

Factors Influencing Median Income Gains for Black/African American & Hispanic Families

Prepared by

Arapahoe/Douglas Workforce Development Board

Patrick Holwell, Workforce Economist
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**Arapahoe County
Centennial Workforce Center**
6964 S. Lima Street
Centennial, Colorado 80112
Phone: 303.636.1160
Fax: 303.636.1250

**Arapahoe County
Aurora Workforce Center**
15400 E. 14th Place
Aurora, Colorado 80011
Phone: 303.636.2013
Fax: 303.636.2020

**Sturm Campus
Castle Rock Workforce Center**
4500 Limelight Ave.
Castle Rock, Colorado 80109
Phone: 303.636.1160
Fax: 303.636.1250

www.adworks.org

Background

This report was requested for the purpose of determining factors influencing the rise of median income in Arapahoe County between 2016 and 2019 for Black/African American and Hispanic/Latino families. The report will present replicated Census data and analysis showing all years, not merely 2014 and 2019, and calculates both percent growth over the period, and annual growth rate using the CAGR method. Following this, other tables will be presented on economic factors and community resources that may have impacted the rapid rise in family earnings for both Black/African American and Hispanic/Latino families in the metro counties.

Replicating Original Data

The U.S. Census Bureau surveys approximately 3.54 million American households per year at a rate of about 295,000 households per month, with samples drawn from every county and county equivalent. The questions in the survey cover basic demographics, social and economic characteristics, and housing data.

Economic characteristics include employment, unemployment, commuting, class of worker, and employment by occupation group and industry, as well as median household income, median family income, and individual worker earnings for all, and by sex. Data is also collected and reported for poverty, and healthcare coverage.

These tables show median family income for the five largest counties in greater metro Denver, as well as comparative national data.

Worthy of note, we see that the percent change and annual growth rate of median family income for Black and Hispanic families outpaced that of all families only in Arapahoe and Denver counties, and nationally. Arapahoe County had the greatest gains.

Median Income, All Families						
Year	Adams	Arapahoe	Denver	Douglas	Jefferson	National
2014	\$65,605	\$75,574	\$66,522	\$114,230	\$85,881	\$65,443
2015	\$66,619	\$76,437	\$69,783	\$115,309	\$86,565	\$66,011
2016	\$68,496	\$80,002	\$71,913	\$118,953	\$89,509	\$67,871
2017	\$72,332	\$84,049	\$77,365	\$124,371	\$93,937	\$70,850
2018	\$76,264	\$89,953	\$81,452	\$129,717	\$99,247	\$73,965
2019	\$80,651	\$94,344	\$87,649	\$134,931	\$104,183	\$77,263
Percent Change	22.9%	24.8%	31.8%	18.1%	21.3%	18.1%
CAGR	4.2%	4.5%	5.7%	3.4%	3.9%	3.4%

Source: US Census, ACS, Table B19113 5-Year Estimates

Median Income, Black/African American Families						
Year	Adams	Arapahoe	Denver	Douglas	Jefferson	National
2014	\$51,467	\$49,563	\$40,447	\$106,844	\$69,400	\$42,711
2015	\$50,678	\$49,959	\$43,205	\$103,698	\$53,050	\$43,060
2016	\$43,589	\$54,044	\$47,660	\$109,244	\$54,509	\$47,056
2017	\$47,384	\$58,148	\$49,392	\$119,205	\$69,432	\$46,688
2018	\$51,837	\$63,363	\$52,446	\$123,155	\$64,871	\$49,270
2019	\$52,030	\$68,773	\$55,971	\$125,500	\$77,250	\$51,782
Percent Change	1.1%	38.8%	38.4%	17.5%	11.3%	21.2%
CAGR	0.2%	6.8%	6.7%	3.3%	2.2%	3.9%

Source: US Census, ACS, Table B19113B 5-Year Estimates

Median Income Hispanic or Latino Families						
Year	Adams	Arapahoe	Denver	Douglas	Jefferson	National
2014	\$46,463	\$44,814	\$40,642	\$97,283	\$56,873	\$44,013
2015	\$46,712	\$46,837	\$42,226	\$95,434	\$57,938	\$44,580
2016	\$49,166	\$50,471	\$43,892	\$97,392	\$58,869	\$46,249
2017	\$51,848	\$54,642	\$46,761	\$103,384	\$61,989	\$48,932
2018	\$55,638	\$58,780	\$50,536	\$109,836	\$64,007	\$51,800
2019	\$60,403	\$63,495	\$54,432	\$113,039	\$65,776	\$54,654
Percent Change	30.0%	41.7%	33.9%	16.2%	15.7%	24.2%
CAGR	5.4%	7.2%	6.0%	3.0%	3.0%	4.4%

Source: US Census, ACS, Table B19113I 5-Year Estimates

A Closer Analysis

These tables present an at-a-glance view of median family income for both Arapahoe and Douglas counties.

- Wage disparity exists for the two minority groups in all counties in metro Denver, and nationally.
 - National disparity in 2019:
 - Black/African American families had median income 67.0% of that of all families.
 - Hispanic/Latino families had median income 70.7% compared to all families.
 - Arapahoe County disparity in 2019:
 - Black/African American median family income was 72.9% compared to all families.
 - Hispanic/Latino median family income was 67.3% compared to all families.
 - Douglas County disparity in 2019:
 - Black/African American median family income was 93.0% compared to all families.
 - Hispanic/Latino median family income was 83.8% compared to all families.

Median Income, Families, Arapahoe County			
Year	All	Black / African American	Hispanic / Latino
2014	\$75,574	\$49,563	\$44,814
2015	\$76,437	\$49,959	\$46,837
2016	\$80,002	\$54,044	\$50,471
2017	\$84,049	\$58,148	\$54,642
2018	\$89,953	\$63,363	\$58,780
2019	\$94,344	\$68,773	\$63,495
Percent Change	24.8%	38.8%	41.7%
CAGR	4.5%	6.8%	7.2%

Source US Census, ACS B19113 Series, 5-Year Estimates

Median Income, Families, Douglas County			
Year	All	Black / African American	Hispanic / Latino
2014	\$114,230	\$106,844	\$97,283
2015	\$115,309	\$103,698	\$95,434
2016	\$118,953	\$109,244	\$97,392
2017	\$124,371	\$119,205	\$103,384
2018	\$129,717	\$123,155	\$109,836
2019	\$134,931	\$125,500	\$113,039
Percent Change	18.1%	17.5%	16.2%
CAGR	3.4%	3.3%	3.0%

Source US Census, ACS B19113 Series, 5-Year Estimates

It is also important to look at whether the disparities increased or decreased over the six-year period.

Median Family Income Disparity			
Year	Area	Black / African American	Hispanic / Latino
2014	Nation	65.3%	67.3%
2019	Nation	67.0%	70.7%
2014	Arapahoe	65.6%	59.3%
2019	Arapahoe	72.9%	67.3%
2014	Douglas	93.5%	85.2%
2019	Douglas	93.0%	83.8%

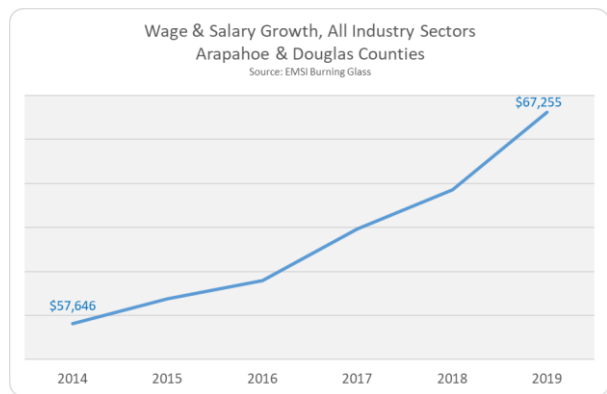
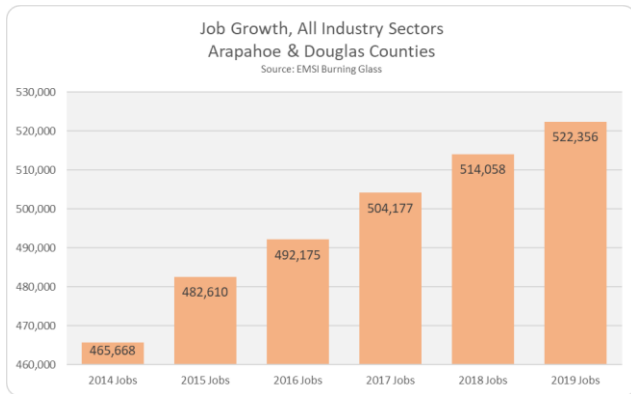
Source US Census, ACS B19113 Series, 5-Year Estimates

This table shows positive movement for median family income disparity nationally, and for the two counties served by Arapahoe/Douglas Works!

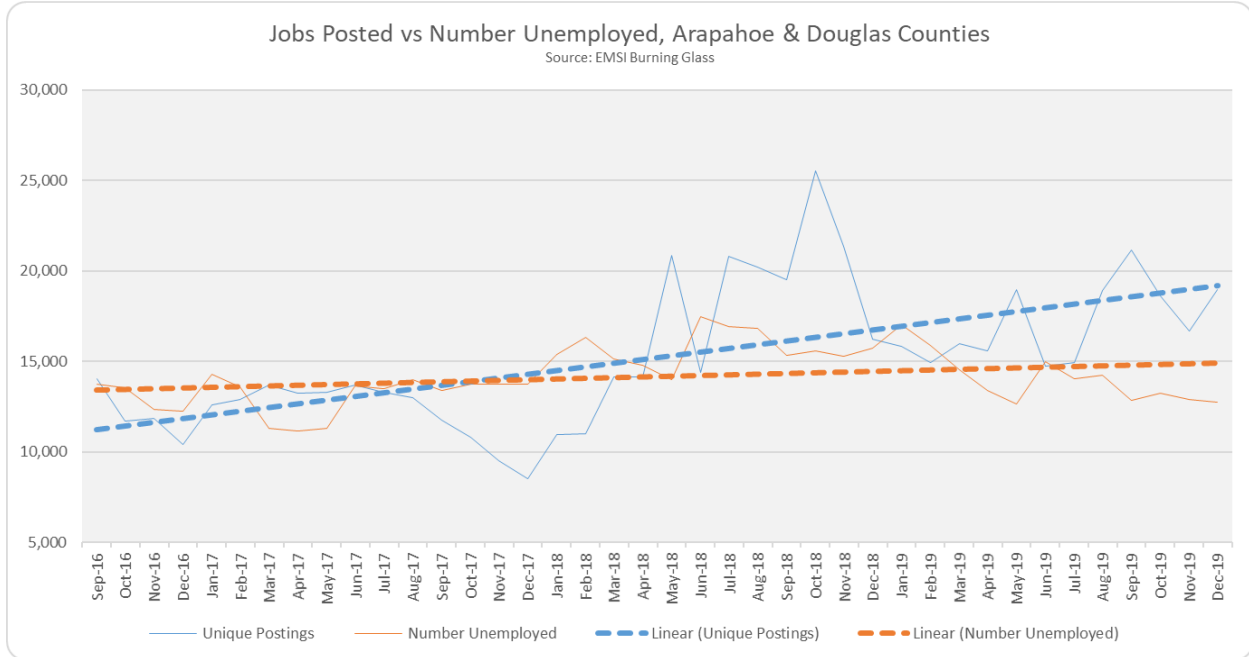
For example, to read this table you would say, ***“The median income of Black/African American families in Arapahoe County was 65.6% of that of all families in 2014, but rose to 72.9% of that of all families in 2019.”*** This represents a reduction in disparity of 7.3% over the six years measured.

Other Factors: Wage & Salary Growth

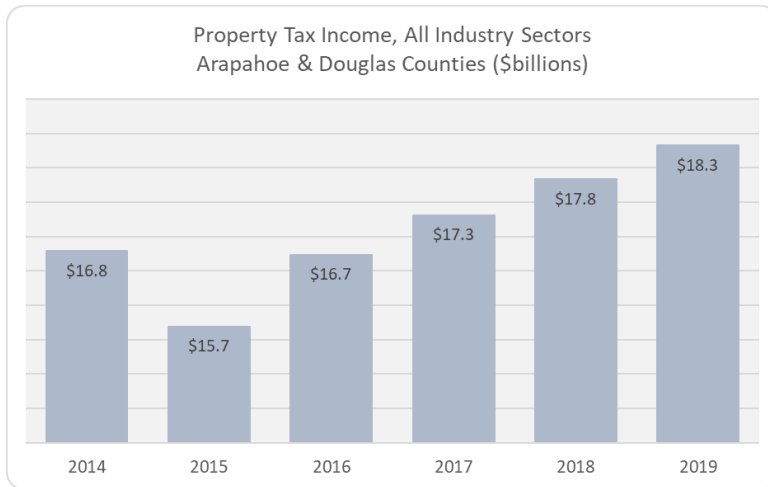
This six-year period saw rapidly expanding economy throughout greater metro Denver, with high growth in jobs, wages and salaries within our two county region. The number of jobs in Arapahoe and Douglas Counties grew by 56,688 (12.2%) during this period, an annual growth rate of 2.3%. Wages and salaries in the two-county area grew 3.1% annually, moving up \$9,609 (16.7%) during between 2014 and 2019.



The unemployment rate during this period averaged 3.2% for the combined Arapahoe/Douglas region between January 2014 and December 2019, and this tight labor market tended to drive up wages for all occupations, regardless of skill level or educational requirement. The line graph below shows the growing gap during this period, as the number of unique job postings outpaced the number of unemployed people available to fill them.



Growth in Profits



Property Income, sometimes called “non-labor income” or “profits,” is generally what is left after businesses make payments for labor, taxes on production, and the purchase of produced inputs. - EMSI Burning Glass Knowledge Base

Conclusion

It is significant that the median family income for the two minority groups in this study grew faster in Arapahoe County than in any other large county in greater metro Denver, though we must note that the median family income generally rose across the board for all five major metro Denver counties, and nationally.

During the six-year period measured, the economy was growing in the face of very low unemployment, which created a tight labor market that generally drove wages and salaries up. The effect of scarce labor is clear when one considers that wages and salaries in Arapahoe and Douglas counties grew at an annual rate of 3.1% between 2014 and 2019, while profits across all industry sectors in the two-county area grew at an annual rate of 1.8%.

Of the five major metro Denver counties, Arapahoe County clearly led the way in reducing disparity in median income for both Black/African American families and Hispanic/Latino families, 7.3% and 8.0% over the six-year period, respectively.

Why, then, did these racial and ethnic minorities fare so well in Arapahoe County as compared to other metro Denver counties?

It is very difficult to pin down any one factor that influenced this rapid growth of median income, and reduced the disparity-gap. Most likely, it has to do with how the unique diversity, education and skill mix of persons living in the two counties matched labor demand throughout the region, with wage and salary growth driven by scarcity of labor supply, and the numerous opportunities offered to students and job seekers in the county.

First, we must note that Arapahoe and Douglas counties are home to some outstanding training opportunities, and offer a variety of programs that can provide the ‘hand-up’ people need to advance their economic positions. For example in the most recent program year ending June 30, 2021, individuals who used Arapahoe/Douglas Works! in their job search earned an average of \$3,405 more annually than those who did not – a wage outcome directly attributable to the value of services provided to job seekers and local businesses through the workforce center.

Also, Arapahoe County is home to two major community colleges, both of whom offer outstanding programming, and the local K-12 public school districts all offer collaborations with key industries within the region, exposing

students to career pathways and allowing concurrent enrollment in college coursework through the community colleges.

Cherry Creek Innovation Campus offers concurrent enrollment in Arapahoe Community College, Pueblo Community College, and Metropolitan State University, and prepares students for entry into a variety of high-skilled occupations in aerospace and aviation, healthcare, advanced manufacturing and other key industry sectors.

Aurora Public Schools partners with Pickens Tech, which offers a variety of coursework in skilled trades, healthcare and advanced technology occupations, and Littleton Schools is working with a number of key industry groups, including healthcare.

Though the Sturm Collaborative Campus in Castle Rock opened in 2021, after the period measured in this paper, it is a powerful collaboration with Arapahoe Community College, Colorado State University, Douglas County School District, Arapahoe/Douglas Works!, the Castle Rock Chamber of Commerce, and a number of businesses throughout the region. Sturm will help students access career pathways and lifetime learning opportunities in business, information technology, cyber security, healthcare and general college-level coursework, coupled with hand-on internships to cement learning completed in the classroom.

Economic development entities throughout the region work collaboratively across political boundaries with chambers, local governments, workforce development, and educators to provide the maximum support to both businesses and job seekers.

This collaborative synergy helps Arapahoe and Douglas counties to offer local businesses, students and job seekers a variety of superior services to help them gain the critical skills local businesses need to remain competitive in a global economy, and likely contributed significantly to the rapid gains in median income for Black/African American and Hispanic/Latino families for Arapahoe County, and will contribute for similar gains in Douglas County as Sturm Campus matures.