



COLORADO

Department of
Labor and Employment



COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT

LOCAL MINIMUM WAGE REPORT

2021

TABLE OF CONTENTS

| | | |
|--------------|---|-----------|
| <i>I</i> — | STATUTORY MANDATE | 3 |
| <i>II</i> — | EXECUTIVE SUMMARY | 5 |
| <i>III</i> — | ENACTED LOCAL MINIMUM WAGES | 7 |
| <i>IV</i> — | ECONOMIC DATA | 9 |
| | A. Adjustments for Effects of COVID-19 | 10 |
| | B. Jurisdictions Included | 11 |
| | C. Unemployment Rates | 12 |
| | D. Earnings | 18 |
| | E. Sales Tax Revenue | 23 |
| | F. Cost-of-Living-Adjusted Wages | 29 |
| <i>V</i> — | PERCENT OF LOCAL GOVERNMENTS WITH A LOCAL MINIMUM WAGE | 33 |



I.

STATUTORY MANDATE

I. STATUTORY MANDATE

The Executive Director of the Colorado Department of Labor and Employment (“CDLE”) hereby submits the 2021 Local Minimum Wage Report (“Report”), in accordance with House Bill 19-1210, Concerning the Repeal of the Prohibitions on a Local Government Establishing Minimum Wage Laws within its Jurisdiction (the “Act”). Effective January 1, 2020, the Act gave local governments within Colorado the authority to establish a local minimum wage higher than the Colorado state minimum wage. The Act requires the CDLE Executive Director to report to the General Assembly by July 1, 2021, regarding enacted local minimum wages and other relevant data, as set forth in C.R.S. § 8-6-101:

- 8) (a) By July 1, 2021, the executive director of the department of labor and employment shall issue a written report regarding local minimum wage laws in the state. The report must include the location, nature, and scope of enacted local minimum wage laws. To the extent feasible, the executive director shall also include in the report economic data, including jobs, earnings, and sales tax revenue, in the jurisdiction of any local government that has enacted a local minimum wage law pursuant to this section, as well as data for neighboring jurisdictions, relevant regions, and the state. The report may include recommendations for possible improvements to this section.
- (b) The executive director shall update the report by July 1 each year thereafter if an additional local government enacts a minimum wage law after July 1 of the year prior.
- (c) (I) The executive director shall submit the report required in this subsection (8) to the senate local government committee and the house of representatives transportation and local government committee, or their successor committees.
- (II) Notwithstanding section 24-1-136 (11)(a)(I), the report required in this subsection (8) continues indefinitely.



II.

EXECUTIVE SUMMARY

II. EXECUTIVE SUMMARY

As of July 1, 2021, only the City and County of Denver (“Denver”) has enacted a local minimum wage that is greater than the state minimum wage. Denver passed its minimum wage law on November 25, 2019, and it took effect on January 1, 2020. This Report presents unemployment rates, earnings, and sales tax revenue data for the state of Colorado, Denver, and neighboring or otherwise relevant localities. Because the SARS-CoV-2 (“COVID-19”) pandemic impacted all of these economic metrics, this Report attempts to isolate the impact of COVID-19 on each measure where possible.

This Report also provides a cost-of-living-adjusted wage for each Colorado county, based on the Colorado average cost of living and minimum wage.

Finally, this Report includes the number and percent of local governments (“localities”) that have enacted a local minimum wage, and the number and percent of additional local governments that may do so pursuant to the Act.



III.

**ENACTED LOCAL
MINIMUM WAGES**

III. ENACTED LOCAL MINIMUM WAGES

A. Denver Minimum Wage

On November 25, 2019, Denver City Council passed an ordinance, [Council Bill 19-1237](#) (the “Ordinance”), making Denver the first (and to date only) local government in the state to enact a local minimum wage (the “Denver Minimum Wage”).¹ The Ordinance increases Denver’s minimum wage to:

- ❖ \$12.85 per hour on Jan. 1, 2020 (when the Colorado minimum wage was \$12.00);
- ❖ \$14.77 per hour on Jan. 1, 2021 (when the Colorado the minimum wage is \$12.32);
- ❖ \$15.87 per hour on Jan. 1, 2022; and
- ❖ a wage adjusted annually thereafter based on the Consumer Price Index (“CPI”).²

The Denver Minimum Wage does not apply to work that: (1) is not performed physically within the geographic boundaries of the city; (2) is performed by an employee working fewer than four hours in any given week for a particular employer within the geographic boundaries of the city; or (3) occurs in the city solely for the purpose of traveling through Denver from a point of origin outside of the city to a destination outside of the city, with no employment-related or commercial stops in the city except for refueling or the worker’s personal meals or errands.³ The Denver Minimum Wage may be reduced by 15% for unemancipated minors who work for a youth employment program certified by Denver Economic Development & Opportunity (“DEDO”).⁴

Denver maintains a tip credit of up to \$3.02 per hour for “food and beverage worker[s],”⁵ which is identical in amount to the tip credit against the Colorado minimum wage provided for in Article XVIII, section 15 to the Colorado Constitution. Denver’s tip credit, however, applies to a different subset of employees: while the state tip credit applies to all employees in an occupation in which they customarily and regularly receive more than \$30.00 per month in tips,⁶ Denver’s tip credit applies only to “a worker for any business or enterprise that prepares and offers for sale food or beverages for consumption either on or off an employer’s physical premises.”⁷

For the purposes of adjusting the Denver Minimum Wage after 2022, Denver uses the CPI reported in the U.S. Department of Labor’s Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Denver-Aurora-Lakewood Metropolitan Statistical Area (“MSA”).⁸ This differs from the state minimum wage, which is adjusted using the more general CPI-U for all urban consumers in the Denver-Aurora-Lakewood MSA.

The Ordinance also creates an enforcement and investigation mechanism through the Denver Auditor, to collect and investigate Denver Minimum Wage complaints,⁹ and to independently investigate suspected violations beginning January 1, 2022.¹⁰ The Denver Auditor may award payment of wages as well as a range of penalties and attorneys’ fees payable to the city.¹¹ The Ordinance creates a private right of action for broad legal and equitable remedies, including wages owed, interest, triple liquidated damages, daily penalties, and attorneys’ fees and costs.¹²

¹ Available at <https://denver.legistar.com/LegislationDetail.aspx?ID=4217876&GUID=693CB146-85AE-44D6-9921-690E0652538D&>.

² Denver Council Bill 19-1237 (the “Ordinance”) at Section 2(b)(2), 3:3-8.

³ Ordinance at Section 2(c), 3:27-32.

⁴ Ordinance at Section 2(b)(4), 3:13-19.

⁵ Ordinance at Section 2(b)(3), 3:9-12.

⁶ Colorado Overtime and Minimum Pay Standards Order, 7 CCR 1103-1, Rule 1.10.

⁷ Ordinance at Section 4(e), 15:8-10.

⁸ Ordinance at Section 2(b)(5), 3:20-26.

⁹ Ordinance at 2(d), 4:1-31; *see also*, “How Enforcement Works,” Denver Auditor, <https://www.denverauditor.org/denverlabor/citywide-minimum-wage/how-minimum-wage-enforcement-works/>

¹⁰ Ordinance at Section 2(f), 5:23-6:9.

¹¹ Ordinance at Section 2[sic](a), 9:16-13:13.

¹² Ordinance at Section 2(j), 8:30-9:12.



IV.

ECONOMIC DATA

IV. ECONOMIC DATA

A. Adjustments for Effects of COVID-19

The Denver Minimum Wage went into effect on January 1, 2020, just over two months before Governor Jared Polis declared a state of disaster emergency due to the COVID-19 pandemic.¹³ In the ensuing year, COVID-19 and the resulting state and local public health orders transformed Colorado's economy. These economic effects varied widely between localities depending on population density, demographics, predominant industries,¹⁴ and differences among the various local and state public health orders and regulations,¹⁵ with greater impacts on urban centers on average.¹⁶

Denver had higher COVID-19 infection rates, and came to have stricter public health orders, than most other counties¹⁷ — and among large- and mid-sized counties, the unemployment and per capita COVID-19 case data¹⁸ confirmed a strong correlation between unemployment and higher COVID-19 infection rates.

A correlation coefficient of 0 indicates that two variables are not at all related (no correlation), while a correlation of ± 1 indicates perfect relationship between the two variables (that is, a change in one always predicts a change in the other). Generally, a correlation coefficient of ± 0.5 to ± 1 is a “high” degree of correlation. The CDLE found a ranked correlation coefficient of 0.82 in its comparison of county COVID-19 infection rates and unemployment rates, indicating a high positive correlation: as COVID-19 rates increased, so did unemployment.¹⁹

To isolate the effects of COVID-19 on the economic metrics analyzed, this Report presents data for: (1) 2019; (2) all available periods of 2020; and (3) January and February, or the first quarter (“Q1”), of 2020 — the time period entirely or largely before the significant impact of the COVID-19 pandemic on the Colorado economy.

¹³ See Colo. Exec. Order No. D 2020 003, at 1 (Mar. 11, 2020), <https://www.colorado.gov/governor/2020-executive-orders> [<https://perma.cc/66FD-5MUY>].

¹⁴ See Congressional Research Service, Unemployment Rates During the COVID-19 Pandemic, updated May 20, 2021, at 11, <https://fas.org/sgp/crs/misc/R46554.pdf> (variance in unemployment rates by industry).

¹⁵ See Bente Birkeland and Claire Cleveland, Officials Raise Concerns As State Heads Toward Patchwork of Orders, Colorado Public Radio (April 24, 2020), <https://www.cpr.org/2020/04/24/officials-raise-concerns-as-state-heads-toward-patchwork-of-orders>.

¹⁶ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7499053/>: “The long-term economic shutdowns due to the COVID-19 pandemic have had very negative impacts on urban economy. The consequences are complex and occur in various ways and on a wide range of scales. Although research on this topic is currently underway, early findings imply that the outbreak has had a significant influence on city tax revenues, citizens’ income, tourism and hospitality, small- and medium-sized businesses, urban food supply chain, and migrant workers.”

¹⁷ As of December 31, 2020, Denver had reported 6,533.52 total COVID-19 cases per 100,000 residents, the thirteenth-highest infection rate among 64 counties. Colorado Department of Public Health and Environment, covid19_case_summary_2020-12-31.xls, <https://covid19.colorado.gov/data> (main website), <https://drive.google.com/drive/folders/1bBAC7H-pdEDgPxRuUeR36ghzc0HWNf1?usp=sharing> (linked files) (last visited June 2, 2021).

¹⁸ Counties with at least 350,000 residents, or “Comparable Counties” as defined in the following Section IV(B) of this Report.

¹⁹ Analyzed using the Spearman’s ranked correlation coefficient, a test that measures the strength and direction of association between two ranked variables. A ranked correlation is appropriate for “nonparametric” relationships between variables – that is, where we do not expect a linear relationship and are not trying to identify an equation (or “parameter”) that will predict one variable based on another. This analysis ranks counties by two variables: (1) 2020 per capita COVID-19 infection rates (cases per 100,000 population, see note 17 above) and (2) change in unemployment rate from 2019 to 2020. These ranks are then compared using the Pearson’s correlation coefficient. The statistical significance (p-value) of this correlation was 0.023, exceeding the ≤ 0.05 threshold generally required by social scientists and courts to reject the “null hypothesis” that one variable does not affect the other. A p-value of 0.05 means that the correlation will be observed by chance (that is, that the correlation will be detected even between variables that do not actually have a relationship) one in 20 times; a p-value of 0.023 means that the detected correlation between COVID-19 rates and unemployment would happen by chance fewer than one in 43 times.

IV. ECONOMIC DATA

B. Jurisdictions Included

This Report analyzes unemployment rates, earnings, and sales tax revenue data, where available, for Colorado, Denver, and the following “neighboring jurisdictions[and] relevant regions” that the Act asks for this Report to analyze (“Comparator Jurisdictions”):

- ❖ “Comparable Counties,” defined as counties with at least 350,000 residents, about half of Denver’s population.²⁰ This group includes Arapahoe, Adams, Douglas, El Paso, Jefferson, and Larimer counties.
- ❖ “Comparable Cities,” defined as cities with at least 100,000 residents. With more than 700,000 residents, Denver is Colorado’s largest city by a wide margin.²¹ Only two other Colorado cities (Aurora and Colorado Springs) have populations greater than 200,000.²² This Report uses a minimum population of 100,000 to capture Colorado’s many mid-sized cities. This group includes Arvada, Aurora, Boulder, Centennial, Colorado Springs, Fort Collins, Greeley, Lakewood, Pueblo, Thornton, and Westminster. This group excludes smaller cities and towns that are not comparable to Denver, the sole locality with a local minimum wage, and thus the locality that the Act tasks this Report with analyzing via comparisons to other comparable localities.
- ❖ “Neighboring Cities,” defined as cities or municipalities that share a border with Denver, or that have a border near (within two miles of) Denver and are likely to share commerce with Denver due to highway access and the nature of the locality that separates Denver and the Neighboring City. For example, Westminster is considered a Neighboring City even though it does not border Denver because (1) its southern border is within two miles of Denver’s border, (2) it is separated from Denver by a small unincorporated community, and (3) it is connected to Denver directly by both an interstate and state highway. This group includes Arvada, Aurora, Centennial, Commerce City, Englewood, Lakewood, Littleton, Westminster, and Wheat Ridge. For sales tax data only, this group also includes Glendale and Greenwood Village.²³
- ❖ “Neighboring Counties,” defined as counties that share a border with Denver. This Comparator Jurisdiction is used only when data are not available for the Neighboring Cities. This group includes Adams, Arapahoe, and Jefferson counties.
- ❖ “Rural Counties,” defined as those counties classified as only having “rural populations” by the U.S. Census Bureau²⁴ that are included in the Denver-Aurora-Lakewood Metropolitan Statistical Area.²⁵ This group includes Clear Creek, Elbert, Gilpin, and Park counties.

²⁰ Colorado State Demography Office, Population Forecasts - years (2000 to 2050), 1 year increments, 2000 - 2050.xls, <https://demography.dola.colorado.gov/population/population-totals-counties/> (last visited May 24, 2021).

²¹ Colorado State Demography Office, Population Estimates - years (2010 to Current), Municipalities within Counties, 2010 - Current.xls, <https://demography.dola.colorado.gov/population/population-totals-municipalities/#population-totals-for-colorado-municipalities> (last visited May 24, 2021).

²² Same as note 21 above.

²³ Unemployment and earnings data are not available for these localities.

²⁴ U.S. Census Bureau, Rural America, <https://mtgis-portal.geo.census.gov/arcgis/apps/MapSeries/index.html?appid=49cd4bc9c8eb444ab51218c1d5001ef6> (last visited June 2, 2021); see also U.S. Census Bureau, Colorado Urban and Rural Decennial Census Data, <https://data.census.gov/cedsci/table?q=DECENNIALCD1132010.P2&g=0400000US08.050000&tid=DECENNIALLSF12010.P2> (last visited June 2, 2021) (showing 0 urban population for Clear Creek, Elbert, Gilpin, and Park counties).

²⁵ U.S. Office of Management and Budget, OMB Bulletin No. 13-01: Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas (PDF) (February 28, 2013), <https://obamawhitehouse.archives.gov/sites/default/files/omb/bulletins/2013/b13-01.pdf>.

IV. ECONOMIC DATA

C. Unemployment Rates

This section compares unemployment rates for Denver and Comparator Jurisdictions, as well as the rate for Colorado.²⁶ This comparison uses Colorado's unemployment rate as a baseline, and measures unemployment for Denver and Comparator Jurisdictions from that baseline. A lower-than-Colorado unemployment rate for a jurisdiction indicates higher rates of employment than the state average, while a higher unemployment rate indicates the inverse.

As of the finalization of this Report, monthly unemployment data were available for all of 2019 and 2020.²⁷ Accordingly, this analysis compares annual average unemployment rates for 2019 with average unemployment rates for: (1) all of 2020; and (2) only January and February 2020, the sole months when the Denver Minimum Wage was in effect but COVID-19 had not yet significantly impacted Colorado's economy.

Table 1 shows the average unemployment rate for Colorado, Denver, and each Comparator Jurisdiction²⁸ for (1) 2019 and (2) January and February of 2020. The unemployment rate for Denver and each Comparator Jurisdiction (A) is compared to the Colorado rate (B), to calculate how many percentage points a given locality's unemployment rate is above or below the Colorado rate (C) ("± Colorado"). A positive ± Colorado factor indicates an unemployment rate higher than the state average; a negative factor indicates an unemployment rate lower than the state average. Each locality's 2019 ± Colorado factor is compared to the January-February 2020 ± Colorado factor to determine whether the locality's unemployment rate increased or decreased relative to the state average.

²⁶ Unemployment rates from U.S. Bureau of Labor Statistics, BLS Beta Labs, BLS Data Finder 1.1, <https://beta.bls.gov/dataQuery/find?st=0&r=20&more=0> (last visited May 24, 2021) (reports generated for each county). These data are not seasonally adjusted, as no seasonally-adjusted data were available for all localities.

²⁷ Unemployment data were also available for certain months in early 2021, but this report analyzes only data for 2020, the first full year in which the Denver Minimum Wage was in effect.

²⁸ The population-weighted average for each group of Comparator Jurisdictions is used. Population data are derived from the Colorado State Demography Office. Population Forecasts - years (2000 to 2050), 1 year increments, 2000 - 2050.xls, <https://demography.dola.colorado.gov/population/population-totals-counties/> (last visited June 1, 2021) (county); (last visited June 1, 2021) (city). These data report population estimates or forecasts for July of each year. For each time period analyzed, the population for the midpoint of the time period is used. For 2019 and 2020 full years, this midpoint is July, and the July population estimate is used. For other periods, e.g. January-February of 2020, the population estimate for the preceding July is increased by the average monthly rate of growth or attrition for the county or city, which is calculated by dividing the annual growth from one July population estimate to the next by 12 (the number of months in a year). This growth rate is then multiplied by the number of months of "growth or attrition to the midpoint of the time period, and that growth is applied to the most recent population estimate. For example, to calculate the population for Q1 of 2020, the 2019 to 2020 population growth/attrition rate is divided by 12, then multiplied by 7 (months August 2019 through February 2020, which is the midpoint of the January-March span of Q1 2020), and this growth is applied to the July 2019 population estimate.

IV. ECONOMIC DATA

C. Unemployment Rates (Cont'd)

Table 1. Average Unemployment Rate:
2019 versus Jan.-Feb. 2020 (Post-Denver Minimum Wage, Pre-COVID-19)

| | 2019 | | | Jan.-Feb. 2020 | | | Difference, 2019 to Jan.-Feb. 2020 (C2 - C1) |
|------------------------|----------------------|------------------|--|----------------------|------------------|--|---|
| | (A1) Locality/ies | (B1) Colorado | (C1) Locality +/- Colorado (A1 - B1) | (A2) Locality/ies | (B2) Colorado | (C2) Locality +/- Colorado (A2 - B2) | |
| Denver | 2.59 | 2.66 | -0.067 | 2.80 | 2.90 | -0.100 | -0.033 |
| Comparable Cities | 2.81 | 2.66 | +0.152 | 2.99 | 2.90 | +0.086 | -0.066 |
| Neighboring Cities | 2.69 | 2.66 | +0.030 | 2.88 | 2.90 | -0.022 | -0.052 |
| Comparable Counties | 2.67 | 2.66 | +0.014 | 2.86 | 2.90 | -0.043 | -0.057 |
| Rural Counties | 2.25 | 2.66 | -0.405 | 2.42 | 2.90 | -0.483 | -0.079 |

IV. ECONOMIC DATA

C. Unemployment Rates *(Cont'd)*

Table 1 shows that comparing 2019 and January-February 2020, Denver's unemployment rate dropped compared to the state, from 0.067 percentage points lower than the state average to 0.100 percentage points lower. This represents a decrease of 0.033 percentage points compared to the state average. All Comparator Jurisdictions also experienced a decreased unemployment rate compared to state average: Comparable Cities by 0.066 percentage points, Neighboring Cities by 0.052, Comparable Counties by 0.057, and Rural Counties by 0.079. The variance in decreased +/- Colorado factor shown in Table 1 is nominal, with the widest spread only 0.046 percentage points (between Denver and Rural Counties).

Table 2 presents the same analysis as Table 1, but compares the 2019 +/- Colorado factor for each locality to the 2020 factor. Table 2 includes the period of 2020 during which COVID-19 impacted Colorado unemployment rates, with higher COVID-19 infection rates strongly correlated with higher unemployment rates. This correlation is borne out in Denver's unemployment rate. Compared to Comparable Counties, Denver had the second-highest rate of COVID-19 cases in 2020, Adams County had the highest, and Arapahoe County had the third-highest. These three counties also had the largest increase in unemployment relative to the state average, with Denver increasing 1.00 percentage points, Adams County increasing 0.58, and Arapahoe County increasing 0.60.

Table 1 indicates, after Denver adopted a local minimum wage:

- ❖ its unemployment trend remained in line with Comparator Jurisdictions — all saw a rise in unemployment from 2019 to early 2020 that was smaller than the statewide rise; and
- ❖ its January-February 2020 unemployment rate remained lower than in all three urban Comparator Jurisdictions (Comparable Cities, Comparable Counties, and Neighboring Cities) with only Rural Counties having lower average unemployment.

IV. ECONOMIC DATA

C. Unemployment Rates (Cont'd)

**Table 2. Average Unemployment Rate:
2019 versus 2020**

| | 2019 | | | 2020 | | | Difference 2019 to Jan.-Feb. 2020 (C3 - C1) |
|------------------------|----------------------|------------------|--|----------------------|------------------|--|--|
| | (A1) Locality/ies | (B1) Colorado | (C1) Locality +/- Colorado (A1 - B1) | (A3) Locality/ies | (B3) Colorado | (C3) Locality +/- Colorado (A3 - B3) | |
| Denver | 2.59 | 2.66 | -0.067 | 8.23 | 7.30 | +0.933 | +1.000 |
| Comparable Cities | 2.81 | 2.66 | +0.152 | 7.69 | 7.30 | +0.394 | +0.242 |
| Neighboring Cities | 2.69 | 2.66 | +0.030 | 8.05 | 7.30 | +0.749 | +0.719 |
| Comparable Counties | 2.67 | 2.66 | +0.014 | 7.23 | 7.30 | -0.071 | -0.085 |
| Rural Counties | 2.25 | 2.66 | -0.405 | 6.23 | 7.30 | -1.066 | -0.662 |

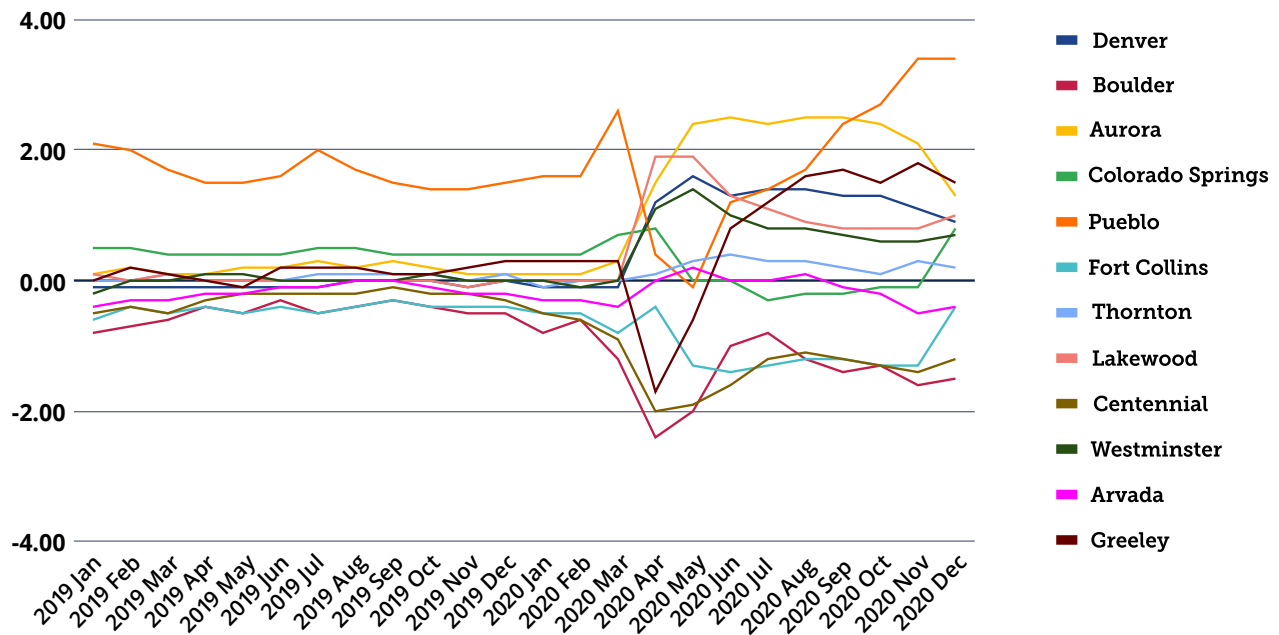
Thus, Denver experienced worse unemployment than other localities not after adopting a local minimum wage, but months later after suffering a greater impact from COVID-19 than much of the rest of Colorado.

The preceding tables aggregate unemployment rates for all jurisdictions in each Comparator Jurisdiction group. The following charts present unemployment rates for each individual jurisdiction, with each Comparator Jurisdiction group represented in a separate chart. These charts show, month by month, each jurisdiction's +/- Colorado factor. That is, in each chart, "0" on the Y-axis is the Colorado unemployment rate (the state baseline), and the lines for each jurisdiction show how much higher or lower its unemployment rate was than the Colorado rate.

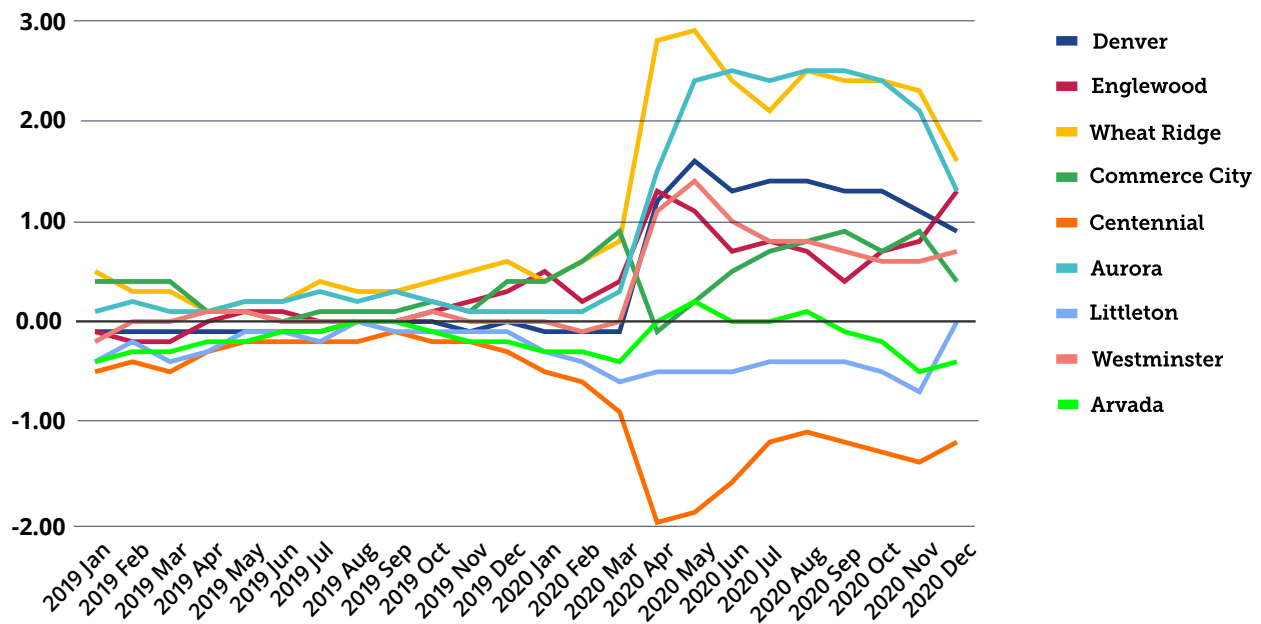
IV. ECONOMIC DATA

C. Unemployment Rates (Cont'd)

**Chart 1. Unemployment Rate +/- Colorado:
Denver and Comparable Cities**



**Chart 2. Unemployment Rate +/- Colorado:
Denver and Neighboring Cities**



IV. ECONOMIC DATA

C. Unemployment Rates (Cont'd)

Chart 3. Unemployment Rate +/- Colorado:
Denver and Comparable Counties

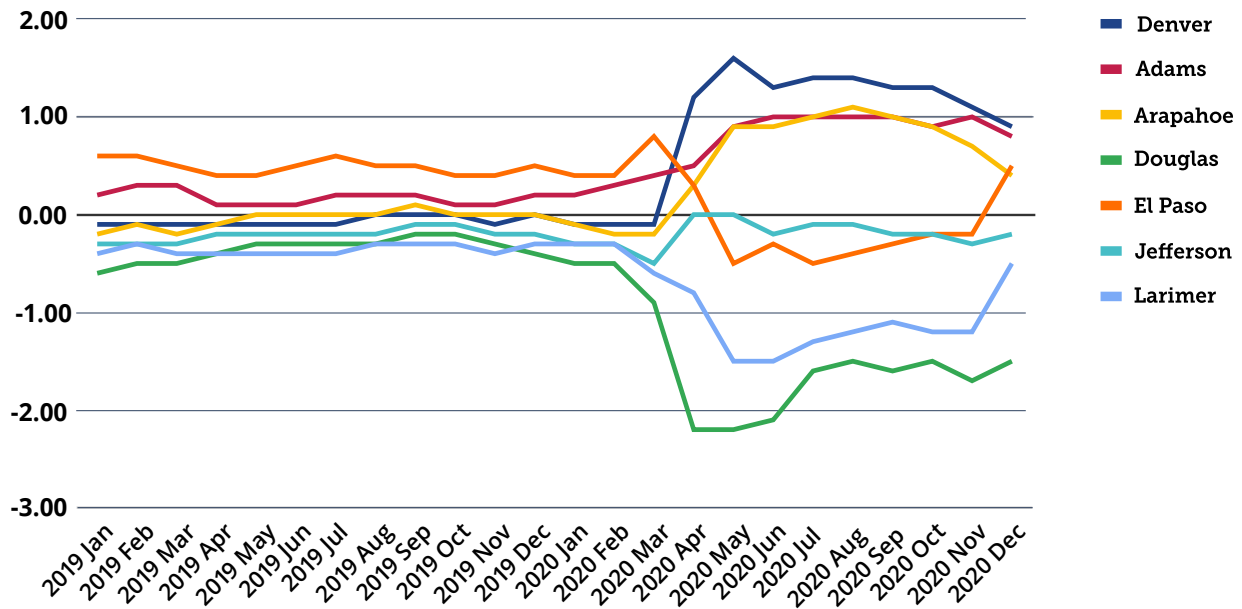
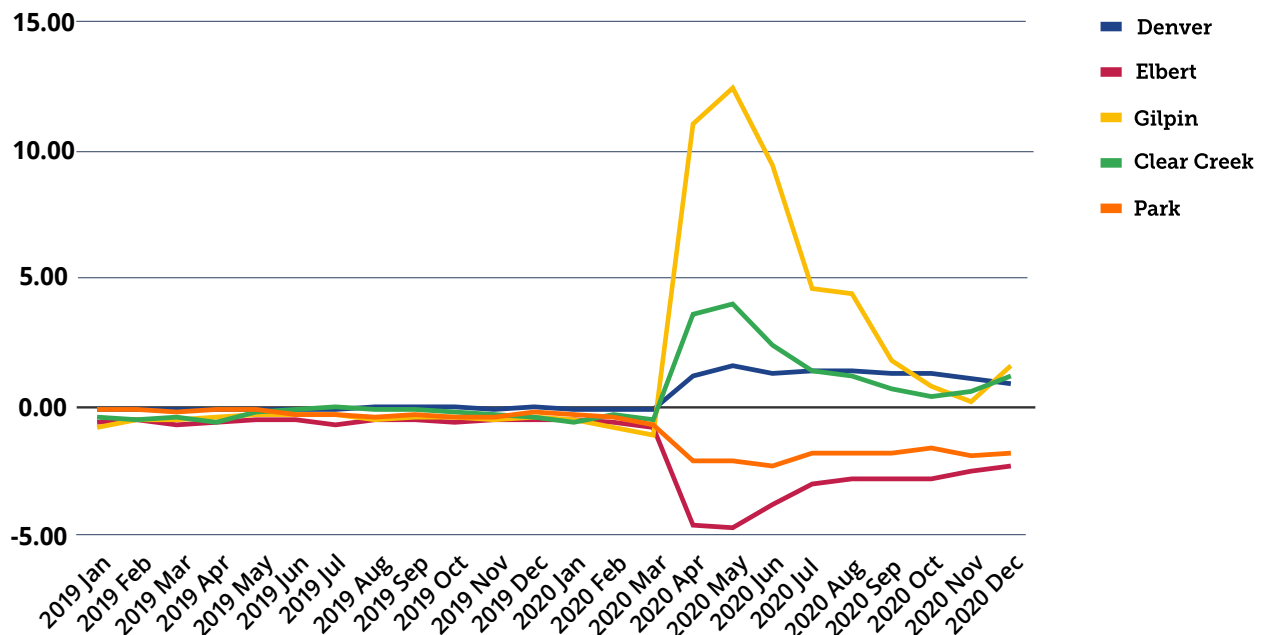


Chart 4. Unemployment Rate +/- Colorado:
Denver and Rural Counties



IV. ECONOMIC DATA

D. Earnings

This section compares average per-worker weekly earnings for Denver, Comparator Jurisdictions, and Colorado as a whole.²⁹ This comparison uses Colorado's weekly average earnings as a baseline, and measures earnings for Denver and Comparator Jurisdictions from that baseline. Higher-than-Colorado earnings for a jurisdiction indicate higher earnings than the state average, while lower earnings indicate the inverse.

As of the finalization of this Report, quarterly earnings data were available for all of 2019 and Q1-Q3 of 2020. Accordingly, this analysis compares average weekly earnings for: (1) Q1-Q3 2019 compared to Q1-Q3 2020 — the entire period during which Denver's minimum wage has been in effect for which data are available; and (2) Q1 2019 compared to Q1 2020 — the first quarter during which Denver's minimum wage was in effect but COVID-19 had mostly not yet significantly impacted Colorado's economy. Because earnings fluctuate significantly throughout the year, with higher earnings in Q1, quarters in 2020 must be compared with the same quarters in 2019 to provide a meaningful comparison. Data are only available on the county level, so earnings are analyzed only for Comparable Counties, Neighboring Counties, and Rural Counties.

Table 3 shows the average weekly earnings for Colorado, Denver, and each Comparator Jurisdiction³⁰ for (1) Q1 2019 and (2) Q1 2020. The earnings for Denver and each Comparator Jurisdiction (A) are compared to average Colorado earnings (B), to calculate how much higher or lower a given locality's weekly earnings are than the Colorado average (C) ("± Colorado"). A positive ± Colorado factor indicates earnings higher than the state average; a negative factor indicates earnings lower than the state average. Each locality's Q1 2019 ± Colorado factor is compared to the Q1 2020 ± Colorado factor to determine whether the locality's earnings increased or decreased relative to the state average.

²⁹ Earnings data from U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages, <https://beta.bls.gov/dataQuery/find?st=0&r=20&more=0> (last visited May 24, 2021) (reports generated for all industries and all counties in Colorado).

³⁰ The population-weighted average for each group of Comparator Jurisdictions is used. Population data from the Colorado State Demography Office, see note 28 above.

IV. ECONOMIC DATA

D. Earnings (Cont'd)

Table 3. Average Weekly Earnings:
Q1 2019 versus Q1 2020 (Post-Denver Minimum Wage, Mostly Pre-COVID-19)

| | Q1 2019 | | | Q1 2020 | | | Difference Q1 2019 to Q1 2020 (C2 - C1) |
|-------------------------|----------------------|------------------|--|----------------------|------------------|--|--|
| | (A1) Locality/ies | (B1) Colorado | (C1) Locality +/- Colorado (A1 - B1) | (A2) Locality/ies | (B2) Colorado | (C2) Locality +/- Colorado (A2 - B2) | |
| Denver | \$1,533.00 | \$1,231.00 | \$302.00 | \$1,622.00 | \$1,283.00 | \$339.00 | \$37.00 |
| Comparable Counties | \$1,199.61 | \$1,231.00 | -\$31.39 | \$1,231.60 | \$1,283.00 | -\$51.40 | -\$20.01 |
| Neighboring Counties | \$1,264.43 | \$1,231.00 | \$33.43 | \$1,306.25 | \$1,283.00 | \$23.25 | -\$10.19 |
| Rural Counties | \$832.04 | \$1,231.00 | -\$398.96 | \$864.16 | \$1,283.00 | -\$418.84 | -\$19.88 |

Table 3 shows that comparing Q1 2019 and Q1 2020, Denver's average weekly earnings increased compared to the state, from \$302.00 higher than the state average to \$339.00 higher, a 12.3% increase.

The earnings for all Comparator Jurisdictions fell compared to the state average. Denver's earnings remained significantly higher than the state average.

Table 4 presents the same analysis as Table 3, but compares the Q1-Q3 2019 +/- Colorado factor for each locality to the Q1-Q3 2020 factor. This table shows that Denver's average weekly earnings continued to rise in Q2 and Q3 of 2020, with an increase of \$52.00 compared to the state average between Q1-Q3 2019 and Q1-Q3 2020. During this same period, wages for all comparator jurisdictions fell relative to the state average.

IV. ECONOMIC DATA

D. Earnings (Cont'd)

Table 4. Average Weekly Earnings:
Q1-Q3 2019 versus Q1-Q3 2020

| | Q1-Q3 2019 | | | Q1-Q3 2020 | | | Difference Q1-Q3 2019 to Q1-Q3 2020 (C4 - C3) |
|-------------------------|----------------------|------------------|--|----------------------|------------------|--|--|
| | (A3) Locality/ies | (B3) Colorado | (C3) Locality +/- Colorado (A3 - B3) | (A4) Locality/ies | (B4) Colorado | (C4) Locality +/- Colorado (A4 - B4) | |
| Denver | \$1,413.67 | \$1,176.33 | \$237.33 | \$1,538.33 | \$1,249.00 | \$289.33 | \$52.00 |
| Comparable Counties | \$1,143.79 | \$1,176.33 | -\$32.54 | \$1,209.76 | \$1,249.00 | -\$39.24 | -\$6.70 |
| Neighboring Counties | \$1,199.85 | \$1,176.33 | \$23.52 | \$1,272.42 | \$1,249.00 | \$23.42 | -\$0.10 |
| Rural Counties | \$830.92 | \$1,176.33 | -\$345.41 | \$886.61 | \$1,249.00 | -\$362.39 | -\$16.98 |

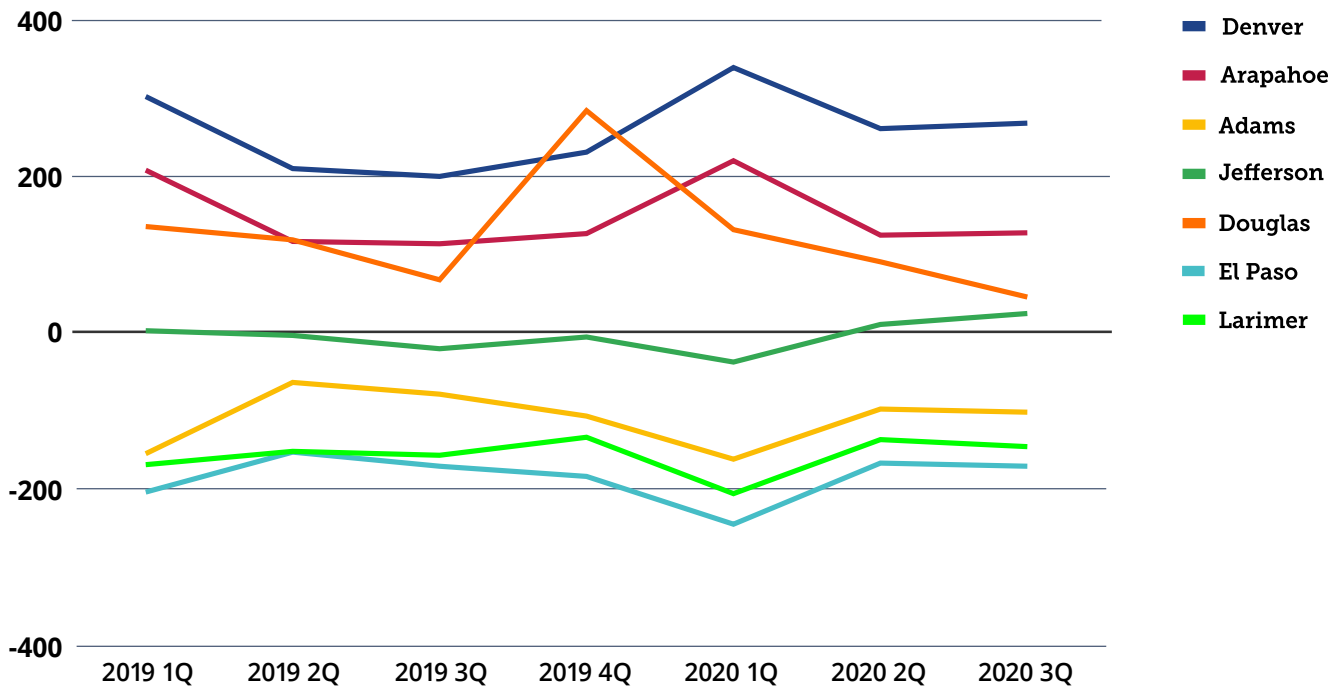
IV. ECONOMIC DATA

D. Earnings (Cont'd)

Tables 3 and 4 show that Denver wages rose, and also rose more than those of all Comparator Jurisdictions and the state, both in early 2020 after adopting a local minimum wage but before the main COVID-19 impact, and later in 2020 after the main impact of COVID-19.

The preceding tables aggregate weekly earnings for all jurisdictions in each Comparator Jurisdiction group. The following charts present average weekly earnings for each individual jurisdiction, with each Comparator Jurisdiction group represented in a separate chart. These charts show, quarter by quarter, each jurisdiction's +/- Colorado factor. That is, in each chart "0" on the Y-axis is the average Colorado weekly earnings (the state baseline), and the lines for each jurisdiction show how much higher or lower that jurisdiction's earnings were than the Colorado average.

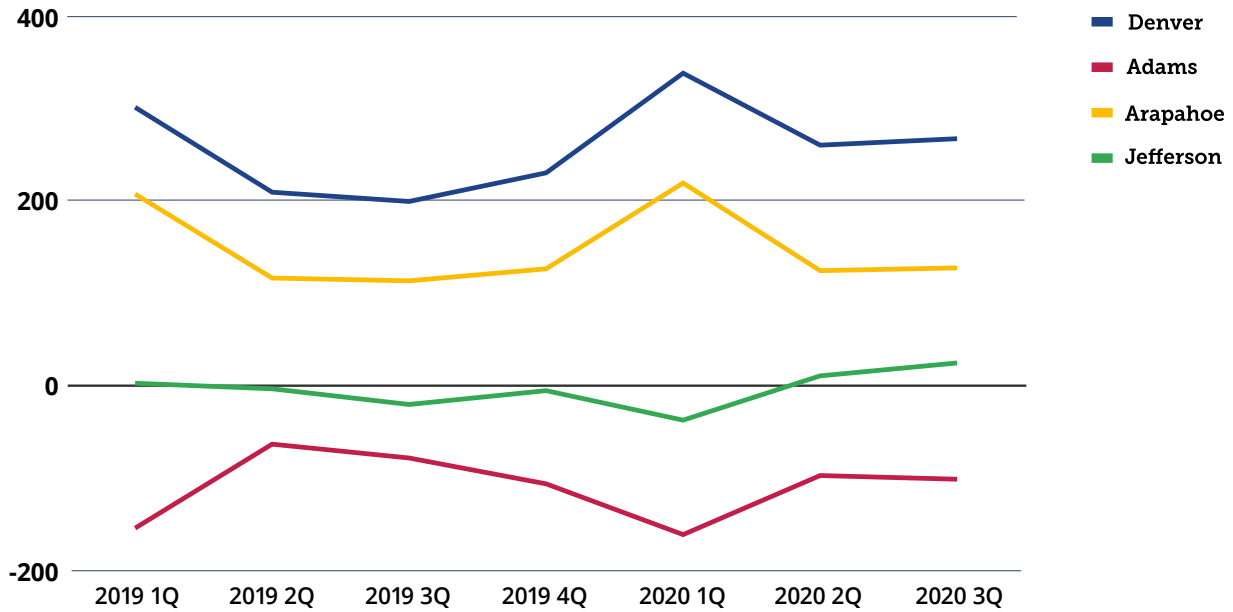
Chart 5. Average Weekly Earnings +/- Colorado:
Denver and Comparable Counties



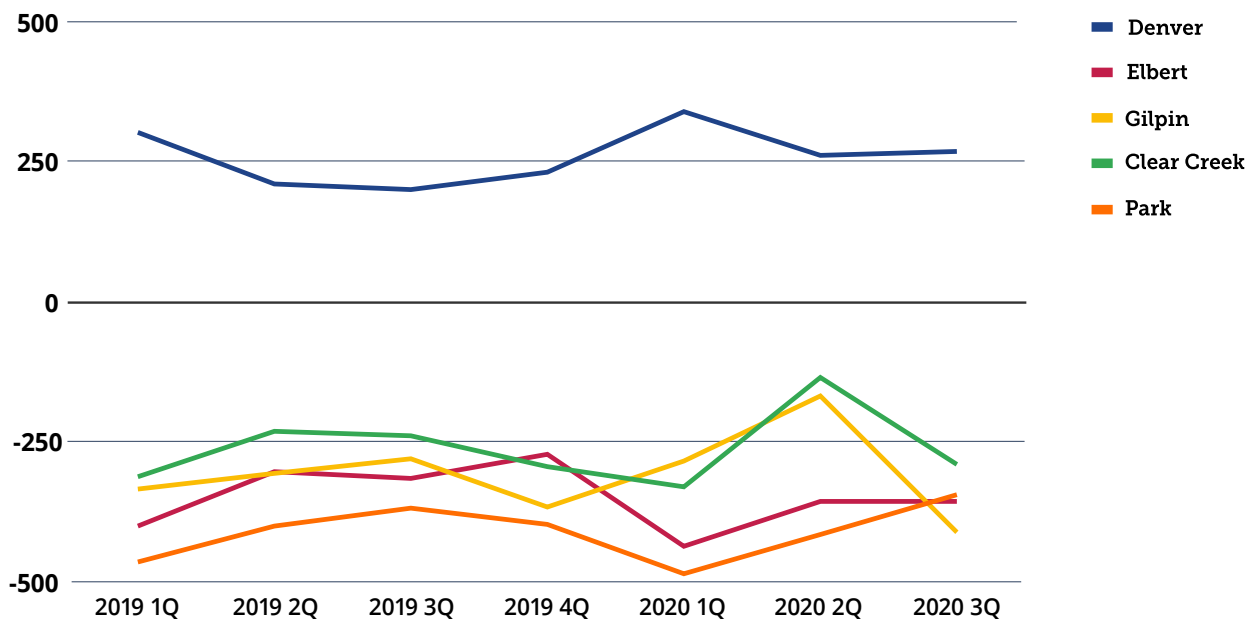
IV. ECONOMIC DATA

D. Earnings (Cont'd)

**Chart 6. Average Weekly Earnings +/- Colorado:
Denver and Neighboring Counties**



**Chart 7. Average Weekly Earnings +/- Colorado:
Denver and Rural Counties**



IV. ECONOMIC DATA

E. Sales Tax Revenue

This section compares per capita monthly state sales tax collected for Denver and Comparator Jurisdictions, as well as per capita sales tax revenues for Colorado.³¹ This comparison uses Colorado's per capita sales tax revenues as a baseline, and measures sales tax collected from Denver and Comparator Jurisdictions from this baseline. Higher-than-Colorado sales tax revenues for a jurisdiction indicate higher per capita sales tax revenues than the state average, while lower sales tax revenues indicate the inverse.

As of the finalization of this Report, monthly sales tax data were available for all of 2019 and 2020. Accordingly, this analysis compares monthly average sales tax revenues for: (1) 2019 compared to 2020, the period during which Denver's minimum wage has been in effect for which data are available; and (2) January-February of 2019 compared to January-February of 2020, the months when Denver's minimum wage was in effect but before the significant economic impacts of COVID-19. Because sales tax revenue fluctuates significantly throughout the year, with higher sales tax revenues at the end of the year, January-February of 2020 must be compared with these same months in 2019 to provide a meaningful comparison.

Table 5 shows the average per capita monthly state sales tax revenues for Colorado, Denver, and each Comparator Jurisdiction³² for (1) January-February 2019 and (2) January-February 2020. The sales tax revenues for Denver and each Comparator Jurisdiction (A) are compared to Colorado sales tax revenues (B), to calculate how much higher or lower a given locality's sales tax revenues are than the Colorado average (C) ("± Colorado"). A positive ± Colorado factor indicates sales tax revenues higher than the state average and a negative one indicates the inverse. Each locality's January-February 2019 ± Colorado factor is compared to the January-February 2020 ± Colorado factor to determine whether the locality's sales tax revenues increased or decreased relative to the state average.

³¹ Sales tax data from the Colorado Department of revenues Sales Reports, <https://cdor.colorado.gov/retail-sales-reports> (last visited May 24, 2021). For 2019, these reports include sales tax reported by city, county, and the state. For 2020, the reports include only taxable sales, and sales tax revenues are calculated by multiplying taxable sales by the 2.9% Colorado sales tax. Per capita sales tax is derived by dividing total sales tax collected for a given locality by the population for that locality. Population data come from the Colorado State Demography Office. See note 28 above.

³² The population-weighted average for each group of Comparator Jurisdictions is used. Population data come from the Colorado State Demography Office. See note 28 above.

IV. ECONOMIC DATA

E. Sales Tax Revenue (Cont'd)

| Table 5. Average Monthly Per Capita Sales Tax Revenues: Jan.-Feb. 2019 versus Jan.-Feb. 2020 (Post-Denver Minimum Wage, Mostly Pre-COVID-19) | | | | | | | |
|--|----------------------|------------------|--|----------------------|------------------|--|--|
| | Jan.-Feb. 2019 | | | Jan.-Feb. 2020 | | | Difference Jan.-Feb. 2019 to Jan.-Feb. 2020 (C2 - C1) |
| | (A1) Locality/ies | (B1) Colorado | (C1) Locality +/- Colorado (A1 - B1) | (A2) Locality/ies | (B2) Colorado | (C2) Locality +/- Colorado (A2 - B2) | |
| Denver | \$49.92 | \$37.83 | \$12.10 | \$51.78 | \$43.12 | \$8.66 | -\$3.44 |
| Comparable Cities | \$35.02 | \$37.83 | -\$2.81 | \$40.54 | \$43.12 | -\$2.58 | \$0.23 |
| Neighboring Cities | \$51.98 | \$37.83 | \$14.15 | \$50.42 | \$43.12 | \$7.30 | -\$6.85 |
| Comparable Counties | \$45.26 | \$37.83 | \$7.43 | \$43.54 | \$43.12 | \$0.42 | -\$7.01 |
| Rural Counties | \$28.30 | \$37.83 | -\$9.53 | \$27.36 | \$43.12 | -\$15.76 | -\$6.23 |

Table 5 shows that comparing January-February 2019 and January-February 2020, Denver's average monthly per capita sales tax revenues decreased compared to the state average, from \$12.10 higher than the state average to \$8.66 higher. This represents a decrease of \$3.44 compared to the state average.

Most Comparator Jurisdictions experienced a larger sales tax decrease than Denver in January-February 2020.

Tax revenues for Neighboring Cities, Comparable Counties, and Rural Counties all fell by \$6.23-\$7.01, i.e., by about twice as much as Denver's sales tax revenues fell. Comparable Cities did not suffer a similar drop, instead rising by \$0.23 compared to the state average, though even with this increase in Comparable Cities' sales tax revenues, Denver retained higher per capita sales tax revenues than the state average and all Comparator Jurisdictions, including Comparable Cities.

Table 6 presents the same analysis as Table 5, but compares the 2019 +/- Colorado factor for each locality to the 2020 factor.

IV. ECONOMIC DATA

E. Sales Tax Revenue (Cont'd)

Table 6. Average Monthly Per Capita Sales Tax Revenues:
2019 versus 2020

| | 2019 | | | 2020 | | | Difference 2019 to 2020 (C4 - C3) |
|------------------------|----------------------|------------------|--|----------------------|------------------|--|---|
| | (A3) Locality/ies | (B3) Colorado | (C3) Locality +/- Colorado (A3 - B3) | (A4) Locality/ies | (B4) Colorado | (C4) Locality +/- Colorado (A4 - B4) | |
| Denver | \$57.72 | \$45.40 | \$12.32 | \$48.63 | \$45.91 | \$2.72 | -\$9.60 |
| Comparable Cities | \$43.10 | \$45.40 | -\$2.30 | \$44.22 | \$45.91 | -\$1.69 | \$0.61 |
| Neighboring Cities | \$48.09 | \$45.40 | \$2.69 | \$51.38 | \$45.91 | \$5.47 | \$2.77 |
| Comparable Counties | \$41.42 | \$45.40 | -\$3.97 | \$44.95 | \$45.91 | -\$0.96 | \$3.01 |
| Rural Counties | \$23.90 | \$45.40 | -\$21.50 | \$28.15 | \$45.91 | -\$17.76 | \$3.74 |

IV. ECONOMIC DATA

E. Sales Tax Revenue (Cont'd)

Table 6 shows tables show that a \$9.60 decrease in Denver's monthly per capita sales tax revenue, as compared to the state average, between 2019 and 2020. Comparator Jurisdictions showed an overall increase in sales tax revenues for this same time period.

Some commentators had previously so noted, citing the economic impacts of COVID-19 particularly on Denver bars and restaurants.³³ A Common Sense Institute report, noting Denver's greater rate of sales tax revenues decline, provides some possible explanation:³⁴

Denver's sales tax revenues did not suffer relative to other parts of the state in the initial months after it adopted its minimum wage; Denver's sales tax revenues suffered only after the impact of COVID-19.

While the evidence that some cities are being hit much harder from a revenues standpoint than [sic] others, there is not enough detail in the reports just yet, to fully understand exactly why. However, it is likely that many factors are at play, including the following.

...

- ❖ **City mix of residential vs commercial** – Denver, which typically benefits from large numbers of in-commuters, faces larger revenues losses due to the near elimination of daily commuters, business travelers and evening commuters going to events or dinners. Cities and counties outside the urban core may benefit from local citizens staying in their
- ❖ **Degree to which businesses have stayed open and consumers have returned to more normal spending patterns** - While the state's executive administration has issued many statewide orders related to public health, including the March and April Safer-at-Home orders, some cities have implemented stricter policies [sic], while others have received exemptions. There is also an observable difference between the way citizens of different counties or cities have chosen to respond to the orders. In some regions, people have continued to shop in retail stores, or frequent restaurants and bars at higher rates than others.

The preceding tables aggregate sales tax revenues for all jurisdictions in each Comparator Jurisdiction group. The following charts present monthly per capita sales tax revenues for each individual jurisdiction, with each Comparator Jurisdiction group represented in a separate chart. These charts show, month by month, each jurisdiction's +/- Colorado factor. Those in each chart "0" on the Y-axis is the Colorado monthly per capita sales tax revenues (the state baseline), and the lines for each jurisdiction show how much higher or lower that jurisdiction's sales tax revenues were than those of Colorado.

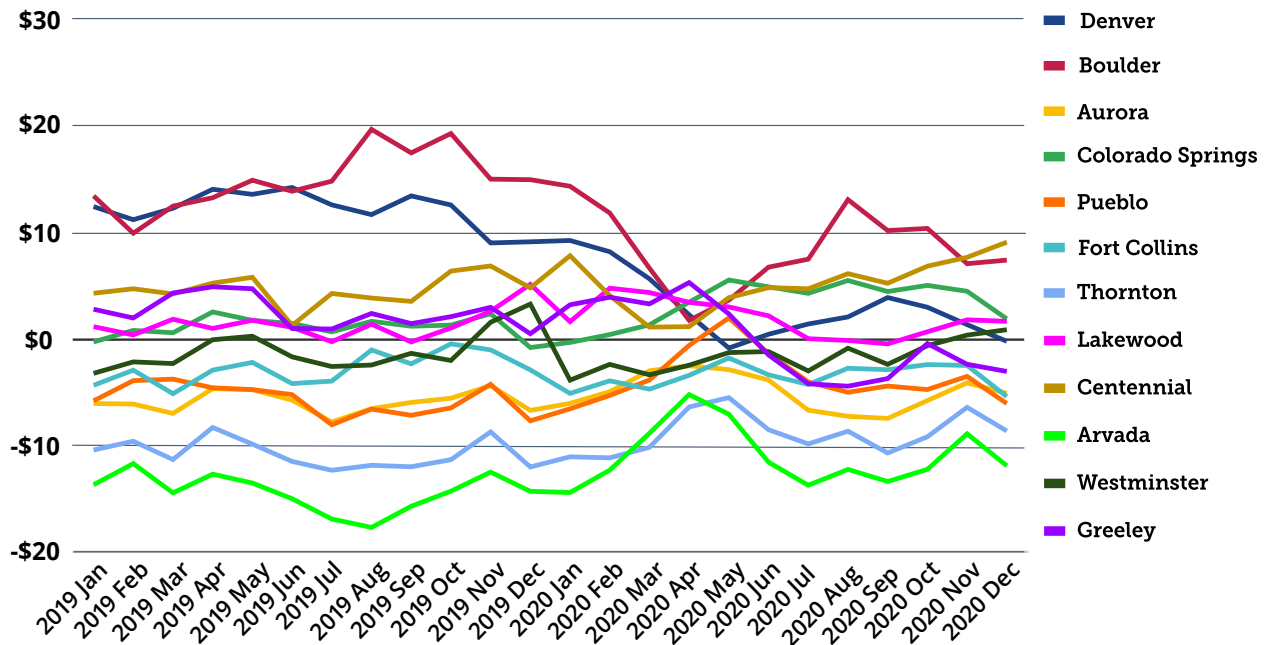
³³ Alayna Alvarez, *More revenues loss looms over Denver amid virus surge, city officials predict*, Colorado Politics (Nov. 19, 2020), https://www.coloradopolitics.com/denver/more-revenue-loss-looms-over-denver-amid-virus-surge-city-officials-predict/article_6dab53fa-2a95-11eb-b452-eff61ee77070.html ("The pandemic has decimated consumer spending at restaurants and bars, the single largest contributor to Denver's sales and use tax revenue, the finance department estimates.").

³⁴ Common Sense Institute, *Sales and Use Tax Revenues in Colorado Cities Since Start of the Pandemic* (August 2020), <https://commonsenseinstitute.org/sales-and-use-tax-revenue-in-colorado-cities-since-start-of-the-pandemic/>.

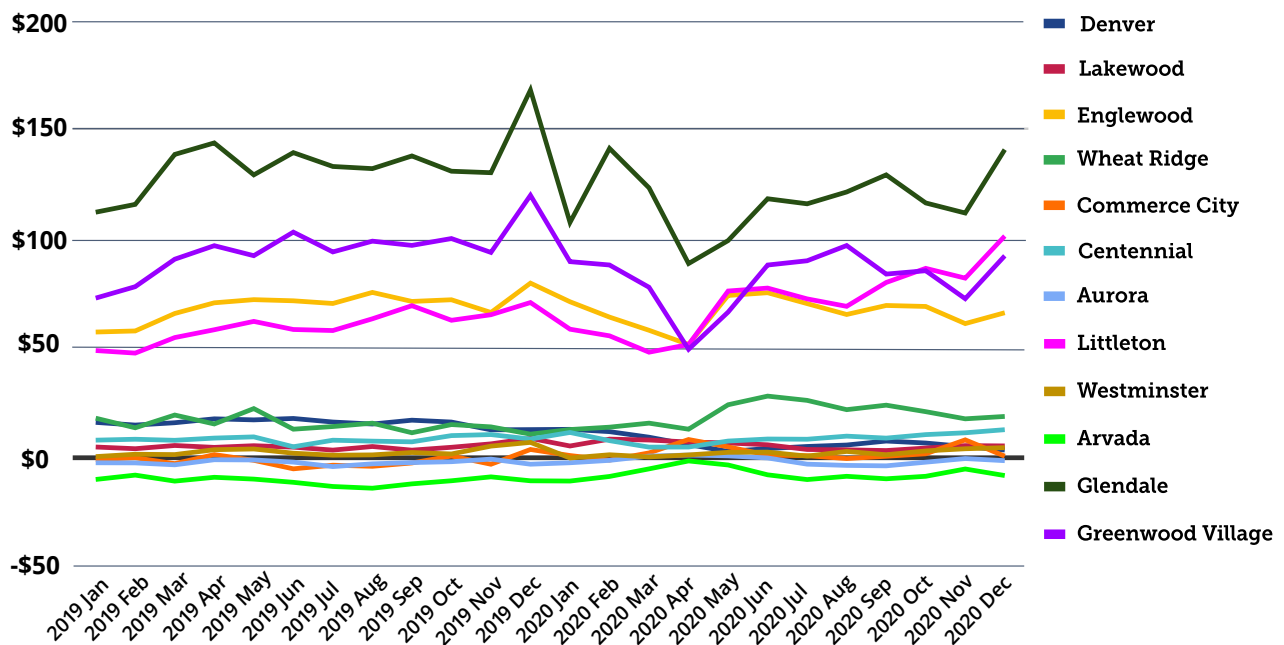
IV. ECONOMIC DATA

E. Sales Tax Revenue (Cont'd)

**Chart 8. Sales Tax Per Capita +/- Colorado:
Denver and Comparable Cities**



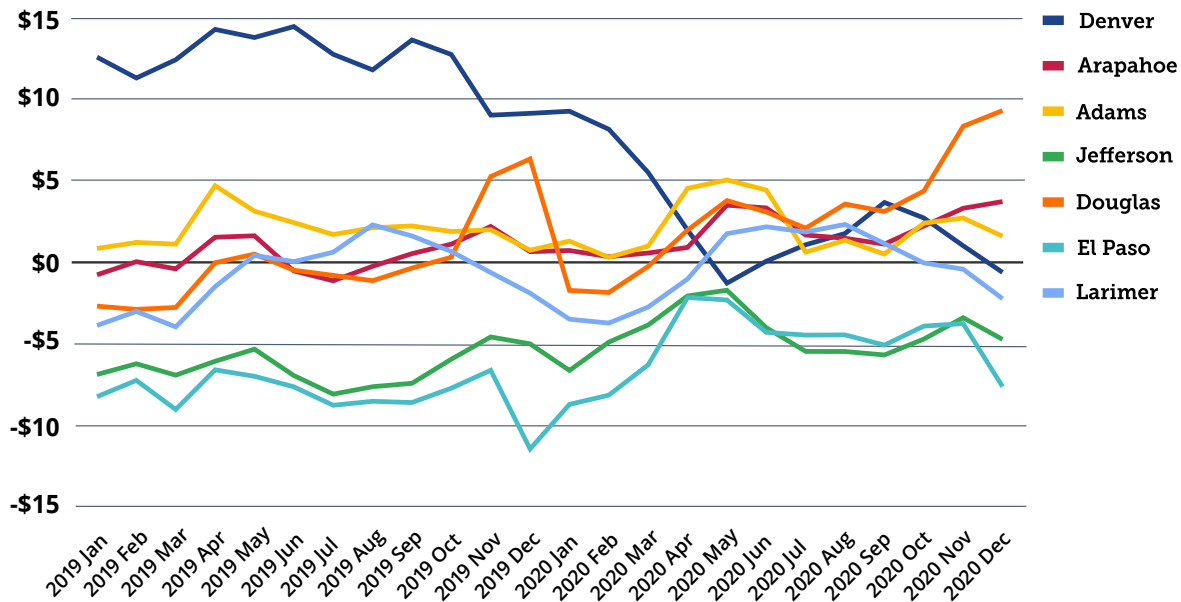
**Chart 9. Sales Tax Per Capita +/- Colorado:
Denver and Neighboring Jurisdictions**



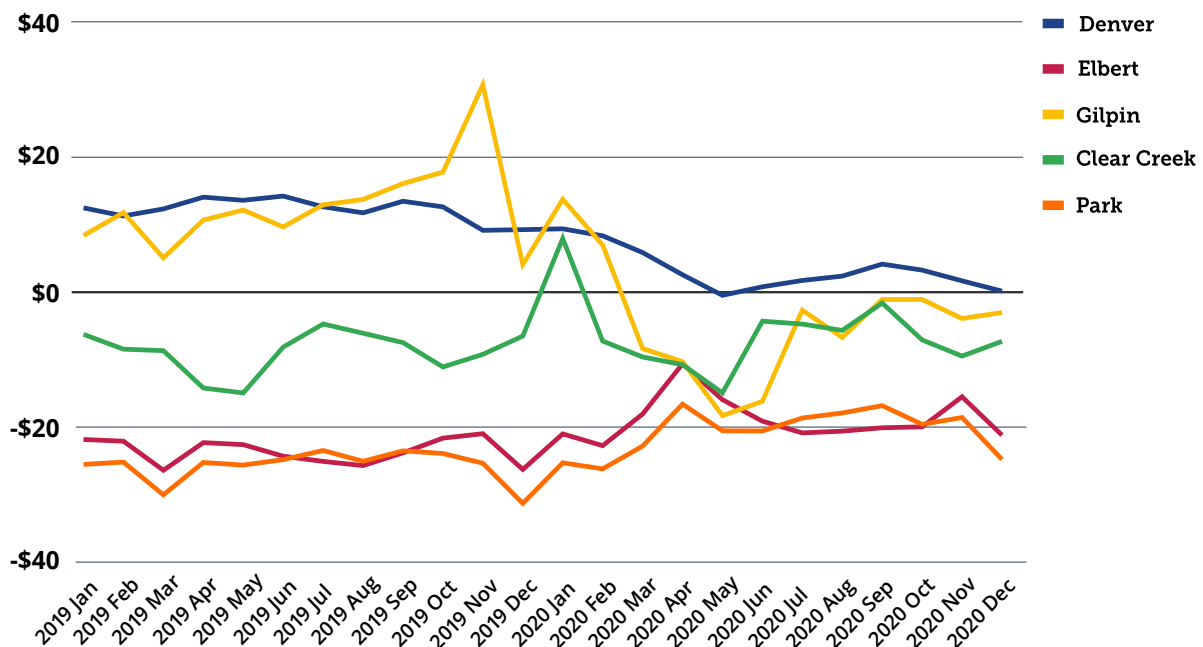
IV. ECONOMIC DATA

E. Sales Tax Revenue (Cont'd)

**Chart 10. Sales Tax Per Capita +/- Colorado:
Denver and Comparable Counties**



**Chart 11. Sales Tax Per Capita +/- Colorado:
Denver and Rural Counties**



IV. ECONOMIC DATA

F. Cost-of-Living-Adjusted Wages

In addition to the foregoing unemployment rate, earnings, and sales tax data, this Report compares the cost of living across Colorado counties to the applicable minimum wage for the state and these counties. By Colorado statute, minimum wages are intended to supply a minimum “necessary cost of living.”³⁵ Accordingly, this Report’s analysis of local minimum wages includes analyzing the relationship of the minimum wage in each county to that county’s cost of living.

The Colorado annual average cost of living for 2020 was \$57,714.31 based on the cost of living data reported in a relevant and comprehensive study of state variation in cost of living: the Colorado Legislative Council Staff 2019 School District Cost-of-Living Study.³⁶ This cost of living establishes a baseline: in a state where the average cost of living is \$57,714.31, the minimum wage set by state law to provide for the “necessary cost of living” was \$12.32. Accordingly, statewide, the minimum wage comes to \$1.00 per hour for every \$4,684.60 in annual cost of living (i.e., $\$57,714.31 \div \$12.32 = \$4,684.60$). For each Colorado county, Table 7 shows what wage would correspond to that statewide ratio of \$1.00 per hour for every \$4,684.60 in annual cost of living.

³⁵ The Colorado Minimum Wage Act (“CMWA”) provides that “[i]t is unlawful to employ workers in any occupation within the state of Colorado for wages which are inadequate to supply the *necessary cost of living* and to maintain the health of the workers so employed.” C.R.S. § 8-6-104 (emphasis added). The CMWA also requires the Director of the Division of Labor Standards and Statistics within the CDLE to investigate wages that are “inadequate to supply the *necessary cost of living*” (C.R.S. § 8-6-105) and to “determine the minimum wages *sufficient for living wages*” within the constraints of “section 15 of article XVIII of the state constitution” (C.R.S. § 8-6-106). (Emphases added.)

In addition, in 2016 Colorado voters passed Amendment 70, which amended Section 15 of Article XVIII of the Colorado Constitution to increase the state minimum wage to \$12.00 by January 2020, to be increased annually thereafter for “cost of living increases.” The official Blue Book voter ballot information booklet description of Amendment 70 stated that the increased minimum wage is intended to address wages too low to maintain the “basic standard of living for some workers.” Legislative Council of the Colorado General Assembly, *2016 State Ballot Information Booklet and Recommendations on Retention of Judges*, Research Publication No. 669-6, at 28 (Sept. 12, 2016), <http://leg.colorado.gov/sites/default/files/2015-2016%20101bb.pdf>.

³⁶ Colorado Legislative Council Staff 2019 School District Cost-of-Living Study (Mar. 11, 2020), https://leg.colorado.gov/sites/default/files/images/lcs/2020_cost_of_living_study_memo2.pdf. This study presents cost of living by each school district within each county, except for Broomfield. A cost of living was calculated for each county by multiplying the cost of living for each district by the number of pupils in that district based on the Colorado Department of Education reported pupil membership for 2019-2020, then dividing that number by the total number of pupils in the county. [2019-20 PK-12 Membership by District Ranking High to Low](https://www.cde.state.co.us/cdereval/2019-2020pupilmembership) (XLSX), <https://www.cde.state.co.us/cdereval/2019-2020pupilmembership> (last visited May 24, 2021). Because Broomfield is not included in the cost of living study, the cost of living for Broomfield is calculated by adjusting the weighted average cost of living for all other counties (cost of living multiplied by county population, divided by total population of all other counties) by 1.09, the ratio of Colorado cost of living (121.1% of US average) to Broomfield cost of living (132.2% of US average) as reported by the BestPlaces.net cost of living analysis. https://www.bestplaces.net/cost_of_living/city/colorado/broomfield and https://www.bestplaces.net/cost_of_living/state/colorado (last visited May 24, 2021). Population data used are the estimated 2020 county populations per the Colorado Demography Office. [State Demography Office 2010-2050 county population forecast, 1 year increments, 2000 - 2050](https://demography.dola.colorado.gov/population/population-totals-counties/), <https://demography.dola.colorado.gov/population/population-totals-counties/> (last visited May 24, 2021). The state average cost of living is then calculated by multiplying county cost of living by the population for each county, then dividing that number by the total state population. Because the School District Cost-of-Living Study reports 2019 cost of living, cost of living for the state and all counties is increased by 1.92%, the 2019 Consumer Price Index increase for the Denver-Aurora-Lakewood MSA, which is also the benchmark used to adjust the state minimum wage. Colorado Department of Local Affairs, *Inflation - Denver-Aurora-Lakewood Consumer Price Index*, <https://cdola.colorado.gov/inflation-denver-aurora-lakewood-consumer-price-index> (last visited May 24, 2021).

IV. ECONOMIC DATA

F. Cost-of-Living-Adjusted Wages (Cont'd)

Table 7. Wages Equivalent to Statewide Minimum Wage, Based on County Cost of Living

| County | % of CO Population | Cost of Living | Applicable Minimum Wage, CO or Local | Wage That is Equivalent to CO Minimum, Based on County Cost of Living | Actual Minimum Wage as % of Cost-of-Living Wage Equivalent to CO Minimum |
|---------------|--------------------|--------------------|--------------------------------------|---|--|
| Adams | 9.01% | \$57,753.83 | \$12.32 | \$12.33 | 99.93% |
| Alamosa | 0.28% | \$52,929.15 | \$12.32 | \$11.30 | 109.04% |
| Arapahoe | 11.38% | \$57,793.05 | \$12.32 | \$12.34 | 99.86% |
| Archuleta | 0.24% | \$55,438.50 | \$12.32 | \$11.83 | 104.11% |
| Baca | 0.06% | \$51,478.14 | \$12.32 | \$10.99 | 112.11% |
| Bent | 0.09% | \$50,275.20 | \$12.32 | \$10.73 | 114.80% |
| Boulder | 5.64% | \$59,734.12 | \$12.32 | \$12.75 | 96.62% |
| Broomfield | 1.24% | \$62,838.74 | \$12.32 | \$13.41 | 91.85% |
| Chaffee | 0.35% | \$57,135.31 | \$12.32 | \$12.20 | 101.01% |
| Cheyenne | 0.03% | \$52,374.69 | \$12.32 | \$11.18 | 110.20% |
| Clear Creek | 0.17% | \$56,036.80 | \$12.32 | \$11.96 | 102.99% |
| Conejos | 0.14% | \$51,337.54 | \$12.32 | \$10.96 | 112.42% |
| Costilla | 0.07% | \$52,103.51 | \$12.32 | \$11.12 | 110.77% |
| Crowley | 0.10% | \$52,019.97 | \$12.32 | \$11.10 | 110.95% |
| Custer | 0.09% | \$54,686.30 | \$12.32 | \$11.67 | 105.54% |
| Delta | 0.54% | \$52,793.57 | \$12.32 | \$11.27 | 109.32% |
| Denver | 12.66% | \$61,509.10 | \$14.77 | \$13.13 | 112.49% |
| Dolores | 0.03% | \$55,218.35 | \$12.32 | \$11.79 | 104.52% |
| Douglas | 6.14% | \$58,480.93 | \$12.32 | \$12.48 | 98.69% |
| Eagle | 0.95% | \$61,686.44 | \$12.32 | \$13.17 | 93.56% |
| El Paso | 12.58% | \$55,815.56 | \$12.32 | \$11.91 | 103.40% |
| Elbert | 0.47% | \$54,919.46 | \$12.32 | \$11.72 | 105.09% |
| Fremont | 0.82% | \$54,007.62 | \$12.32 | \$11.53 | 106.86% |
| Garfield | 1.05% | \$61,031.43 | \$12.32 | \$13.03 | 94.56% |
| Gilpin | 0.11% | \$54,273.51 | \$12.32 | \$11.59 | 106.34% |
| Grand | 0.27% | \$60,092.19 | \$12.32 | \$12.83 | 96.04% |

IV. ECONOMIC DATA

F. Cost-of-Living-Adjusted Wages (Cont'd)

| Table 7. Wages Equivalent to Statewide Minimum Wage, Based on County Cost of Living | | | | | |
|---|--------------------|----------------|--------------------------------------|---|--|
| County | % of CO Population | Cost of Living | Applicable Minimum Wage, CO or Local | Wage That is Equivalent to CO Minimum, Based on County Cost of Living | Actual Minimum Wage as % of Cost-of-Living Wage Equivalent to CO Minimum |
| Gunnison | 0.30% | \$60,613.18 | \$12.32 | \$12.94 | 95.22% |
| Hinsdale | 0.01% | \$57,021.38 | \$12.32 | \$12.17 | 101.22% |
| Huerfano | 0.12% | \$51,382.56 | \$12.32 | \$10.97 | 112.32% |
| Jackson | 0.02% | \$56,598.40 | \$12.32 | \$12.08 | 101.97% |
| Jefferson | 10.06% | \$58,278.10 | \$12.32 | \$12.44 | 99.03% |
| Kiowa | 0.02% | \$51,920.53 | \$12.32 | \$11.08 | 111.16% |
| Kit Carson | 0.12% | \$53,943.68 | \$12.32 | \$11.52 | 106.99% |
| La Plata | 0.98% | \$57,271.61 | \$12.32 | \$12.23 | 100.77% |
| Lake | 0.14% | \$58,541.07 | \$12.32 | \$12.50 | 98.59% |
| Larimer | 6.21% | \$56,608.39 | \$12.32 | \$12.08 | 101.95% |
| Las Animas | 0.25% | \$51,861.30 | \$12.32 | \$11.07 | 111.29% |
| Lincoln | 0.10% | \$53,880.54 | \$12.32 | \$11.50 | 107.12% |
| Logan | 0.38% | \$54,046.88 | \$12.32 | \$11.54 | 106.79% |
| Mesa | 2.68% | \$54,698.97 | \$12.32 | \$11.68 | 105.51% |
| Mineral | 0.01% | \$53,959.58 | \$12.32 | \$11.52 | 106.96% |
| Moffat | 0.23% | \$55,871.68 | \$12.32 | \$11.93 | 103.30% |
| Montezuma | 0.45% | \$55,782.26 | \$12.32 | \$11.91 | 103.46% |
| Montrose | 0.74% | \$54,577.44 | \$12.32 | \$11.65 | 105.75% |
| Morgan | 0.50% | \$54,893.63 | \$12.32 | \$11.72 | 105.14% |
| Otero | 0.31% | \$50,310.70 | \$12.32 | \$10.74 | 114.72% |
| Ouray | 0.08% | \$56,599.03 | \$12.32 | \$12.08 | 101.97% |
| Park | 0.33% | \$57,460.33 | \$12.32 | \$12.27 | 100.44% |
| Phillips | 0.07% | \$54,001.24 | \$12.32 | \$11.53 | 106.88% |
| Pitkin | 0.30% | \$75,125.12 | \$12.32 | \$16.04 | 76.82% |
| Prowers | 0.21% | \$52,466.75 | \$12.32 | \$11.20 | 110.00% |
| Pueblo | 2.90% | \$53,237.68 | \$12.32 | \$11.36 | 108.41% |

IV. ECONOMIC DATA

F. Cost-of-Living-Adjusted Wages (Cont'd)

Table 7. Wages Equivalent to Statewide Minimum Wage, Based on County Cost of Living

| County | % of CO Population | Cost of Living | Applicable Minimum Wage, CO or Local | Wage That is Equivalent to CO Minimum, Based on County Cost of Living | Actual Minimum Wage as % of Cost-of-Living Wage Equivalent to CO Minimum |
|------------|--------------------|----------------|--------------------------------------|---|--|
| Rio Blanco | 0.11% | \$54,161.44 | \$12.32 | \$11.56 | 106.56% |
| Rio Grande | 0.19% | \$52,362.30 | \$12.32 | \$11.18 | 110.22% |
| Routt | 0.45% | \$62,261.90 | \$12.32 | \$13.29 | 92.70% |
| Saguache | 0.12% | \$51,820.86 | \$12.32 | \$11.06 | 111.37% |
| San Juan | 0.01% | \$56,943.92 | \$12.32 | \$12.16 | 101.35% |
| San Miguel | 0.14% | \$61,470.89 | \$12.32 | \$13.12 | 93.89% |
| Sedgwick | 0.04% | \$51,769.01 | \$12.32 | \$11.05 | 111.48% |
| Summit | 0.54% | \$65,825.58 | \$12.32 | \$14.05 | 87.68% |
| Teller | 0.44% | \$56,730.23 | \$12.32 | \$12.11 | 101.73% |
| Washington | 0.08% | \$52,884.09 | \$12.32 | \$11.29 | 109.13% |
| Weld | 5.70% | \$54,960.83 | \$12.32 | \$11.73 | 105.01% |
| Yuma | 0.17% | \$53,638.39 | \$12.32 | \$11.45 | 107.60% |

Table 7 shows, by county, (1) the percent of the state population residing in that county, (2) the county average cost of living, (3) the county minimum wage (\$12.32 for all counties except Denver), (4) the wage required to achieve the state ratio between minimum wage and cost of living for the county cost of living, and (5) the county minimum wage as a percentage of the wage required to match the state ratio of minimum wage to cost of living. For example, the average cost of living in Summit County is \$65,825.58, which yields a \$14.05 wage based on the state ratio of cost-of-living to minimum wage ($\$65,825.58 \div \$4,684.60 = \$14.05$). The state minimum wage of \$12.32 is 87.68% of this wage. Overall, Table 7 shows that when the statewide minimum wage is adjusted for county cost of living, then (excluding Denver, where statewide minimum wage is inapplicable because it was replaced by the local minimum wage):

47.6% of Coloradans are in counties where, based on local cost of living, the state minimum wage provides less than the statewide average; while 39.8% are in counties where, based on local cost of living, the state minimum wage provides more than the statewide average.



V.

**PERCENT OF LOCAL
GOVERNMENTS WITH
A LOCAL MINIMUM WAGE**

V. PERCENT OF LOCAL GOVERNMENTS WITH A LOCAL MINIMUM WAGE

The Act gives authority to enact a local government minimum wage to every city, home rule city, town, territorial charter city, city and county, county, and home rule county.³⁷ The Act caps the number of local governments that may enact a local minimum wage at ten percent the number of local governments permitted to establish minimum wage laws, per C.R.S. § 8-6-101(10):

(a) If at any point ten percent of local governments in the state have enacted a local minimum wage law pursuant to this section, a local government that has not previously enacted a local minimum wage law shall not enact a local minimum wage law pursuant to this section until the general assembly has amended this section to authorize additional local governments to enact local minimum wage laws. A local government that enacted a local minimum wage law prior to the point at which ten percent of local governments have enacted a local minimum wage law may continue to amend that law.

(b) For purposes of determining whether ten percent of local governments in the state have enacted a local minimum wage law pursuant to this section, when a county enacts a local minimum wage law, if a local minimum wage law is enacted by any local government located within that county, only the county's minimum wage law counts toward the calculation of the ten percent. If local governments enter into an intergovernmental agreement on the enforcement or administration of local minimum wage policies, that will only be counted as one local minimum wage for determining the calculation of the ten percent.

Based on Colorado Department of Local Affairs ("DOLA") data, as of the date of this Report there are 334 local governments within the meaning of the Act.³⁸ Accordingly, up to 33 local governments (ten percent of 334) may have a local minimum wage.

Currently, only the City and County of Denver has enacted a local minimum wage, allowing for an additional 32 localities to enact local minimum wage laws, as illustrated below:

³⁷ C.R.S. § 29-1-1401.

³⁸ Data derived from Colorado Department of Local Affairs, Active Colorado Local Governments by Type (last visited May 28, 2021), <https://dola.colorado.gov/lgis/lgType.jsf>. This source reports: 2 "City & Count[ies]," 62 "Counties," 99 "Home Rule Municipalities," 11 "Statutory Cities," 159 "Statutory Towns," and 1 "Territorial Charter Municipalit[y]." These local government descriptions are not an exact match for the language in the Act, which defines a local government as a "(a) City; (b) Home rule city; (c) Town; (d) Territorial charter city; (e) City and county; (f) County; or (g) Home rule county." C.R.S. § 29-1-1401. The local governments included from DOLA are the best match for the local governments described in the Act. In addition, the fiscal note for the Act found 332 local governments as of its publication in August of 2019, only two fewer than the CDLE has found in the DOLA data. Final Fiscal Note H.B. 19-1210 (August 28, 2019), https://leg.colorado.gov/sites/default/files/documents/2019A/bills/fn/2019a_hb1210_f1.pdf. The CDLE is unable to verify which included local governments have been created or dissolved since the publication of the fiscal note because the fiscal note does not specify which local governments are included or provide the source for its counts of these local governments.

V. PERCENT OF LOCAL GOVERNMENTS WITH A LOCAL MINIMUM WAGE *(cont'd)*

**Chart 12. Number and Percent of Localities
That Have and May Enact Local Minimum Wages**

