

2015 Workforce Report

June 2015

VAIL VALLEY ECONOMIC DEVELOPMENT

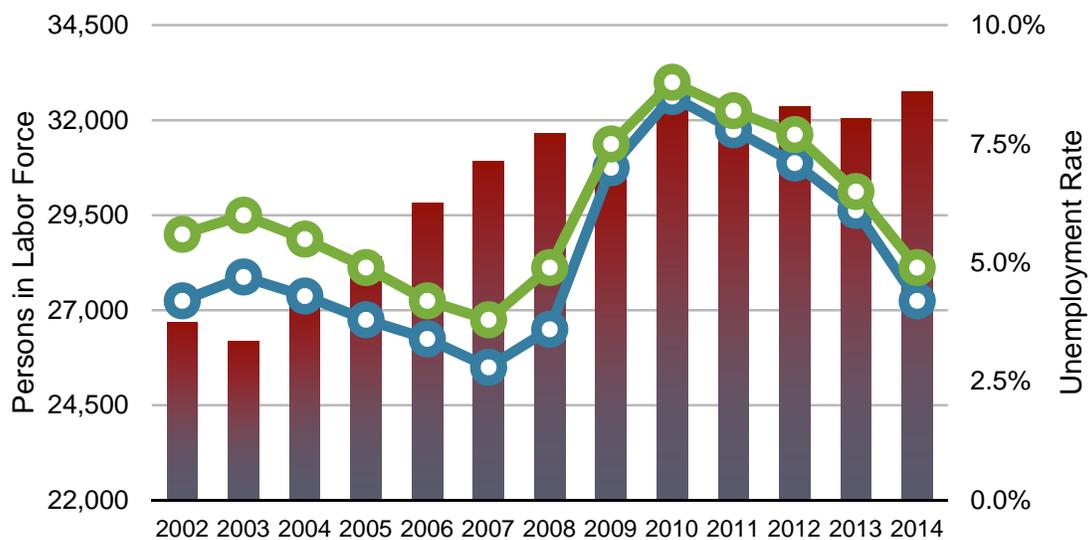


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Eagle County's Labor Force: Conditions Continue to Improve

After relatively high unemployment rates in 2009-2012, which also exceeded the state rates in 2010-2012, 2013 saw a solid decline in unemployment, followed by another year of decline in 2014. In 2014, the Eagle County unemployment rate was 4.2%, which is below the state rate of 4.9%. The current local unemployment rate has also nearly closed the gap between the rate in 2008, which was 3.6%. The number in the labor force increased 2.2% between 2013 and 2014 to 32,739.

The county's population continues to grow at a slow and steady pace, about 1.8% per year (State Demographer estimates 2010 - 2015; the population is currently estimated at 53,655). School enrollment in K-12 for fall of 2014 grew 1.9% from the previous year to 6,344.



■ Eagle County Labor Force ● Eagle County Unemployment ● Colorado Unemployment

As a rural resort county, employment is disproportionally comprised of the accommodation and food services; retail trade; arts, entertainment and recreation; and construction. About a quarter of the County's employees work in accommodations and food services, another 11% in retail trade and 11% in arts, entertainment and recreation. Construction, a once robust sector of the economy, now employs about 10% of the workforce, which is up slightly from 2012. Additionally, many residents are challenged to find suitable employment to carve out a sustainable living in the county since the average wage is lower than in Denver, yet the cost-of-of living is high. The cost for housing is especially high, ranging from about two times the national average in the Gypsum and Eagle area and increasing dramatically as one gets closer to the prestigious skis areas of Vail and Beaver Creek.

Eagle County has 31,548 housing units and 19,268 households. Almost 2 in 5 homes in the county are classified as “vacant,” primarily second homes. While median household income in the county is higher than the statewide average (\$71,030 compared to \$55,244), weekly wages are low: \$780 a week in Eagle County compared to \$996 per week average statewide`.

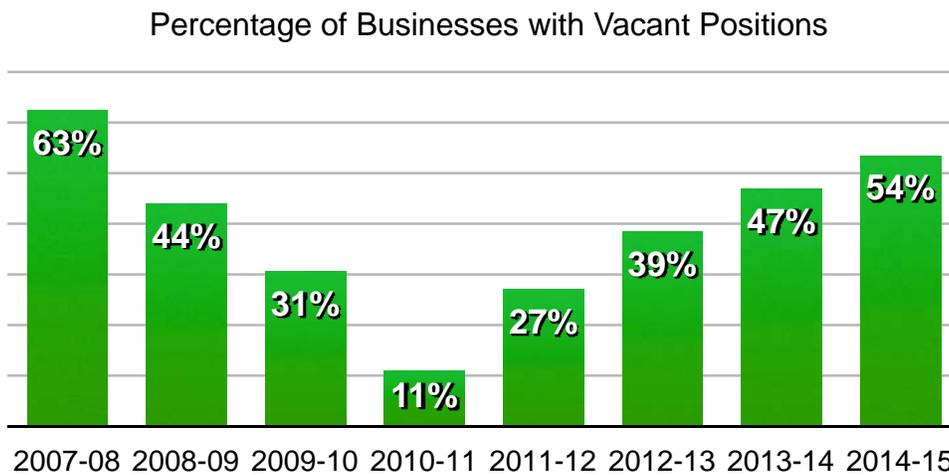
It’s against this backdrop of an economy continuing to gain strength slowly, but steadily, that we take a look at what employers in Eagle County are saying about business and workforce.

9th Annual Workforce Survey

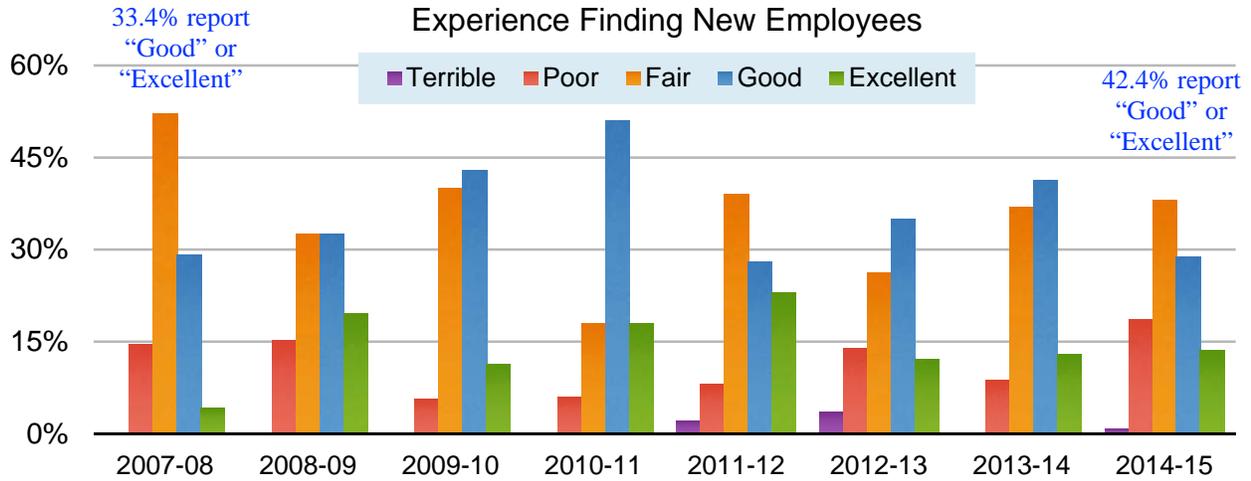
Vail Valley Economic Development (formerly The Economic Council of Eagle County) has been conducting a workforce survey in Eagle County since 2006-07. Although there has been some variation in items and response choices across administration years, core items on the current version of the survey have been collected since 2007-08 and ask employers about their business outlook, their employees, and their forecasts for the future. Prior survey results can be found at www.vailvalleymeansbusiness.com. In 2014-15, 127 businesses responded to the Workforce Survey, an increase of 30% over the previous year. This summary report compares those responses with data from prior surveys.

Hiring New Employees

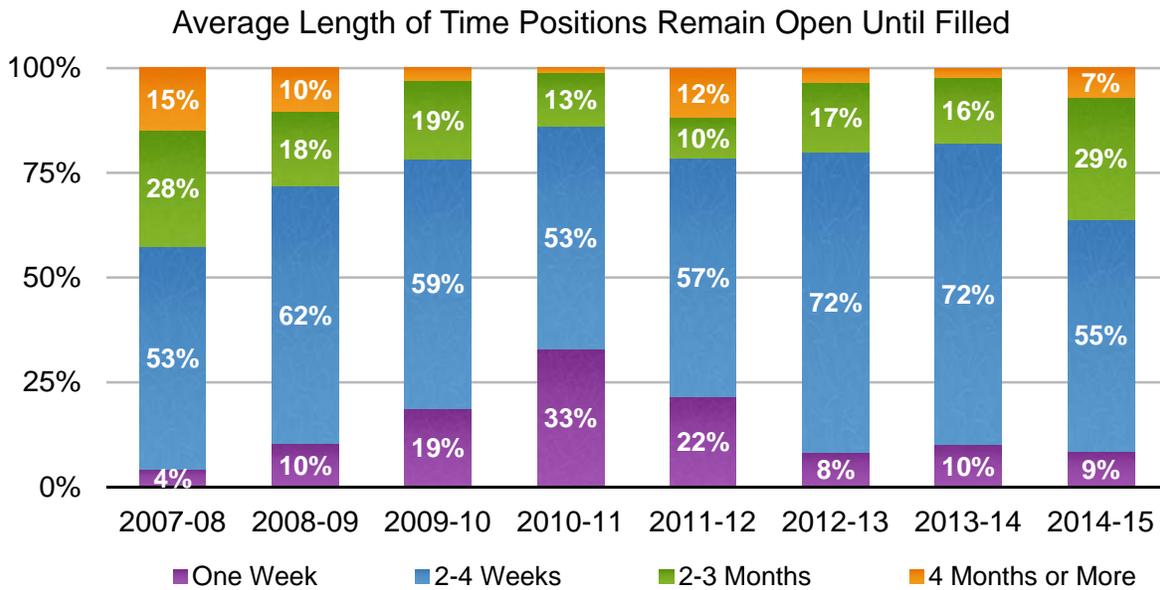
The chart below shows the percentage of responding businesses with vacant positions. While still below the 2007-08 boom-year level of nearly 2 out of 3 of businesses with unfilled positions, 2014-15 saw a fourth yearly increase that shows more than half of the businesses have current vacancies.



Respondents were asked to rate their company’s experience in finding the employees it needs. As seen in the following chart, there was a decline over the previous year. Those that say “terrible” or “poor” increased from 9% to 19%, while those that say finding suitable employees is “good” or “excellent” decreased from 54% to 42%.”



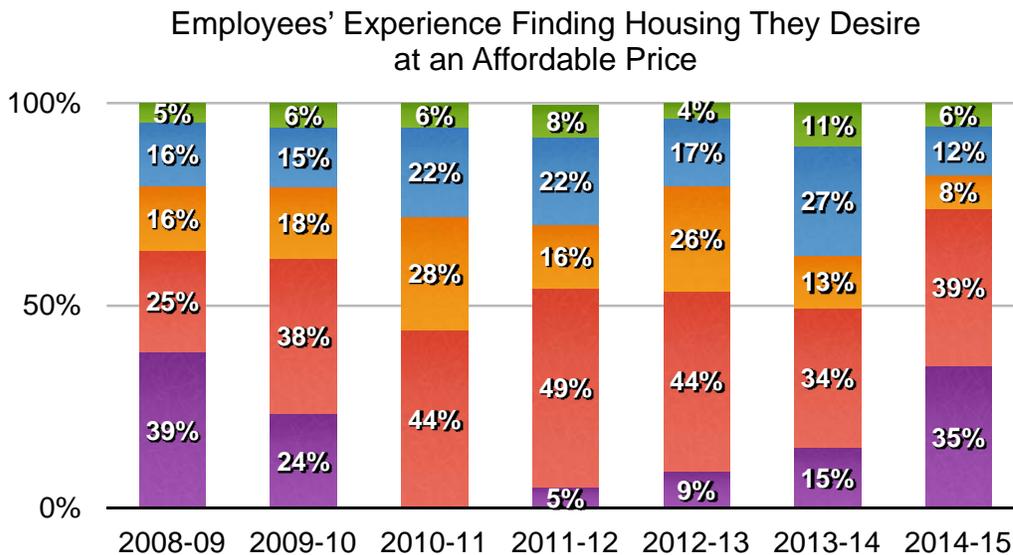
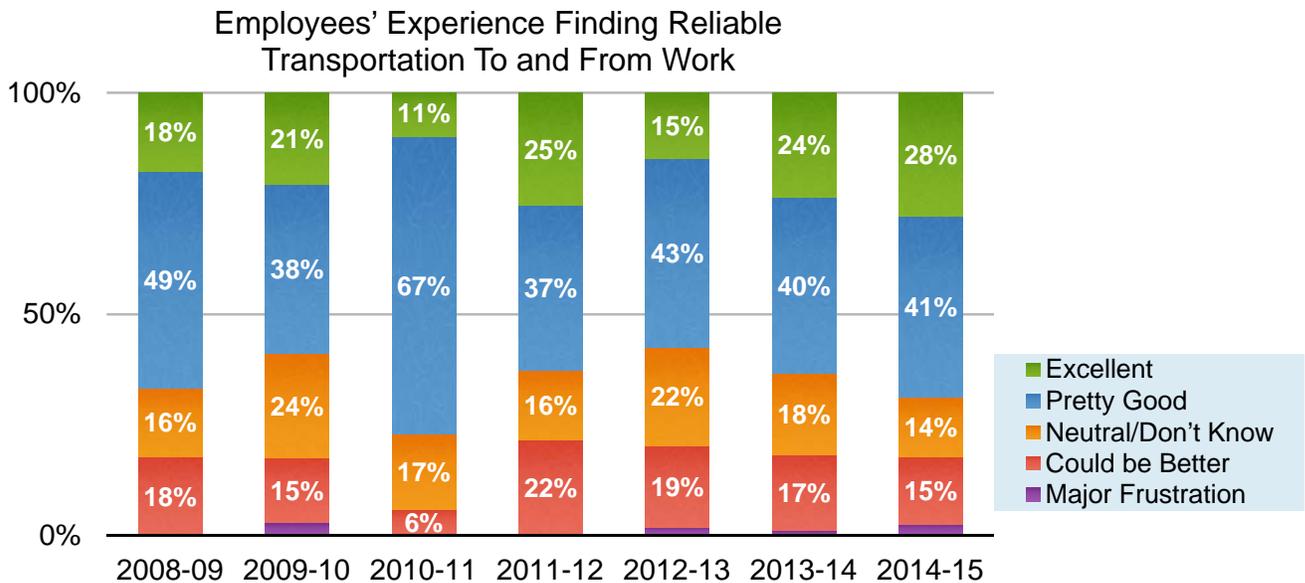
The days of easy hiring seem to have peaked in 2010-11. In 2014-15, only 9% of businesses reported that they can fill positions in a week and 55% reported 2-4 weeks, a decline over the previous year. Those that indicated 2-3 months rose to 29% and those reporting 4 or months increased to 7%.



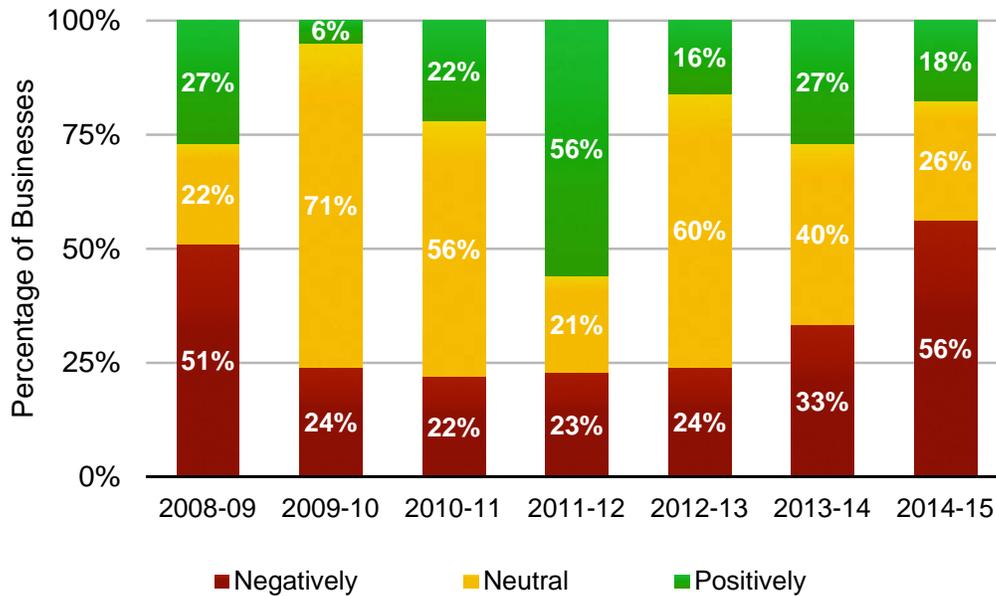
Employee Experiences with Housing and Transportation

Perception of employees' experiences in finding reliable transportation and housing continue to change. Transportation improved for a second year in a row, with 69% of employers saying their employees' experience finding reliable transportation to and from work is "excellent" or "pretty good."

Frustration with housing was quite high in 2008-09, dropped to its lowest point over the history of the workforce survey in 2010-11, and has climbed steadily every year since that point in time. Currently, frustration with housing is about the same as it was in 2008-09, with 35% indicating "major frustration" and another 39% feeling that "it could be better." Only 18% of respondents currently think that finding housing is "pretty good" or "excellent", which is lower than what was seen in 2008-09.



Effect of Housing on Ability to Attract, Hire and Retain Employees



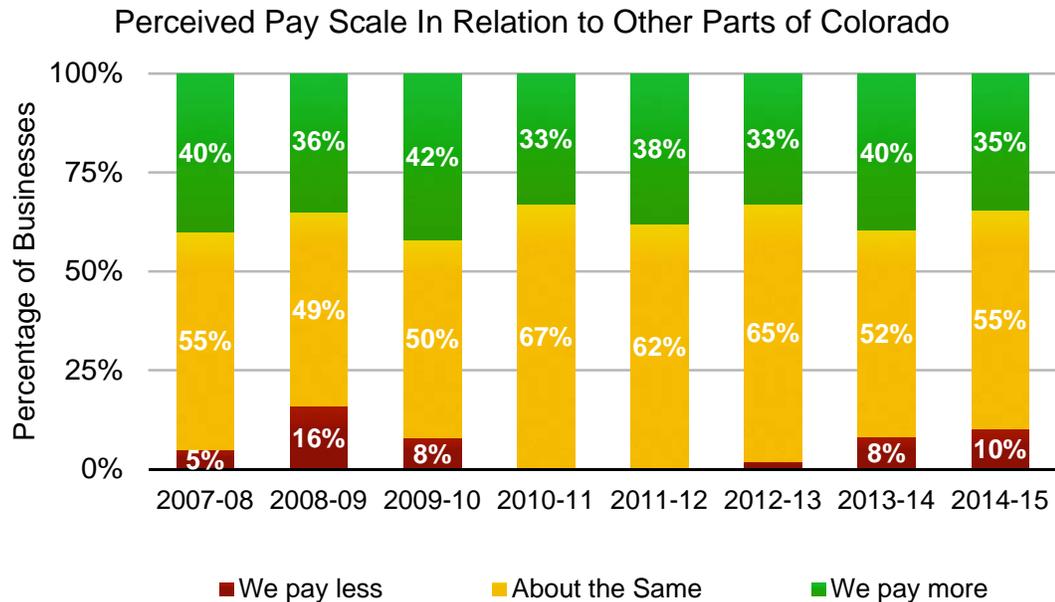
As seen in the chart above, the number of businesses saying housing negatively affects their ability to attract, hire and retain employees grew by 23% and those saying housing is a positive factor decreased by 9%. The percent of businesses giving a neutral rating on this item decreased by 14%. Specific comments made in this area include:

Applicants have declined job offers because of the cost and availability of housing in the area.
Especially for seasonal or for young couples/families who need more than a small condo.
Have people moving home with parents to save money.
Housing affordability is an issue, but most people make sacrifices in their housing to live in the mountains.
Housing for our mid-range and minimum wage earners is difficult to stay in Avon most have to go down to Gypsum.
Housing poses a problem for our plans to get interns. There is nothing affordable for them.
I have a couple of employees who might benefit from better workforce housing up-valley.
It can be a challenge, but there are lots of sources. The realtors are a good start point.
Lost some employees this year due to housing issues and had several not return due to housing situation.
Our employee housing program eliminates many issues re: housing for our staff.
Primarily affects us bringing employees in from outside of Eagle County.
Rentals are the current issue.

Pay and Benefits

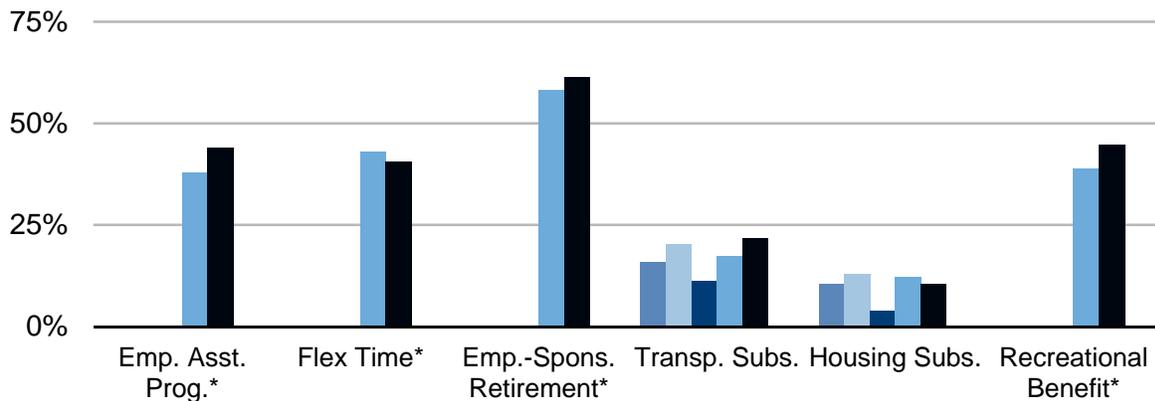
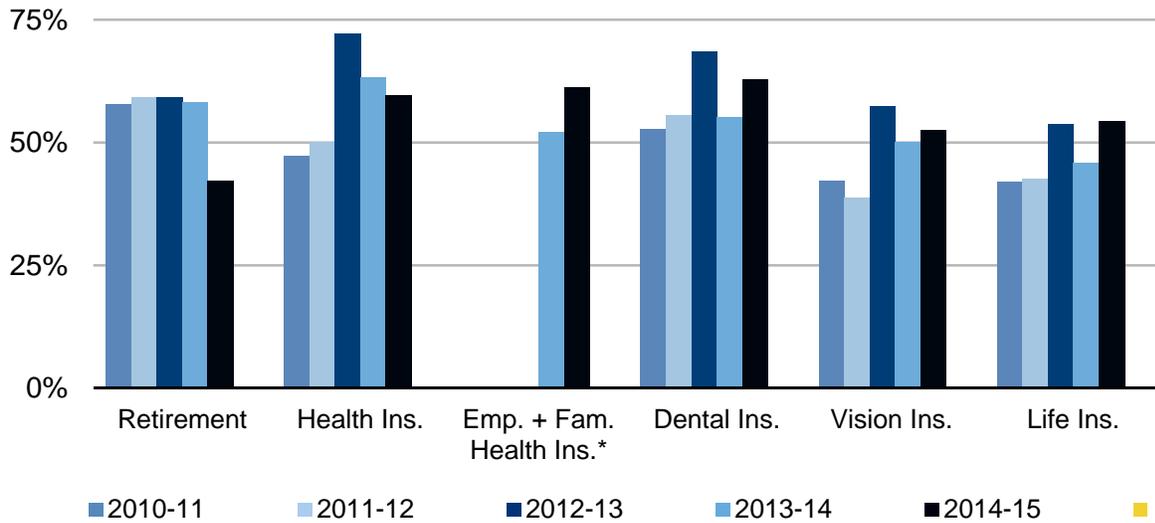
The survey asked employers about their pay scale and about benefits they provide. Almost all (96%) respondents say they provide job training and other professional development (PD) to new employees as well as those that have worked for them more than six months. Over half (55%) say they provide “considerable” PD to new employees and 36% to employees working more than six months.

Most companies in Eagle County tend to pay the same, or more, than similar businesses in other parts of the state. As shown in the chart below, those who say they pay more than other parts of the state delinked by 5% compared to the previous year and those who say they pay less also grew by 2%.



The charts on the following page show the percentage of businesses that offer various benefits asked about in the survey. Health insurance, dental insurance, vision insurance, life insurance, retirement, and employee sponsored retirement plans are offered by over half of the companies surveyed. The percentage of businesses offering employee health insurance peaked in 2011-12 and has been slowly declining since then.

Percentage of Businesses Offering the Following Benefits:

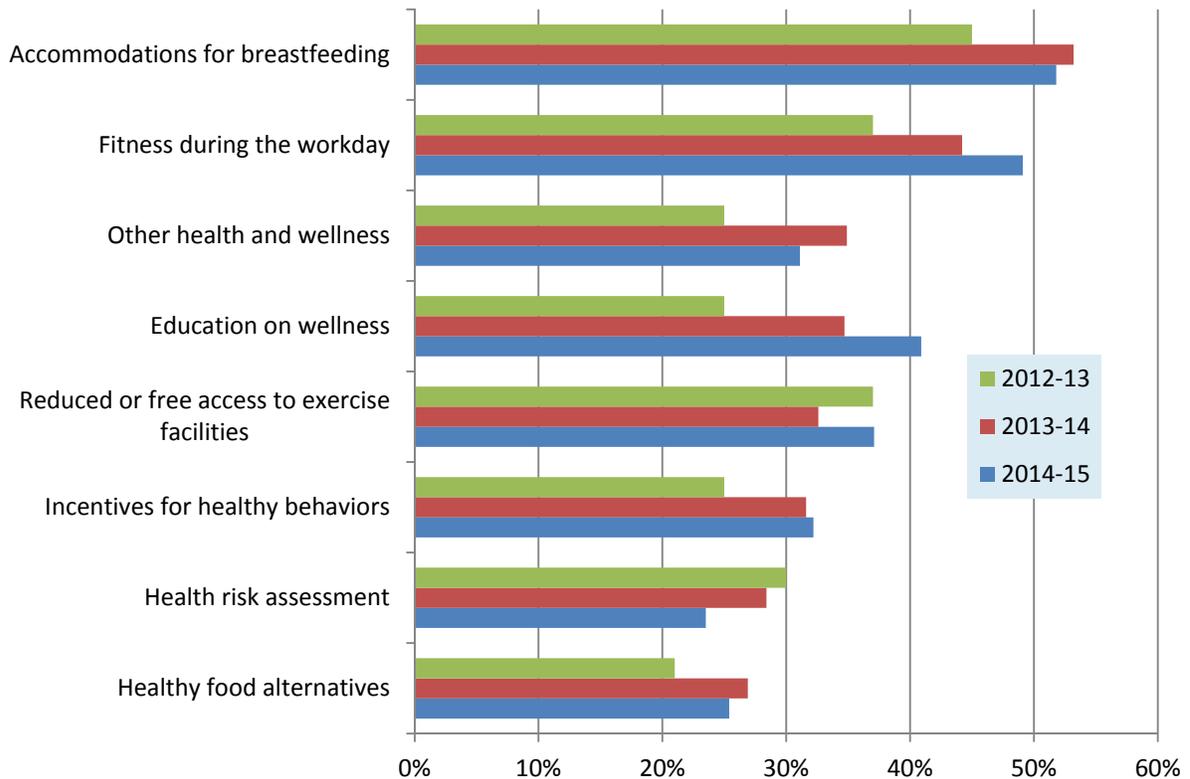


* New in 2013-14.

Health and Wellness Programs

There are a number of programs that have been implemented by businesses and other employers throughout the County stressing workplace wellness over the last few years. These efforts are driven primarily by the desire to increase employee satisfaction and improve recruitment and retention, but also to increase productivity as well as moderate spiraling health care costs. Starting in 2012-13, survey items were created to capture the percentage of businesses across the county that has adopted each program. These rates are shown below for each of three years that they were included on the survey. The chart shows that adoption of most programs has generally increased over the past three years or stayed relatively steady. Fitness during the workday and education wellness saw the strongest gains, while health risk assessment saw a small decline.

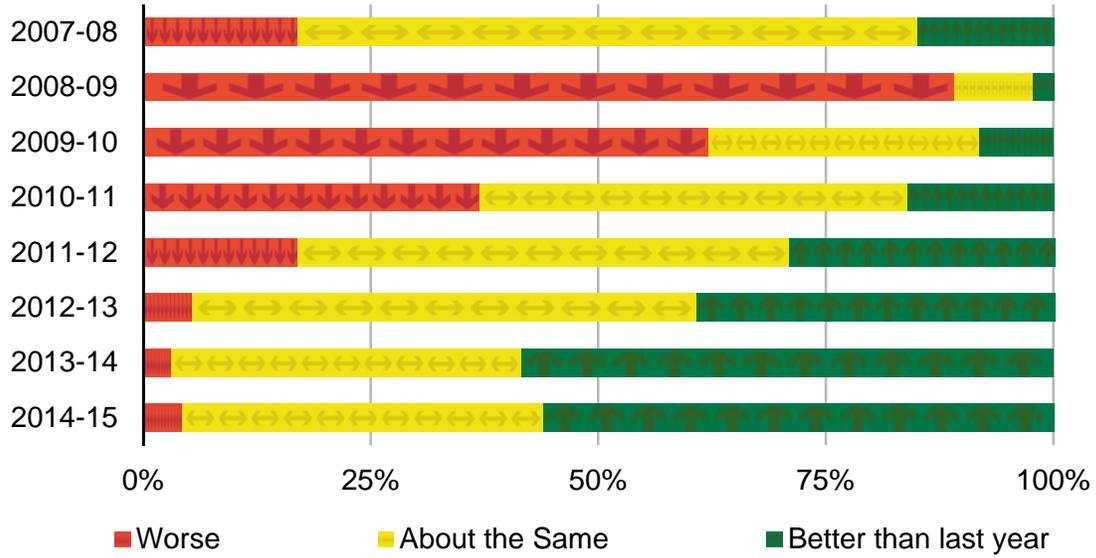
Percentage of Businesses Offering the Following Health and Wellness Programs



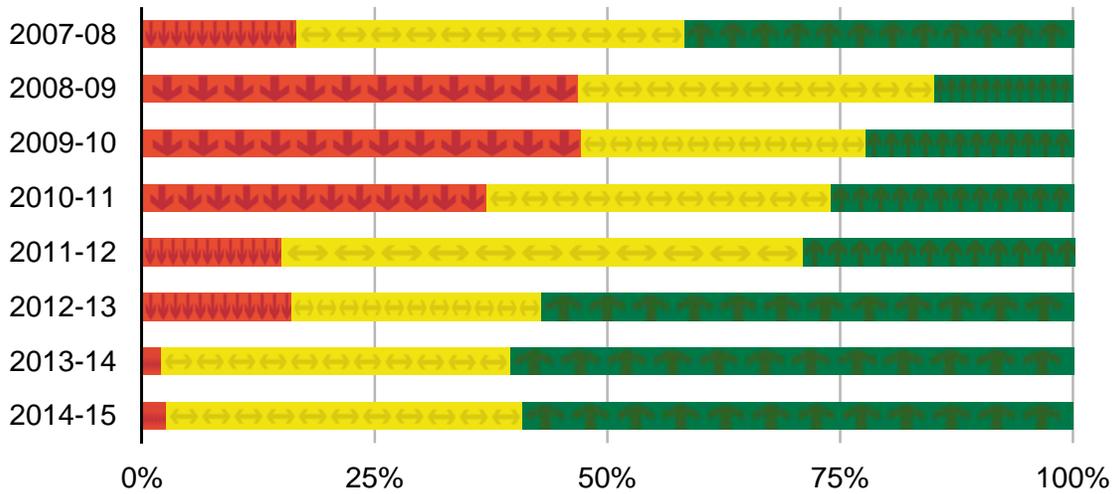
The Economy

As shown in the two charts below, business owners and managers continue to feel pretty good about the Eagle County Economy in general as well as their own business health. There was a small decline in the percentage that said the economy as well as their own business health is better than the previous year and a slight increase in those that said it was worse. However, the change as compared to the previous year is negligible and current opinions about economic conditions are still more positive than at any time between 2008-09 and 2012-13.

Businesses Indicating the EC Economy in General
is Better or Worse Off than in the Previous Year



Businesses Indicating their Own Business Health
is Better or Worse Off than in the Previous Year



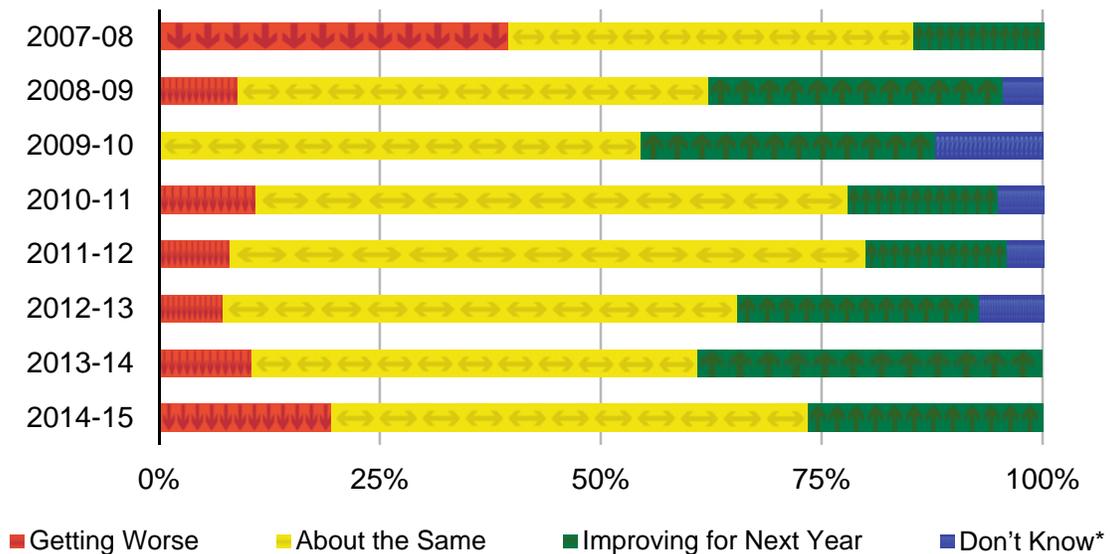
Comments from survey respondents regarding their own business health include the following:

As economy improves, existing employees are stretched thin because employers don't yet have the ability to add positions because of budget constraints.
Began a new line now offering additional services.
Revenue has slightly improved. 2012-13 were challenging years and while it is improving, it is not nearly producing the revenue that I projected entering into a business.
Slightly but mostly due to price increases.
State not funding education.
Took a hit during Ski Championships and less snow has affected ability to be better than last year.
Overall, we have been very conservative and fared well during the recession. Due to strict lending guidelines, we've remained strong for a good stretch of time... at least in my time here.
We have weathered the economic storm and a devastating fire and are stronger for it. Whatever doesn't kill you makes you stronger!! I guess

Finding and Keeping Employees

About 27% of respondents say the outlook for finding and keeping employees is improving for next year, a 12% decrease from 2013-14. Those who say “about the same” as last year increased by about 3%, but those who say it will be worse has grown by about 9%.

Predictions for Your Ability to Hire and Retain Employees in the Coming Year

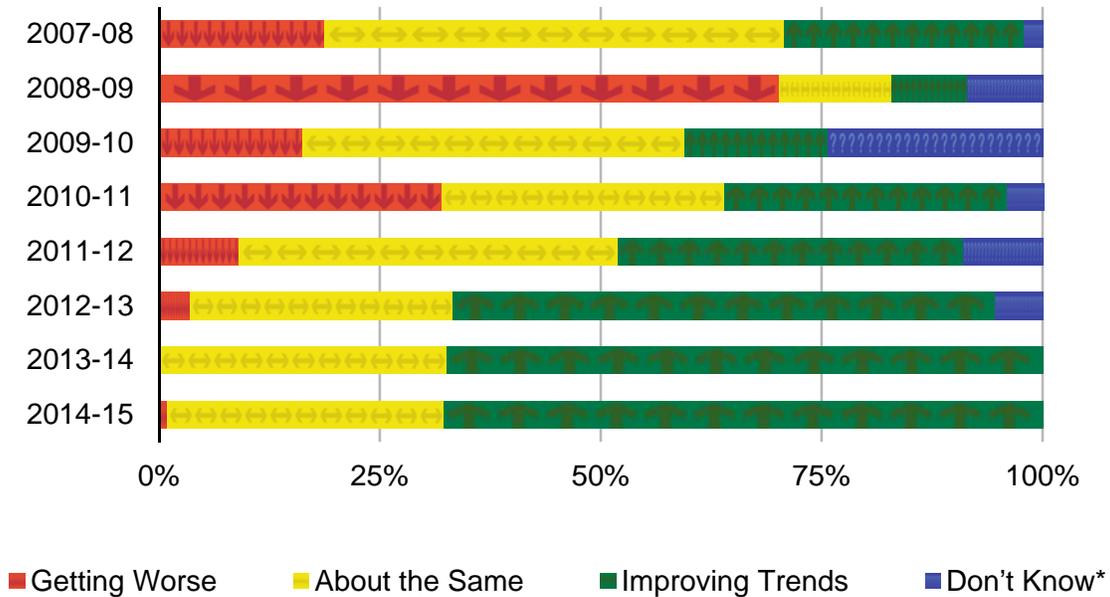


* Don't Know was not offered as a response option starting in 2013-14.

Predicting the Future

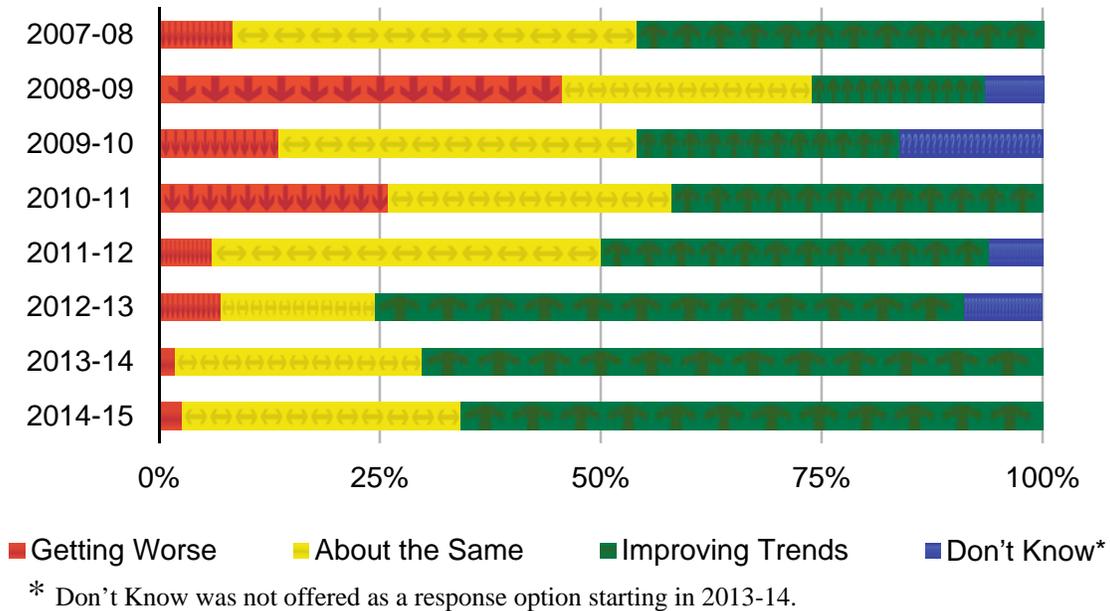
The optimistic outlook for the economy has continued into 2014-15, with over 2 out of 3 respondents predicting that the coming year will see improving trends in the overall Eagle County economy. However, there was a slight increase in respondents who felt pessimistic about the health and vitality of their own business in the upcoming year.

Predictions for EC's Economy for the Coming Year



* Don't Know was not offered as a response option starting in 2013-14.

Predictions for Own Business Health for the Coming Year



* Don't Know was not offered as a response option starting in 2013-14.

Current Business Growth and Expansion

The percent of businesses that say they are considering expanding or diversifying into a different service sector is 19%, which is up by 10% as compared to the previous year. When asked what resources might be beneficial for business owners or managers during the current survey administration, the responses were as follows:

A bigger pool of employees to hire from.
Affordable housing in Vail for young professionals. Also, a broader platform of professional development opportunities.
Affordable housing opportunities for younger employees.
Affordable office space
As a nonprofit, our "business" is unique. I'm not sure exactly what additional services would benefit us, but I feel as though VVP does their best to support our nonprofit community.
As a non-profit, we are hoping to increase our revenue. Training in fundraising
Benefits and compensation survey information
Better loan availability.
Better transportation, parking and housing solutions for our employees and contractual relationships.
Board Membership education: There are a ton of nonprofits in the valley...very few have a 100% competent board because the young professionals in the valley no nothing about nonprofit management. Therefore, many nonprofits are ineffective because they are spinning wheels and getting nowhere because the Board doesn't develop itself. Thus...overall impact is lower than it could be here in Eagle.
Business managers meetings
ECO Bus schedules that are more robust in times other than standard start and end of a 'normal' 9 hour work day (i.e., 8-5 work day). We open at 10 and close at 8 most days of the week. Shifts can run from 8- 5, but many run from noon - 8. Getting to /from work on public transportation outside of the Town of Vail busses, if you are working noon - 8 is not feasible.
Economic and demographic statistics with trends through the years
Educating students around different career choices, college might not always be the option for all students. Community Colleges focused more on teaching skilled labor.
Employee housing and transportation.
Employee housing options seem to be the biggest frustration
Expansion funding
Extended networking opportunities. Seminars regarding national impacts on the economy, and how they would potentially trickle down to state and local economies...
Health insurance expense is huge - we need to see better and fair rates for health insurance in the area. Greater concessions for local businesses trying to provide ski passes to their employees. If you live here, you deserve to be able to ski and without employer assistance, most cannot afford a pass. It's really sad if kids don't get the opportunity when they live here.
Housing
Housing
Housing for entry level staff is always a challenge. That is not the only reason we have a hard time hiring, but it is a significant issue.
I sense that while statistics can be informative, I have found them too unreliable when applied to my business and the pattern of my customers. Vail is always in a state of flux. Quick references "At a Glance" of weekly happenings, special events, "who's here", large groups booked for meetings/conferences etc.
It would be helpful to have assistance in finding affordable housing options for temporary employees... and our permanent employees too!
It's a broad topic. Anything that would help us stay up-to-date with the behavior/expectations in hospitality among different generations in relation to tourists as well as employees.

Job bank for posting jobs etc.
Local non-profit wage & benefit survey.
Make some more commercial land available to buy
Mentor program
More affordable housing and a bigger labor pool to draw from
More affordable housing and free employee parking within Vail
More affordable housing options for employees
More employers who offer full-time well-paid positions
More growth at CMC, would love to see a four year college come into this area. We need a younger work force that is focused, career minded, and highly educated.
More health care options. Eagle County has the highest cost for health care services.
More housing inventory and affordable housing sub \$400K
Small business seminars on topics associated with running a small business Social media seminars
Supervisory/Management skills training at reasonable cost. . .
The economic information that the Economic Council of Eagle County provides is great! What would be interesting would be political surveys when elections are going on in Eagle County to see which candidates have a significant advantage.
The pipeline for professional level talent isn't as robust as is needed, especially as our employee population ages and we anticipate more retirements. It would be helpful to establish partnerships with front range universities as a means of outreach.
To have the health care premiums be adjusted here in Eagle County. We pay the highest in the Country and nobody is doing anything about it.
Tourism data
Volunteers from Eagle County to serve abused/neglected children from Eagle County
Wage surveys
We continue to build and add appropriate resources as business demands increase or as they are needed by our internal team.
Workforce housing is the biggest challenge in Eagle County.
Workforce on-the-job training programs Workplace wellness programs such as Health Links
Would love to see an increase in the availability of employee / cost effective housing options.

Survey Methodology

Vail Valley Economic Development invited employers to participate in this research by sending them an email link to an online survey. Staff then placed follow-up “invitation to participate calls” to those companies and other entities that had not yet completed the survey, but were considered highly representative of local business climate. The Vail Valley Partnership and its member associations included information and the survey link in their online newsletters, and area non-profit organizations were invited to weigh in.

The survey was designed and tested by research staff, and distributed through Survey Monkey, an internet-based survey tool. Data was tabulated and analyzed using SPSS, the Statistical Package for Social Sciences.

This was an opt-in rather than a random sample or census survey, so a margin of error cannot be calculated. However, survey respondents represented small and large businesses of different types employing a large number of workers throughout the valley, and results can be used to assess trends in the Eagle County workforce.

Conclusions

Some conclusions from the 2014-15 Workforce Survey:

- ✓ Business owners and managers maintained good confidence about the economy in general and their own business health. The predictions for the upcoming year continue to generally show an optimistic outlook.
- ✓ Frustration with housing has grown in 2014-15, with opinions about housing being more negative than ever found in the history of conducting this survey. The majority of respondents feel that the housing situation negatively impacts their ability to hire and retain employees and this issue was mentioned frequently when asked about additional resources that are needed.
- ✓ Providing health insurance for employees continues to be a challenge.
- ✓ Companies throughout Eagle County provide a variety of workforce wellness options and the percentage of businesses offering various options has generally increased over the past three years. Some of the most common options include accommodations for breastfeeding, access to on- or off-site exercise facilities, and fitness possibilities during the work day.
- ✓ Businesses that report plans to expand and/or diversify have increased and are higher than they have been during the two previous years.
- ✓ The percentage of businesses that pay more than other parts of the state has declined when compared to the previous year and those that pay less increased slightly.