

AURORA'S MINIMUM WAGE PROPOSAL: POTENTIAL WORKERS BENEFITED

THE BELL POLICY CENTER • SEPTEMBER 2020

In a local and state economic environment where wages have failed to keep up with the true costs of living, and in many cases even simple inflation, raising the minimum wage has been a successful way to directly increase the economic circumstances of workers and communities.

Over the past decade, the real wages (i.e. wages adjusted for inflation) have not grown for majority of workers in the Aurora-Denver Metro Area. In fact, real wages have actually declined for most workers in many years. There is one notable exception: workers benefiting from Colorado's increase to the state minimum wage. But even these positive wage gains from the statewide increase have had only limited value as the increases in housing costs, particularly rent, have far outpaced wage gains.

[Rigorous economic analyses](#) of local minimum wage laws show they boost earnings without having significant negative effects on employment. Because low-wage workers spend a greater share of their income back directly back into the local economy, an increase in the minimum wage [can boost consumer demand](#), especially in a period of limited consumer demand, like the current COVID-19 period.

For Aurora, we estimate the current minimum wage proposal will:

- Benefit 30,000 workers in 2021 and over 68,000 by 2027
- Disproportionately benefit women and Black, Hispanic, and other workers of color
- Have a greater impact on workers aged 16 to 39, the vast majority of whom are over 18
- Boost pay primarily for full-time workers

To estimate the number of workers who would potentially benefit from the proposed minimum wage increase in Aurora, the Bell Policy Center examined American Community Survey data from 2013 to 2017. To estimate future wages, the Economic Policy Institute's wage variable was combined with projected wage inflation. The projections in this study do not adjust for possible growth in the total labor force, so are likely conservative estimates. The first four years of the proposal are presented in detail.

Aurora's Proposal Compared to the Projected State Minimum Wage Increases

Voters passed Amendment 70 in 2016, increasing the state minimum wage to \$12.00 in 2020 and increasing with inflation thereafter. Based upon [the last 12 months of Consumer Price Index \(CPI\) data](#), the Bell estimates CPI will be about 3 percent for 2021. Our estimates use 3 percent for future years as well. Before the pandemic, inflation was rising at a rate closer to 4 percent. With [larger moves by the Federal Reserve Board](#) possibly leading to higher inflation, 3 percent could be conservative.

STATE PROJECTIONS COMPARED TO AURORA PROPOSAL

	State	Aurora	Difference
2020	\$12.00	-	-
2021	\$12.36	\$12.60	\$0.24
2022	\$12.73	\$13.23	\$0.50
2023	\$13.11	\$14.55	\$1.44
2024	\$13.51	\$16.00	\$2.49

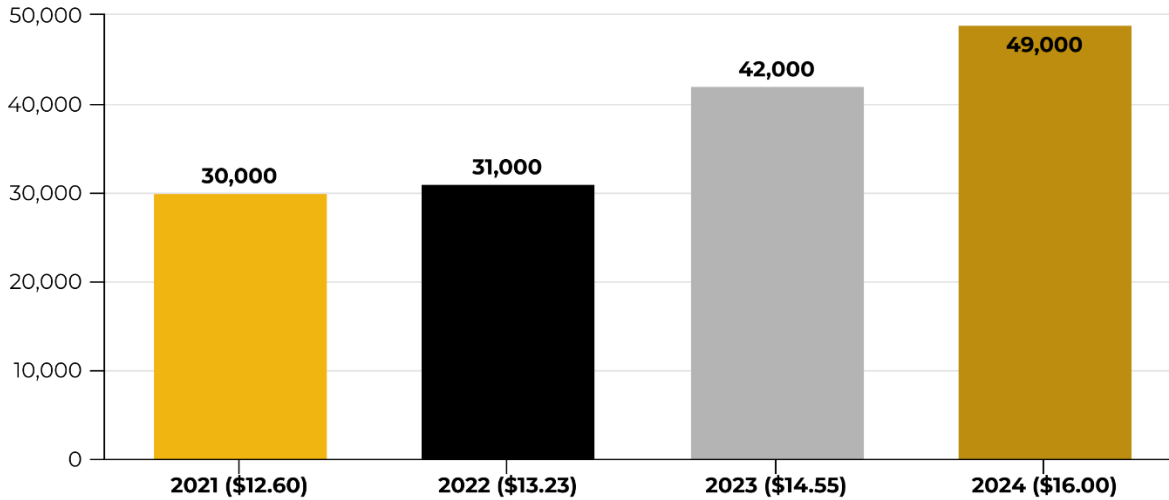
Source: Bell Policy Center projection of a 3% CPI increase over each of the next 3 years..

When compared to the state projections, the early increases to the Aurora minimum wage are small.

Total Number of Workers Benefited

About 17 percent of Aurora’s workforce is estimated to be making less than \$12.60/hour in 2021. By 2024, about 28 percent of workers will be making less than the proposal’s wage of \$16.00/hour. An estimated 30,000 workers would benefit in the first year and more than 68,000 by 2027.

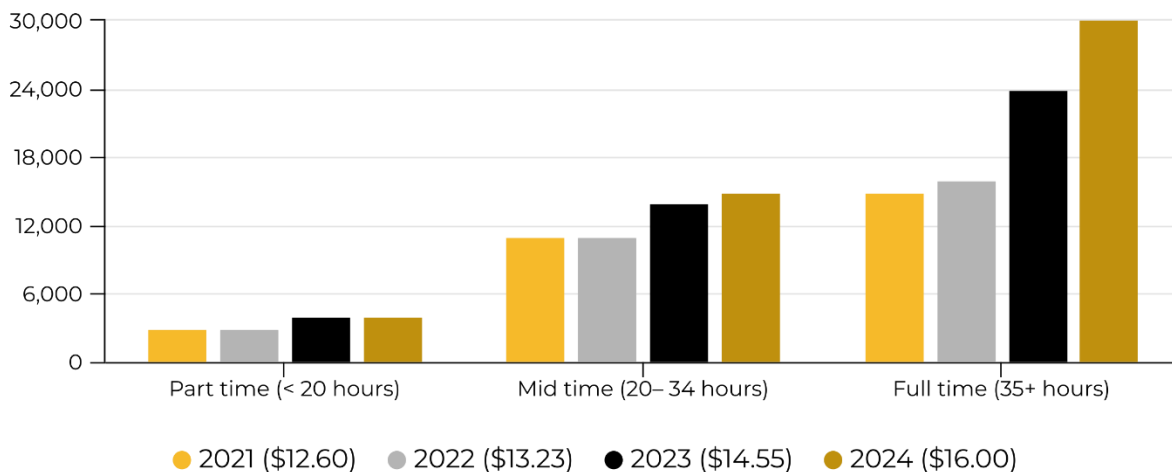
TOTAL WORKERS BENEFITED



Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Of the workers benefiting from the proposal, the majority of the workers are estimated to be full-time employees, working more than 35 hours per week.

NUMBER OF WORKERS BENEFITED (BY HOURS WORKED)

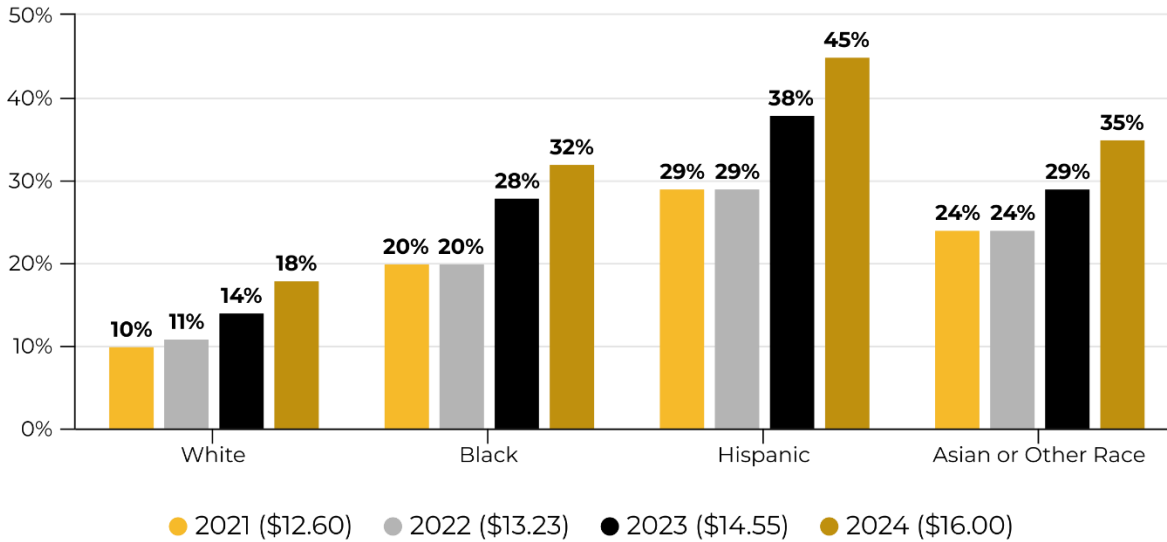


Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Workers by Race

While white workers are numerically the second larger group among workers with low wages in Aurora behind Hispanic workers, Aurora workers of color are overrepresented in low-wage jobs. This is especially true when looking at the percent of workers of a particular race who work in low-wage jobs (e.g. the percent of all Black workers who work in low-wage jobs). The benefits to communities of color would increase in future years of Aurora’s minimum wage proposal.

PERCENT OF WORKFORCE BENEFITED (BY RACE)

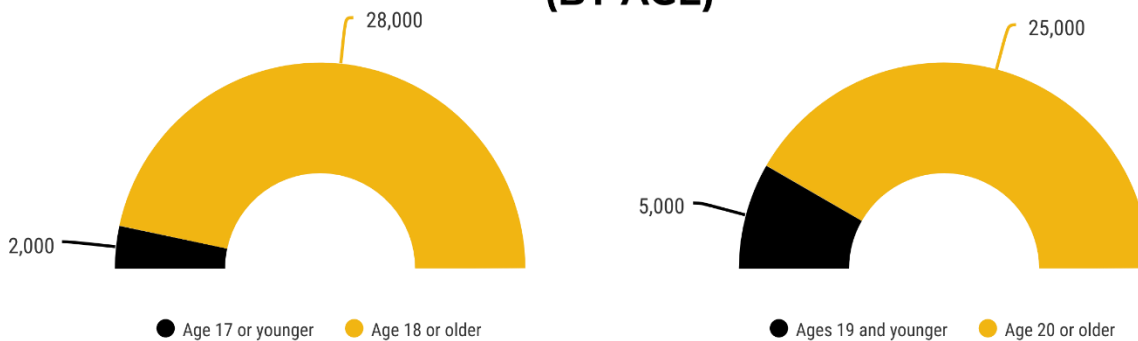


Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Workers by Age

Workers with low wages in Aurora are more likely to be younger, but they are not likely to be under 18 or 19. This indicates these workers are less likely to be part-time high school students or other seasonal labor.

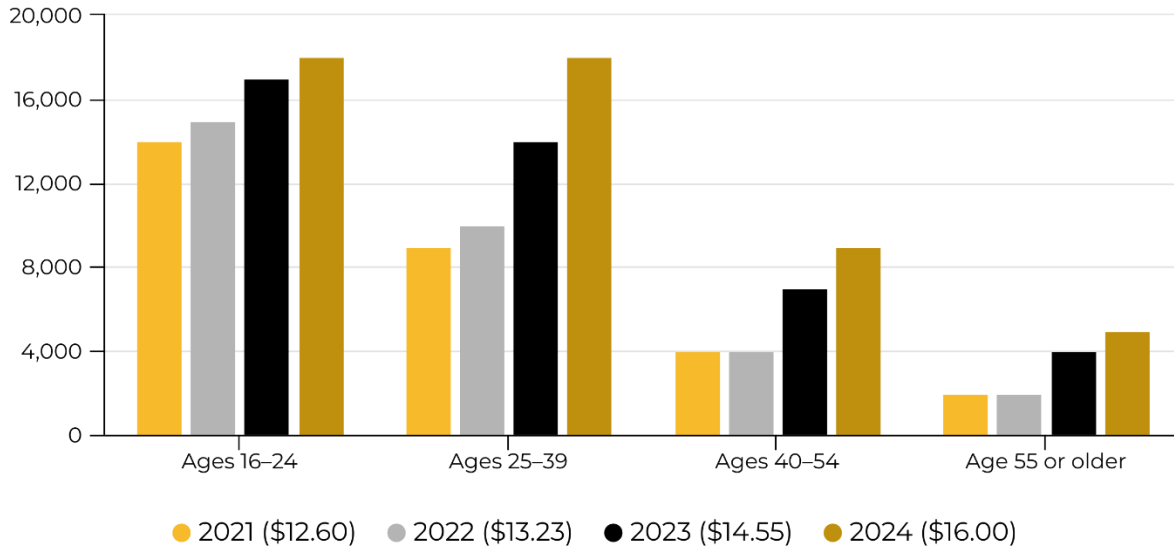
TOTAL WORKERS BENEFITED IN 2021 (BY AGE)



Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Workers with low wages in Aurora are most likely to be between the ages of 16 and 39.

NUMBER OF WORKERS BENEFITED (BY AGE)

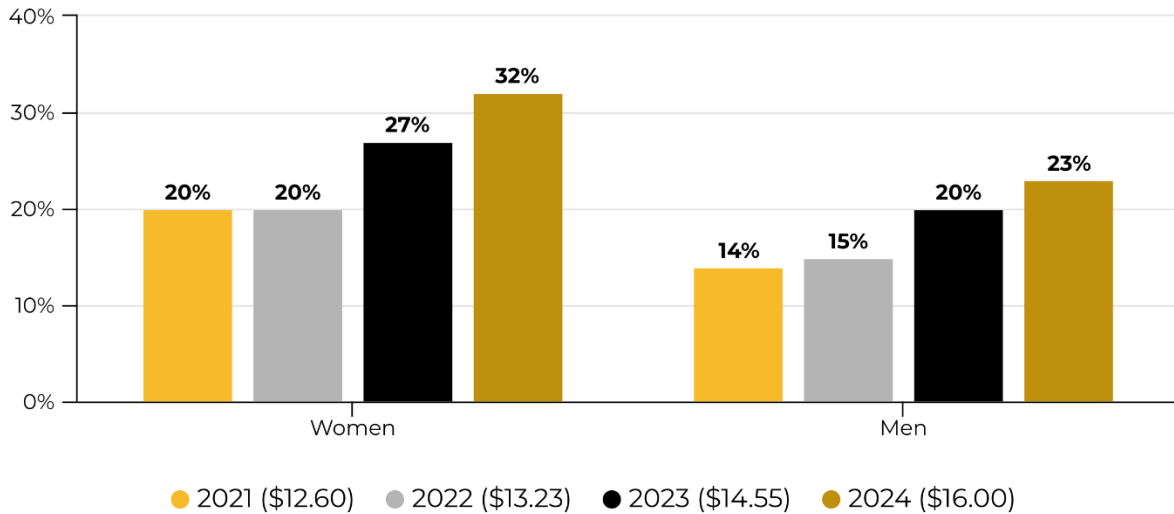


Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Gender

In both total numbers and as a percentage of their respective workforces, women are overrepresented in low-wage jobs in Aurora. As the Bell has documented in previous reports, low wages are associated with [women-dominated industries](#) such as child care and retail services.

PERCENT OF WORKFORCE BENEFITED (BY GENDER)



Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.

Projected Aurora Resident Workers Earning Less than Proposed Minimum Wage

	Paid less than \$12.60 in 2021	Paid less than \$13.23 in 2022	Paid less than \$14.55 in 2023	Paid less than \$16.00 in 2024	Paid less than \$17.60 in 2025	Paid less than \$20.00 in 2027
All workers	30,000	31,000	42,000	49,000	57,000	68,000
Sex						
Women	17,000	17,000	23,000	27,000	31,000	36,000
Men	13,000	14,000	19,000	22,000	26,000	32,000
Age						
Ages 16–24	14,000	15,000	17,000	18,000	19,000	20,000
Ages 25–39	9,000	10,000	14,000	18,000	21,000	26,000
Ages 40–54	4,000	4,000	7,000	9,000	11,000	14,000
Age 55 or older	2,000	2,000	4,000	5,000	6,000	7,000
Race/ethnicity						
White	9,000	10,000	13,000	17,000	20,000	25,000
Black	5,000	5,000	7,000	8,000	10,000	11,000
Hispanic	12,000	12,000	16,000	19,000	21,000	25,000
Asian or other race/ethnicity	4,000	4,000	5,000	6,000	7,000	8,000
Work hours						
< 20 hrs	3,000	3,000	4,000	4,000	4,000	4,000
20– 34 hours	11,000	11,000	14,000	15,000	16,000	18,000
35+ hours	15,000	16,000	24,000	30,000	37,000	46,000
Industry						
Agriculture	100	100	200	300	400	500
Construction	900	1,000	1,800	3,100	4,000	5,600
Manufacturing	800	800	1,400	1,600	1,900	2,400
Wholesale trade	400	400	600	800	1,300	1,700
Retail trade	6,000	6,000	7,000	9,000	10,000	11,000
Transportation	1,000	1,000	2,000	2,000	3,000	3,000
Information	400	400	500	600	700	900
Finance	500	500	1,000	1,200	1,700	2,300
Professional	400	400	600	700	700	1,000
Administrative	2,000	3,000	4,000	4,000	5,000	6,000
Education	1,000	1,000	2,000	2,000	3,000	3,000
Healthcare	3,000	3,000	4,000	6,000	7,000	9,000
Arts & Entertainment	1,000	1,000	2,000	2,000	2,000	2,000
Accommodation	900	1,000	1,000	1,000	1,000	1,000
Restaurants	8,000	9,000	10,000	11,000	12,000	12,000
Other services	2,000	2,000	3,000	3,000	4,000	4,000
Public Admin.	100	100	200	300	300	400

Note: Values describe the workforce living in Aurora city in 2021-27, regardless of where they work, who are projected to be paid less than \$12.60-20.00 per hour in July 2021-27. Values do not adjust for changes in the overall workforce size, which may make projections more conservative.

Source: Bell Policy Center analysis of 2013-17 ACS data, adjusted using Economic Policy Institute's wage calculations and projected inflation.