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Is There Evidence of Wage Inflation for Unskilled Workers in Boise, Idaho?

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Abstract

Our research will examine the trends in wages in unskilled jobs between the years 2010-2021 in Boise, Idaho. We will conduct an online survey, by Typeform, that will include information regarding the wage rates for unskilled positions. The surveyors will be asked a question regarding their skill level. Level one is no skill and no training (maid, babysitter), level 2 is no skill, with little training (retail, fast food). Level 3 is minimal skill (call center), level four is skill in addition to training (manager), and level 5 is skill that requires an education or degree. Within the survey, we will include demographic questions on age, family size, and the industry they are currently employed in will be asked. Other questions that will be asked will include how much money the individual makes in a year. We will then synthesize this survey data into further tangible metrics, using a desktop app called Excel, which will allow us to create charts and graphics. We will use the data from the survey to calculate the average wage of unskilled workers in Boise, Idaho. Along with the average wage, we will determine the most predominant unskilled industries in the Boise, Idaho area and the industries experiencing most wage growth. These estimates will be compared to the national averages.

Is There Evidence of Wage Inflation for Unskilled Workers in Boise, Idaho?

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Introduction

The objective of our research is to examine the trends in wages for unskilled jobs between the years 2010-2021 in Boise, Idaho. We conducted an online survey which we shared with the local community within the Boise region to accumulate data. This data was then used to calculate the average wage of unskilled workers in Boise, Idaho. Along with the average wage, we determined the most predominant unskilled industries in the Boise, Idaho area and the industries experiencing most wage growth.

Methodology

We conducted our research using a survey of households and students in Boise. Classifications of skill level came from the individuals themselves based on job title. We found participants through social media e.g. Facebook and coworkers of students. Average salary of our survey respondents is approx. \$27,900. We find people with larger family sizes have a higher salary, about \$40k. We note that with only 56 responses, we have too small sample for our findings to be conclusive.

Survey Details

Survey Responses: 56

Questions:

- What is your age?
- What is your gender?
- What is your family size?
- What industry do you currently work in?
- How much money do you make a year?
- What industry do you think is experiencing the most wage growth in Boise?

Conclusion

Our data analysis shows that the average living salary* in Boise, ID has been increasing since 2010, it is currently \$27,000 (approx.). We also found that the average salary in Boise, ID has risen since 2010. Most unskilled workers surveyed responded that their jobs require a skill level of 2. This implies that their jobs would require very little training or previous knowledge. It's important to recognize that during their tenure in a specific job, unskilled workers will gain experience, and eventually become more skilled.

** Average living salary displays the average minimum salary needed to live in the Boise area. While average salary shows what most respondents are making.*

Results

Figure 1

- Out of survey responses,
 - Level 1 Skill: 16.2%
 - Level 2 Skill: 38.2%
 - Level 3 Skill: 29.7%
 - Level 4 Skill: 10.8%
 - Level 5 Skill: 5.1%
- No unskilled position should require a degree, level 5 data would be categorized as an outlier to our data

Figure 2

In the year 2010, the average living salary in Idaho was \$26,663, that number rose to \$27,900 in 2021. The average salary in Idaho in 2010 was \$43,490 and again, that number rose to \$58,478 in 2021. Regarding the national average salary, Idaho sat at about 87% less than the national average in 2010 and 79% in 2021. The survey average salary is \$37,760 which is 65% less than Idaho's average salary in 2021.

Figure 3

The two highest salary averages are both level 2 skill jobs: construction (\$53,333.33) and social services (\$61,000).

Unskilled Workers' Wages in Boise, Idaho

Research Findings

Our analysis indicates there is little to no wage inflation in Boise, ID. While it is unlikely that there will be an increase of the minimum wage due to political differences, our research supports an increase in the minimum wage given that our metro area has been experiencing a shortage of unskilled workers. According to urban economic theory, the current labor shortage may in part be attributable to the lower wages that are being offered by employers in our area: there is a disincentive to employment if the opportunity cost of working is greater than the wages earned.

Figure 1

HOW MUCH SKILL DO YOU THINK YOUR JOB REQUIRES?

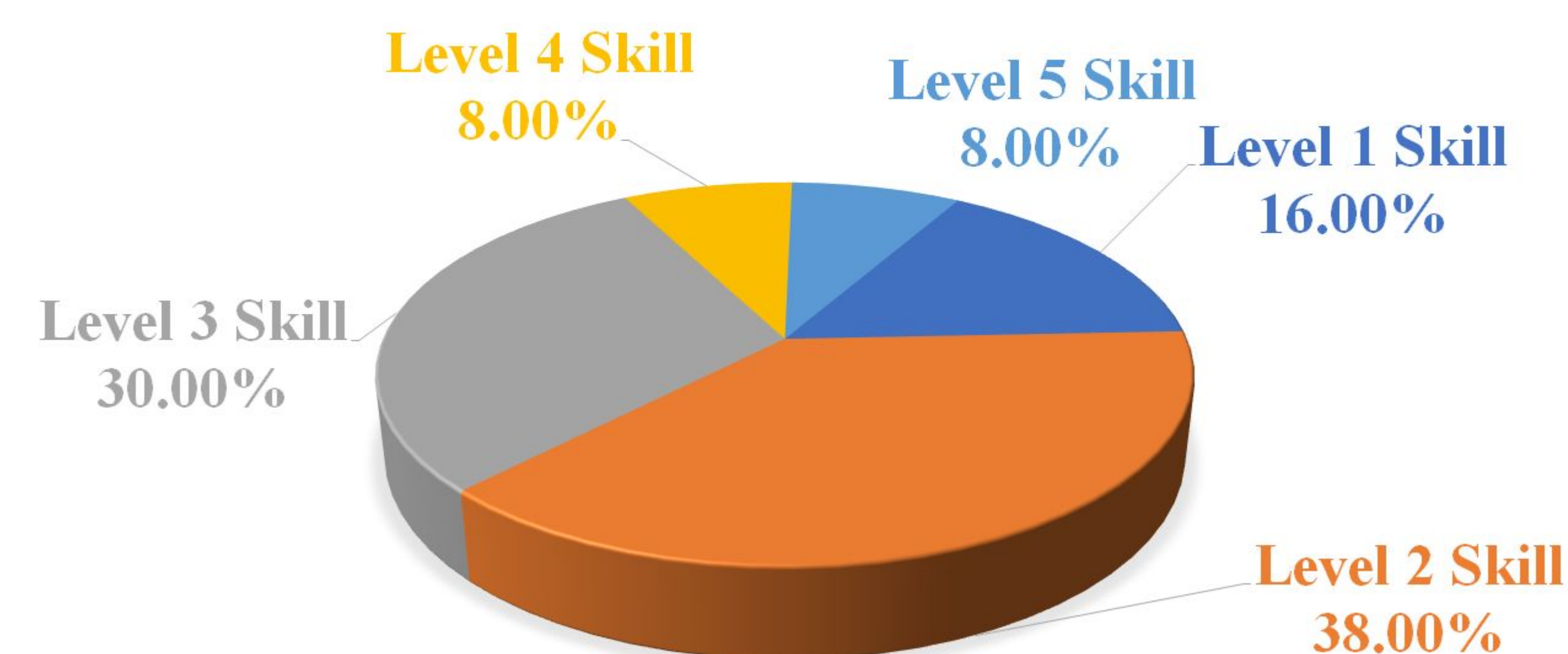


Figure 1 shows unskilled job differentiated by levels. Level one (dark blue) indicates no skill and no training (e.g., maid, babysitter), level two (orange) indicates no skill, with little training (e.g., retail, fast food). Level three (gray) indicates minimal skill (e.g., call center), level four (yellow) indicates skill in addition to training (e.g., manager), and level five (light blue) indicates skill that requires specific education or degree.

Figure 2

Average Salaries

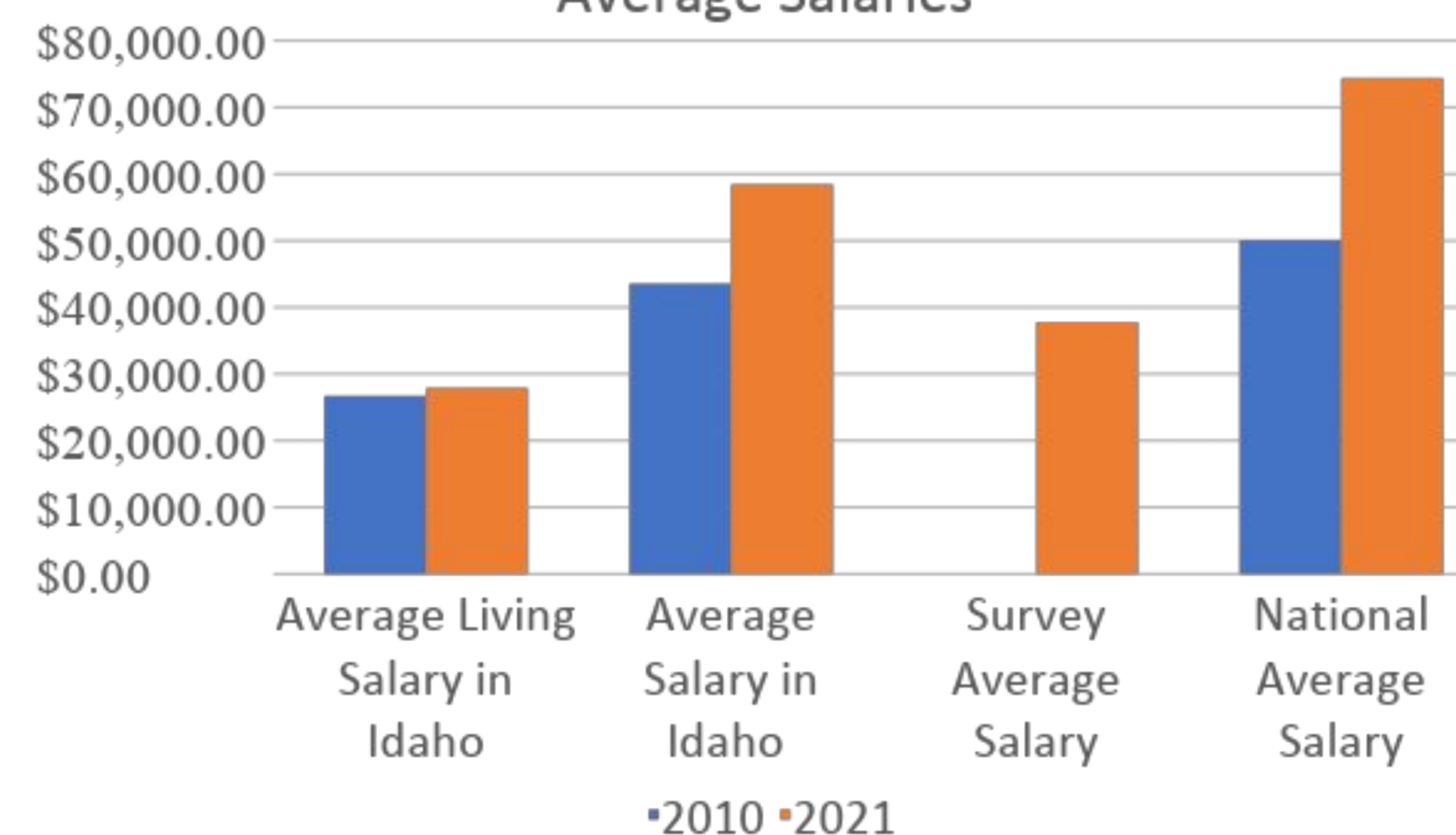


Figure 2 compares the final average salary calculation from the survey to the average living salary in Idaho, average salary in Idaho and the national average salary. The blue represents the average salary in the year 2010, excluding the survey average, and the orange represents the average salary in the current year.

Figure 3

Survey Average Salary

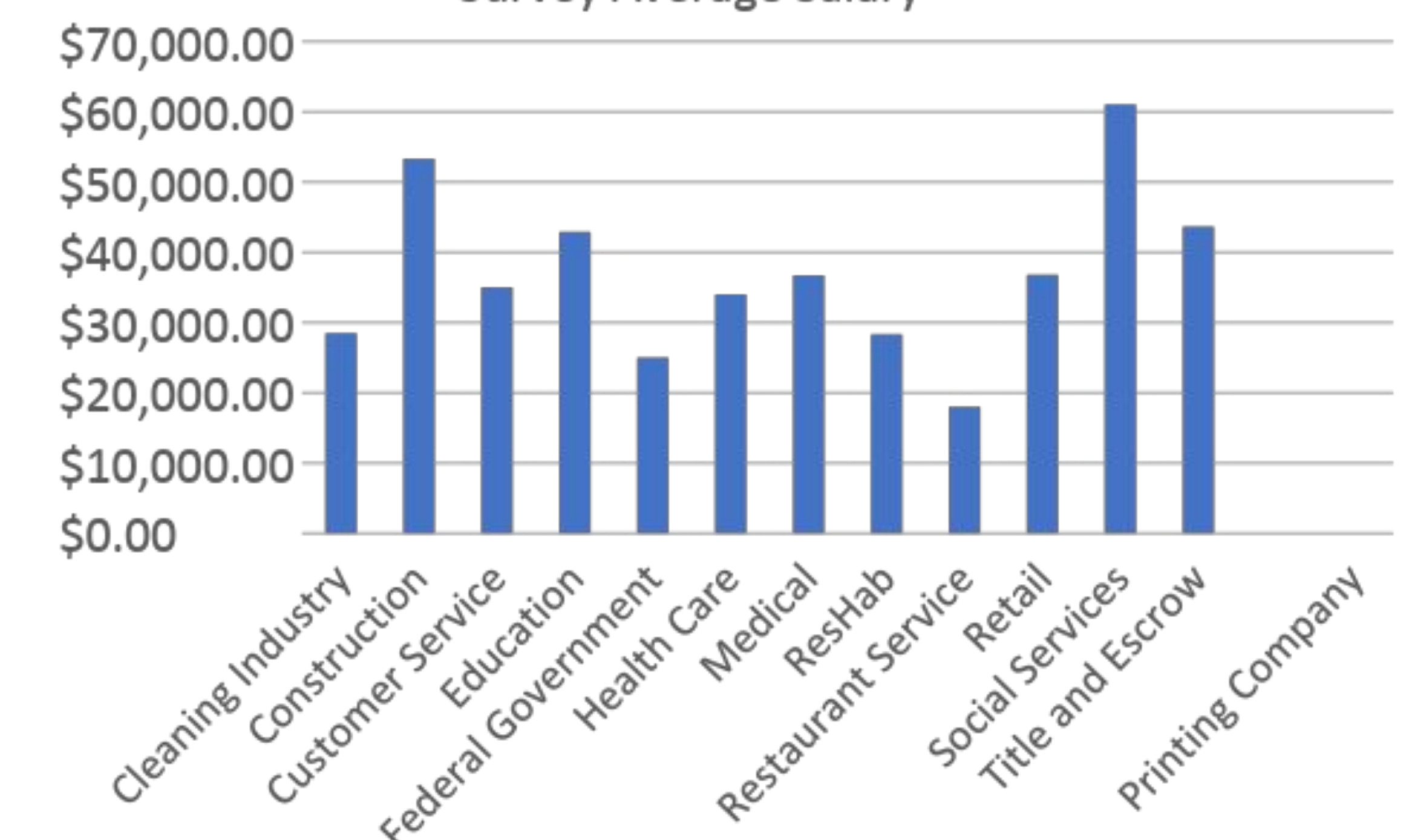


Figure 3 compares the survey average salary amongst the various occupations. The two highest salary averages are both level 2 skill jobs at \$53,333.33, construction and \$61,000, social services. Social services is sitting just above the average salary in Idaho and construction is sitting just below.