
2017 Workforce Survey Report

June 2017



Prepared by:

Vail Valley Partnership/Vail Valley Economic Development

101 Fawcett Rd., Ste. 240 | Avon, CO 81620 | 970-476-1000

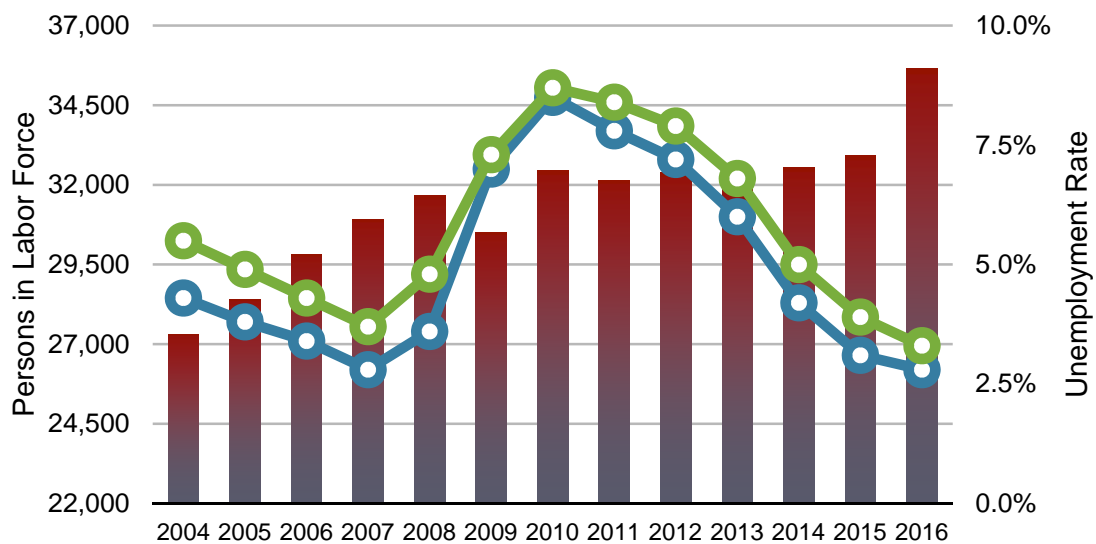
vailvalleypartnership.com | vailvalleymeansbusiness.com

Report Author: Andrej A. Birjulin, Ph.D., Research Director | 970-328-0299

Eagle County's Labor Force: Conditions Continue to Improve

After relatively high unemployment rates in 2009-2012, unemployment saw a solid decline in 2013 and that has continued through the current year. In 2016, the Eagle County unemployment rate was 2.8%, which is below the state rate of 3.3%. The current local unemployment rate has also closed the gap between the rate in 2007, which was also 2.8%. The number in the labor force increased 8.3% between 2015 and 2016 to 35,651.

The county's population continues to grow at a slow and steady pace, about 1.8% per year (State Demographer estimates that the population grew by 2.4% between 2010 and 2015; the population is currently estimated at 53,320). School enrollment in K-12 for fall of 2016 grew 1.1% from the previous year to 6,628.



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

As a rural resort county, employment is disproportionately comprised of the accommodation and food services; retail trade; arts, entertainment and recreation; and construction. Almost a quarter (24%) of the County's employees work in accommodations and food services, another 11% in retail trade and 12% in arts, entertainment and recreation. Construction employs about 10% of the workforce. 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 ski areas of Vail and Beaver Creek.

Eagle County has 31,937 housing units and 19,961 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 (\$72,214 compared to \$60,629), weekly wages are low: \$838 a week in Eagle County compared to \$1,052 per week average statewide.

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

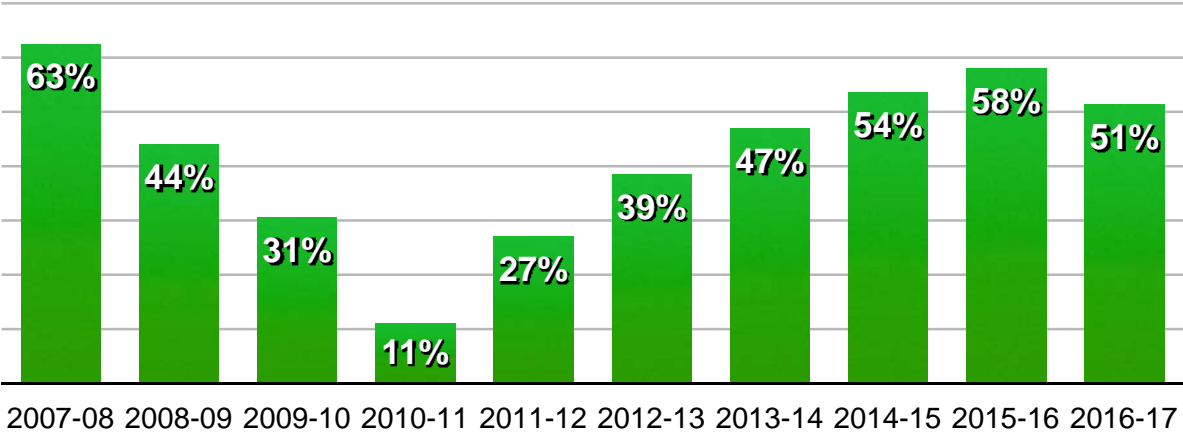
11th Annual Workforce Survey

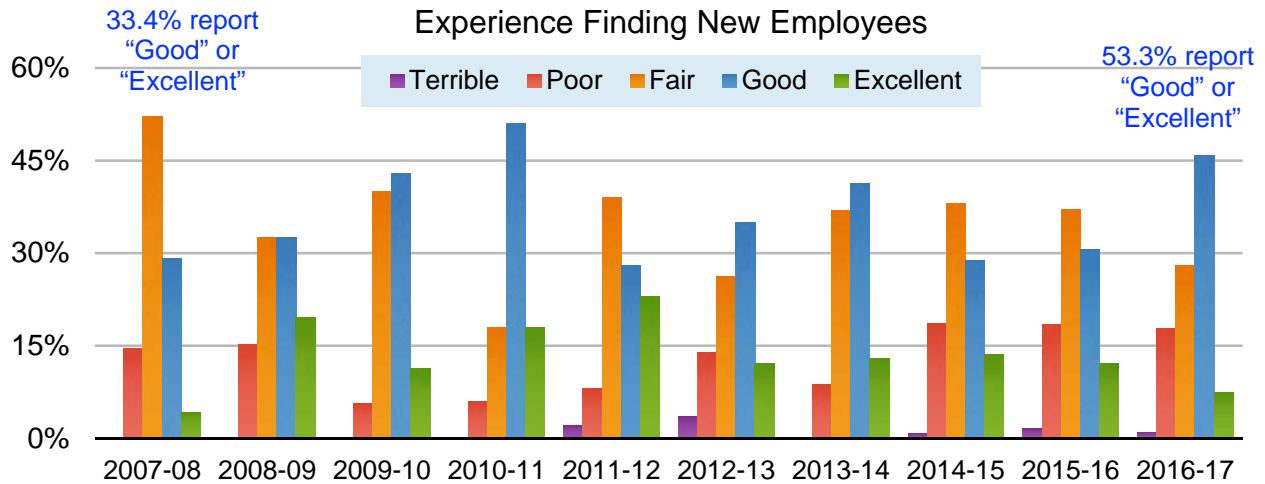
Vail Valley Economic Development (formerly The Economic Council of Eagle County) has been conducting a workforce survey in Eagle County since 2006-07. Although there has been some variation in items and response choices across administration years, core items on the current version of the survey have been collected since 2007-08 and ask employers about their business outlook, their employees, and their forecasts for the future. Additional items this year ask about the adequacy of local child care facilities and the impact this has on recruiting and retaining employees. Prior survey results can be found at www.vailvalleymeansbusiness.com. In 2016-17, 118 businesses responded to the Workforce Survey, which is slightly lower than 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. During the 2007-08 boom-year, nearly 2 out of 3 of businesses had unfilled positions. Vacant positions have increased every year since the low point reached in 2010-11, but 2016-17 saw a decline from the previous year and shows that about half of the businesses have current vacancies.

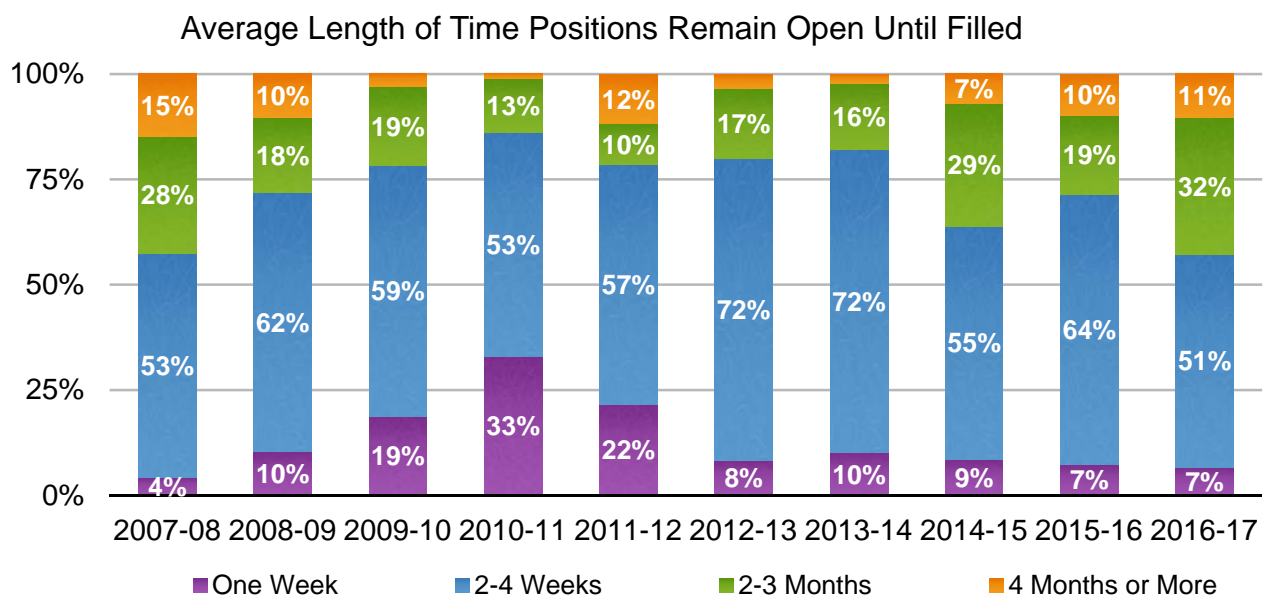
Percentage of Businesses with Vacant Positions





Respondents were asked to rate their company’s experience in finding the employees it needs. As seen in the chart above, the experience of hiring new employees improved over the previous year, but is still below the most positive year that was seen in 2010-11. In 2016-17, 19% indicated that the experience was “terrible” or “poor” and 53% indicated that it was “good” or “excellent.”

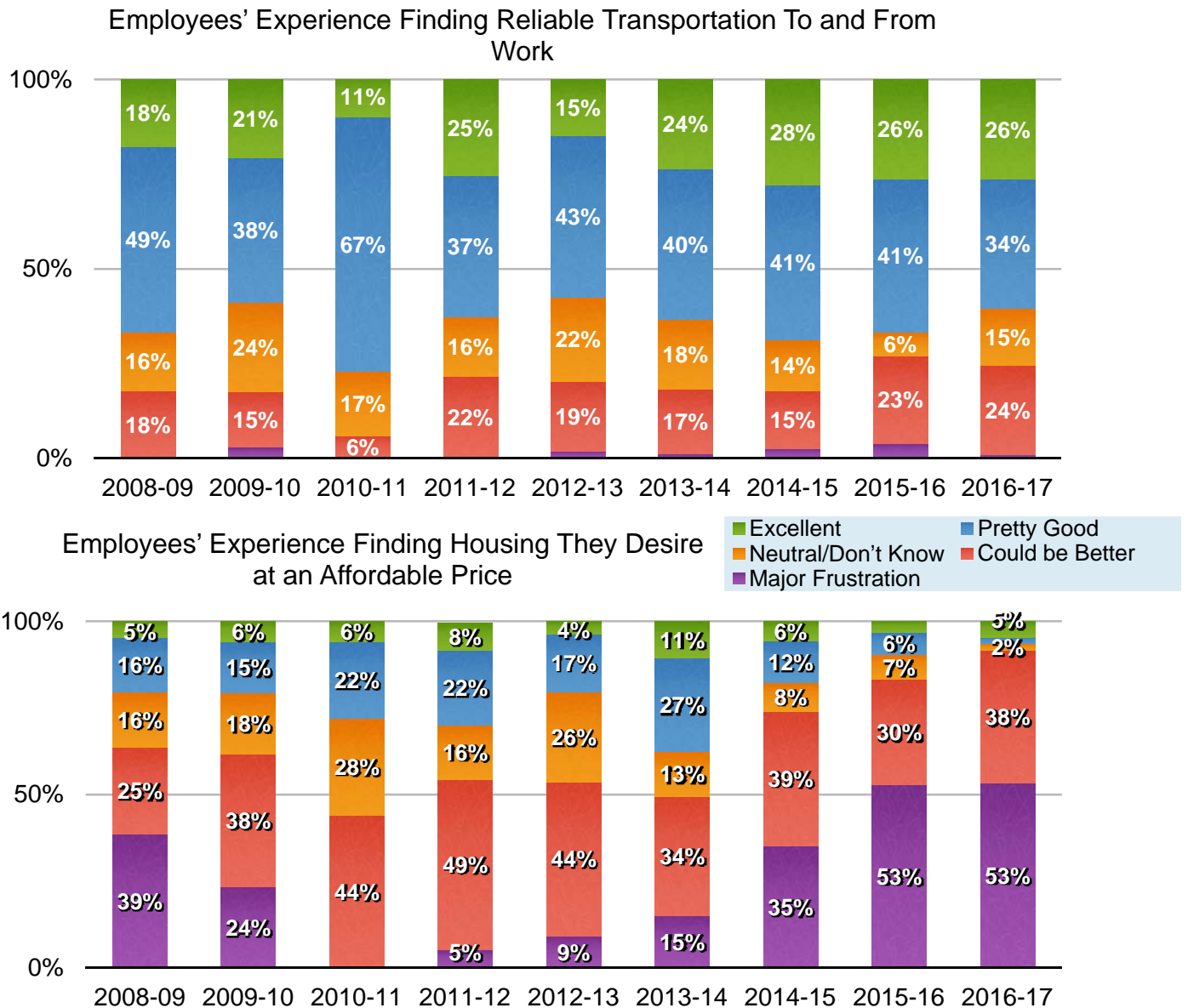
As seen in the chart below, in 2016-17 58% of businesses report that they can fill positions within 4 weeks, a 13% decrease over the previous year. Those that indicated it took more than a month increased to 43%. The overall hiring results show that the days of easy hiring peaked in 2010-11, but are currently facing challenges.



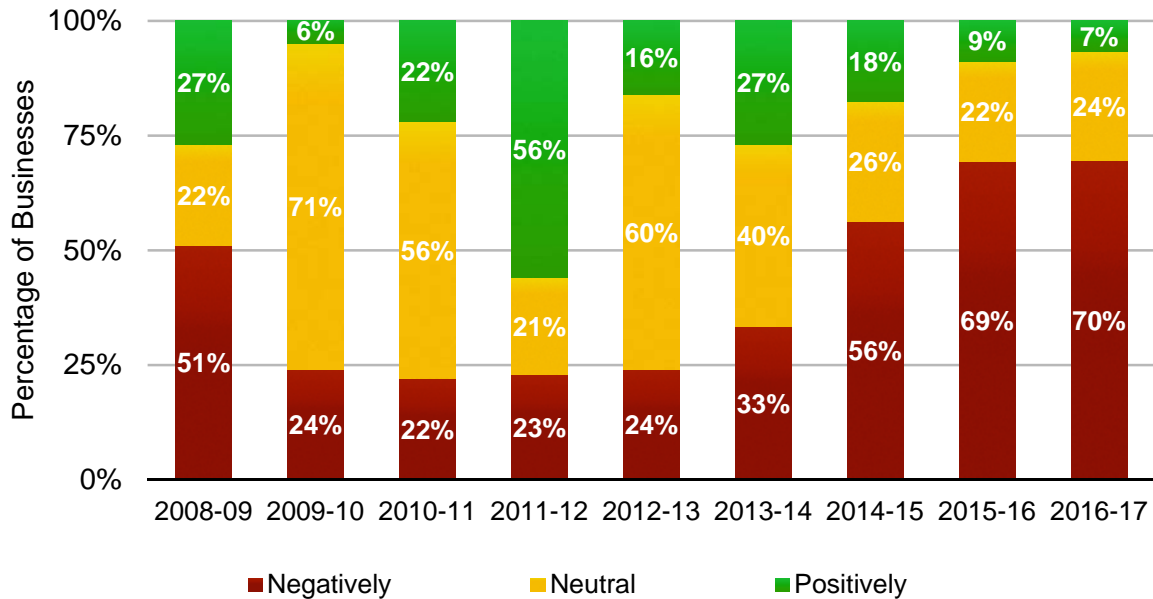
Employee Experiences with Transportation, Housing and Child Care

Perception of employees' experiences in finding reliable transportation and housing continue to change. Transportation saw a small decline over the previous year, with 60% of employers saying their employees' experience finding reliable transportation to and from work is "excellent" or "pretty good", and 25% giving a negative rating.

Frustration with housing continues to be stubbornly high, with more than half of employers indicating "major frustration" and another 38% saying "it could be better." Only 7% don't feel that housing is much of an issue. The 2016-17 results regarding housing are the most negative they have been in the past 10 years of collecting this information.



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

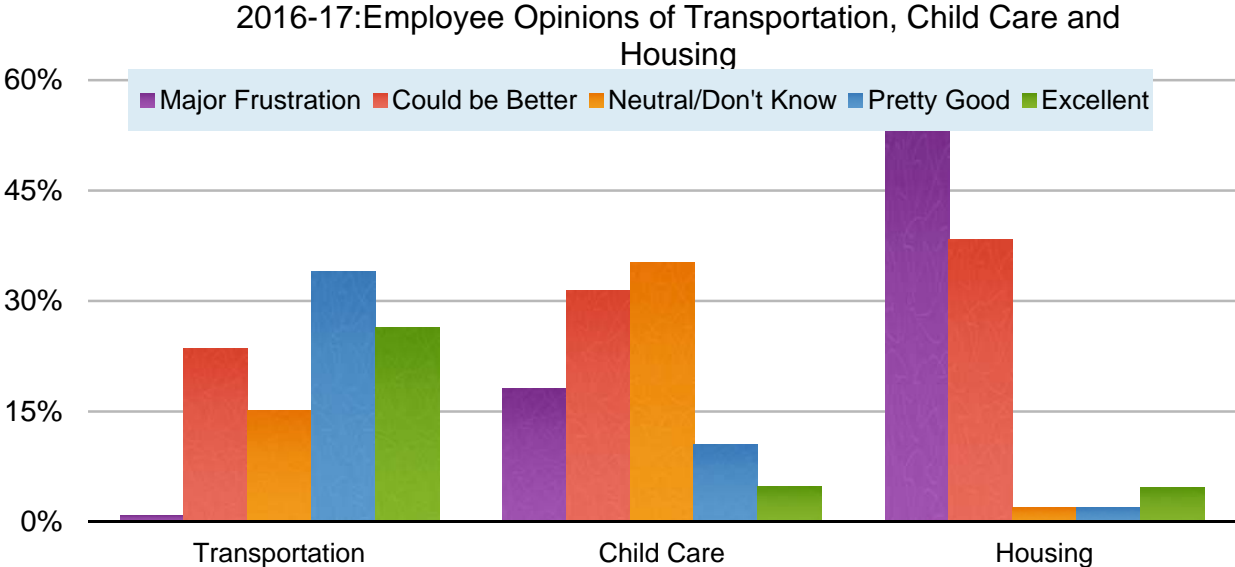


As seen in the chart above, the effect of housing on the ability of businesses to attract, hire and retain employees declined slightly from the previous year and is also at an all-time low. Specific comments made in this area include:

Affordable housing is the most significant issue for obtaining and keeping quality employees.
Both employees have lived in the Vail Valley for more than 20 years.
Everyone owns their own house.
For the majority of staff that do not own homes in the valley, securing affordable housing is a huge challenge.
Housing is completely unaffordable in Eagle County.
My single guys seem to do ok. My staff with families complain about costs.
Our last hire was able to find a place after searching for a few weeks. He started in October which most places had already been rented for the upcoming ski season.
The most pressing problem. Critical
This is a huge issue for us. We have had employees almost leave due to the fact that they could not find reasonable housing.
We have a 9 bedroom employee housing facility
We have both lived here a long time, so our network is big. If we were new here, that would be a different story.
We have many employees whom have been employed for many years. These employees are established and have housing they can afford. It is very difficult for the younger professionals looking to live and work in our Valley.
We have our own employee housing and can house up to 60% of our current staff.

We provide a fair number of housing units for seasonal employees, however there is still challenges meeting the needs for seasonal employees. Broader affordable rental availability is very challenging for our full time employees.
Hiring out of town staff with families is more difficult. Singles not so bad.
If the employee is patient they can typically find something however finding affordable housing is somewhat of a challenge when the individual does not want to have roommates.
We have some locals and for the out of town employees we have housing (when available)
Many commute from outside of Eagle County
Employees seek housing in Garfield County because it's more affordable. This results in long commutes.
Limited Rental pool and high rental pricing.
This is one of the greatest challenges (affordable housing) in getting a qualified candidate to commit once an offer is made.

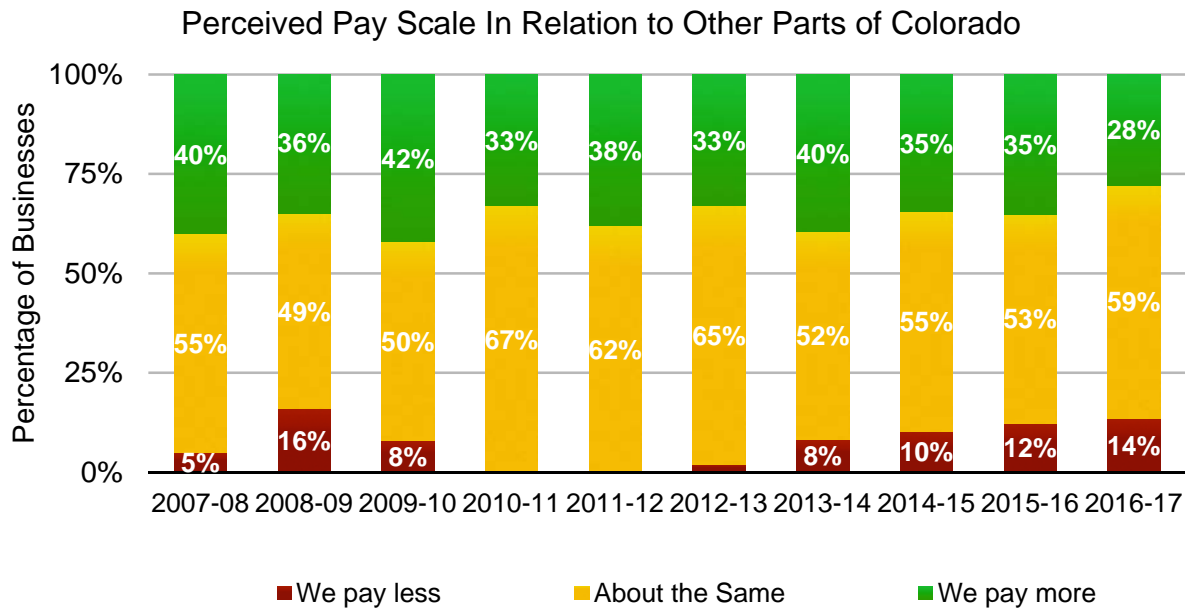
Two new items were added to the survey regarding availability of affordable child care. As seen in the chart below, in 2016-17 child care fell in between transportation and housing as a source of frustration for employees. While opinion of transportation was mixed, very few felt it was a major source of frustration and 25% had a negative opinion overall. For child care, 40% had a negative opinion in 2016-17 and for housing, negative opinion climbs dramatically to 92%. Results also show that 27% of businesses feel that availability of child care has a negative impact on their ability to hire and retain employees, 66% were neutral, and 13% felt availability of child care has a positive impact.



Pay and Benefits

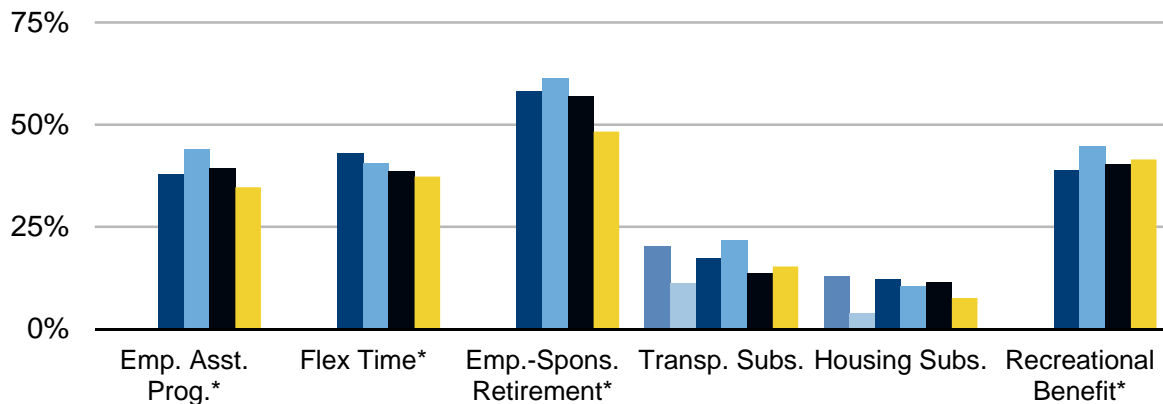
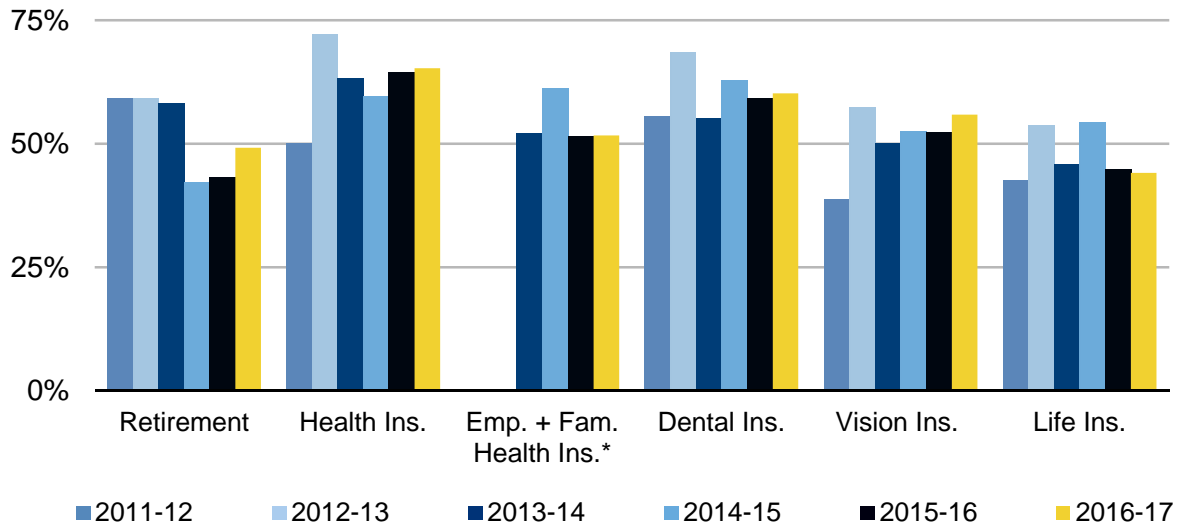
The survey asked employers about their pay scale and about benefits they provide. Almost all (95%) respondents say they provide job training and other professional development (PD) to new employees as well as those that have worked for them more than six months. Over half (55%) say they provide “considerable” PD to new employees and 36% to employees working more than six months.

Most entities 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, however, those who say they pay more than other parts of the state declined over the previous year and those who say they pay less 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, and employer sponsored retirement plans are offered by over half of the entities surveyed. The percentage of businesses offering employee health insurance peaked in 2012-13, but came up slightly the past three years.

Percentage of Businesses Offering the Following Benefits:

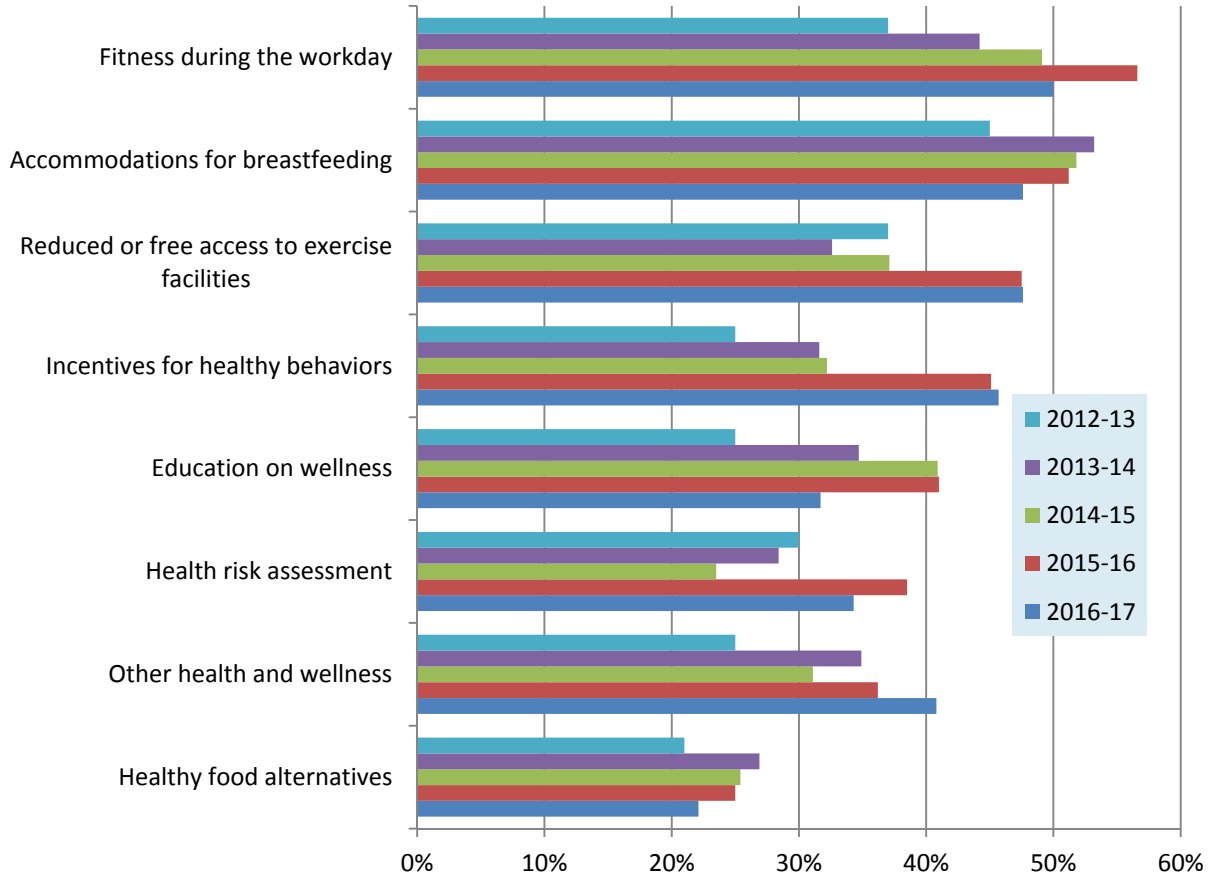


* New in 2013-14.

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 five 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 five years that they were included on the survey. The chart shows that adoption of most programs has generally increased over the years or stayed relatively steady. Fitness during the workday and education on wellness saw the strongest gains, while accommodations for breastfeeding and healthy food alternatives saw a small decline.

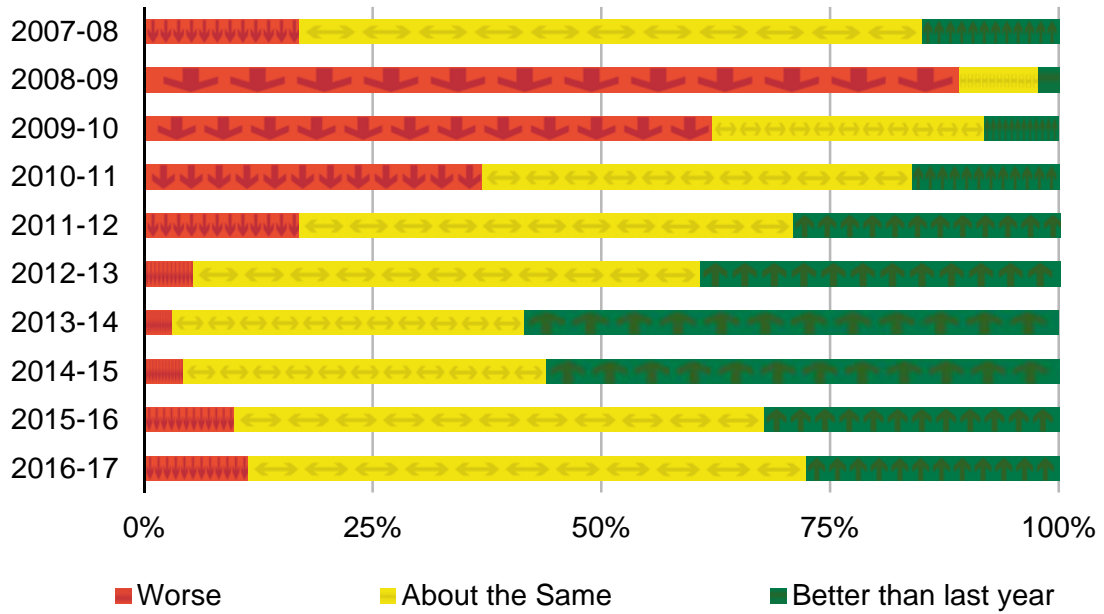
Percentage of Businesses Offering the Following Health and Wellness Programs



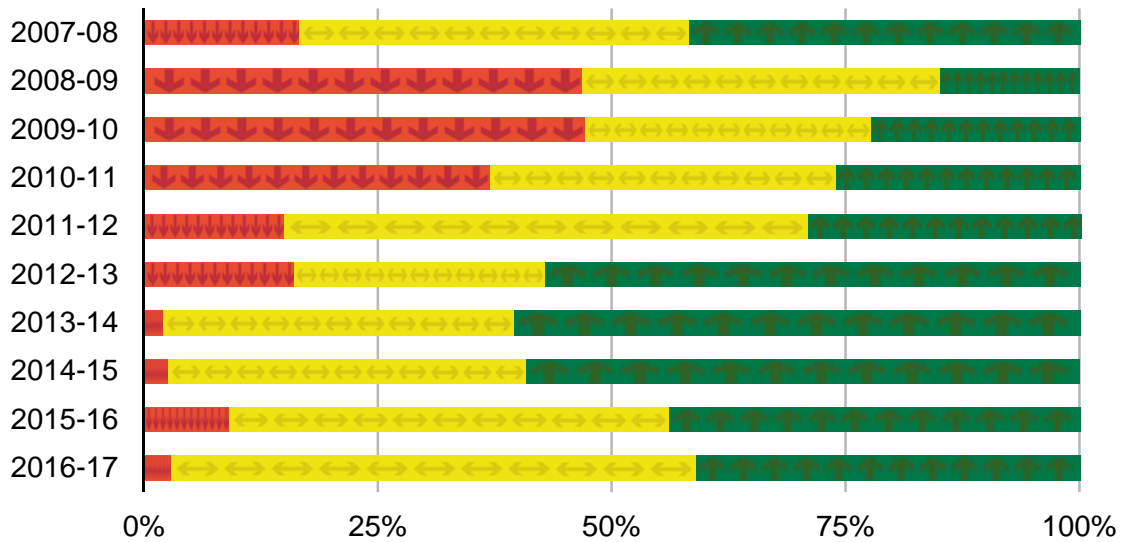
The Economy

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. Interestingly, overall businesses felt the EC economy was slightly worse in 2016-17 compared to the prior year, but rated their own business health as slightly better than the previous year. For both measures, the percent that indicated “about the same” grew slightly. Those that indicated “better” declined slightly on both measures.

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



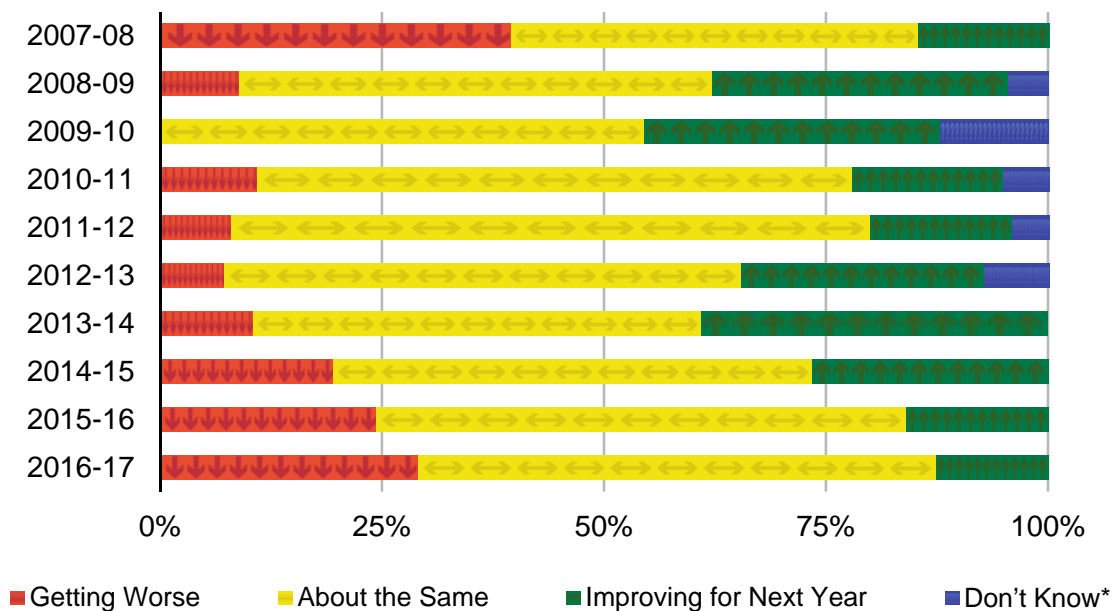
Comments from survey respondents regarding their own business health include the following:

Nonprofit is a little different. I rely on my board for funding. It truly depends on their participation.
First quarter numbers have suffered due to poor Spring conditions on Vail.
Hard to say as a new business but hopefully will start to see more profits after investing more than seeing returns for our first season.
It seems that donations are strong.
Right-sizing our company was a difficult decision. In the long run this was the right move to make our company more profitable while retaining the most qualified employees to continue to build our business again.
Slight up-tick in revenues.

Finding and Keeping Employees

The outlook for finding and retaining employees continues to decline. About 29% of respondents say finding and keeping employees will be worse next year, a 5% increase from the prior year. About 13% predict it will improve, a 3% decline from the prior year.

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

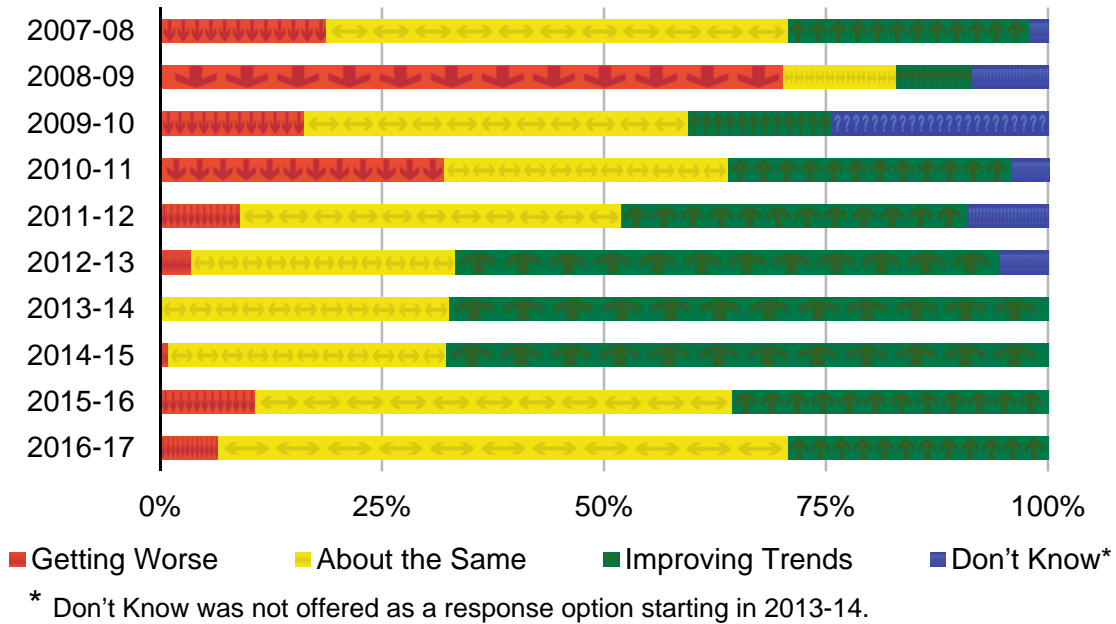


* Don't Know was not offered as a response option starting in 2013-14.

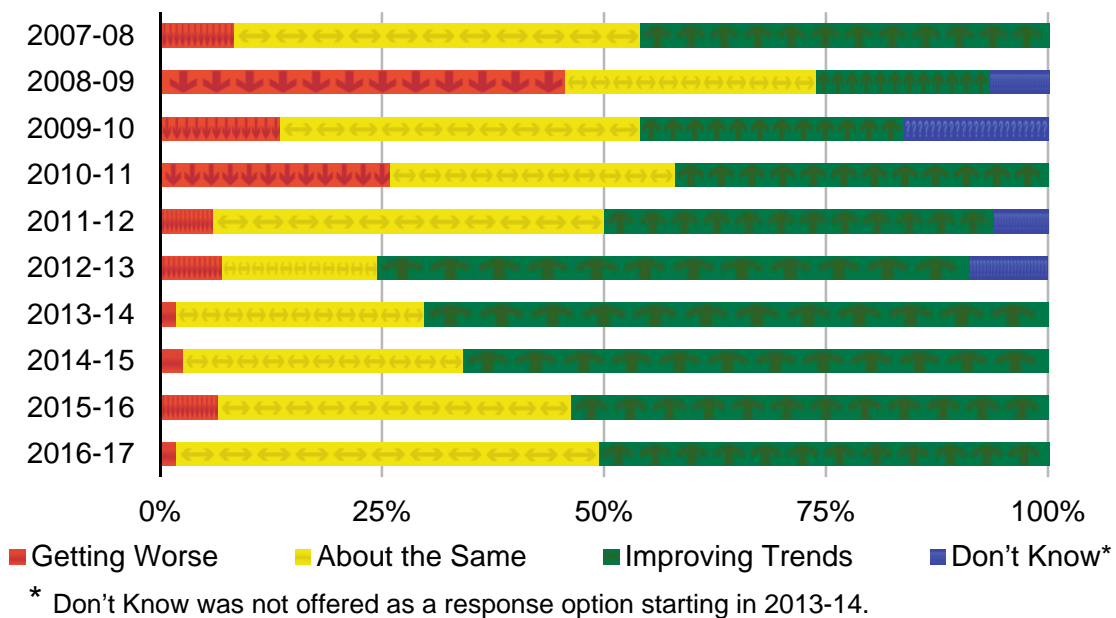
Predicting the Future

The outlook for the economy is mixed when compared to the previous year. For Eagle County in general, the percent indicating “worse” decreased slightly, but those that say “better” also decreased. However, there was significantly more optimism for respondents’ own business. About 29% predict the County’s economy will improve in the upcoming year, 51% believe their own business health will improve during the same period.

Predictions for EC’s Economy for the Coming Year



Predictions for Own Business Health for the Coming Year



Current Business Growth and Expansion

The percent of businesses that say they are considering expanding or diversifying into a different service sector is 23%, a 4% increase over 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:

1-2 hour classes on workforce type topics to help Human Resources, Payroll and Financial Services staffs gain knowledge and make sure they are successfully and legally leading their company into the future.
Human Resources and other Executive Management training on how to recruit and retain exceptional employees in a unique environment, such as ours, with the high cost of housing and other high costs of living.
A group plan for all of the nonprofits in the valley to buy into would be great. Currently with a staff of 3 the rates are so bad that our employees can find something better on their own.
Affordable housing is the number one, followed by more affordable health insurance. Ability to offer wellness benefits would be great as well.
Affordable housing. Affordable hospital/medical services. KAISER and CENTURA entrance to county has not lowered health cost too much. Too many people/families are foregoing proper health offerings .
Assistance finding / managing housing for employees, managing a data base of viable housing options.
Better employee housing options and childcare alternatives.
Continue to provide discounts to our employees. The merchant ski pass program is great, but also little things like bus passes or other businesses that want to participate in standing offers would be a great value added for employees who would see this as a benefit to making average wages and paying high living expenses. More communication to businesses of the VVP as to what is available to our employees.
Employee housing and affordable childcare.
Employee housing and better parking in the Beaver Creek area.
Employee housing or low income housing availability.
EVL D would be happy to help people who answer this question find the resources/information they are looking for!
Finding affordable health care.
Housing
Housing subsidies, anything that might slow the increase in healthcare costs.
Housing subsidy / employee housing options - how to make it work, examples of other employers who have found success with this.
I think any training in management is helpful.
Improved housing and increased transportation discounts for employees in Eagle County.
Improved housing situation and more realistic health insurance options.
Increased employee housing and better availability of existing housing (not used for vacation rental)
Keep and perhaps expand demographic, retail sales and other information about the local, 2nd homeowner and visitor markets.
Leadership training; options for offering benefits (i.e. health ins); increased group business esp. in

non-peak time periods
Mainly things regarding affordable local housing.
More affordable housing for employees.
More attainable housing options for the middle-management sector.
More County Housing programs, Daycare programs.
More health and wellness facilities that people can afford; better childcare facilities, more affordable housing for people across the valley.
More Housing Options
Opportunities like the breakfast scrambler and mixers are great. We need to take more advantage of what you currently offer.
Political support for development projects that help the economy
Quality staff applicants.
The ability to provide affordable and reasonable housing for families in our area.
Training resources and development programs for emerging professionals

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 2016-17 Workforce Survey:

- ✓ Business owners and managers as a whole predict minimal change in the economy in general for the upcoming year. However, predictions for the upcoming year about the vitality of their own business improved somewhat. Similarly, a modest decline was seen among respondents in terms of opinions regarding current economic conditions in the County in general, but current views on the health of their own business moved in a positive direction.
- ✓ Predictions about the ability to hire and retain employees in the upcoming year moved in a negative direction for the 5th straight year.
- ✓ Frustration with housing continues to grow and moved in a negative direction from 2015-16. Negative opinions about housing are higher than ever found in the history of conducting the survey. Almost 3 out of 4 businesses 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.
- ✓ About half of the businesses feel that their employees have a negative opinion of the availability of affordable child care, an issue that was introduced to the survey for the first time this year. About one out of 4 businesses feel that lack of child care negatively impacts their ability to hire and retain employees.
- ✓ 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 or stayed the same over the past five years. Some of the most common options include accommodations for fitness possibilities during the work day, breastfeeding, reduced or free access to exercise facilities, and incentives for healthy behaviors.
- ✓ Businesses that report plans to expand and/or diversify increased in 2015-16, and are at the highest level in the past four years.