

# Workforce Report

2013 Report on the Eagle County Workforce

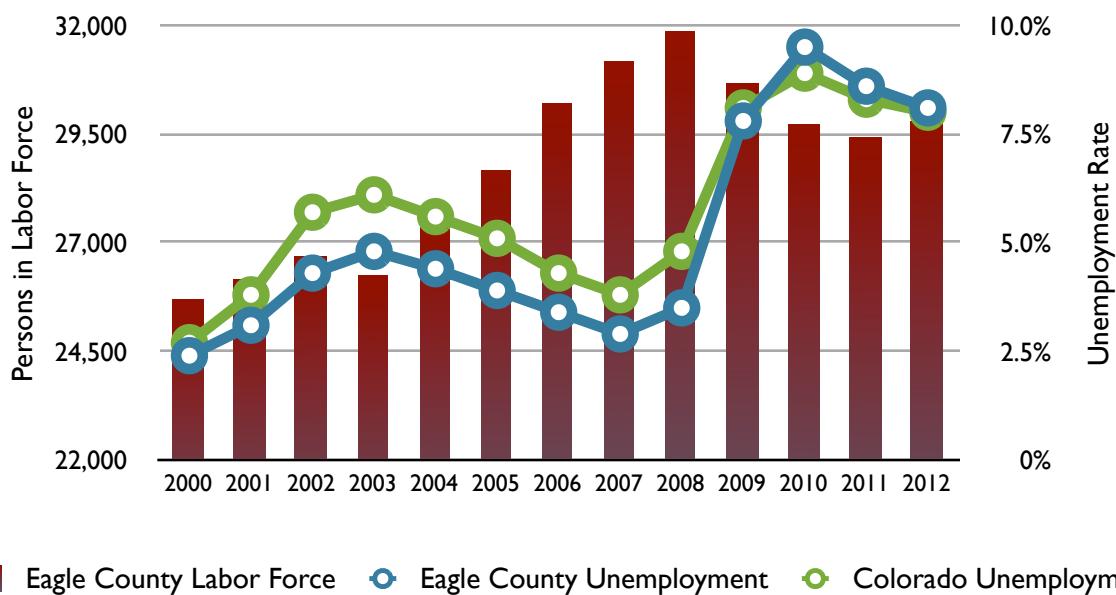
ECONOMIC COUNCIL OF EAGLE COUNTY



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## Eagle County's Labor Force: Conditions continue to improve

After rising above the statewide unemployment rate for the last two years, 2012 saw a bit of employment catch-up in Eagle County. The number in the labor force rose to 29,793, a level almost equal to 2009 (still about 2,000 below the 2008 level). Unemployment for the year was 8.1%, just above the statewide unemployment rate of 8.0% and the third straight year of decline in the Count.



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 in 2010 was 52,071). School enrollments are steady at about 6,400. Eagle County has 31,333 housing units and 19,209 households. Almost 2 in 5 homes in the County are classified as "vacant," primarily second homes. While household income in the County is higher than the statewide average (\$69,182 compared to \$54,411), weekly wages are low: \$754 a week in Eagle County compared to \$944 per week average statewide. Just over a quarter of the County's employees work in accommodations and food services, another 11% in retail trade and 13% in arts, entertainment and recreation. Construction, a once robust sector of the economy, now employs less than 10% of the workforce.

It's against this backdrop of an economy emerging from recession that we take a look at what employers in Eagle County are saying about business and workforce.

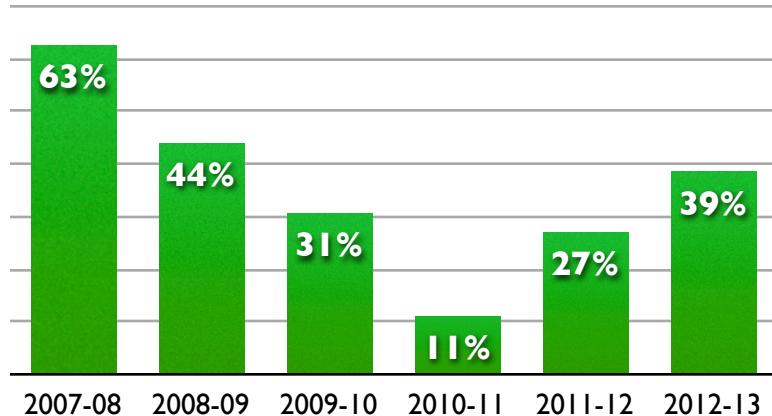
## 7th Annual Workforce Survey

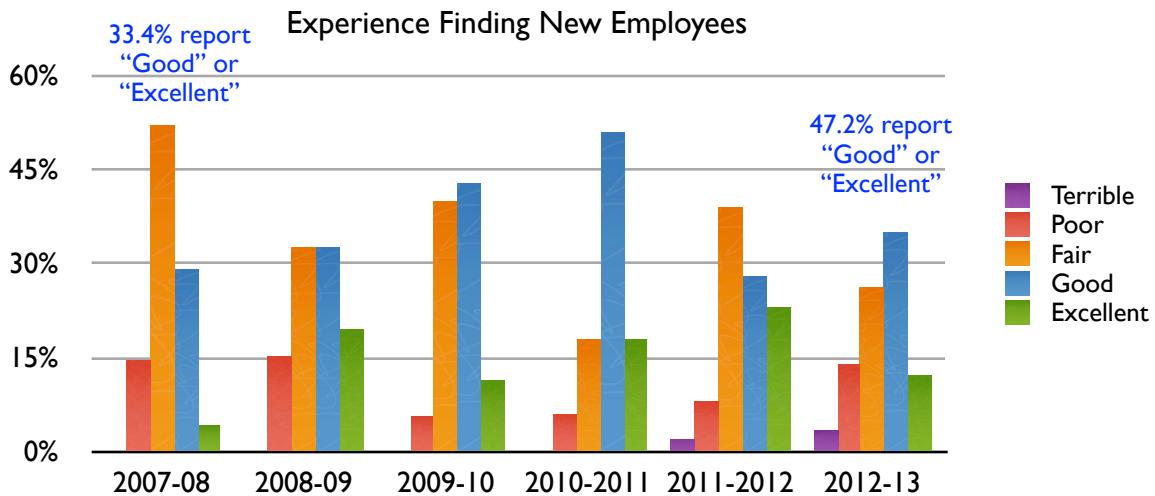
Since 2006, the Economic Council of Eagle County has asked employers about their business outlook, their employees, and their forecasts for the future. Prior survey results can be found at [www.vailvalleypartnership.com](http://www.vailvalleypartnership.com). In 2013, 82 businesses responded to the Workforce Survey. This summary report compares those responses with data from prior surveys.

### Hiring New Employees

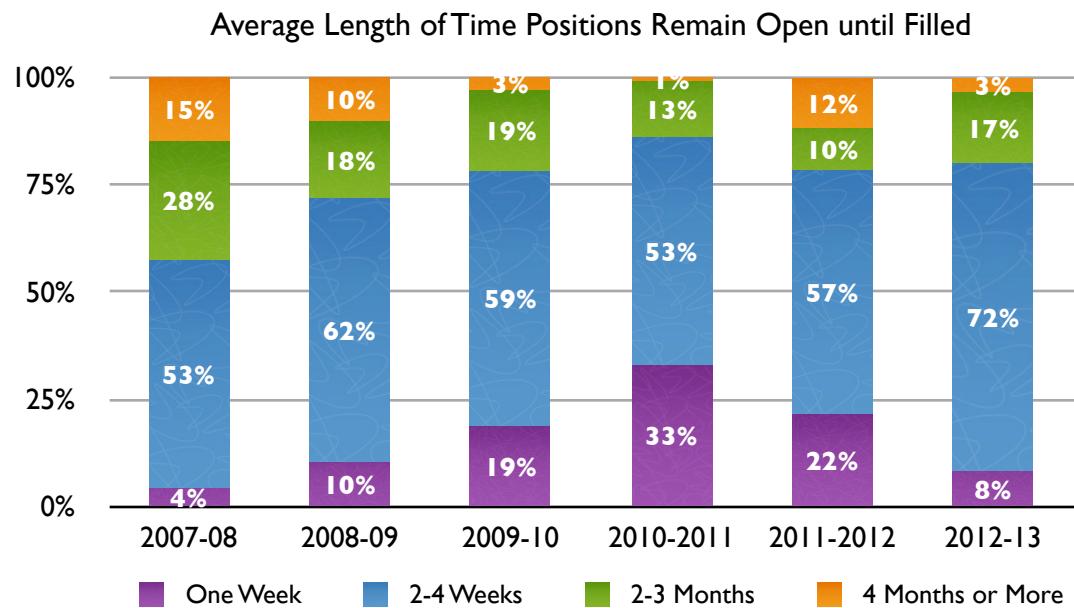
The chart below shows the percentage of responding businesses with vacant positions. While still below the 2007-08 boom-year level of nearly 2/3 of businesses with unfilled positions, a second year increase shows about 2 in 5 businesses with current vacancies.

Percentage of Businesses with Vacant Positions





Respondents were asked to rate their company's experience in finding the employees it needs. There was a subtle shift over the last year -- while approximately the same percentage say their experience is "good" or "excellent," the percentage who describe their candidate pool as excellent ("We always have a number of qualified candidates from which to choose"), dropped from 23% last year to 12% this year.



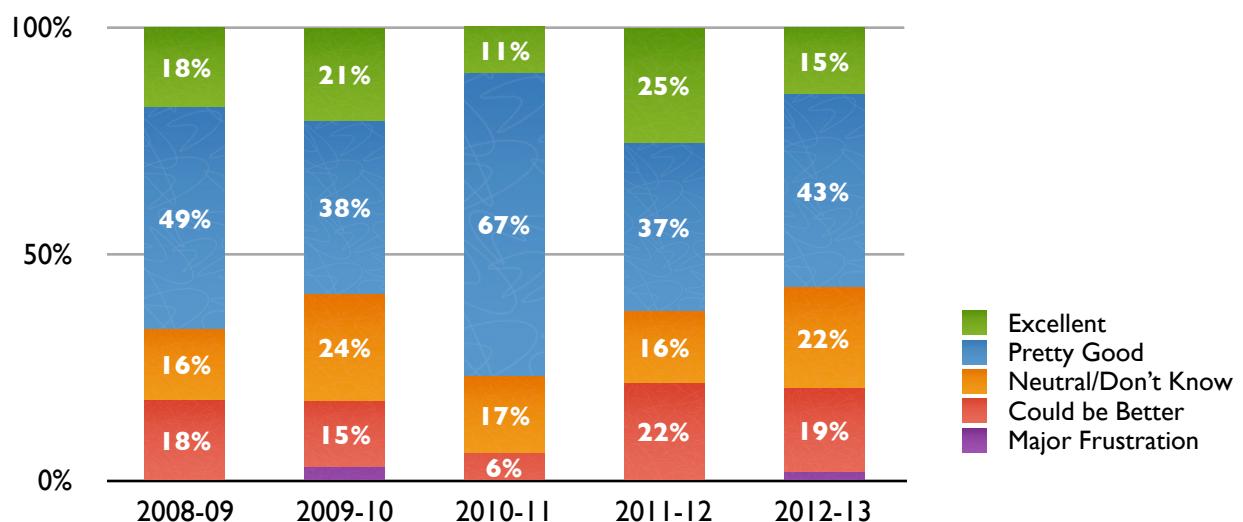
The days of easy hiring seem to have peaked in 2010-11. Only 8% of businesses in the most recent survey reported that they can fill positions in a week. Most take 2-4 weeks, with the percentage taking 2-3 months growing to 17%.

## Employee Experiences with Housing and Transportation

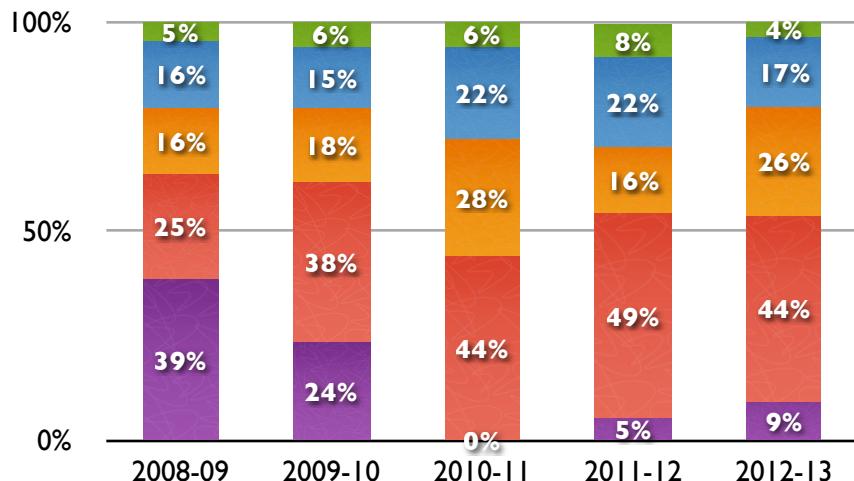
There are some shifts occurring in employers' perceptions of their employees' experiences with housing and transportation. Transportation is still looking pretty good, with 58% of employers saying their employees' experience finding reliable transportation to and from work is "excellent" or "pretty good."

In 2008, respondents indicated serious problems for employees looking for housing. Frustration with housing hit an all-time low in 2010-11, but those numbers are starting to climb again. Housing is a "major frustration" for employees in 9% of the businesses surveyed. The "excellent" and "pretty good" categories declined from 30% of all respondents to 21%.

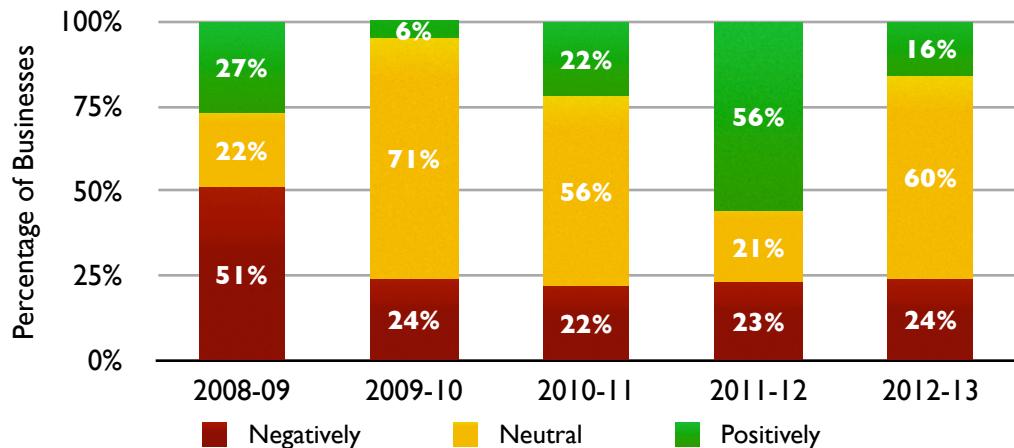
Rate Your Employees' Experience Finding Reliable Transportation to and From Work



Rate Your Employees' Experience Finding Housing they Desire at an Affordable Price



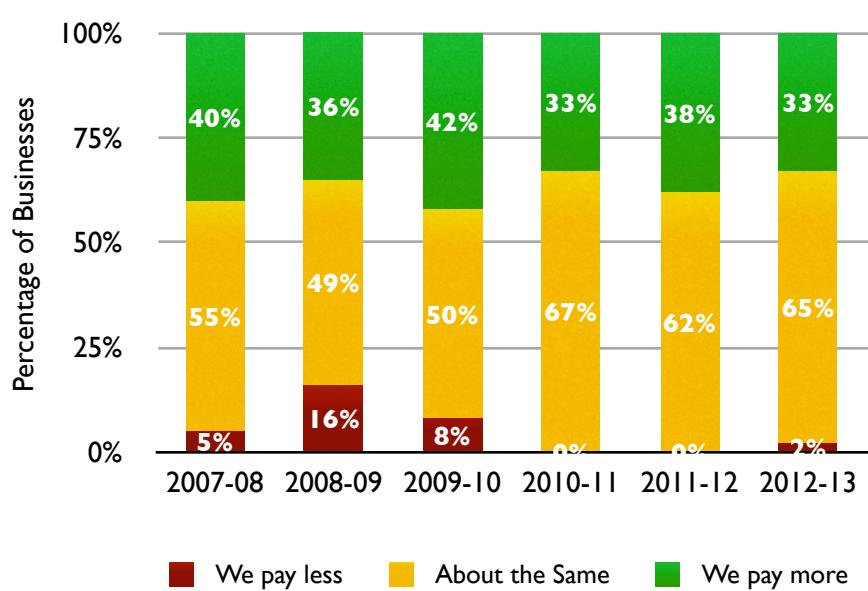
## How does housing affect your ability to attract, hire and retain employees?



The number of businesses saying housing negatively affects their ability to attract, hire and retain employees has been fairly constant at just under a quarter of respondents for the last 4 years. The percentage saying housing is a positive factor has declined, however. Comments include:

- High cost of housing is somewhat of a factor in finding people.
- It's been better during this recession--but once the real estate starts to rise in value and there are fewer available "affordable" homes for sale or rent, we'll be back to the challenges we faced before the recession.
- For our line level, seasonal, positions, this is a particularly challenging topic. Has been easier the last couple of years, but I am concerned about future seasons.
- I do OK but that is why I have such a large number coming from outside of Eagle County

## Pay and Benefits



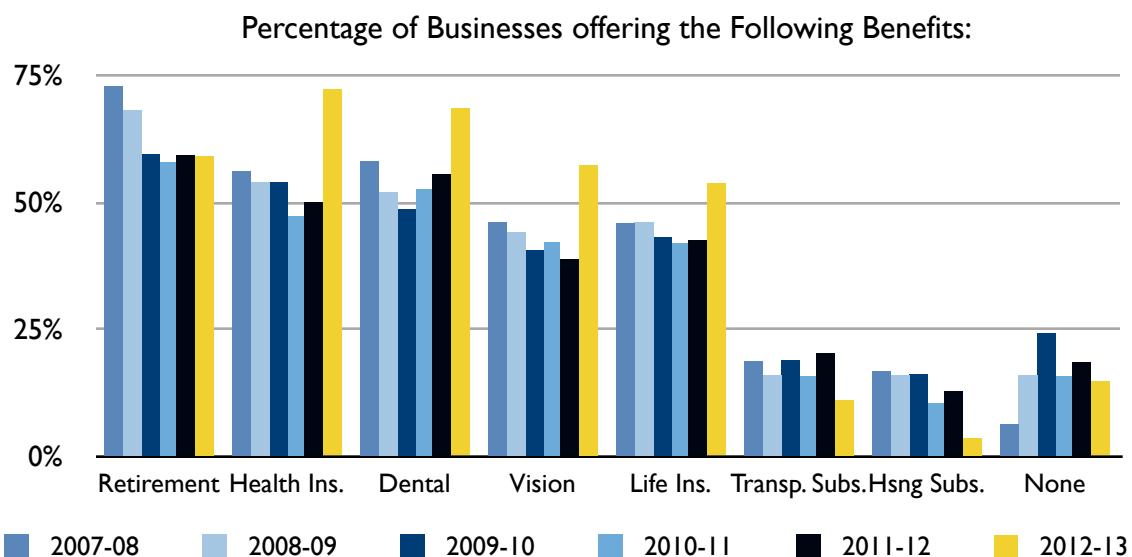
We asked employers about their pay scale, and about benefits they provide. Companies in Eagle County tend to pay the same, or more, than similar businesses in other parts of the state. Here's what employers say:

- We pay more than in other parts of the state due to higher cost of living and local comp standards. The need to compete for employees is significant locally, so we try to be competitive.
- We try to lead the local

market for comp in our industry. Local market is typically higher here than in other parts of the state. A result of cost of living and other factors. We feel we need to pay a higher wage to recruit and retain top talent.

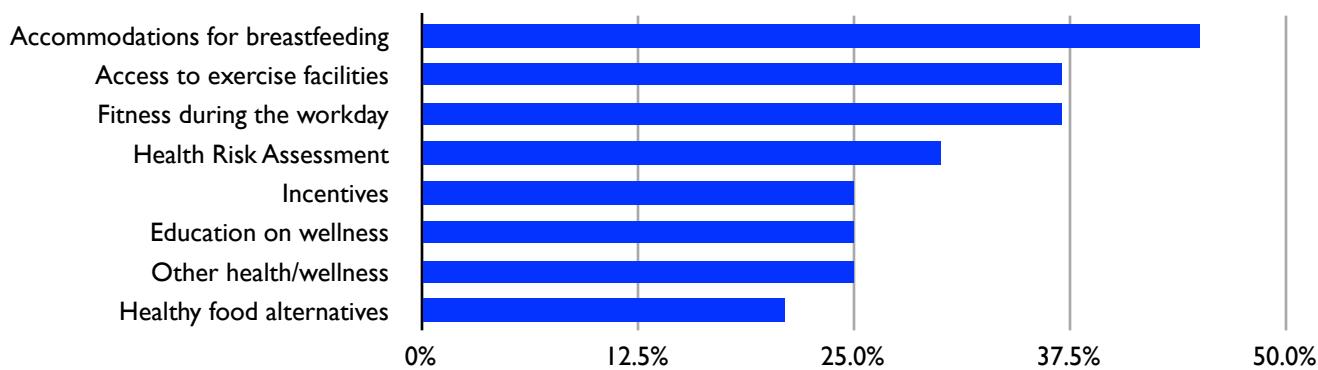
- We pay higher than operations our size in the "normal" world, but the cost of housing primarily makes it very challenging for employees in their perception of compensation compared to cost of living here.
- The cost of living is higher and we are not able to provide health insurance for a comparable price to the cost employees can get with individual coverage. We pay higher to compensate for these two issues.

While about 14% of respondents offer no benefits, the number offering dental, vision, health and life insurance has increased over last year. Transportation and housing subsidies have declined.



### Health and Wellness Programs

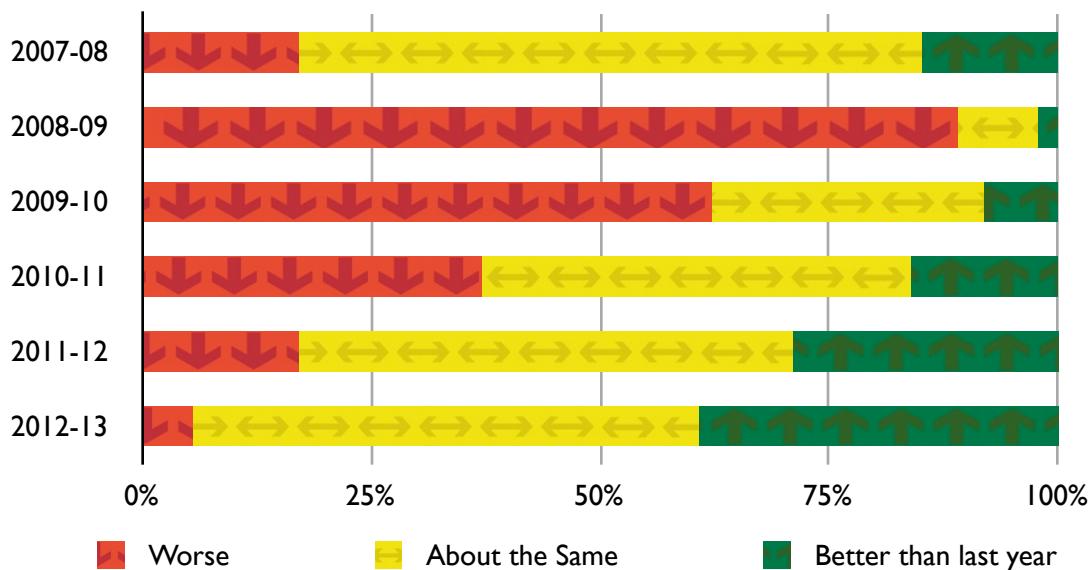
There are new programs throughout the County stressing workplace wellness. New to the survey this year are a set of questions about business involvement in health and wellness. Here's what companies are doing:



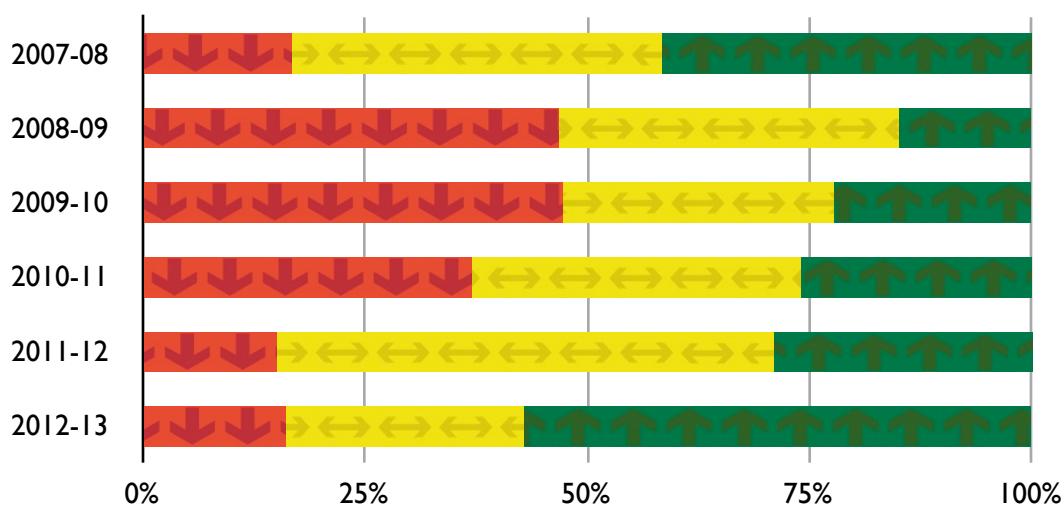
## The Economy

How optimistic are County business owners? Four in 10 respondents think the County economy is better off than last year, up from 30% last year. Only 5% say the economy is worse. Respondents are much more optimistic about their own businesses too - 57% say their own business is better than last year.

Thinking of the economy in general, would you say Eagle County is worse off, about the same or better off than last year?



Thinking specifically about your business, would you say you are worse off, about the same or better off than last year?



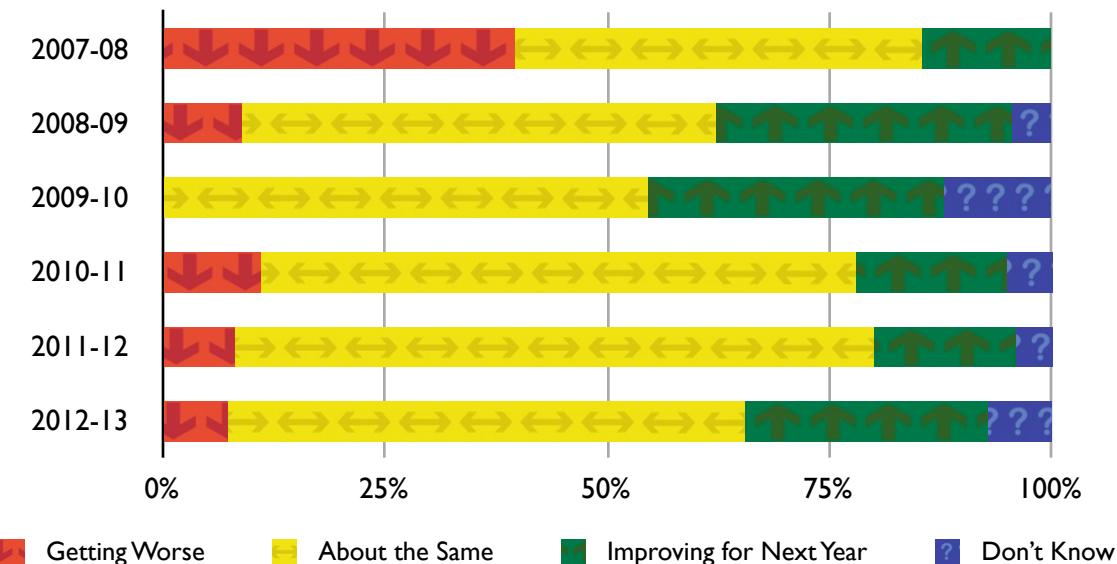
Comments from survey respondents included the following:

- There are some sectors that are better and some that are worse off than last year. Overall I would say it's flat....
- Only slightly but seeing some recovery from tremendous reduction in revenue base exceeding \$100K gross annually since 2009.
- Western Eagle County has not rebounded as much as the eastern part of the valley
- Housing market and unemployment seem to be improving
- We have made a concerted effort to increase our business through excellent service, more marketing
- Slightly more stable revenues but it's only the first quarter.
- The economy and corporate travel is picking up since 2009

### Finding and Keeping Employees

About 27% of respondents say the outlook for finding and keeping employees is improving for next year. Only 7%, about the same as last year, say it's getting worse.

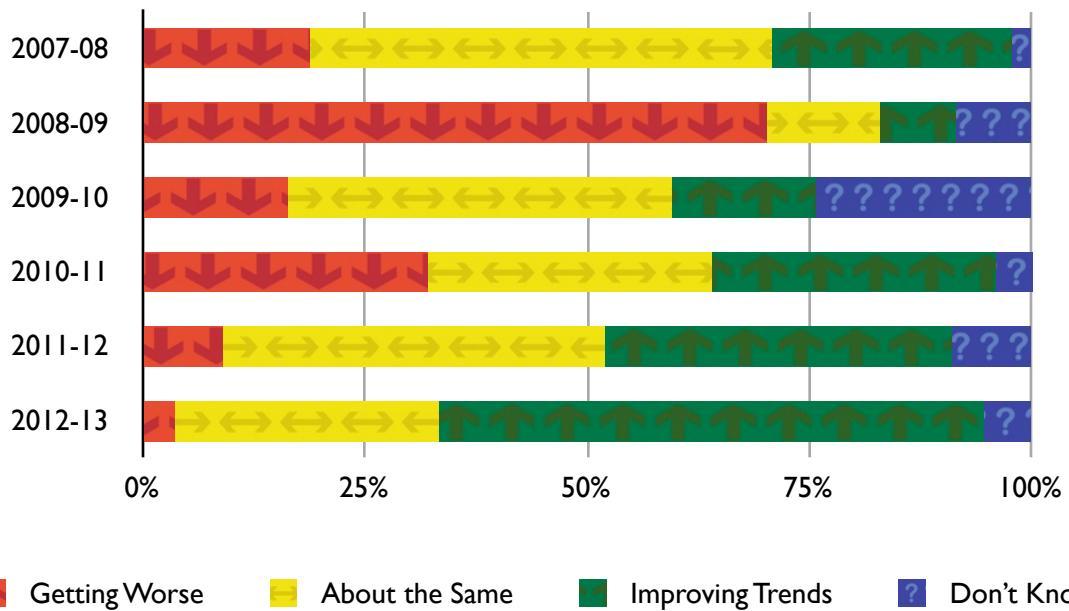
What are your predictions for your ability to hire and retain employees in the coming year?



## Predicting the Future

Last year's mood of cautious optimism has picked up steam. 39% of respondents predicted better times ahead in 2012; that number jumped to 61% of business respondents in 2013. Only 3% think things will get worse, the lowest percentage since we began the survey.

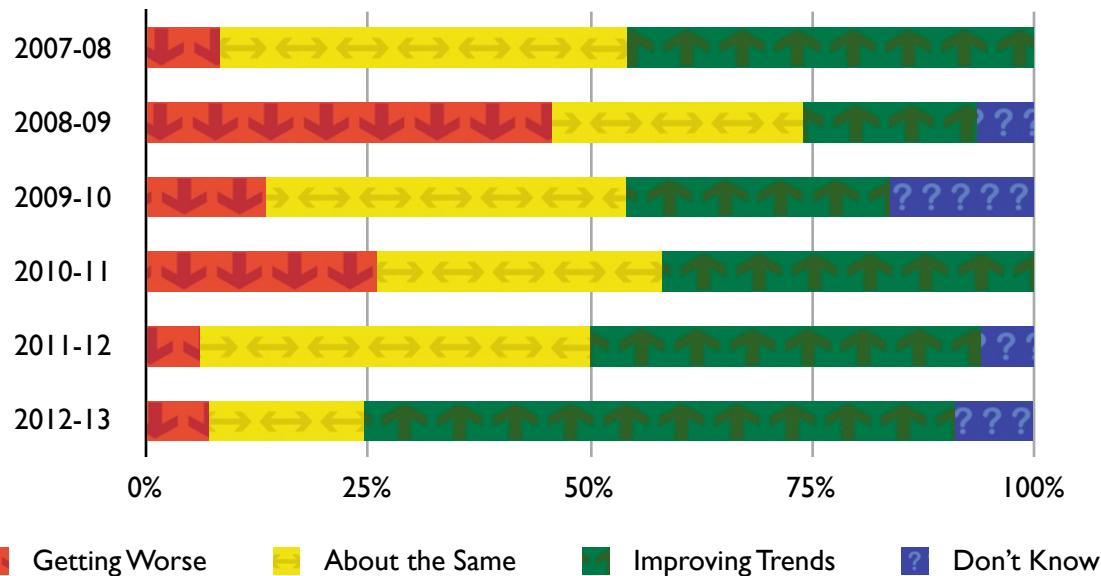
What are your predictions for Eagle County's economy for the coming year?



There's a sense that we need to be proactive about growth: "tourist dollars in revenues spent here must increase, community expenses to stay here must decrease, and we need more businesses to locate here."

We asked employers, "What are your predictions for 2013, specifically for your business?" While about 9% say they don't know what next year will bring, only 7% think their business will be worse off. Less than 20% are predicting "the same," and a whopping 2/3 say they predict improving trends for 2013-14.

## What are your predictions for your business for the coming year?



### Current Business Growth and Expansion

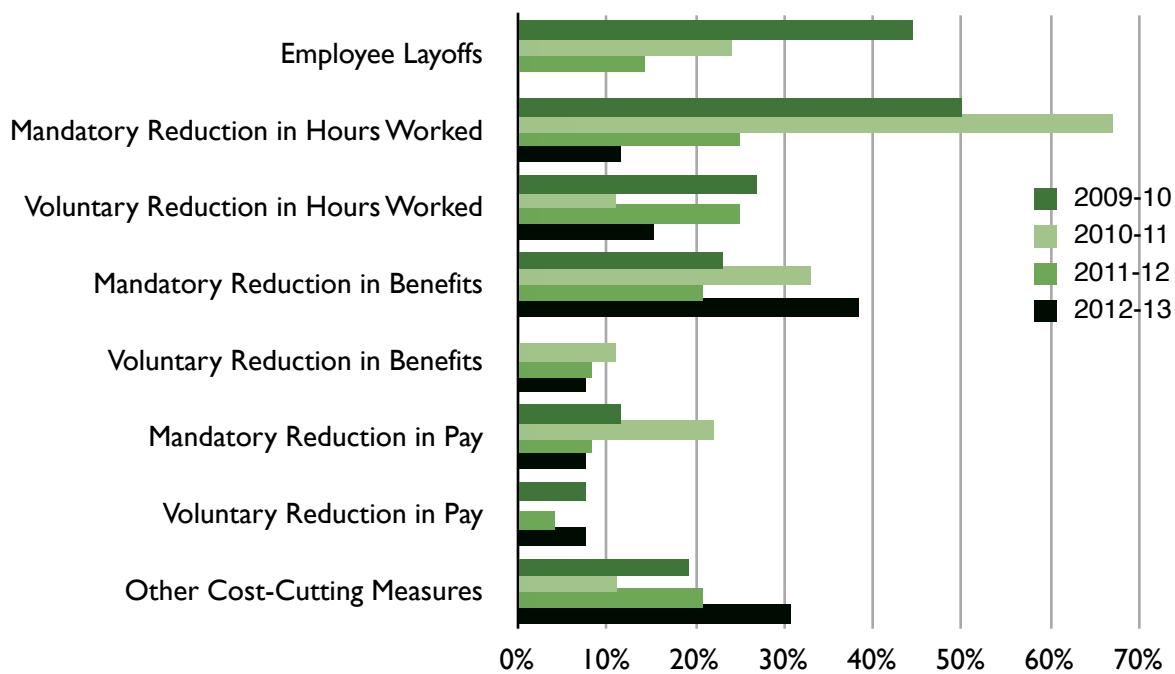
Seventeen percent of respondents say they are considering expanding or diversifying into a different service or industry, down from 25% three years ago (last year's number was 14%). When asked what resources might be beneficial for business owners/managers during these challenging economic times, the responses included:

- Student Housing options near the CMC campus in Edwards.
- Market our employment opportunities as a Valley similar to how we market for our guests. Every small business is trying to go after the same pool of employees. Few have the financial resources to recruit outside of our area. If we could leverage our affiliation with each other and promote the Vail Valley as a great place to work and play for a season (enticing people from outside the valley / state), perhaps we could increase our temporary labor pool. Housing would still be a challenge we'd need to overcome.
- Forward thinking government
- Free or discounted business consultation services or classes in topics such as auditing, marketing, HR, business management, etc.
- A more robust offering from Vail Resorts for local businesses to afford offering ski passes for employees would also be helpful for retention purposes.
- A true-to-form Economic Council for Eagle County, modeled after a long established economic development council, such as the Jefferson County Economic Council. An entity that proactively courts new primary employers into Eagle County. Not more gas stations and t-shirt shops; but solid, well paying primary employers.
- We currently work with an outside agency to help us run the business aspect of our service.
- Information on local marketing and the current employee housing availability would be helpful.

- County wide advertising opportunities that reach out of the county areas
- We haven't had too much trouble hiring for the open positions, but usually have only one to two applicants. Better bus service would allow us to hire outside of our town boundaries.
- Loans, investment
- How to market affordable health care choices
- More tourism in the valley which translates into more customers.
- For the Town of Eagle increased business activity and resulting increased sales tax receipts is needed. The town continues to have for-sale housing inventory, however, there are buyers and prices are increasing.
- Housing prices are still low compared to replacement cost, meaning there is little incentive for new housing construction.
- Access to quality sales training.
- Comparable Wage compensation survey results.
- Financial and investment advice. Tax advice / accounting services.
- A network to help post job openings and a resource that people searching from work would use to connect us with qualified employees. The newspaper is expensive for a smaller business and is not always providing good results. It is also challenging, as a small business, for us to recruit employees from outside the country to bring to work here.
- Real estate buyers!

Employers have dealt with the recession by making some hard choices: layoffs, as well as reductions in hours, pay and benefits. Layoffs decreased significantly in 2011-12, and no respondents reported any layoffs in the current survey. The increase in mandatory reductions in benefits were felt mainly in the health care arena.

**Actions taken by Eagle County Businesses**  
**Percentage of respondents taking the following actions:**



Other cost-cutting measures reported by respondents included the following:

- Insurance plan changes included a higher premium, higher deductible plan.
- Housing, in particular for seasonal staff, is very challenging. Companies with available housing definitely have an advantage. We may need to find a solution in the coming seasons in order to compete for those line level, seasonal applicants.
- Freeze on wages and vacations, previously we gave annual raises and increased vacation time, we have not done that in 3+ years.
- We are affected by seasonal fluctuations and during the slow season (approx. 4 weeks) we have mandatory reduced hours.
- We changed our employee contribution toward health insurance from a 15% payment of premium cost to a 30% payment of premium cost. This was due to the dramatically increasing cost of health insurance. Without more employee "participation", we could no longer afford to purchase health insurance.
- Started a mandatory time off policy in 2008 and is still valid

## **Survey Methodology**

The Economic Council invited employers to participate in this research by sending them an email link to an online survey. 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 Economic Council research staff, and distributed through Constant Contact, 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.

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## **Conclusions**

Some conclusions from the 2013 Workforce Survey:

- ✓ The cautious optimism of last year has given rise to a hopeful outlook for 2013. Survey respondents see improving trends both for their own businesses and for the county as a whole.
- ✓ Housing showed up on the radar as a workforce issue in 2012 after an absence of a few years. The concern is heightened this year: employers feel that housing issues are re-emerging in an improved economic cycle.
- ✓ Providing health insurance for employees continues to be a major challenge.
- ✓ Companies throughout the valley provide a variety of workforce wellness options, including accommodations for breastfeeding, access to on- or off-site exercise facilities, and fitness possibilities during the work day.
- ✓ Layoffs have hit bottom, it's harder to find employees, and there are some vacant positions.
- ✓ Strengthening existing businesses, as well as diversifying the economy, are on the minds of business owners throughout the valley.

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