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Colo. pay hikes inch up for 2006

Survey of employers suggests 3.5 percent average wage raises

By Roger Fillion, Rocky Mountain News
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When it comes to predicting pay raises for the coming year, Colorado employers are preparing to open their wallets about as much next year as they did in 2005.

A new annual survey suggests that employers will offer workers annual wage hikes averaging 3.5 percent in 2006.

That's up slightly from the 3.4 percent projected for 2005, said the Mountain States Employers Council, which surveyed 567 members in Colorado and Wyoming. But it's still below the 4 percent gains last seen in 2002.

Ski resort workers and oil and gas employees can expect fatter- than-average raises next year, while nonprofit employees will be pocketing the slimmest increases.

Patty Goodwin, director of surveys for the employers council, said employers remain wary of granting bigger increases in the face of economic uncertainty caused by such factors as the Iraq war and Hurricane Katrina.

"It's minimal growth. But at least we're on the upward trend," said Goodwin, who described the recent growth in wages as "baby steps."

The business group's annual forecast comes at a time when some workers say they're feeling pinched by higher gasoline and heating costs.

About 4 percent of the employers in the survey plan to offer a pay freeze next year, the same as in 2005.

"Our natural gas prices are going up and everything else is. How do I offset that?" said Alamosa resident Spike Jones, a technician for Bres-nan Communications.

He said the New York-based cable-TV operator recently offered a pay freeze to the six workers in his area.

The technicians' salaries range from about \$10 to \$22 an hour, said Jones, a member of the Communications Workers of America.

A Bres-nan Communications spokesman wasn't immediately available for comment.

Most other workers, however, can expect larger raises.

Employers in Colorado's mountain resorts are feeling the most generous, the survey said. It forecasts a 4.2 percent wage increase for those areas in 2006, up from 3.6 percent in 2005.

Some ski resort operators have predicted it will be tougher this season to find seasonal employees because many workers have landed year-round or better-paying jobs elsewhere as the economy continues to recover.

Geographically, employers in the Denver-Boulder area project wage increases of 3.5 percent in 2006 vs. 3.4 percent this year.

In the Colorado Springs-Pike's Peak region, employers expect increases of 3.5 percent next year vs. 3.3 percent this year.

In northern Colorado and Fort Collins, increases are projected to average 3.4 percent vs. 3.3 percent.

Among industries, the oil and gas sector led the pack for the third straight year, with a projected increase of 4.2 percent, following a gain of 3.8 percent in both 2005 and 2004.

Colorado's nonprofit sector projected the lowest increase in wages, averaging 3.1 percent in 2006 vs. 3.3 percent in 2005.

The employers council said the nonprofit sector displaced the mining sector as the industry projecting the lowest

raises.

Across Colorado, the projected 3.5 percent increase for next year is roughly in line with the increases of the past few years. Wage gains were last in the 4 percent range in 2002, when they increased 4.5 percent.

The gains dropped into the 3 percent range after the Sept. 11, 2001, attacks and amid an economic slump that walloped Colorado.

Goodwin of the employers council said the economy will require "good sustained growth" before 4 percent raises are again the norm.

"I think it will take a couple of more years to get there," she said.

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