

# Wage Initiatives: Q1 2025 Update



ADAMS COUNTY  
COLORADO



ADAMS COUNTY  
GOVERNMENT CENTER

# Today's Focus: Minimum Wage

## Agenda:

- Background on Wage Initiatives
- Background on Minimum Wage
- Minimum Wage Economic Impact Project Scope
- Impact Analysis Results
- Additional Industry Considerations
- Enforcement
- Next Steps



# Overall Background on Wage Initiatives

- Prevailing Wage
- Minimum Wage
- MBE / DBE Review and Recommendations

# Minimum Wage Background

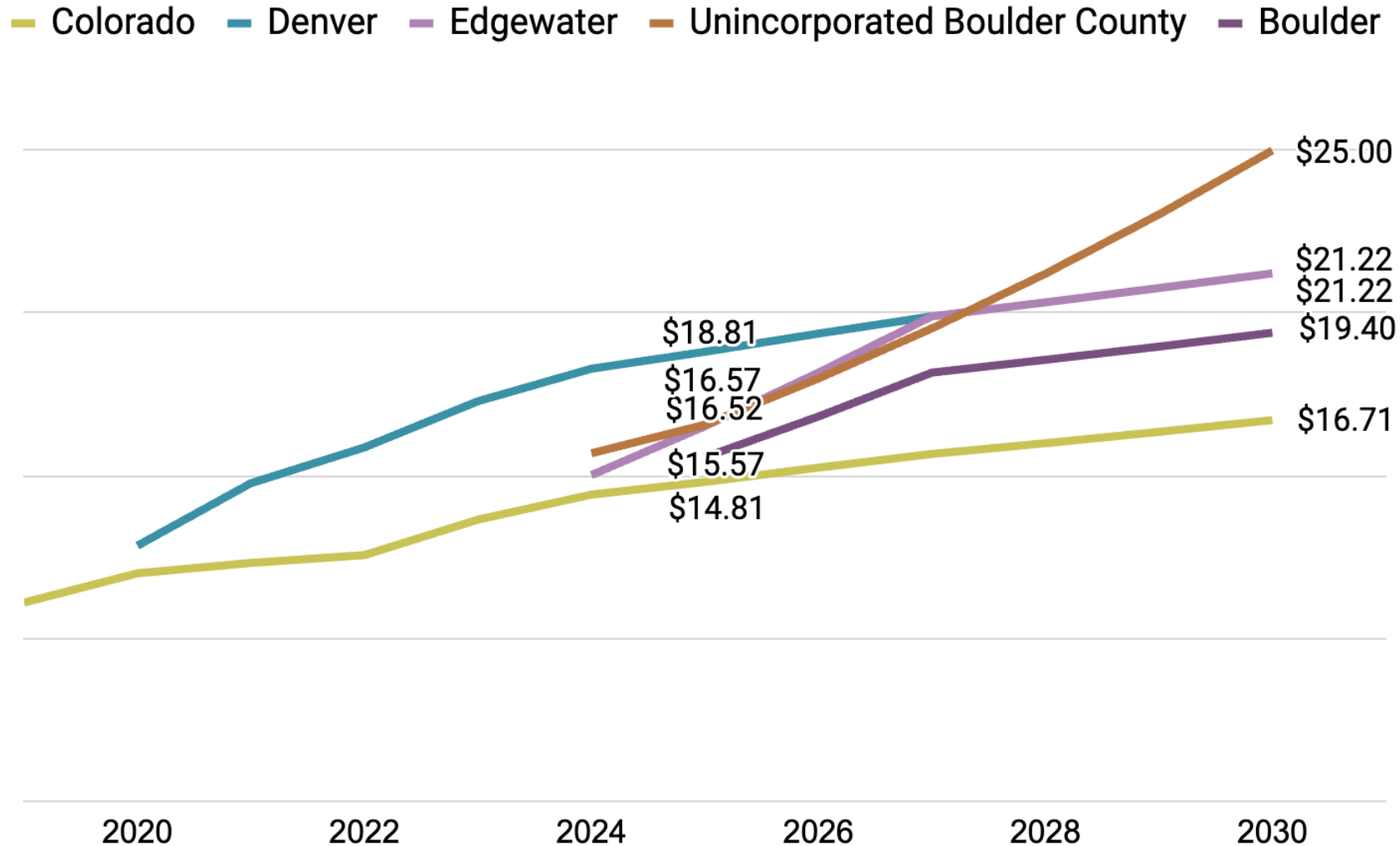
## HB19-1210

- Up to 10% of local governments can establish a minimum wage policy above the state minimum (33 cities or counties)
- Increases allowed up to \$1.75/year. Currently, must have tipped worker credit of \$3.02 (Note: HB25-1208 pending)
- Must be adopted concurrently with state's adoption of minimum wage on January 1st of each year.
- Adoption would occur by an ordinance approved by the BOCC.

# Minimum Wage Comparisons:

Organization	Year Adopted	Current Minimum Wage
City of Boulder	2024; effective 01/2025	\$15.57
Boulder County	2023; effective 01/2024	\$15.69
Edgewater	2022; effective 01/2023	\$15.02
Denver	2019; effective 01/2020	\$18.29
Longmont, Lafayette, Louisville, Erie	Conducted joint regional study; elected not to increase at this time	State Minimum Wage \$14.81
Fort Collins	Study and discussion in 2022-2023, Council voted not to increase at this time	State Minimum Wage \$14.81

## State and local minimum wage levels in Colorado, 2019-2030



Source: Authors' analysis of data from the Federal Reserve Bank of St. Louis (2024a), Denver Auditor's Office, City and County of Denver (2025), City of Edgewater (2023), City Council of the City of Boulder (2024), the State of Colorado Governor's Office of State Planning & Budgeting (2024), and 2027 to 2030 from the Congressional Budget Office (2024). See full report for a detailed description of methods.

# Adams County Minimum Wage Project Scope:

- Provide a study of the impacts of a minimum wage increase in both unincorporated Adams County and all of Adams County, with the intention of evaluating the effects and implications of an immediate or phased increase to minimum wage above the statewide minimum.



# Research Overview:

- Most studies before 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.
- A 2018 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 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).
- A study by Cengiz et. al (2019) finds that local minimum wage policies set at or below 50 to 55 percent of the local median wage have no negative impact on the number of jobs.
- A study by Dube (2019) finds no negative employment impacts for local minimum wages at or below two thirds of the local median wage.



# Minimum Wage Economic Impact Report Summary:

- Overview of local workforce and economy
- Economic impacts of a minimum wage policy
- Additional industry-specific considerations
- Enforcement options

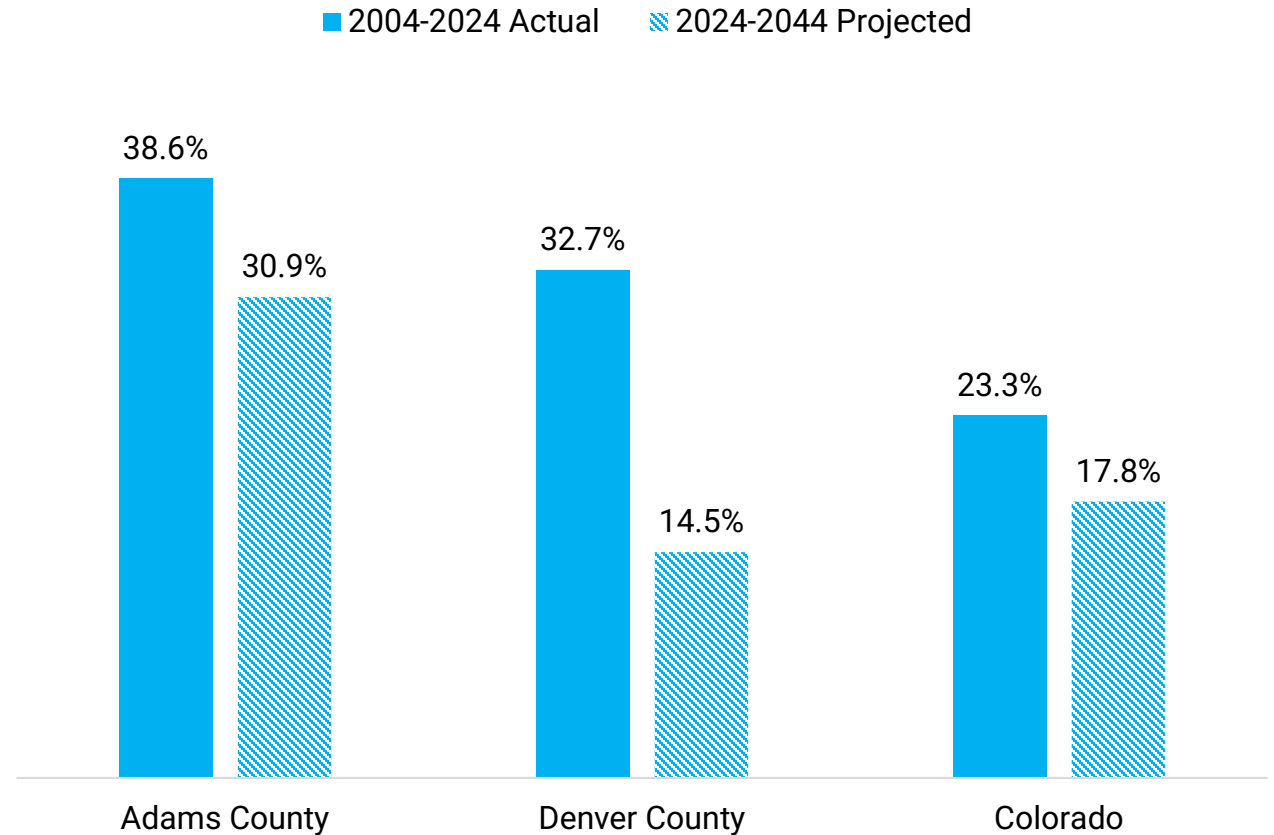


# Overview of local workforce and economy



**Adams County's working-age population is projected to grow twice as fast as compared to the City and County of Denver over the next two decades.**

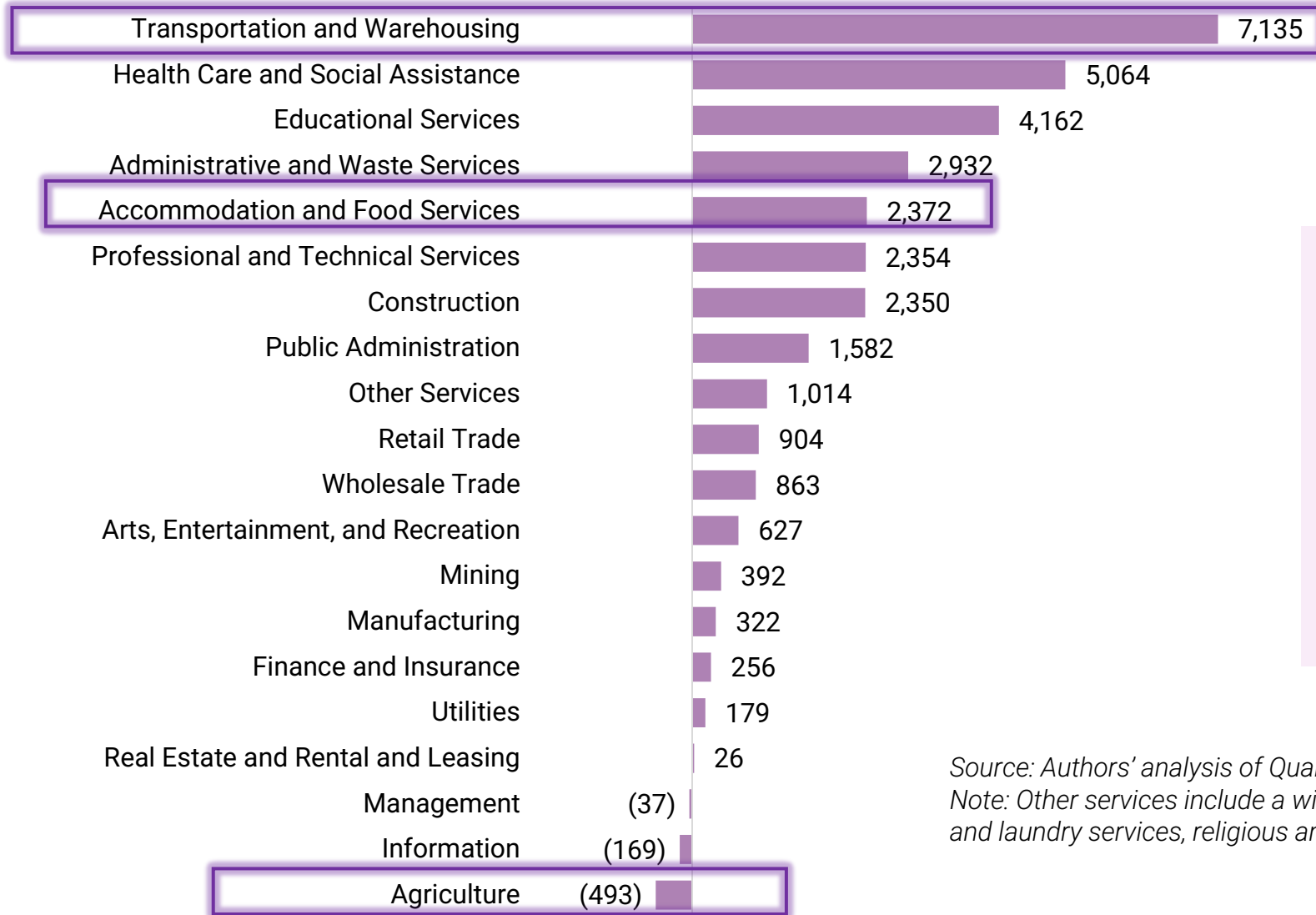
**Actual and projected growth in the working-age population, Adams County, Denver County, and the State of Colorado 2004-2044**



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



## Number of jobs added by industry, Adams County 2018-2023



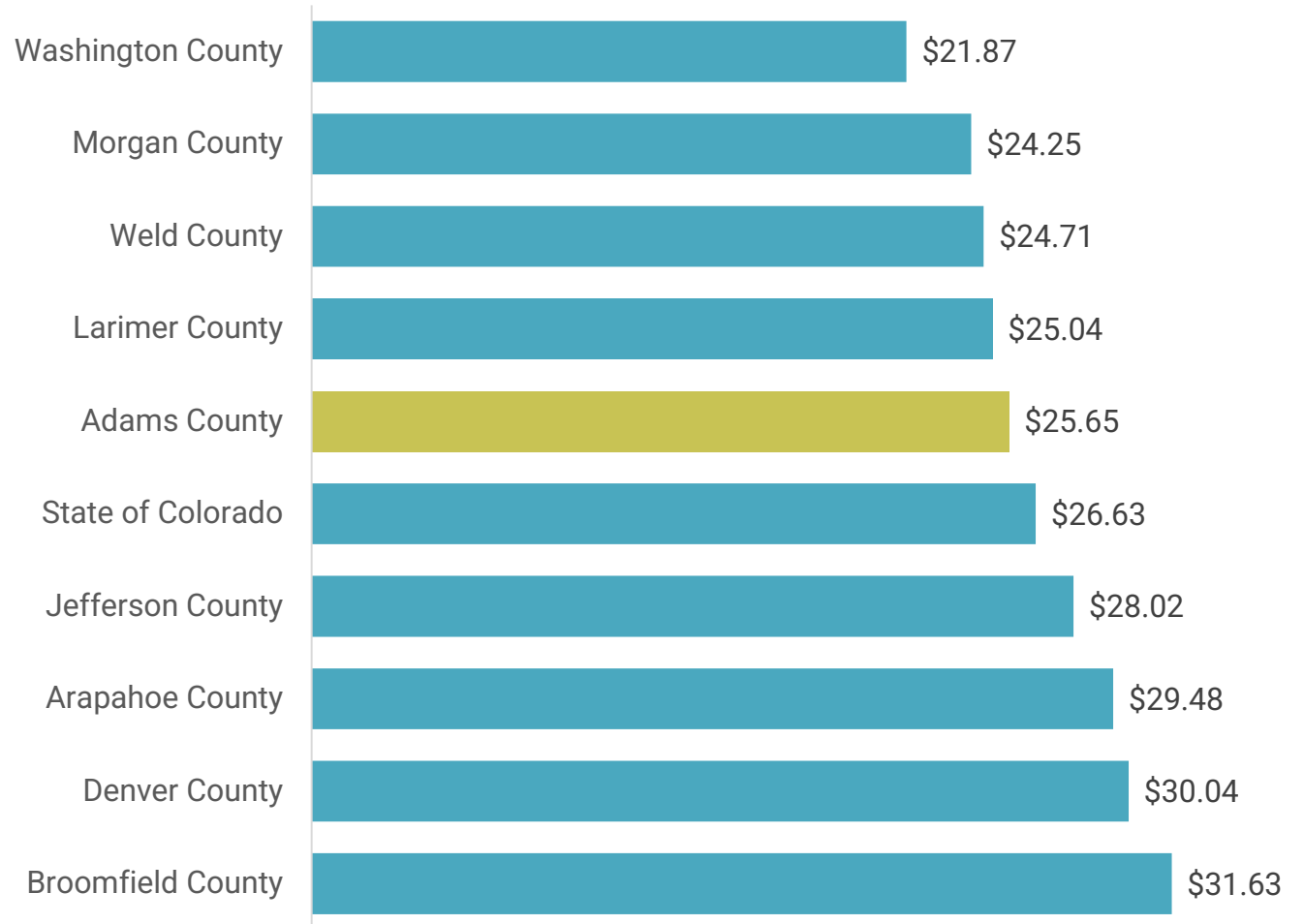
**Number of jobs  
added by industry,  
Adams County  
2018-2023**

*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.*

# Median hourly wage by work location, 2024

## Median hourly wage by work location, 2024

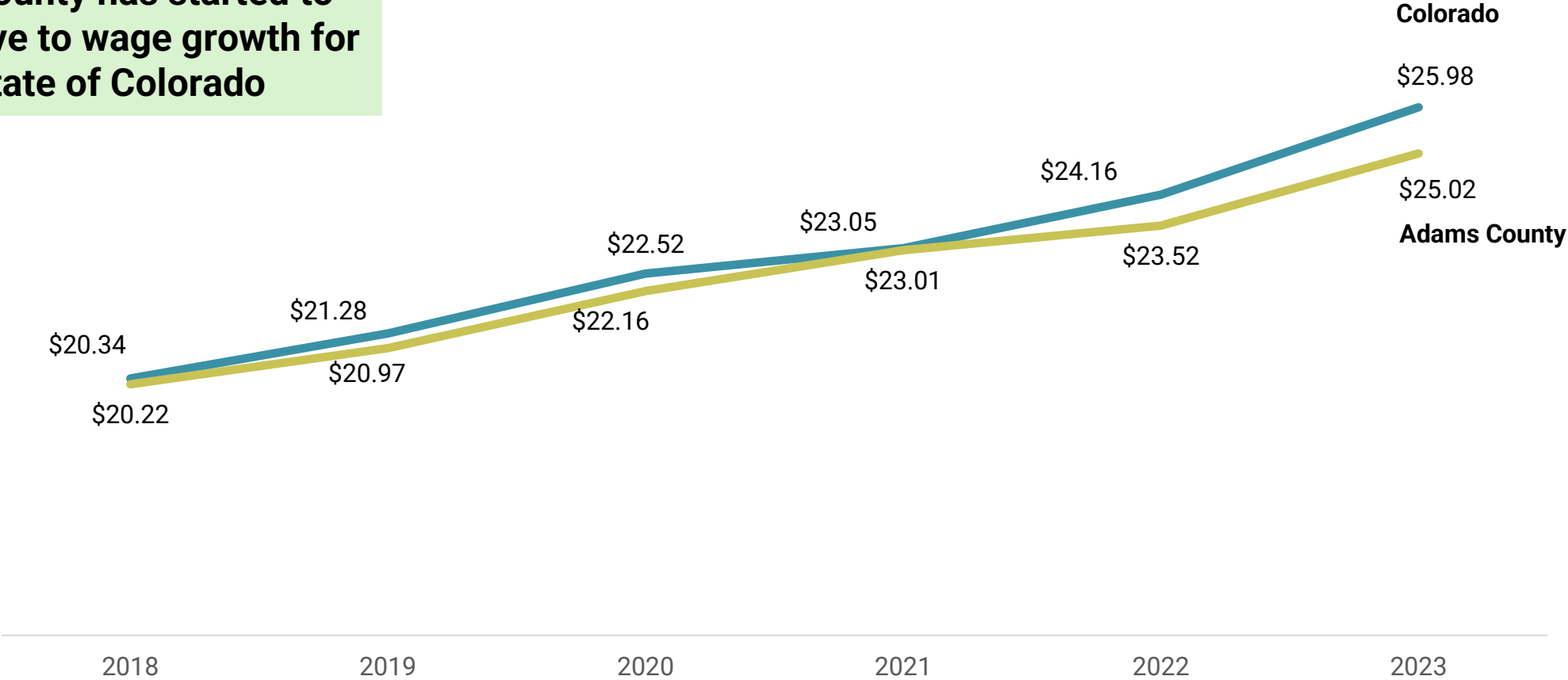


Source: Authors' analysis of 2023 Occupational Employment and Wages Survey data, adjusted to 2024 dollars using the average of projected CPI growth for 2024 from the Colorado Legislative Council and the Colorado Office of State Planning and Budgeting.



# Median hourly wage, Adams County and Colorado 2018-2023

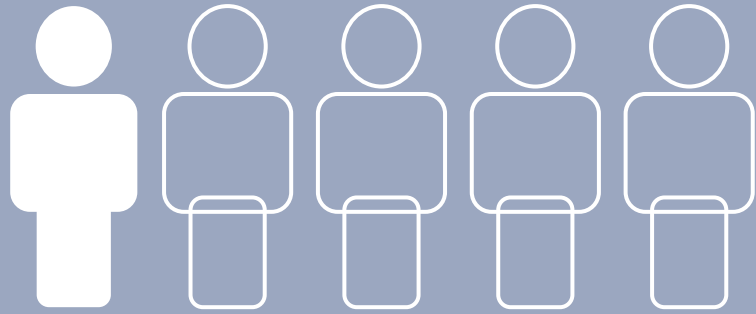
Since 2020, wage growth in Adams County has started to slow relative to wage growth for the state of Colorado



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.

## 1 in 5 Adams County workers are low-wage workers

defined as earning less than two-thirds  
of the median hourly wage, or \$17.10



## 1 in 20 Adams County workers are minimum wage workers

defined as earning 80 to 100 percent of  
the state minimum wage, or  
\$11.54 - \$14.42

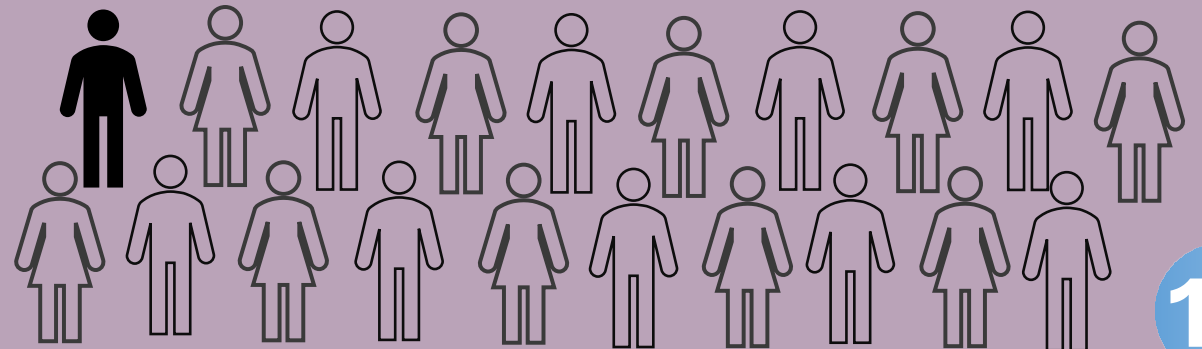
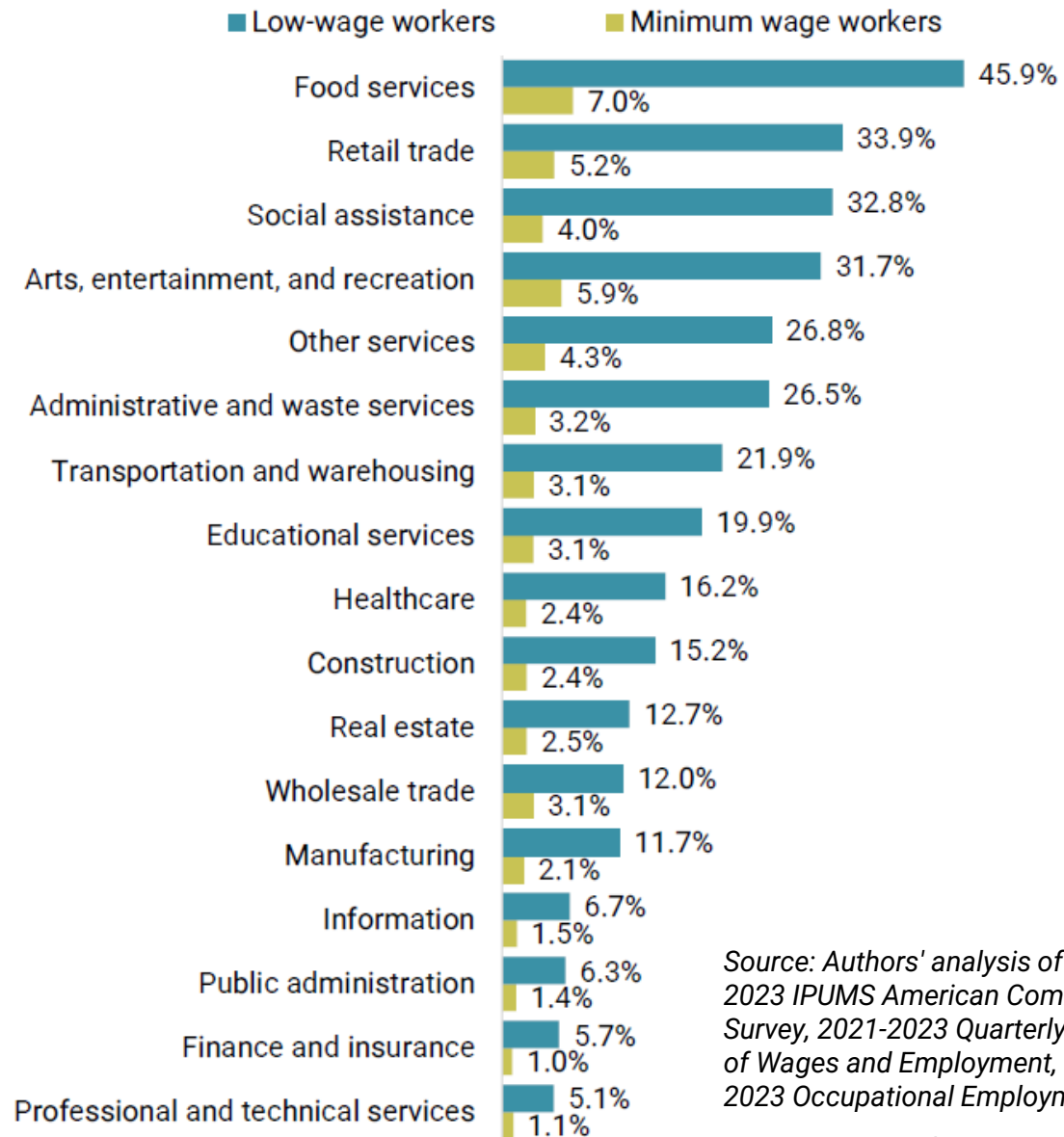




Figure 2.11: Percentage of workers that are minimum wage and low-wage workers by major industry, Adams County

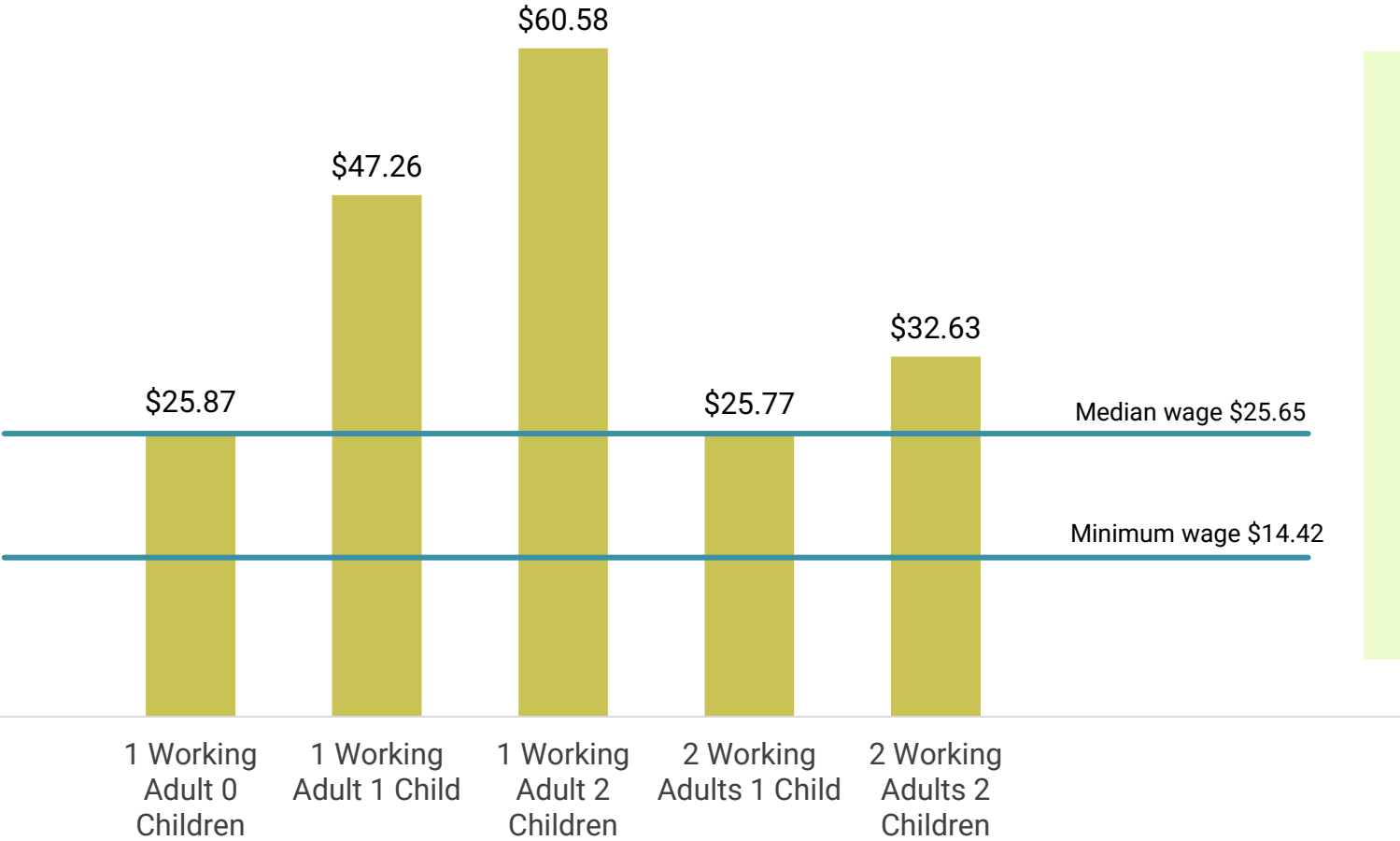


Source: Authors' analysis of 2021-2023 IPUMS American Community Survey, 2021-2023 Quarterly Census of Wages and Employment, and 2023 Occupational Employment and Wage Statistics data.

## Percentage of workers that are minimum and low-wage and minimum wage by industry, Adams County



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



**The current minimum wage is not enough to cover the cost of living in Adams County, or in any place within Colorado.**

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

# Minimum and Low-Wage Worker Demographics

- Adams County's low-wage and minimum-wage workers are disproportionately Black, Hispanic/Latino, and female.
- Although they are younger on average than all workers, less than 3% 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.



# Economic impacts of a minimum wage policy



# Simulation Scenarios:

## Baseline

**Colorado  
Minimum Wage  
Applies**

## Simulation 1

**Reach 90% of  
Denver  
minimum wage  
in 2030**

**(5.2% annual  
increase)**

## Simulation 2

**Reach 90% of  
Denver  
minimum wage  
in 2028**

**(7.3% annual  
increase)**

## Simulation 3

**Reach Denver  
minimum wage  
in 2030**

**(7.5% annual  
increase)**

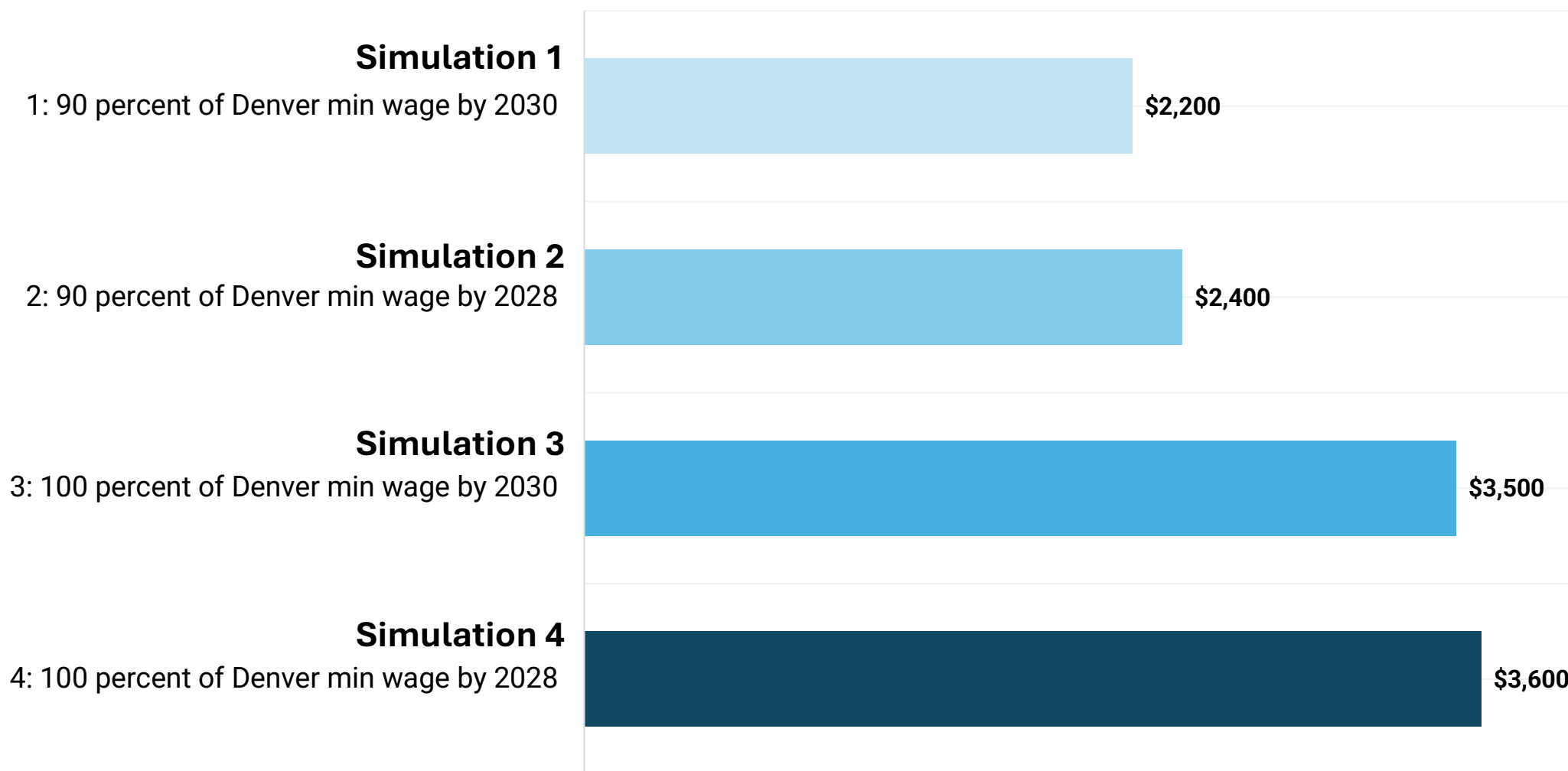
## Simulation 4

**Reach Denver  
minimum wage  
in 2028**

**(11.1% annual  
increase)**

<b>Year</b>	<b>Baseline: Colorado minimum wage applies</b>	<b>Simulation 1: Reach 90 percent of Denver minimum wage in 2030 (5.2 percent annual increase)</b>	<b>Simulation 2: Reach 90 percent of Denver minimum wage in 2028 (7.3 percent annual increase)</b>	<b>Simulation 3: Reach Denver minimum wage in 2030 (7.5 percent annual increase)</b>	<b>Simulation 4: Reach Denver minimum wage in 2028 (11.1 percent annual increase)</b>
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

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

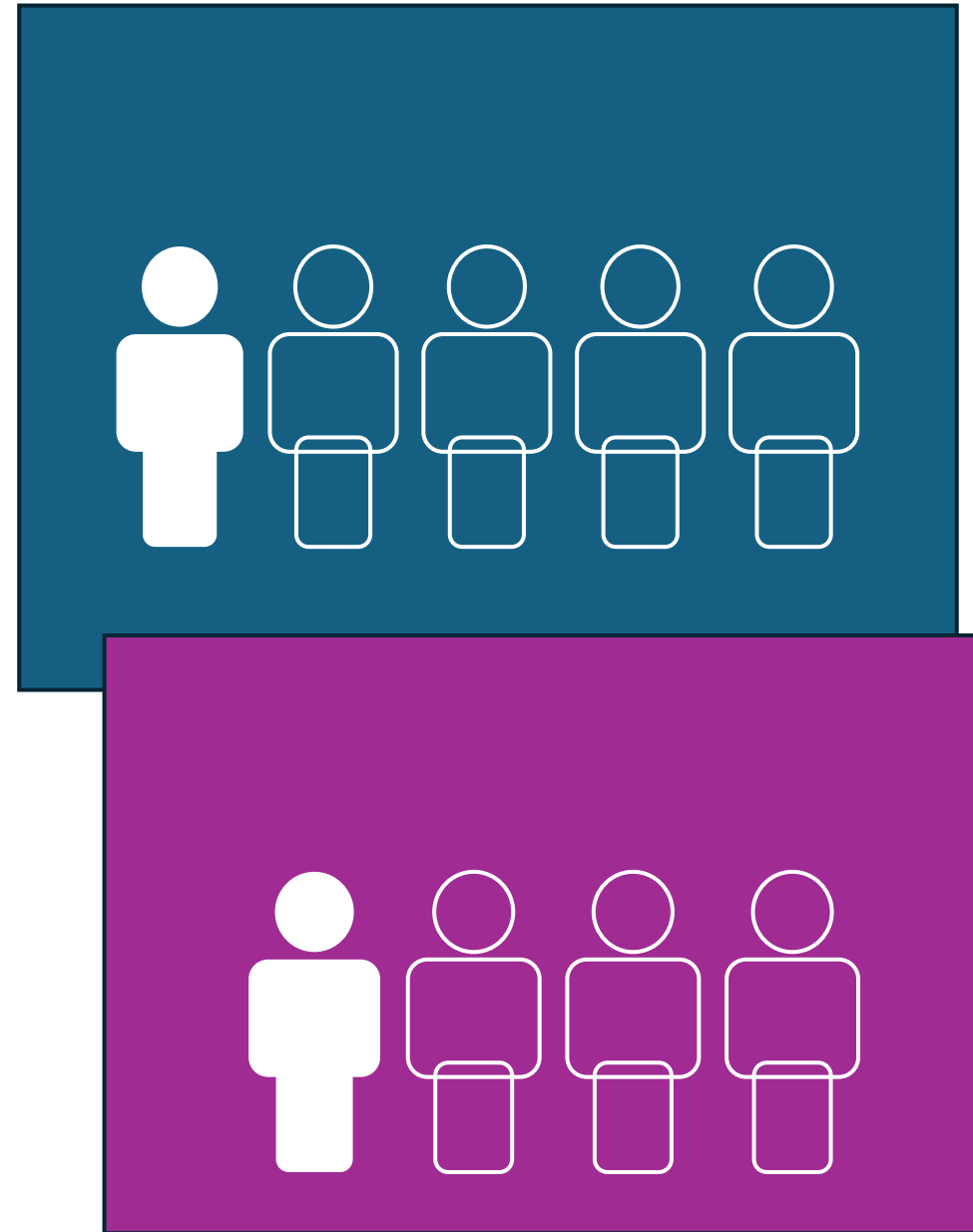


Source: Authors' analysis of data from Colorado's Department of Local Affairs (DOLA)



# Impact

- 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)**
- 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).**

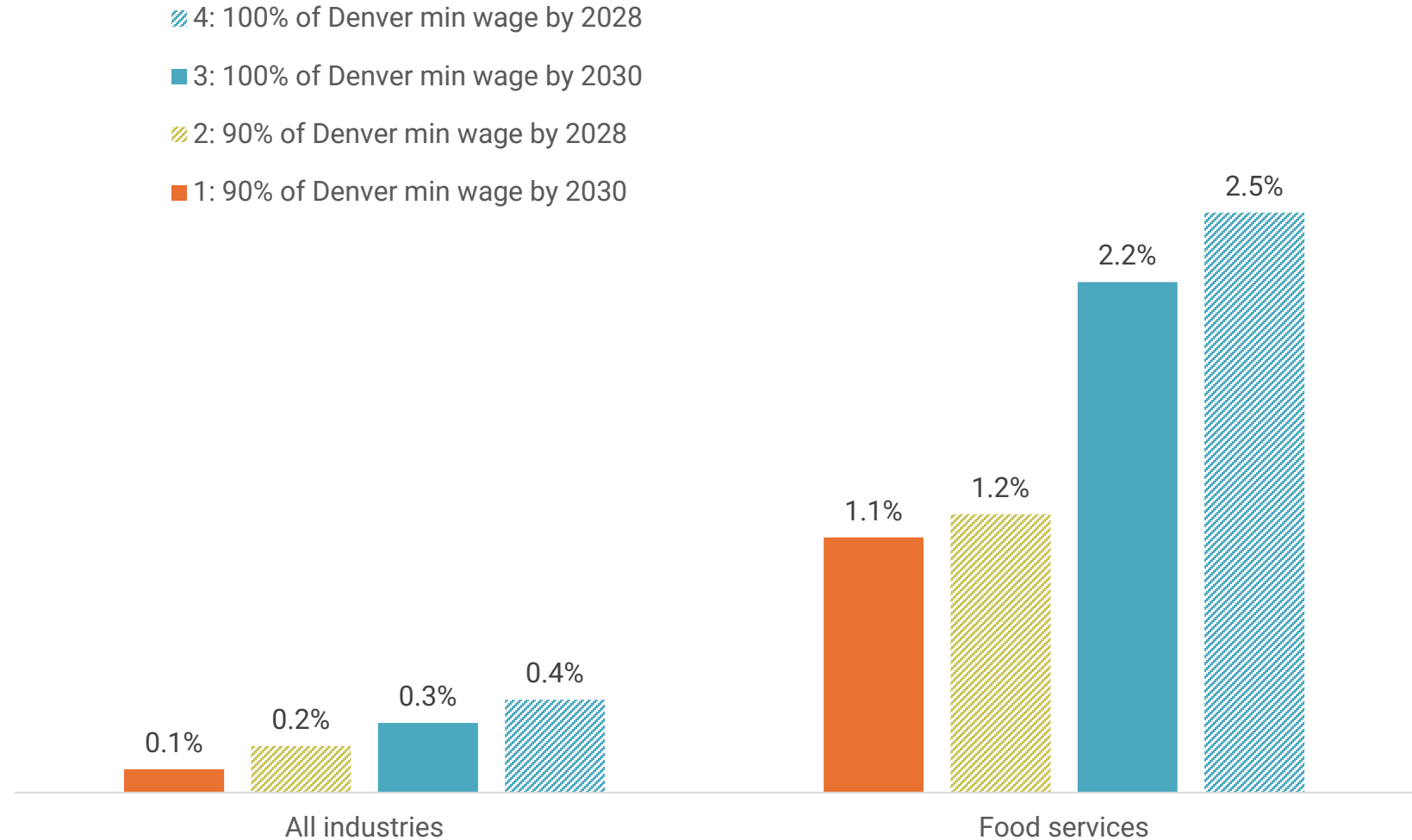


**Employer operating costs across all industries would increase by 0.1 to 0.4 percent**

**Projected employer operating cost increases are higher in food services**

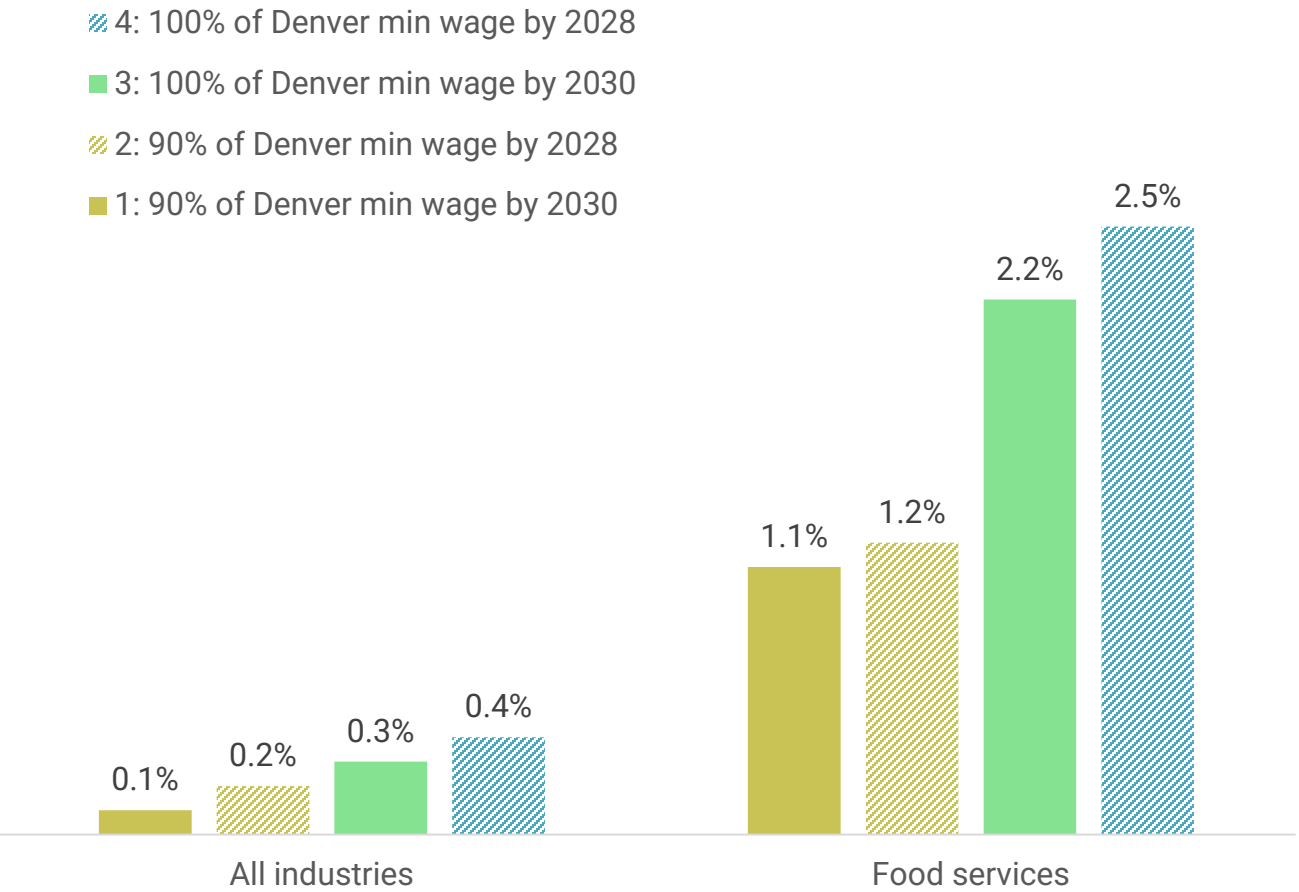


**Projected increase in employer operating costs for all industries and food services, Adams County 2030**



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 full report for a description of methods.

**Projected increase in consumer prices for all industries and food services, 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 full report for a description of methods.

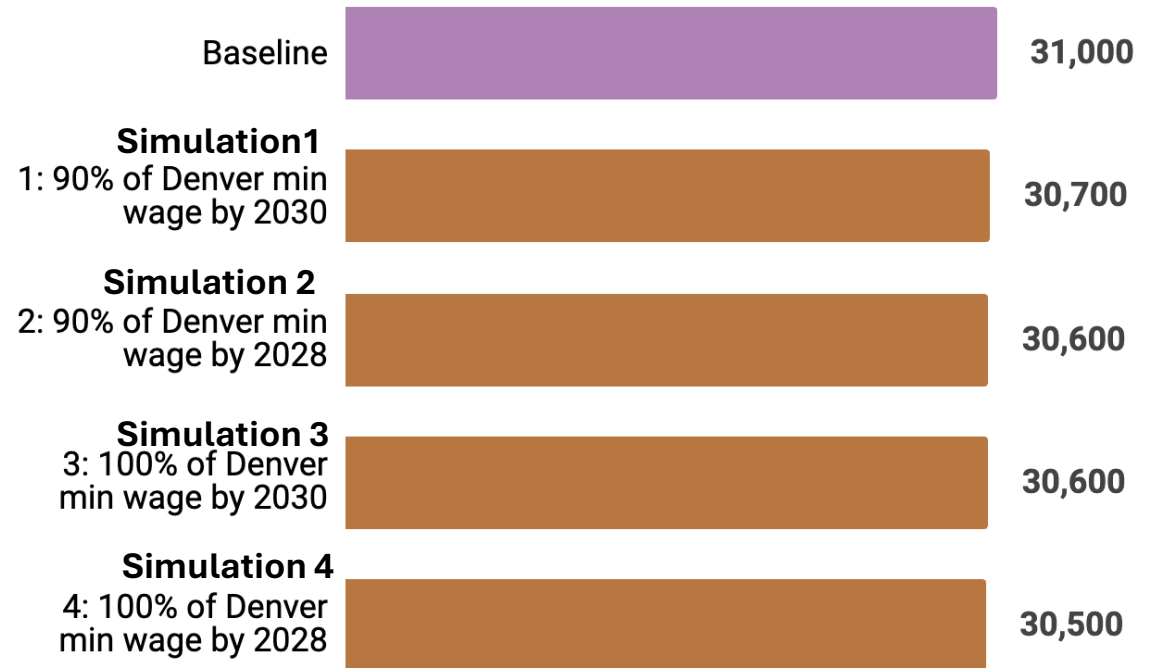
**Consumer prices would also increase by 0.1 to 0.4 percent, assuming increased operating costs are completely passed on to consumers.**



**The model predicts increased minimum wage would slow job growth very slightly.**

**Approximately 11.6% growth from 2026-2030 compared to 11.8% under the status quo.**

### 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 full report for a description of methods.

## Projected impact on employment

	Impact of reduced consumer spending	Impact of substitution and productivity	Impact of increased worker spending	Net impact on employment	Percentage impact on employment
<b>Minimum wage adopted for Adams County</b>					
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
<b>Minimum wage adopted for unincorporated areas of Adams County</b>					
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 full report for a description of methods.

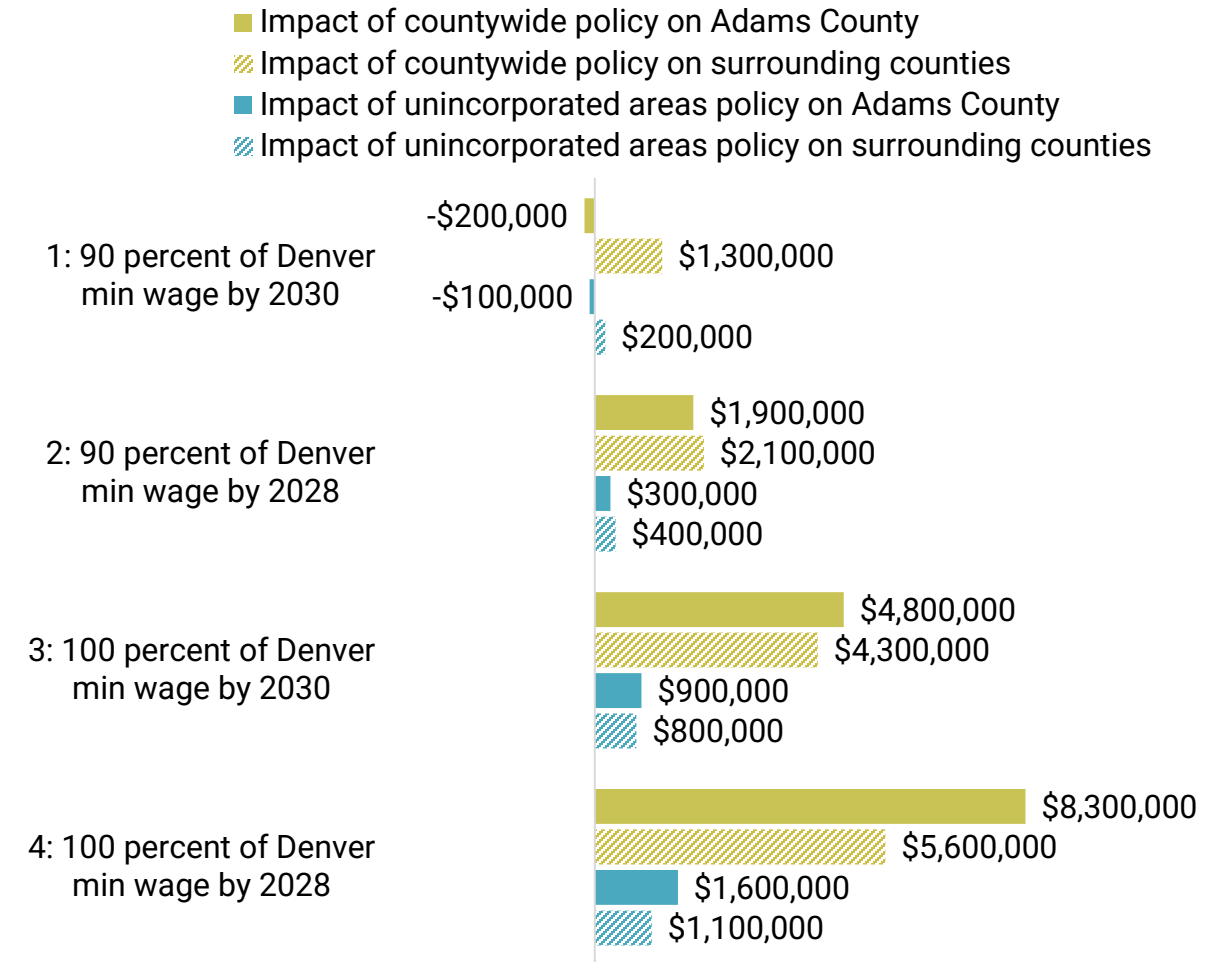
Unit = # of Jobs

**A minimum wage  
would have minimal  
net impact on local  
GDP relative to the  
size of local  
economies.**

**Economic impacts  
improve with  
countywide policy.**

**Adams County's GDP  
will reach \$55 billion  
by 2030.**

**Projected impact of 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 full report for more detail on methods.

## Projected impact on tax revenues

	Federal	State	Local	Total
<b>Minimum wage adopted for Adams County</b>				
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
<b>Minimum wage adopted for unincorporated areas of Adams County</b>				
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 full report for more detail on methods.

**Tax revenues would decrease or increase by a very small amount relative to the current size of local government budgets.**



# **Additional Industry Considerations & Options for Enforcement**



# Industry-Specific Considerations

- Food Services / Restaurants
- Childcare
- Agriculture



# Food Service

- Potential impacts to restaurant industry and increases to consumer prices
- Tip offset legislation (HB25-1208)
- Divergent viewpoints on impacts of raising minimum wage on restaurants and restaurant workers
- This has been the most controversial part of minimum wage increases in Denver and Boulder



# Food Service: Tipped Worker Offset

- HB25-1208: current version allows an increase to the tip offset for local governments that have increased the minimum wage, provided that the tip offset does not drop the wage below the protections provided in the constitution ( $\$14.81 - \$3.02 = \$11.02 / \text{hr}$ )

5           (b) ON AND AFTER JANUARY 1, 2026, A LOCAL GOVERNMENT THAT  
6       HAS ENACTED A CODE OR ORDINANCE THAT IMPOSES A LOCAL MINIMUM  
7       WAGE IN AN AMOUNT THAT EXCEEDS THE AMOUNT OF THE STATE MINIMUM  
8       WAGE MAY INCREASE THE AMOUNT OF THE TIP OFFSET ASSOCIATED WITH  
9       THE LOCAL MINIMUM WAGE; EXCEPT THAT A LOCAL GOVERNMENT SHALL  
10      NOT IMPOSE A TIP OFFSET IN AN AMOUNT THAT ALLOWS A TIPPED  
11      EMPLOYEE TO EARN LESS THAN THE STATE MINIMUM WAGE MINUS THREE  
12      DOLLARS AND TWO CENTS.

# Childcare

- Data challenges to assess the full impact on childcare industry
- Potential workforce impacts
- Supply and demand challenges
- Overall vulnerability



# Agriculture Industry

- Overall employment in agricultural industry is declining due to various factors
- Immigration and agricultural worker visas may continue to impact industry
- Additional targeted engagement planned



# Local minimum wage enforcement models

## **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.
- Denver, CO has adopted this model.
- More expensive to implement locally.

## **Defer enforcement to CDLE or allow workers to bring civil action against their employer in court**

- Lower cost compared to establishing an in-house enforcement program
- Edgewater, CO has adopted this model



# Outreach Summary

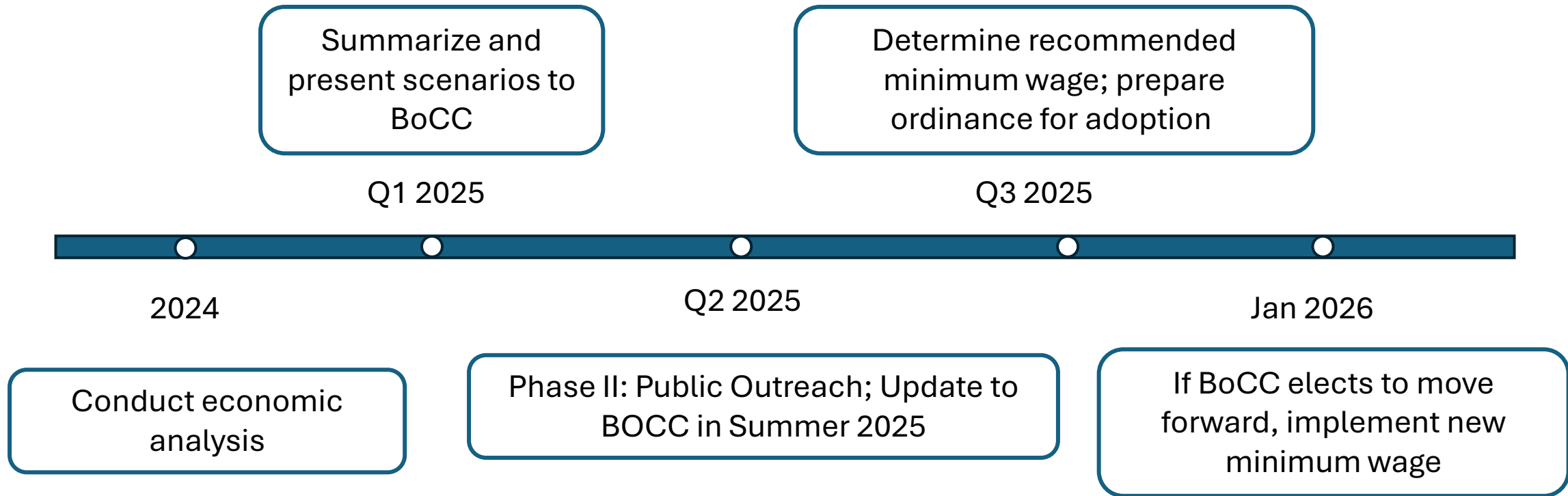
## Phase I: Initial outreach prior to completion of Fiscal Impact Study

- 9 sessions held to inform key stakeholders (English and Spanish)
- Public survey: 458 participants (summary attached)
- Municipal coordination
- Hispanic Restaurant Association
- Stakeholders in agricultural industry
- Fiscal Impact Study informed next steps on outreach strategy
- The completed study greatly improves our ability to answer questions and address concerns about the impacts of a potential increase to minimum wage

# Outreach Summary (Cont.)

## Phase II: Post-Study Stakeholder Outreach

- Series of presentations to targeted groups:
  - Labor organizations
  - Restaurant associations
  - Early Childhood Partnership of Adams County (ECPAC)
  - Agricultural businesses
  - Economic development groups and chambers
- General business outreach
- General public outreach
  - Web site, social media, newsletter, all methods of County communication with constituents



## Timeline

# Considerations

- Fiscal impact study and academic research indicates raising the minimum wage would have small or negligible **net** effect to overall economy and employment growth.
- There would be benefits to workers in industries that often pay minimum wage. The study estimates these benefits in the amount of \$2,200 to \$3,600 per year in increased pay.
- There would also be potential impacts to employers and cost increases to consumers.
- Staff has specific concerns for certain industries including restaurants, childcare facilities, and the agricultural industry. Despite predictions of net benefits, there will be acute impacts
- State law requires any minimum wage increase to apply uniformly to all employers.
- Adams County can only raise the minimum wage in the unincorporated portions of the County. Currently, our municipalities are not indicating interest in passing a regionally consistent minimum wage.
- There is pending state legislation, that if passed, would provide flexibility to increase the tipped worker offset if we raise minimum wage.
- The current landscape at the state and federal levels create economic uncertainty and impacts to the community.

# Options for Next Steps

1. Commence Phase II of Public Outreach. Prepare to present to BOCC in late summer 2025. Plan for a decision prior to end of 2025.
2. Pause and reconsider commencing minimum wage policy options at a later date.
3. Discontinue minimum wage policy changes.