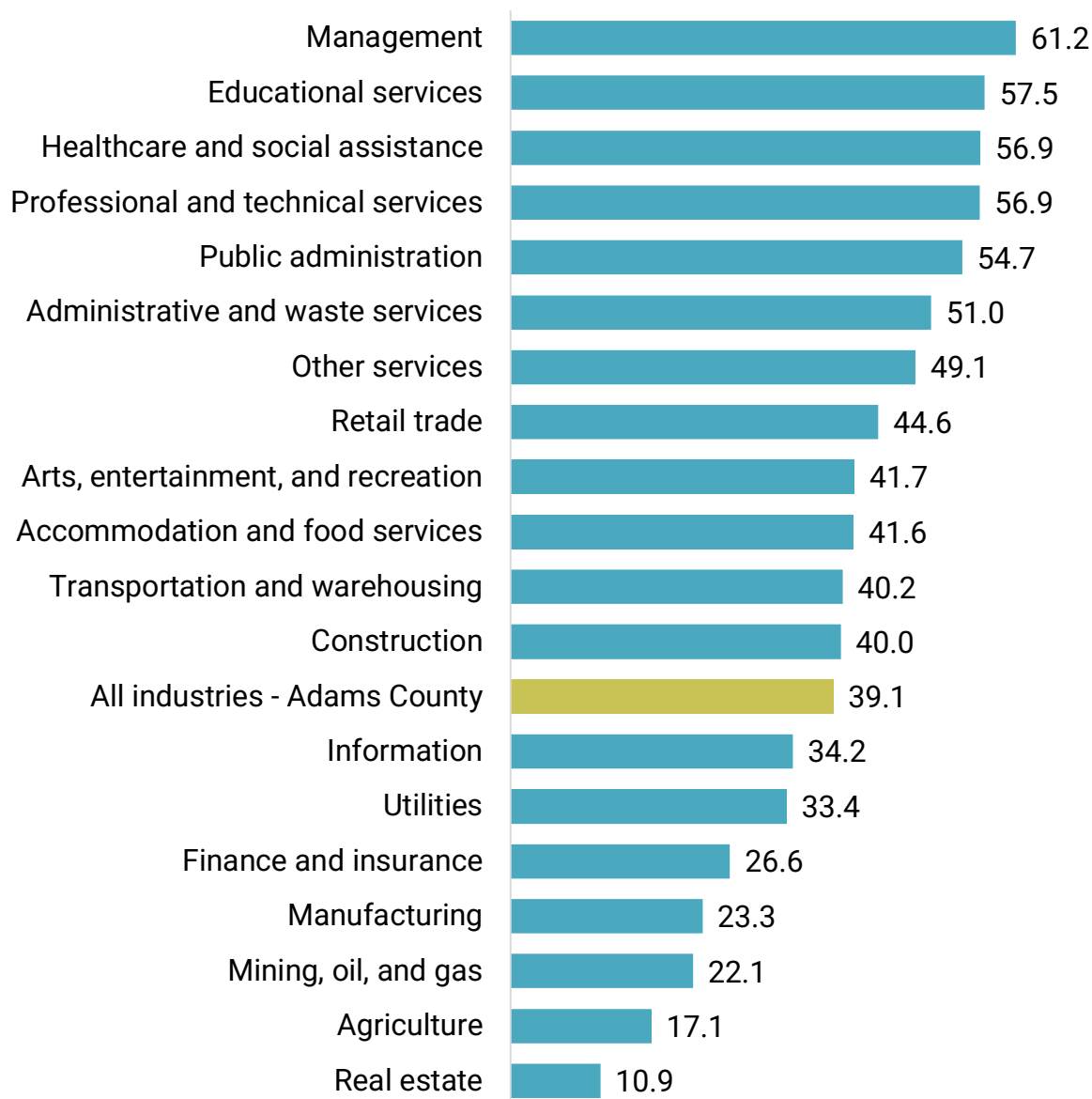
To estimate impacts on employer operating costs, we first **estimate the percentage difference in the total wage bill** by dividing the sum of all workers' 2030 annual earnings in the simulation scenarios by the sum of all workers' 2030 annual earnings in the baseline scenario. We assume that 17.5 percent of this difference in wages would be offset by an increase in worker retention and productivity, based on an assessment of previous studies (Pollin and Wicks-Lim 2015; Dube, Freeman, and Reich 2010; Dube, Lester, and Reich 2010; Reich, Allegretto, et al. 2016).

In addition to worker wages, employer labor costs include payroll taxes, workers' compensation insurance, unemployment insurance, health insurance, retirement benefits, and more. To **estimate the percentage difference in total labor costs**, we first estimate the additional cost of payroll taxes, worker's compensation insurance, and unemployment insurance as wages increase, based on an estimate of the ratio of these costs to wages from the Bureau of Labor Statistics Employer Cost of Employee Compensation data (9.7 percent) (Bureau of Labor Statistics 2024). We then apply an estimate of the proportion of total labor costs that go toward other sources of worker compensation, such as health insurance, retirement benefits, and paid leave (20.7 percent) based on Employer Cost of Employee Compensation data (Bureau of Labor Statistics 2024).

To **estimate the percentage difference in total operating costs**, we first estimate the proportion of total operating costs that are spent on labor costs by major industries (see **Figure AA.2**) based on data from the Bureau of Economic Analysis (BEA) gross output tables (2024). Specifically, we divide employee compensation by the sum of employee compensation and the costs of all other intermediate inputs. Employee compensation measures wages and salaries as well as noncash benefits such as employer contributions to pension plans, health insurance, and social insurance programs. However, these estimates exclude taxes on production and imports, net of subsidies. This approach provides a detailed and standardized measure of the labor component in

industry-level operating expenses. To estimate the average labor share of operating costs across all industries in Adams County, we take the average of the industry-level estimates, weighted by each industry's share of operating costs for Adams County specifically.

Figure AA.2: Payroll costs as a share of total operating costs by major industry



Source: Authors' analysis of 2022 Bureau of Economic Analysis, 2021-2023 IPUMS American Community Survey data, and 2021-2023 Quarterly Census of Employment and Wages data. The estimate for all industries in Adams County is an average of the industry estimates, weighted by each industry's share of total operating costs in the county.

Estimates of the impact on consumer prices

We conservatively assume that the increase in operating costs to employers will be completely passed on to consumers in the form of higher prices. Our estimates of the impact on consumer prices are therefore equal to our estimates of the impact on employer operating costs.

Estimates of the impact on employment

We separately estimate the impact that a minimum wage would have on employment due to (1) reduced consumer spending, (2) increased automation, (3) increased worker productivity, and (4) increased worker spending. Our overall estimates of the net impact on employment are the sum of each of these four separate estimates.

To estimate the impact on employment due to **reduced consumer spending**, we first estimate the impact of reduced consumer spending due to increased prices on employment. We project Adams County's GDP for 2030 by applying estimates of projected employment growth to an estimate of 2022 GDP from IMPLAN. We project employment growth based on the average annual growth in employment between 2018 and 2023 using QCEW data. We assume that 58.8 percent of GDP can be attributed to consumer spending, based on an estimate from CWED and the UC Berkeley Labor Center (Reich, Montialoux, et al. 2016). We then apply our estimates of the percent increase in consumer prices (see **Table 4.8** in the main report) and an estimate of the price elasticity of demand (0.72 percent) to our estimate of the total dollar amount of GDP that can be attributed to consumer spending (Reich, Montialoux, et al. 2016). This gives us an estimate of the dollar amount decrease in consumer spending due to the increase in consumer prices. We use IMPLAN's Institutional Spending Pattern event to model the impact of this decrease in consumer spending on employment. We assume that the decrease in consumer spending is distributed evenly across household income levels, based on IMPLAN data.

To estimate the impact on employment due to **increased automation**, we multiply our estimates of the percent increase in labor costs (see **Table 4.6** in the main report) by the number of workers impacted, an estimate of capital-labor substitution elasticity, and an estimate of the capital share of operating costs. We assume a capital-labor substitution elasticity of -0.2, based on an average of estimates calculated by Reich et al. (2017). Our estimates of the capital share of operating costs is equal to 1 minus the average labor share of operating costs for Adams County (see **Figure AA.2**).

To estimate the impact on employment due to **increased worker productivity**, we multiply our estimates of the number of workers impacted by an estimate of the impact of increased productivity on employment (-0.005) from Reich et al. (2017).

To estimate the impact on employment due to **increased worker spending**, we multiply our estimates of the number of workers impacted in each industry in 2030 by our estimates of the average increase in annual earnings for workers in each industry. We then sum the additional earnings for workers across all industries to arrive at an estimate of additional aggregate worker spending that results from each simulated minimum wage increase. We then subtract estimates of worker earnings due to reductions in employment from increased automation and increased worker productivity, which are each equal to the estimated reduction in the number of jobs multiplied by average annual earnings for impacted workers. Our estimates of the aggregate increase in worker spending are therefore net of the impact of job losses resulting from increased automation and increased worker productivity. We use IMPLAN's Labor Income event to model the impact of this increase in worker spending on employment. IMPLAN's assumption of the proportion of worker income that is spent vs. saved is based on the average across all workers and IMPLAN does not allow for adjustment of this assumption. However, we know that low-income workers spend a higher proportion of their earnings compared to workers in the middle of the wage distribution (Gindelsky and Martin 2024). Our estimates of the impact on employment due to increased worker spending are therefore likely underestimated.

We assume that Adams County will not reach full employment during the time period modeled. The Adams County unemployment rate was 3.8 percent in 2024 (see **Figure 2.22** in the main report, still slightly higher than surrounding counties and the State of Colorado, despite the County experiencing significantly more job growth in recent years (see **Figure 2.27** in the main report). The proportion of Adams County workers that live outside of the County has risen over the past two decades, suggesting that added jobs are increasingly being filled by workers who commute to the County from elsewhere (see **Figure 2.23** in the main report).

Estimates of impact on local economy and local government revenues

We use the same IMPLAN models as described above to estimate the impact on the local economy and local government revenues.

Appendix B: Local Minimum Wage Policy Design Considerations

In this appendix, we discuss policy considerations for designing minimum wage policies and options for local minimum wage laws under Colorado state law.

Minimum wage policies modeled

Local minimum wage levels vary significantly across the country, as each community selects a minimum wage level that they determine to be appropriate for their local economic context. Local governments typically attempt to find a balance between increasing the earnings of the lowest-wage workers to better reflect the local cost of living and minimizing any negative impacts on the local economy, especially in terms of the total number of jobs.

Phase-in periods

Local governments usually phase in minimum wage increases over many years to allow businesses and the local economy time to adjust. **Table AB.1** lists the duration of minimum wage policy phase-in periods and the annual percent increase for the seven example policies described in a later section of this memo.

Table AB.1: Duration of minimum wage phase-in period and annual percentage increases for seven example policies

	Duration of Phase-in Period	Annual Percentage Increase During Phase-In Period
Denver	4 years	7.4% - 15.8%
Boulder	3 years	8.0%
Unincorporated Boulder County	7 years	5.6% - 14.9%
Edgewater	5 years	10.0%
Cook County, Illinois	4 years	8.3% - 21.2%
King County, Washington	1 year	24.60%
Santa Fe, New Mexico	1 year	42.10%

Source: Denver Auditor’s Office, City and County of Denver (2025), Boulder City Council, City of Boulder (2024), Boulder County Board of Commissioners (2023), Edgewater City Council, City of Edgewater (2023), Cook County Board of Commissioners (2016), Metropolitan King County Council (Metropolitan King County Council 2024), Santa Fe County Board of Commissioners (2014) and Federal Reserve Bank of St. Louis (2024b)

Indexing to inflation

Local minimum wage policies typically include the annual cost of living increases after an initial phase-in period (UC Berkeley Labor Center 2024). This ensures that the minimum wage level will keep up with increases in the cost of living. These policies often specify the methods to be used to determine the amount of increase each year, including which specific Consumer Price Index measure to be used. For example, the current Denver minimum wage increases annually based on the CPI-W for the Denver-Aurora-Lakewood metropolitan area (Department of Finance, City and County of Denver 2024).

Exemptions

Some local minimum wage policies set a lower minimum wage level for specific groups of workers or employers or exempt them from the law entirely. For example, some minimum wage policies exempt workers who are represented by a union (including San Jose, Oakland, Richmond, San Francisco, Los Angeles, and Long Beach) (Kasperkevic

2016). The language of the Colorado law allowing local governments to enact minimum wage policies specifies that these policies must apply to all adult and emancipated youth workers. The language also refers to “a” minimum wage policy, suggesting that the law may not allow for a multi-tiered policy for different types of workers or employers. In a call with our team, staff from the Colorado Department of Labor Standards Enforcement shared that their interpretation of the state statute would not allow for any exemptions in local minimum wage policies for any group of workers other than unemancipated minors. They also did not believe that the law would allow a local government to include a different minimum wage level or phase-in period for small businesses. However, they said that local governments have interpreted some aspects of the law differently than the state and advised that individual jurisdictions would need to consult a lawyer to determine the legality of such a provision.

Off-ramp provisions

Some local and state minimum wage policies include provisions that allow for minimum wage increases to be paused temporarily in the event of a severe economic downturn or budget crisis. For example, the New York state minimum wage policy includes an off-ramp provision if unemployment increases or employment decreases (Martinez Hickey and Lathrop 2023). California’s phase-in of a \$15 state minimum wage from 2017 to 2022 included off-ramp provisions allowing the Governor to pause up to two scheduled annual increases if there was negative job growth or if the scheduled increase was projected to cause a budget deficit (Labor Commissioner’s Office, State of California Department of Industrial Relations 2022).

Most state and local minimum wage policies do not include off-ramp provisions and research suggests that they are unnecessary or may even slow recovery after a recession. A study by the Center for American Progress found that states and cities with higher minimum wages recovered more quickly from economic downturns during the COVID-19 pandemic (Vela 2023).

Appendix C: Example Local Minimum Wage Policies

In this appendix, we provide descriptions of seven example local minimum wage policies. We include all the local minimum wage policies in Colorado as well as examples of local minimum wage policies in counties similar to Adams County that are located just outside of major metropolitan areas.

Denver, Colorado

The city of Denver, CO passed a local minimum wage ordinance on November 25, 2019.

Table AC.1 describes Denver’s annual minimum wage rates across the phase-in period of their local ordinance (2020-2023) and with the subsequent cost of living increases (2024-2025). Starting in 2024, the Denver minimum hourly wage is adjusted annually based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Denver-Aurora-Lakewood MSA (applying the percentage difference between the CPI-W for the first half of the current year and the CPI-W for the first half of the prior year) (Department of Finance, City and County of Denver 2024).

The Denver ordinance includes a reduced minimum wage rate (15 percent below the standard minimum wage rate) for unemancipated minors working for a youth employment program certified by Denver Economic Development and Opportunity. The ordinance also includes the State of Colorado’s mandated tipped worker offset of \$3.02 per hour. This offset only applies to workers “for any business or enterprise that prepares and offers for sale food or beverages for consumption either on or off the employer’s physical premises” (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023c).

Table AC.1: Annual minimum wage increases in Denver, Colorado, 2020-2025

Effective Date	Type of Increase	Denver Minimum Wage	Percentage Increase Over Previous Year
January 1, 2020	Phase-in	\$12.85	15.8%
January 1, 2021	Phase-in	\$14.77	14.9%
January 1, 2022	Phase-in	\$15.87	7.4%
January 1, 2023	Phase-in	\$17.29	8.9%
January 1, 2024	Inflation Based	\$18.29	5.8%
January 1, 2025	Inflation Based	\$18.81	2.8%

Source: Denver Auditor's Office, City and County of Denver (2025)

A 2023 study by the Colorado Department of Labor and Employment found that in each of the first three years since the enactment of the minimum wage ordinance, weekly earnings in Denver increased compared to comparable jurisdictions and the state as a whole (Colorado Department of Labor and Employment, Division of Labor Standards and Statistics 2023c). Sales tax revenue growth in Denver also outpaced that of comparable jurisdictions and the state as a whole in 2021 and 2022. This was especially true of the sales tax revenue brought in by restaurants and bars, which doubled in percentage increase in Denver compared to comparable jurisdictions and Colorado as a whole.

The 2023 study also found that unemployment in Denver kept pace with that in comparable jurisdictions in the period immediately following the adoption of the ordinance and remained lower than in comparable jurisdictions from January to February 2020. Unemployment in Denver also decreased more than unemployment in comparable jurisdictions in 2021 and 2022.

Boulder County, Colorado

Boulder County passed Ordinance 2023-4 on November 2, 2023. This ordinance raised the minimum hourly wage in unincorporated areas of the County according to the schedule described in **Table AC.2**. Unincorporated Boulder County's minimum wage will

increase by between 5.6 and 14.9 percent annually between 2024 and 2030. After 2030, the Boulder County minimum hourly wage will be adjusted annually based on the Consumer Price Index.

Table AC.2: Annual minimum wage increases in unincorporated areas of Boulder County, Colorado, 2024-2030

Effective Date	Type of Increase	Unincorporated Boulder County Minimum Wage	Percentage Increase Over Previous Year
January 1, 2024	Phase-in	\$15.69	14.9%
January 1, 2025	Phase-in	\$16.57	5.6%
January 1, 2026	Phase-in	\$17.99	8.6%
January 1, 2027	Phase-in	\$19.53	8.6%
January 1, 2028	Phase-in	\$21.21	8.6%
January 1, 2029	Phase-in	\$23.03	8.6%
January 1, 2030	Phase-in	\$25.00	8.6%

Source: Boulder County Board of Commissioners (2023)

Like the Denver minimum wage ordinance, the Boulder County ordinance includes the Colorado state-mandated tipped worker offset of \$3.02 per hour. The Boulder County ordinance contains no other exclusions, exceptions, or differing wage increase schedules for specific types of workers or employers (Board of County Commissioners, Boulder County, CO 2023). The ordinance also does not contain any off-ramp provisions.

As of September 2024, the Boulder County municipalities of Boulder, Longmont, Lafayette, Louisville, and Erie are concurrently exploring a potential regional minimum wage increase. Their economic impact analysis found that adopting the same minimum wage increase schedule as unincorporated Boulder County would increase earnings for 15,000 workers, reduce employment by 1 percent (less than annual projected job growth), and increase prices by less than one-tenth of one percent (ECONorthwest 2024).

City of Boulder, Colorado

The City of Boulder, Colorado passed Ordinance 8664 on November 7, 2024. **Table AC.3** describes the city’s minimum wage increase schedule from 2025 to 2027 as enumerated in Ordinance 8664. The City of Boulder’s minimum wage will increase by 8% annually between January 1, 2025 and January 1, 2027. Starting on January 1, 2028, the minimum wage will be raised annually according to the prior year’s Consumer Price Index for the Denver-Aurora-Lakewood area. The ordinance also includes the State of Colorado’s mandated tipped worker offset of \$3.02 per hour but contains no other exclusions, exceptions, different wage increase schedules for certain types of workers or employers, or off-ramp provisions (City of Boulder, Colorado 2024).

Ordinance 8664 openly states that as of 2024, 22 percent of Boulder city residents lived below the federal poverty level and that 37 percent of the city’s employees worked in low-wage industries.

Table AC.3: Annual minimum wage increases in Boulder, Colorado, 2024-2027

Effective Date	Type of Increase	Boulder Minimum Wage	Percentage Increase Over Previous Year
January 1, 2025	Phase-in	\$15.57	8.0%
January 1, 2026	Phase-in	\$16.82	8.0%
January 1, 2027	Phase-in	\$18.17	8.0%

Source: Boulder City Council (City of Boulder, Colorado 2024)

Edgewater, Colorado

The City of Edgewater, Colorado passed Ordinance 2023-07 on May 2, 2023. **Table AC.4** describes planned minimum wage increases between 2024 and 2028 as currently defined in the Edgewater minimum wage ordinance. However, the Edgewater City Council intends to raise the minimum wage to match Denver’s minimum wage, which increases annually based on growth in the Denver-Aurora-Lakewood CPI-W. Depending on how fast inflation increases over the coming years, Edgewater’s minimum wage may reach

Denver’s minimum wage level before 2028. If this is the case, Edgewater plans to amend their ordinance to ensure that their minimum wage equals the Denver minimum wage level (per an email from Dan Maples, Edgewater City Manager). We estimate that the Edgewater minimum wage will reach the Denver minimum wage in 2027.

Table AC.4: Annual minimum wage increases in Edgewater, Colorado, 2024-2028

Effective Date	Type of Increase	Edgewater Minimum Wage	Percentage Increase Over Previous Year
January 1, 2024	Phase-in	\$15.02	10.0%
January 1, 2025	Phase-in	\$16.52	10.0%
January 1, 2026	Phase-in	\$18.17	10.0%
January 1, 2027	Phase-in	\$19.99	10.0%
January 1, 2028	Phase-in	\$21.99	10.0%

Source: Edgewater City Council (City of Edgewater 2023)

After 2028, the Edgewater hourly minimum wage shall be adjusted annually based on either the Consumer Price Index for the Denver-Aurora-Lakewood area or the prevailing minimum wage rate in the City of Denver, Colorado, whichever rate is greater (City of Edgewater 2023).

Like the Denver, CO and Boulder County local minimum wage ordinances, the Edgewater ordinance includes the State of Colorado’s mandated tipped worker offset of \$3.02 per hour. The ordinance contains no other exclusions, exceptions, or differing wage increase schedules for specific types of workers or employers (City of Edgewater 2023). The ordinance also does not contain any off-ramp provisions.

Edgewater also created a business support program to connect small businesses with resources as they navigate the potential impacts of the minimum wage increase. While its local minimum wage ordinance was being designed, the City established communication with local businesses through phone calls and personalized letters

asking for their feedback and input on the policy’s design. When the ordinance passed in 2023, the City sent out another round of letters to businesses informing them of the local minimum wage increase schedule and informing them of available support resources that could help them through the transition. As of January 2025, the City remains in regular contact with businesses through a monthly newsletter that contains support resources, grant opportunities, and updates from the Colorado Small Business Development Center Network, which provides free or low-cost business consulting, training, and workshops.

Cook County, Illinois

On October 26, 2016, Cook County, IL adopted Ordinance Number 16-5768. Table AC.5 describes Cook County’s minimum wage level from 2017 through 2024.

Table AC.5: Annual minimum wage increases in Cook County, Illinois, 2017-2024

Effective Date	Type of Increase	Cook County Minimum Wage	Percentage Increase Over Previous Year
July 1, 2017	Phase-in	\$10.00	21.2%
July 1, 2018	Phase-in	\$11.00	10.0%
July 1, 2019	Phase-in	\$12.00	9.1%
July 1, 2020	Phase-in	\$13.00	8.3%
July 1, 2021	None	\$13.00	0.0%
July 1, 2022	Inflation-based	\$13.35	2.7%
July 1, 2023	Inflation-based	\$13.70	2.6%
July 1, 2024	Inflation-based	\$14.05	2.6%

Source: Cook County Board of Commissioners (2016)

The ordinance contains a provision that keeps the minimum wage at the previous year’s rate if the unemployment rate the previous year was equal to or greater than 8.5% (Board of County Commissioners, Cook County, IL 2016). Under this provision, the minimum wage did not increase between 2020 and 2021 (Cook County Government 2021).

Workers who receive tips or gratuities are subject to a separate minimum wage increase schedule under the ordinance, reaching \$8.04 in 2024 (57 percent of the minimum wage rate for other workers).

Per the Illinois Minimum Wage Act, the Cook County minimum wage ordinance does not apply to workers under the age of 18. The Illinois Minimum Wage Act continues to set wage rates for workers under age 17 and younger (Board of County Commissioners, Cook County, IL 2016). Municipalities within Cook County that have passed their own local minimum wage ordinances are also not subject to the ordinance.

King County, Washington

On May 14, 2024, King County, WA adopted an ordinance that will raise the local minimum hourly wage in unincorporated areas of the county to \$20.29 effective January 1, 2025 (Metropolitan King County Council 2024). This represents a 24.6 percent increase over the 2024 Washington State minimum wage of \$16.28. The ordinance states that the minimum wage is subject to annual increases for “inflation” thereafter but does not provide further specifics about how such increases will be calculated.

The ordinance makes exceptions for smaller-scale businesses. As of January 1, 2025, a minimum hourly wage of \$17.29 will apply to employers with fifteen employees or fewer that gross less than \$2 million per year in revenue. The \$3 difference between this wage and the standard minimum wage will decrease by \$0.50 each year until 2030. A minimum hourly wage of \$18.29 will apply to employers with fifteen or fewer employees or more than fifteen but fewer than five hundred employees that gross more than \$2 million per year in revenue. The \$2 difference between this wage rate and the standard minimum wage rate will decrease by \$1 until 2026 (Metropolitan King County Council 2024).

Santa Fe County, New Mexico

The Santa Fe County Board of Commissioners adopted Ordinance No. 2014-1 on February 25, 2014. This local minimum wage ordinance set the minimum hourly wage in unincorporated Santa Fe County to \$10.66. Beginning on March 1, 2015, the minimum wage would be adjusted annually based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Western Region (Board of County Commissioners, Santa Fe County, NM 2014). **Table AC.6** describes minimum wage increases in unincorporated Santa Fe County between 2014 and 2024.

Table AC.6: Annual minimum wage increases in unincorporated areas of Santa Fe County, New Mexico, 2014-2024

Effective Date	Type of Increase	Unincorporated Santa Fe County Minimum Wage	Percentage Increase Over Previous Year
March 1, 2014	Phase-in	\$10.66	42.1%
March 1, 2015	Inflation-based	\$10.84	1.7%
March 1, 2016	Inflation-based	\$10.91	0.6%
March 1, 2017	Inflation-based	\$11.09	1.6%
March 1, 2018	Inflation-based	\$11.40	2.8%
March 1, 2019	Inflation-based	\$11.80	3.5%
March 1, 2020	Inflation-based	\$12.10	2.5%
March 1, 2021	Inflation-based	\$12.32	1.8%
March 1, 2022	Inflation-based	\$12.95	5.1%
March 1, 2023	Inflation-based	\$14.03	8.3%
March 1, 2024	Inflation-based	\$14.60	4.1%

Source: Santa Fe County Board of Commissioners (2014) and Federal Reserve Bank of St. Louis (2024b)

Workers who receive tips or gratuities are subject to a separate minimum wage increase formula under the ordinance. The base minimum wage for tipped workers who “customarily and regularly” receive more than \$30.00 a month in tips was set at 30

percent of the standard minimum wage, \$4.38 as of 2024 (Board of County Commissioners, Santa Fe County, NM 2014).

The ordinance contains no other exclusions, exceptions, or differing wage increase schedules for specific types of workers or employers. It also does not contain any off-ramp provisions.

Montgomery County, Maryland

On November 7, 2017, the Montgomery County Council passed Bill 28-17. This local minimum wage bill took a phased approach, increasing the minimum wage for all employers to \$15 by 2024. Increases were also set to occur based on employer size, with three different firm sizes enumerated (Montgomery County Council 2017):

- Large employer: any firm that employs 51 workers or more
- Mid-sized employer:
 - any firm that employs between 11 and 50 workers
 - any firm that employs more than 11 workers and has 501(c)(3) tax-exempt status
 - any firm that employs more than 11 workers, provides “home health services” or “home or community-based services”, and receives 75% of its yearly revenue from state or federal Medicaid programs
- Small employer: any firm that employs 10 workers or fewer

The bill mandated that after each employer type reached a minimum hourly wage of \$15 (2021 for large employers, 2023 for mid-sized employers, 2024 for small employers), the minimum wage would be increased each year according to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Washington-Baltimore (Montgomery County Council 2017). If the CPI-based increase amounted to less than fifty cents in a given year, the minimum wage for mid-size and small employers would instead increase by fifty cents. **Table AC.7** describes minimum wage rates for each employer size category between 2018 and 2024.

Table AC.7: Annual minimum wage increases in Montgomery County, Maryland, 2018-2024

Effective Date	Small Employer		Mid-Sized Employer		Large Employer	
	Minimum Wage Rate	Percentage Increase Over Previous Year	Minimum Wage Rate	Percentage Increase Over Previous Year	Minimum Wage Rate	Percentage Increase Over Previous Year
July 1, 2018	\$12.00	29.7%	\$12.00	29.7%	\$12.25	32.4%
July 1, 2019	\$12.50	4.2%	\$12.50	4.2%	\$13.00	6.1%
July 1, 2020	\$13.00	4.0%	\$13.25	6.0%	\$14.00	7.7%
July 1, 2021	\$13.50	3.8%	\$14.00	5.7%	\$15.00	7.1%
July 1, 2022	\$14.00	3.7%	\$14.50	3.6%	\$15.65	4.3%
July 1, 2023	\$14.50	3.6%	\$15.00	3.4%	\$16.70	6.7%
July 1, 2024	\$15.00	3.4%	\$15.50	3.3%	\$17.15	2.7%

Source: Montgomery County Council (2017)

Montgomery County minimum wage policy maintains exceptions for youth workers and workers who receive gratuity or tips. Employers may pay workers who are under the age of twenty 85 percent of the county minimum wage for the first six months of their employment. The minimum wage for tipped workers must be at least \$4.00 per hour and their total minimum compensation (hourly wage plus tip credit) must amount to the county minimum wage for their employer size (Montgomery County Council 2017).

Montgomery County minimum wage policy also contains several off-ramp provisions (Montgomery County Council 2017). The scheduled annual minimum wage increases may be postponed for a year if one of the following economic conditions is present:

1. Total private employment in Montgomery County decreased by 1.5 percent or more between April 1 and June 30 the previous year.
2. Total private employment in Montgomery County decreased by 2.0 percent or more between January 1 and June 30 the previous year.
3. The Gross Domestic Product (GDP) of the United States at large has experienced negative growth for two consecutive quarters.

4. The National Bureau of Economic Research has declared that the economy of the United States at large is in recession.

Each year, the Montgomery County Office of Legislative Oversight (OLO) is required to provide the County Council with an impact analysis report on the minimum wage policy (Montgomery County Council 2017). The OLO uses key indicators such as annual household income, poverty rate for residents under 18 years of age, percent of residents receiving SNAP (food stamps) benefits, and resident unemployment rate to evaluate the general nature of economic conditions in Montgomery County compared to other Maryland counties and the state of Maryland as a whole (Montgomery County, MD Office of Legislative Oversight 2024). While it is important to note that the OLO's most recent report states that these indicators are not meant to directly measure the effects of the minimum wage policy, it is worth considering the trends in some of these indicators in the years preceding the implementation of Bill 28-17 through the year preceding the effects of the COVID-19 pandemic.

Table AC.8 describes four of these measures for Montgomery County and the state of Maryland between 2015 and 2019. The year of the first and largest minimum wage increase, 2018, is highlighted in bold text. Montgomery County experienced its largest percent increase in median household income over these five years in 2018. The percent increase in median household income in Montgomery County that year was more than twice the percent increase in Maryland. In 2018, the under-18 poverty rate in Montgomery County fell from 9.3 percent to 8.4percent, its lowest rate since 2012. The overall under-18 poverty rate in Maryland state at large also fell in 2018, but the decrease in Montgomery County was more dramatic (0.9 percentage points compared to 0.3 percentage points statewide). Between 2015 and 2019, the percentage of residents receiving SNAP benefits decreased each year in both Montgomery County and the state of Maryland. This pattern continued in 2018, when Bill 28-17 was first implemented. While SNAP enrollment in Montgomery County did reach its lowest rate since 2011 in 2018, it did not decrease as dramatically as SNAP enrollment did in the state of Maryland

overall. The unemployment rates in both Montgomery County and the state of Maryland decreased each year from 2015 to 2019. This trend continued in 2018, when Bill 28-17 was first implemented. While unemployment in Montgomery reached its lowest level in ten years in 2018, it did not decrease as dramatically as unemployment in the State of Maryland overall.

Table AC.8: Key economic indicators in Montgomery County and the State of Maryland, 2015-2019

Year	Percent Change in Median Household Income (Over Previous Year)		Under 18 Poverty Rate		Percent of Residents Enrolled in SNAP		Unemployment Rate	
	Montgomery County	Maryland	Montgomery County	Maryland	Montgomery County	Maryland	Montgomery County	Maryland
2015	1.1%	2.6%	10.50%	13.9%	7%	13.1%	4%	5.0%
2016	1.3%	4.0%	9.0% (-1.5)	13% (-0.9)	6.9% (-0.1)	12.6% (- 0.5)	3.4% (-0.5)	4.3% (-0.7)
2017	3.4%	2.8%	9.3% (-0.3)	12.4% (- 0.6)	6.2% (-0.7)	11.6% (- 1.0)	3.3% (-0.1)	4.0% (-0.3)
2018	4.7%	2.0%	8.4% (-0.9)	12.1% (- 0.3)	5.9% (-0.3)	10.9% (- 0.7)	3.2% (-0.1)	3.8% (-0.2)
2019	2.1%	3.5%	9.3% (+0.9)	12.3% (+0.2)	5.5% (-0.4)	10.3% (- 0.6)	2.9% (-0.3)	3.4% (-0.4)

Source: "Economic Indicators for Montgomery County and Surrounding Jurisdictions." Montgomery County Office of Legislative Oversight, 2024.

Note: Percentage point change over the previous year is included in parentheses.

Howard County, Maryland

The Howard County Council adopted Council Bill No. 82-2021 on December 6, 2021. This local minimum wage bill requires that all employers pay a minimum hourly wage of \$16.00 by 2026, with gradual annual increases until that year (Howard County Council 2021). The bill establishes three different minimum wage increase schedules for the following employer types:

- Smaller employer:
 - any firm that employs fourteen workers or fewer
 - any firm with 501(c)(3) tax-exempt status

- any firm that provides “home health services” or “home or community-based services”, and receives 75 percent of its yearly revenue from state or federal Medicaid programs
- all food service firms of any size
- Employers: any firm that employs more than fourteen workers
- Howard County government employers

The bill also mandates that beginning on January 1, 2027, the minimum wage for all employer types shall be increased each year according to the Consumer Price Index for All Urban Consumers (CPI-U) for Baltimore-Columbia-Towson, Maryland (Howard County Council 2021). **Table AC.9** describes the annual minimum wage level by employer category between 2022 and 2026.

Table AC.9: Annual minimum wage increases in Howard County, Maryland, 2022-2026

Effective Date	Smaller Employer		Standard Employer		Howard County Government Employer	
	Minimum Wage Rate	Percentage Increase Over Previous Year	Minimum Wage Rate	Percentage Increase Over Previous Year	Minimum Wage Rate	Percentage Increase Over Previous Year
April 1, 2022	\$12.50	0.0%	\$14.00	12.0%	\$14.00	12.0%
July 1, 2022	\$12.50	0.0%	\$14.00	0.0%	\$15.00	7.1%
January 1, 2023	\$13.25	6.0%	\$15.00	7.1%	\$15.00	0.0%
January 1, 2024	\$15.00	13.2%	\$15.00	0.0%	\$15.00	0.0%
July 1, 2024	\$15.00	0.0%	\$15.00	0.0%	\$16.00	6.7%
January 1, 2025	\$15.00	0.0%	\$16.00	6.7%	\$16.00	0.0%
January 1, 2026	\$15.50	3.3%	\$16.00	0.0%	\$16.00	0.0%
July 1, 2026	\$16.00	3.2%	\$16.00	0.0%	\$16.00	0.0%

Source: Howard County Council (2021)

Bill 82-2021 contains exceptions for several types of workers. Under the policy, workers under the age of eighteen may be paid 85 percent of the minimum wage. The minimum wage increases do not apply to the following workers:

- Those employed as part of training in a special education program for students with emotional, mental, or physical disabilities under the Howard County Public School System
- Hand-harvest farm laborers who are paid on a piece-meal basis, who commute daily to their workplace from a separate residence, and who were employed in agriculture for less than thirteen weeks the previous year
- Immediate family members of employers
- Those employed in a non-administrative capacity at a resident or day camp

Workers who receive gratuity or tips must receive a total minimum compensation (hourly wage plus tip credit) that amounts to the county minimum wage. The tip credit amount for tipped workers must not exceed the county minimum wage minus \$3.63 per hour (Howard County Council 2021).

The Howard County minimum wage policy does not contain any off-ramp provisions. However, the policy does mandate that the Howard County Council hold a meeting specifically to discuss the minimum wage every four years. At this meeting, the Council must consider the current cost of housing, childcare, food, and utilities, as well as the status of County workforce development programs and the current poverty levels in the County (Howard County Council 2021).

Appendix D: Engage Adams Survey

In July 2024, Adams County staff created a survey asking residents, workers, and business owners about a local minimum wage policy. Here we provide a summary of the 458 surveys that were completed between July 30, 2024 and December 4, 2024. This was not a representative survey but does provide initial insight into a range of community perspectives on a potential minimum wage policy. Considered within the context of our study findings, the survey responses reveal beliefs that are inconsistent with or exaggerate our findings regarding the impact of a minimum wage increase on Adams County. Overall themes that emerged from the survey include the following:

- Although worker and business survey respondents reported some shared concerns, overall, **a larger proportion of worker survey respondents expected positive impacts from a minimum wage increase and a larger proportion of business survey respondents expected negative impacts from a minimum wage increase.**
- **Worker survey respondents said that a minimum wage increase would help cover the high cost of living in Adams County.** We find that the existing Colorado state minimum wage level is not high enough to cover the estimated cost of living in Adams County for any type of household (see **Figure 2.4** in the main report). We estimate that a countywide minimum wage policy would increase earnings for between 19.5 and 26.5 percent (see **Figure 3.3** in the main report).
- **Both business owner and worker survey respondents expressed concerns that a minimum wage increase would increase prices.** We find that consumer prices would increase with a minimum wage policy, but these price increases would be very small, between 0.1 and 0.4 percent depending on the minimum wage level and phase-in period (see **Table 3.9** in the main report).
- **Both business owners and workers expressed concerns that a minimum wage increase would lead to fewer jobs and/or reduced hours.** We find that a minimum wage increase would have a negligible impact on employment, resulting in just slightly slower job growth of 14.8 percent between 2006 and 2030 instead

of a projected 14.9 percent under the status quo (see Section 3 of the main report). This finding is consistent with other studies of the impact on minimum wage policies on employment (Dube and Zipperer 2024; Allegretto et al. 2018).

Characteristics of survey respondents

Table AD.1 describes where survey respondents live and work. Slightly more than half of respondents live and work in Adams County. Nearly one in five live in Adams County and commute to work in a different county. One in seven work in Adams County and live in a different county. One in ten are Adams County residents who are not employed. A small number of respondents do not live or work in Adams County.

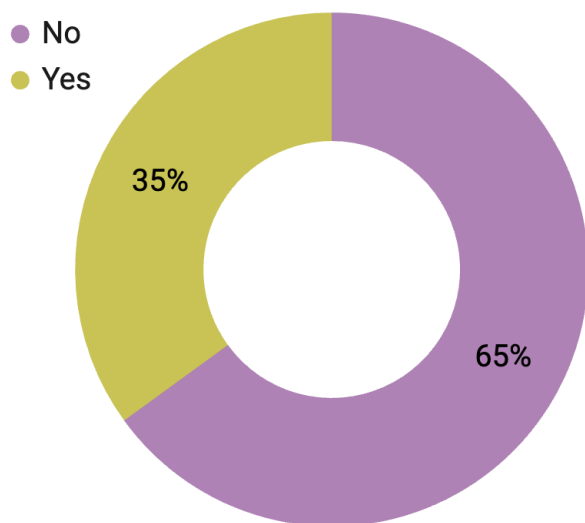
A higher proportion of business owner respondents live and work in Adams County (65 percent) compared to non-business owners (49 percent). Non-business owner respondents were more likely to live in Adams County and commute elsewhere (26 percent). Slightly more than one in three survey respondents are business owners (see **Figure AD.1**).

Table AD.1: Do you live or work in Adams County?

	All Respondents	Business Owners	Non- Business Owners
I both live and work in Adams County	53%	65%	49%
I live in Adams County but work elsewhere	18%	4%	26%
I work in Adams County but live elsewhere	14%	29%	7%
I live in Adams County but am not currently working	10%	0%	14%
I neither live nor work in Adams County	4%	2%	5%
NA	0%	2%	0%

Source: Authors' analysis of 458 Engage Adams Minimum Wage Initiative Survey responses, July 30, 2024 - December 4, 2024

Figure AD.1: Do you own or operate a business or non-profit organization with at least one employee?



Source: Authors' analysis of Engage Adams Minimum Wage Initiative Survey, July 30, 2024 - December 4, 2024

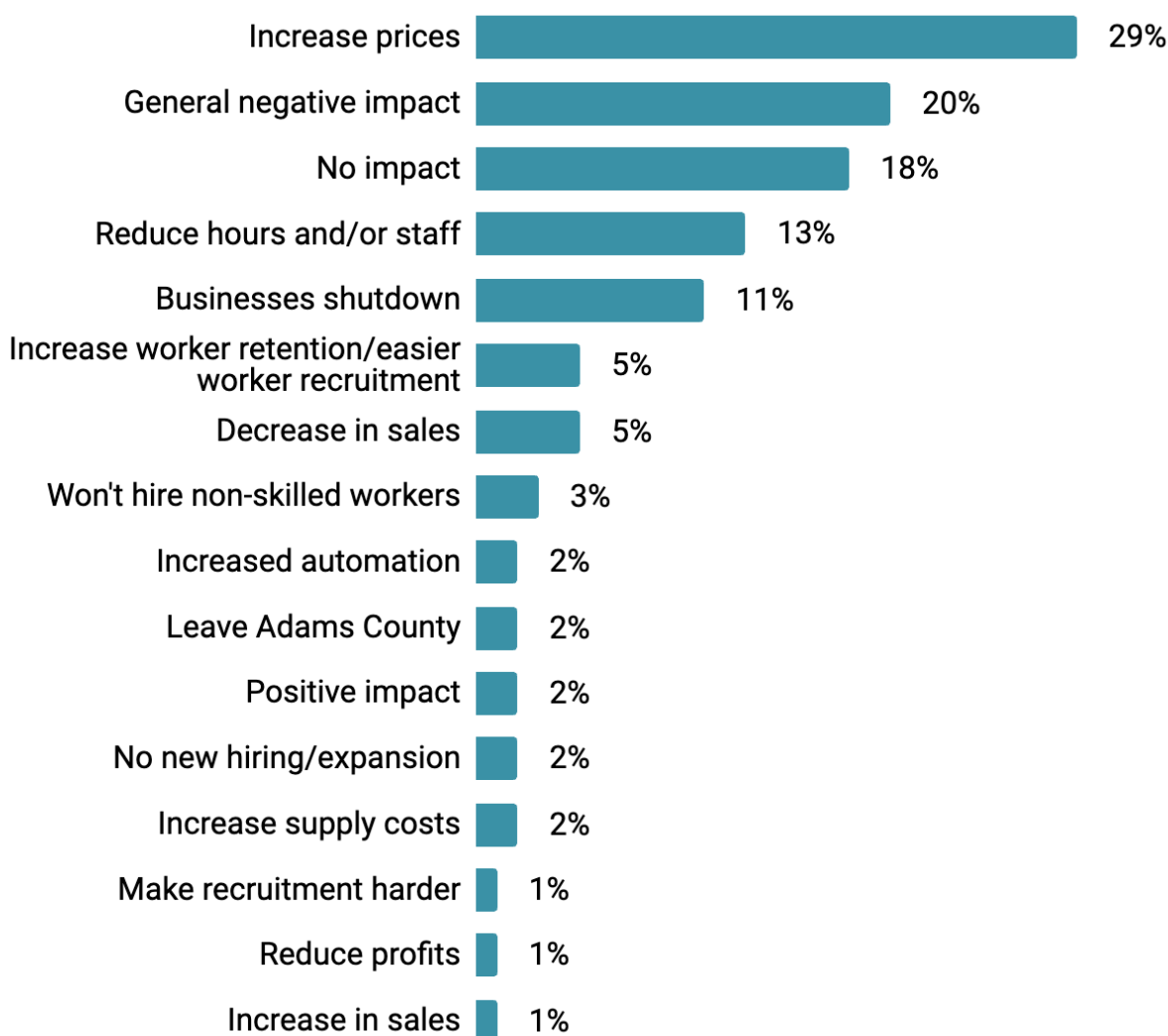
Impacts for businesses

Question 2 of the survey asked respondents how a minimum wage increase would impact their business or organization. **Figure AD.2** describes responses from business owners, coded into categories. Some survey responses referred to impacts on their business or organization specifically, while others referred to impacts on businesses more broadly.

The most common response was that businesses would increase their prices to cover the cost of paying workers more (29 percent). 20 percent of business owner respondents said that a minimum wage increase would have a negative impact on their business or businesses in general, but did not mention any specific impacts. 18 percent of business owners said that a minimum wage increase would have no impact, primarily because they currently pay all of their workers well above the current minimum wage or because they believe that most workers in Adams County already earn more than the current minimum wage. One in eight said that businesses would reduce either the number of

workers they employ or the amount of hours each employee works. Slightly more than one in ten respondents were concerned that businesses would shut down as a result of a minimum wage increase. Five percent of business owner respondents expect that sales would decrease, primarily due to price increases. Five percent of business owner respondents said that a minimum wage increase would make it easier to recruit and retain workers.

Figure AD.2: How might a minimum wage increase impact your business or organization?



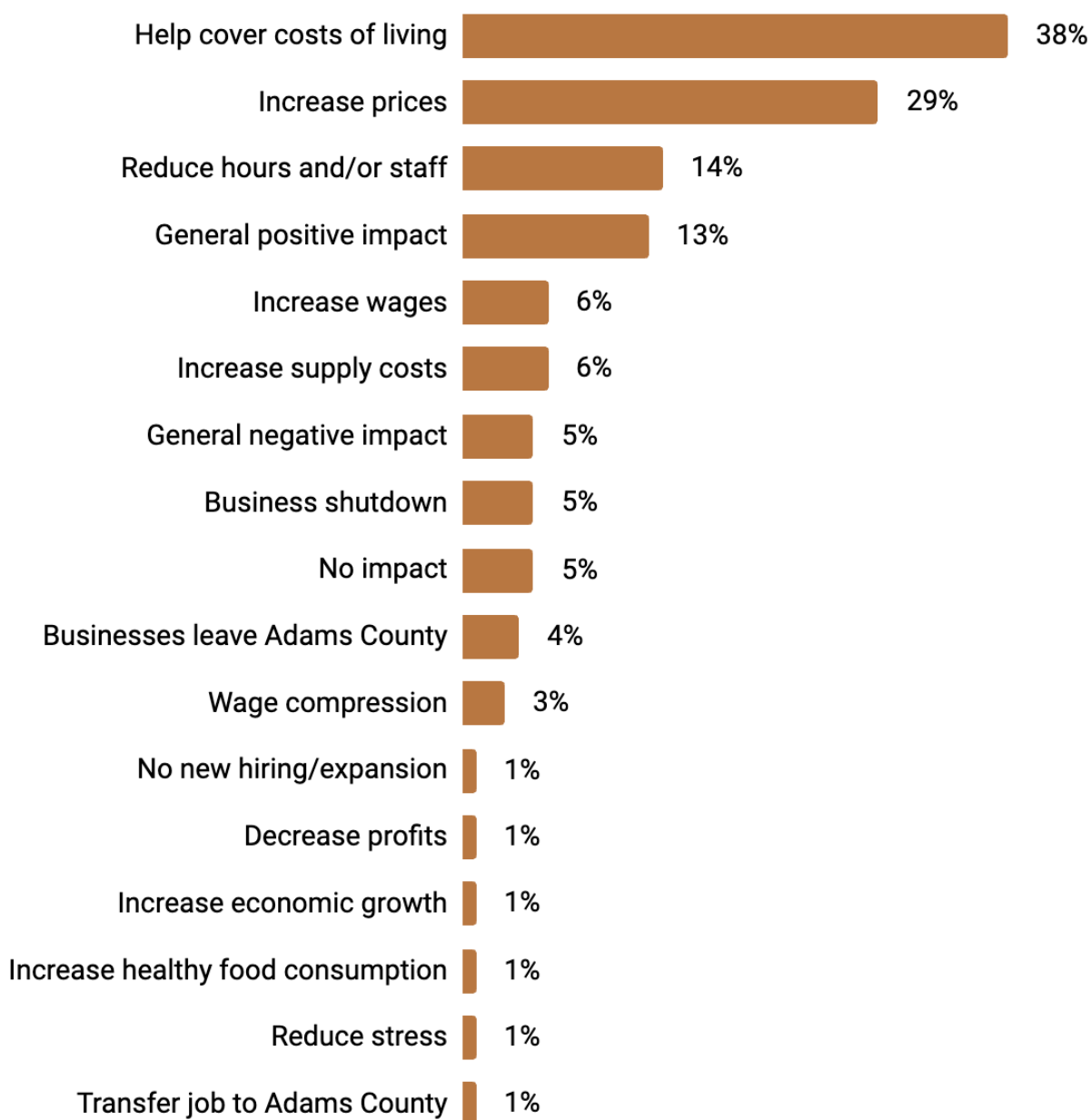
Source: Authors' analysis of Engage Adams Minimum Wage Initiative Survey, July 30 - December 4, 2024

Note: Only includes business owner respondents. Write-in responses were coded into categories. Percentages do not sum to 100 because some responses were coded into multiple categories.

Impacts on Workers

Question 4 in the survey asked respondents how a minimum wage increase would impact workers. **Figure AD.3** describes responses to this question from Adams County workers. Similar to the question on business impacts, some respondents referred to how they themselves would be impacted, while others referred to how workers more broadly would be impacted. The most common response from worker respondents was that a minimum wage increase would help cover the cost of living (38 percent). Twenty-nine percent of workers expressed concern that a minimum wage increase would increase prices, which would in turn increase their expenses. One in eight expressed concern that businesses would reduce the number of workers they employ or the number of hours each employee works. Thirteen percent of worker respondents said that a minimum wage increase would be positive, but did not mention any specific impacts. Six percent said that it may increase supply costs for businesses. Six percent of workers said that a minimum wage policy would increase wages overall. Five percent of respondents said that a minimum wage increase would have no impact, a generally negative impact, or cause businesses to shut down.

Figure AD.3: How might a minimum wage increase impact you or other workers?



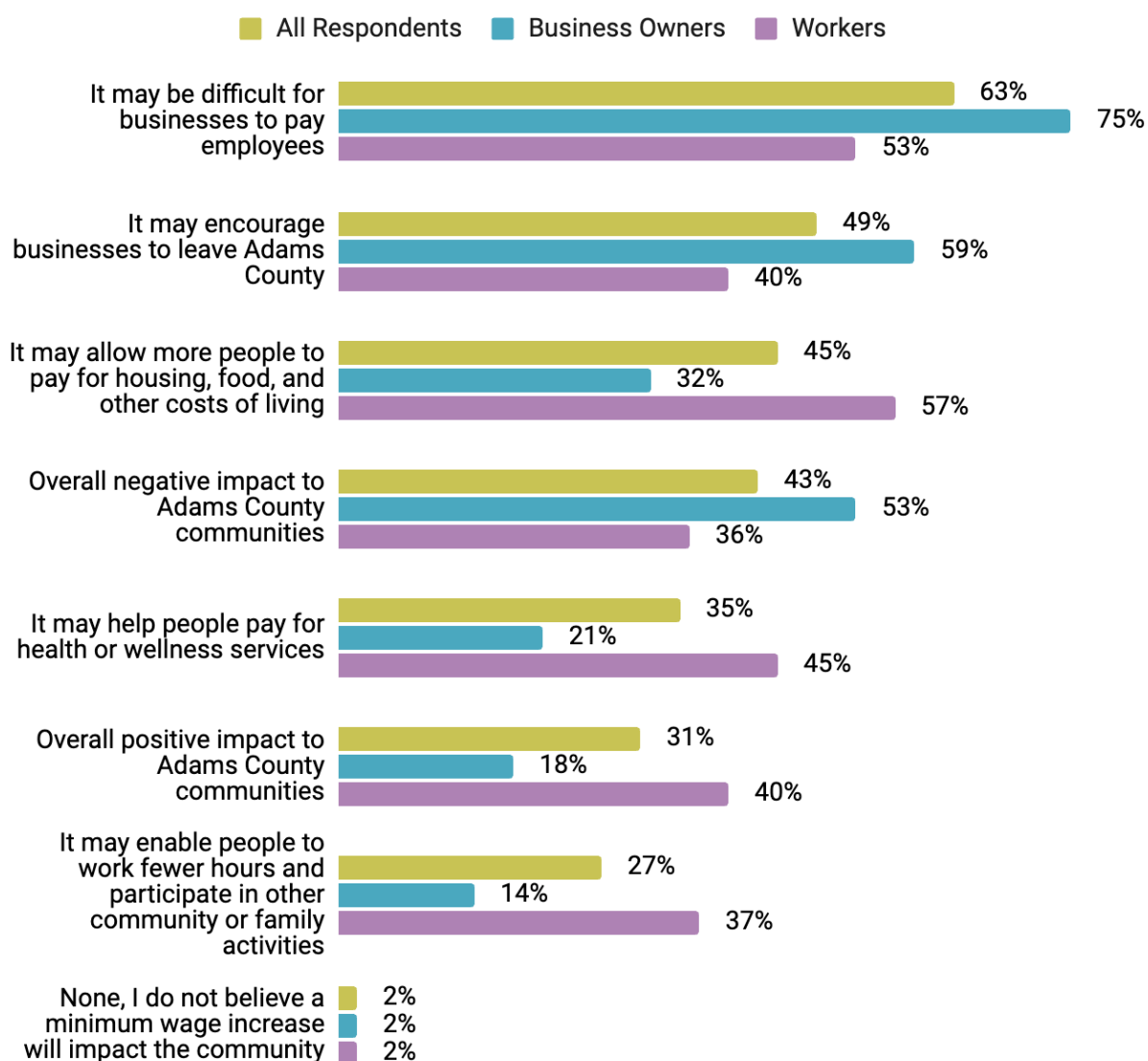
Source: Authors' analysis of Engage Adams Minimum Wage Initiative Survey, July 30 - December 4, 2024

Note: Only includes respondents who work in Adams County and are not business owners. Percentages do not sum to 100 because respondents could select multiple options.

Impact on the Community

Question 6 in the survey asked respondents about the impact of a minimum wage increase on the community more broadly. This was a multiple-choice question and respondents were able to select more than one option. **Figure AD.4** describes responses from all survey respondents as well as from business owners and Adams County workers specifically.

Figure AD.4: How might a minimum wage increase impact the community?



Source: Authors' analysis of Engage Adams Minimum Wage Initiative Survey, July 30, 2024 - December 4, 2024

Note: Percentages do not sum to 100 because respondents could select multiple options.

The most common responses across all respondents were that businesses may have difficulties paying employees (63 percent) and that businesses may decide to leave Adams County (49 percent). However, there was some significant variation in the impacts identified by business owners and Adams County workers. Business owners were more likely to say that a minimum wage increase would have an overall negative impact on the County (53 percent) and workers were more likely to say that a minimum wage increase would have an overall positive impact on the County (40 percent). The most common impacts identified by business owners were difficulties with paying employees (75 percent), businesses deciding to leave the County (59 percent), and a general negative impact on the County (53 percent). Adams County workers were also concerned about the potential impact on employers but also identified potential positive impacts for workers. The most common impacts identified by Adams County workers were helping workers to cover the cost of living (57 percent), employer difficulties in paying employees (53 percent), and helping workers pay for health expenses (45 percent).

Conclusion

The responses from the Engage Adams County survey provide a useful baseline understanding of community member perspectives and concerns related to a potential local minimum wage policy. However, this survey was not representative, the questions were relatively broad, and responses were collected before this study was completed. Sharing the findings of this study and conducting additional stakeholder engagement with a broad range of community stakeholders could be useful for dispelling misconceptions of the likely impacts of a minimum wage policy as well as gaining a more thorough understanding of community concerns.

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