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## **Wage Inflation in the Local Economy for Highly-Skilled Positions**

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## Wage Inflation in the Local Economy for Highly-Skilled Positions

### Abstract

Wage inflation in the Treasure Valley intrigues economists, particularly as highly-skilled positions continue to be in high demand across our region. Our research objective is to determine the role of wage inflation with highly-skilled workers across the tech, medical, legal, and skill-driven positions. We will analyze pre-COVID wage trends to effectively draw conclusions to be used in future policy recommendations. The significant population boom and investments from several corporations (Micron, Amazon, etc.) and government entities (Idaho National Lab) across the region play a role in the wage inflation and our goal is to determine exactly how significant this inflation is and what we expect in the decades and years to come.

# Wage Inflation In the Local Economy for Highly-Skilled Positions

Jackson Blackwell, Julia Garofalo, Jordan Graham, Haley Hill, & Ryan Sparrell

Professor Islam's Urban Economics, Spring 2021

## Boise, Idaho

### OBJECTIVE:

Boise is growing and it's growing fast! Using quantitative data we discovered wage inflation and its role in the Boise area for highly-skilled jobs.

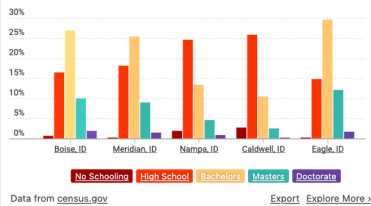
Over 25% of Boise city residents hold a Bachelor's degree & 10% hold a Masters. (census.gov)

### BACKGROUND:

As Boise's metropolitan area population grows, unfilled employment in high-skilled occupations and wages have increased. Unfilled employment stems from several different issues such as skill shortage, experience, education, and notably, pay. This study analyzes wage trends among these high-skilled jobs to locate the role wage inflation plays in comparable metros.



Education attainment rate: cities near Boise (2019)



The Boise metro area saw a population increase of 2.64% in 2020 (worldpopulationreview.com)

Most In-Demand Highly-Skilled Occupation Southwestern, ID: Nurse Anesthetist with a projected job growth rate of 38.2% (mi.idaho.gov)

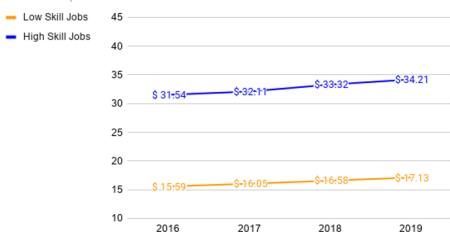
### DATA & METHODOLOGY:

2016-2019, Bureau of Labor Statistics data from Boise, Akron, Anchorage, and Colorado Springs.

Weighted average of high and low skilled wage data demonstrates the annual wage growth.

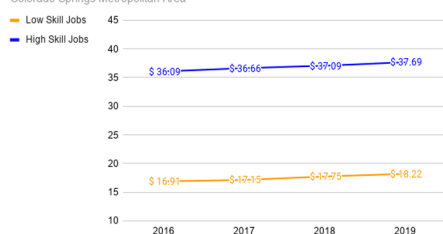
### Wage Growth

Boise Metropolitan Area



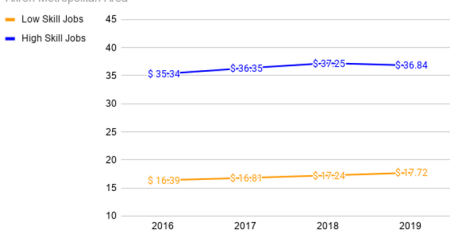
### Wage Growth

Colorado Springs Metropolitan Area



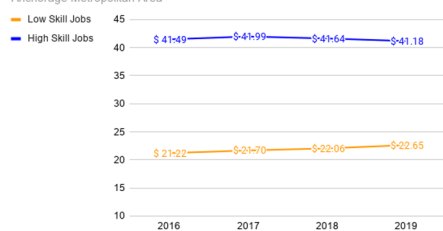
### Wage Growth

Akron Metropolitan Area



### Wage Growth

Anchorage Metropolitan Area



### CONCLUSIONS:

Wage inflation is occurring in the Boise area and is linked closely with highly skilled jobs. As Boise continues to grow, the demand for high-skilled jobs will increase, meaning that these specialized jobs will be filled at a faster rate than previously seen. Ultimately, the labor force will need commensurate degrees and experience to keep pace with the demand for the growing economy.

### In-Demand Occupations, Job Growth: Southwestern Idaho

