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Mountain States Employers Council Survey Predicts Lower 2002 Wage Increases

DENVER—Reflecting the general weakness in the high-tech sector, wage increases in that industry are projected to be lower in 2002 than in 2001, according the Mountain States Employers Council’s annual Pay Increase Projections survey.

Employers in the software/hardware industry in Colorado project average wage increases of 5.3 percent in 2002, compared to 5.7 percent projected in 2001.

The survey also shows wage increase projections in the wholesale/retail industry at a .5-percent decrease in 2002 compared to 2001, the largest percentage drop among industry sectors surveyed.

Overall, the survey of Colorado and Wyoming employers indicates wage increases -- across all market sectors—will average 4.5 percent, the same as increases predicted for 2001.

“While overall projected 2002 wage increases are in line with 2001, the high-tech and wholesale/retail industries clearly reflect the pressures felt by those market sectors,” said Jack E. Barker, Mountain States Employers Council president.

The MSEC annual survey covers employer organizations across Colorado and Wyoming. With nearly 600 employers responding, the Employers Council survey is the largest sampling of pay increase projections in the Mountain West.

The highest projected percentage increase over 2001 is in the mining industry, which indicates an increase of .9 percent in 2002. However, the mining industry’s overall projected wage increase—3.4 percent—remains the lowest in the survey. Likewise, the mining industry’s 2001 projected wage increase of 2.5 percent was the lowest for that year as well.

Geographically, the highest wage increases projected for 2002 are in Boulder/Longmont and in Colorado’s mountain resort areas, where increases are projected at 5 percent. Boulder/Longmont and the mountain resort areas also were the highest increased projections in the 2001 MSEC survey.

Employer organizations with 500 or fewer employees show lower projected percentage increases in 2002 compared to 2001, down an average of .1 percent. Employer organizations with more than 500 employees show 2002 percentage increases above 2001 by an average of .2 percent.

The Survey’s “mode,” or most commonly occurring percentage in the sample, is 4 percent, as reported by 25 percent of respondents. Twenty-four percent of respondents projected a 5 percent wage increase.

The number of employers who projected no wage increase at all in 2002 stands at 10, double the number of employers who predicted no increase in 2001.

Mountain States Employers Council, with 2,500 member employers, offers services in all areas of employment law, human resources, management development and surveys. Founded in Denver in 1939, MSEC members are served by 50 human resource and management development professionals and 30 staff attorneys.

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