

Idaho Employment

A monthly update of how Idaho's economy is doing in your area

IDAHO
DEPARTMENT OF LABOR

Volume 23.12

C.L. "BUTCH" OTTER, GOVERNOR

December 2011 Issue

ROGER B. MADSEN, DIRECTOR

NEWSLETTER HIGHLIGHTS

- Simplot Closing Affects Surrounding Area, page 9
- Job Vacancy Study Indicates Opportunities Increasing, page 21
- Forbes Rankings Don't Capture Entire Picture, page 23
- **ASK THE ECONOMIST** – Multiplier: Understanding the Economic Impact, page 27

RECESSION SLOWS IDAHO MOTION PICTURE AND VIDEO INDUSTRY

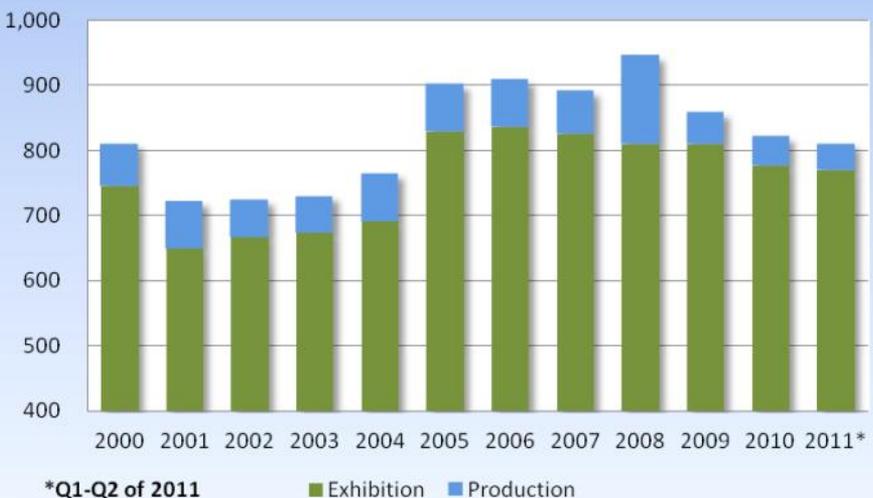
Irving Berlin probably had it right when he penned the words "There's No Business like Show Business." In Idaho that business provides jobs to almost a thousand workers in motion picture and video production and video exhibition. But the recent recession has taken its toll.

In 2008 these two components of the motion picture industry had combined total covered wages of over \$10.4 million – in 2011 that number will probably be closer to \$9 million. Over the same period, employment has dropped from almost 950 to just over 800.

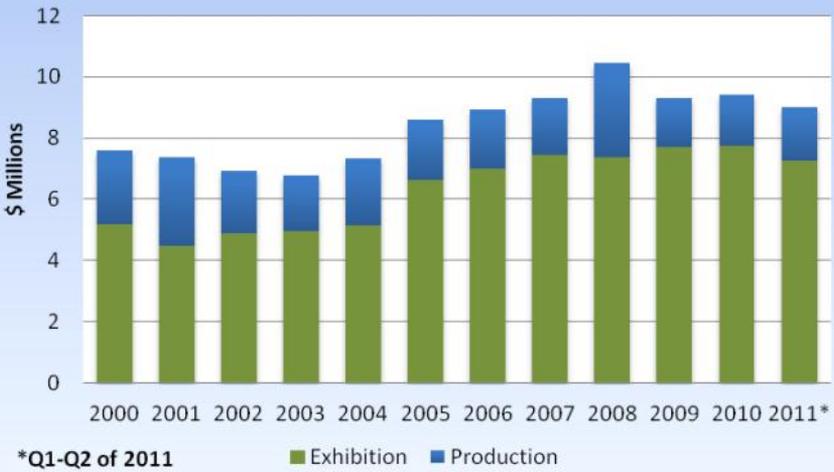
At this point only the first two quarters of employment and wage figures are available for 2011. But the industry hasn't shown significant seasonality so the average of the first two quarters will be used to predict 2011 employment and wage results.

Motion picture and video production generates about 4 percent of the combined industry jobs and 25 percent of wages. Exhibition at movie theaters and drive-ins accounts for the remaining 96 percent of jobs and 75 percent of wages.

State of Idaho - Motion Picture and Video Industry Employment



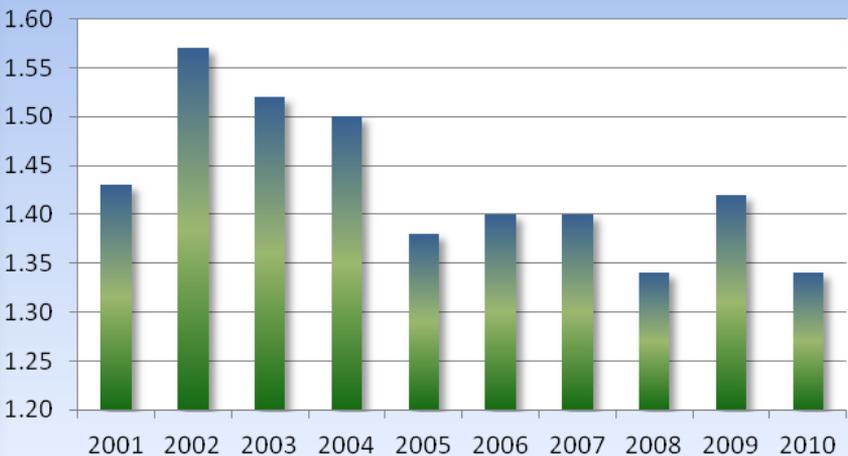
State of Idaho - Motion Picture and Video Production Wages



When the last decade started the nation felt the dot-com bubble burst. In Idaho the effects quickly impacted the state’s computer and technology industry. Portions of the state less concentrated with tech industries were not as affected. Between 2000 and 2001, employment for Idaho motion picture industries took a hit too – falling nearly 11 percent in a year. After 2002 the nation’s economy expanded and so did motion picture industry employment.

Idaho ticket sales were not available but nationwide ticket sales have followed a slightly different path. Ticket sales peaked earlier in the decade followed by mostly steady declines. In 2002 over 1.57 billion tickets were sold in the U.S. and Canada. By 2010 that number had dropped to 1.34 billion.

U.S./Canada Ticket Sales (Billions of Tickets)



Source: Motion Picture Association of America, Inc.

MOTION PICTURE AND VIDEO INDUSTRY BY REGION

Unfortunately the number of motion picture and video production employers is few, and detailed employment and wage information cannot be disclosed below the state level. But motion picture and video exhibition employer numbers are high enough to avoid any disclosure of confidential information.

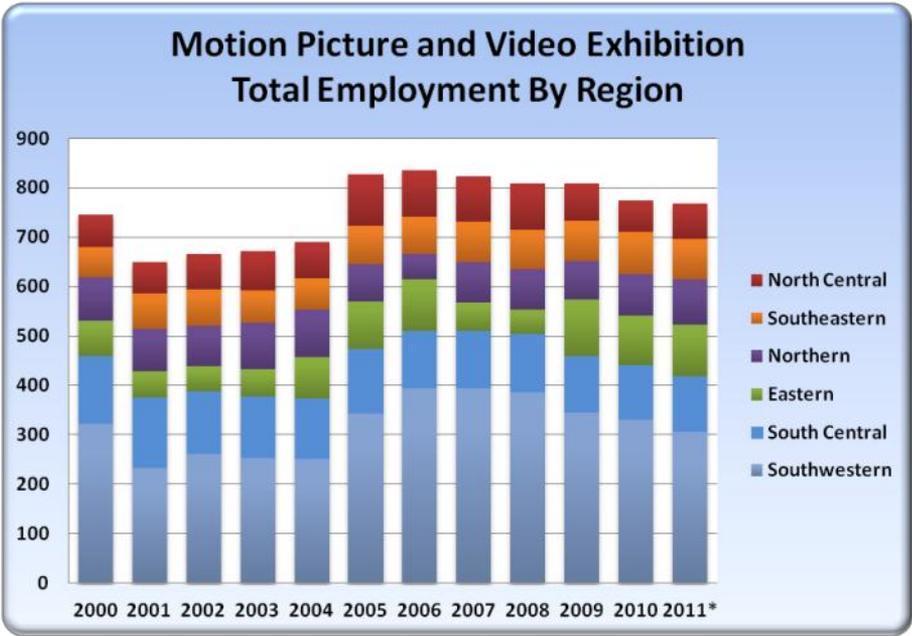
Movie theaters and drive-ins are mostly concentrated in the southwestern portion of Idaho. The large Boise area population provides this region with 40 percent of statewide movie exhibition jobs – roughly 300 jobs. Even though the southwestern region holds such a large percentage of statewide movie exhibition employment, the region has the lowest concentration of these jobs in proportion to total employment. Location quotients for the southwestern region were lower than the other five regions of the state. North central Idaho had the highest concentration of movie theater jobs.

Motion Picture and Video Exhibition Location Quotients by Region	
Region	LQ
North Central	1.36
South Central	1.16
Southeastern	1.12
Eastern	1.04
Northern	0.95
Southwestern	0.88

When times are tough and money is tight it's possible consumers are choosing to buy, rent or stream their movies rather than pay movie ticket prices. It is very probable that lower ticket sales would directly relate to a reduction in workforce. Online ticket sales are becoming increasingly popular. If the trend continues – and it probably will – a reduction in ticket window attendants would follow. Even film production technology has changed workforce needs. Computer technology can produce a crowd of extras that were previously created by real people. The tipping point for motion picture and video industry employment might have been reached, making it harder to find these jobs in the future.

Motion Picture and Video Exhibition Location Quotients by Region		
Region	2011 Employment	% of State
State	768	-
Southwestern	305	40%
South Central	114	15%
Eastern	104	14%
Northern	91	12%
Southeastern	82	11%
North Central	72	9%

Will.Jenson@labor.idaho.gov, Regional Economist
(208) 557-2500 ext. 3077



IMPROVEMENTS CONTINUE AT PORT OF CLARKSTON

The Port of Clarkston recently made some adjustments to its six-year transportation plan but the top priorities remain maintaining commercial vessel navigation in the Snake River and upgrading a portion of the port's crane dock. Although the crane has not been used for several years, it is capable of filling and unloading barges, and the port is looking for potential users. Barge traffic currently goes to either the Port of Lewiston or the Port of Wilma across the Snake River from Clarkston. The port commissioners dropped a proposal from its six-year plan to build a pedestrian and bicycle path from Clarkston to Chief Timothy Park. They determined the route would be too expensive. They recently approved a concept for a road through the 120-acre sustainable business park that the port is building about 11 miles south of U.S. Highway 12. The street is anticipated to cost less than originally projected because it is being constructed with sidewalks on one side of the road and will not permit vehicle parking since individual tenants will provide that in lots.

Clarkston is the local port where cruise boats that travel up the Columbia and Snake rivers dock. The boats carry anywhere from 60 to 240 passengers. The passengers take jet boats up to Hells Canyon and visit museums, restaurants and shops in Clarkston and Lewiston.

The port is offering a franchise agreement to the city of Clarkston for telecommunications. Using a \$50,000 U.S. Department of Agriculture grant and \$100,000 of its own resources, the port is upgrading the system to increase speeds of data downloads and uploads at a lower cost. Internet service providers will lease fiber from the port to provide the services.

The port has made significant improvements to Clarkston's waterfront in the last couple of years including a new day-use boat dock, an outdoor amphitheater and pathways connecting parks and businesses.

"When we did the riverfront master plan, it was very clear that people wanted to connect more with the water," Port Director Wanda Keefer said. "We think it provides a tremendous opportunity in a nice peaceful setting for people to come enjoy what nature gave us: a beautiful valley and lots of water and pleasant weather."

In addition to its roles in economic development, transportation and telecommunications, the port is a major landlord, providing property, infrastructure and facilities to encourage private investment that creates family wage jobs. Twenty businesses employing more than 300 people currently operate on port property near the Clarkston waterfront. They include The Quality Inn, Clearwater Seeds, Beamers Hells Canyon Tours, Basalt Cellars, Granite Lake RV Resort, Hanger Antique Emporium, Kiwi Air, Poe Asphalt, Lewis-Clark Convention Center, Washington Fish and Wildlife, Riverport Brewery and Rooster's Landing Restaurant. The port also plans to develop a mixed-use sustainable business park on 131 acres on Evans Road.

Kathryn.Tacke@labor.idaho.gov, *Regional Economist*
(208) 799-5000 ext. 3984

COST-OF-LIVING, WAGE CHANGES AFFECT SPENDING

Consumer prices should moderate significantly in the next few months, but for now, rising food and energy prices are pushing up the cost-of-living while sluggish economic conditions still prevent significant wage growth. The rising prices and low wage growth along with a weak job market and reduced household wealth put a damper on consumer spending. Higher energy prices also are hurting manufacturers, farmers, trucking firms and other businesses.

The consumer price index for all urban consumers increased 3.5 percent between October 2010 and October 2011, propelled by higher energy and food costs.

Core consumer prices, which exclude the more volatile energy and food prices and is considered by the Federal Reserve a better predictor of price trends, were up just 2.1 percent. Core prices are showing signs of easing, which many mean consumer prices will moderate significantly in the next few months. The numbers suggest that inflationary pressures are largely contained despite a run-up in wholesale prices. The Fed and other observers expect inflation will slow as lower prices for oil and other commodities start to work their way through a sluggish economy.

During the 12 months through October, the core categories with the largest price increases were airline fares at 9.6 percent, used cars and trucks at 5.2 percent, education at 4.7 percent, apparel at 4.2 percent, new vehicles at 3.4 percent and medical care at 3.1 percent. Categories with smaller increases include shelter at 1.8 percent and recreation at 0.3 percent. Communication prices fell 1.8 percent.

HIGH ENERGY PRICES PUT PRESSURE ON CONSUMERS AND BUSINESSES

Over the same 12 months, the energy index rose 14.2 percent. Although gasoline prices have fallen in recent months, the gasoline index rose 23.5 percent between last October and this October. The fuel oil index was up 26.8 percent and the electricity index increased 2.9 percent while the index for natural gas declined 2.2 percent.

Although gas prices have fallen from their peak of nearly \$4 in May, they still are at their highest level ever for mid-fall. In late November, they moved to \$3.41 a gallon – up 18 percent from \$2.89 at the same time a year ago. Fears of global recession pushed oil prices down in late summer and early fall, hitting a low of \$75 per barrel in early October. But in the next two months oil prices spiked to nearly \$100 per barrel.

Falling gasoline prices increase consumers' ability to spend on other items. A drop of 50 cents per gallon saves U.S. consumers about \$35 billion over the course of a year.

Rising energy prices push up the costs of many goods and services and put pressure on farmers, manufacturers, trucking firms and other businesses. A drop of 10 cents per gallon is estimated to add roughly \$14 billion to the U.S. economy.

HIGHER PRICES AT THE GROCERY STORE

Food prices are rising rapidly after a couple of years of slow increases. Pressure on wholesale and retail food prices due to higher commodity and energy prices, along with strengthening global food demand, pushed food prices up 4.7 percent over the 12 months through October.

The U.S. Department of Agriculture projects that consumers will get a little relief in 2012. Prices for beef, pork, eggs and dairy products are projected to rise at a much slower rate next year. But the USDA expects cereals, bakery products, poultry and processed fruits and vegetables to rise more rapidly. The net result, according to the USDA forecast, is that food price inflation will abate from 2011 levels but be slightly higher than the historical average for the past two decades.

Recent price declines for commodities and fuel are a major reason food prices are expected to grow more slowly. Price levels in 2012 also will hinge on weather conditions and the value of the U.S. dollar. When the dollar falls, imports become more expensive.

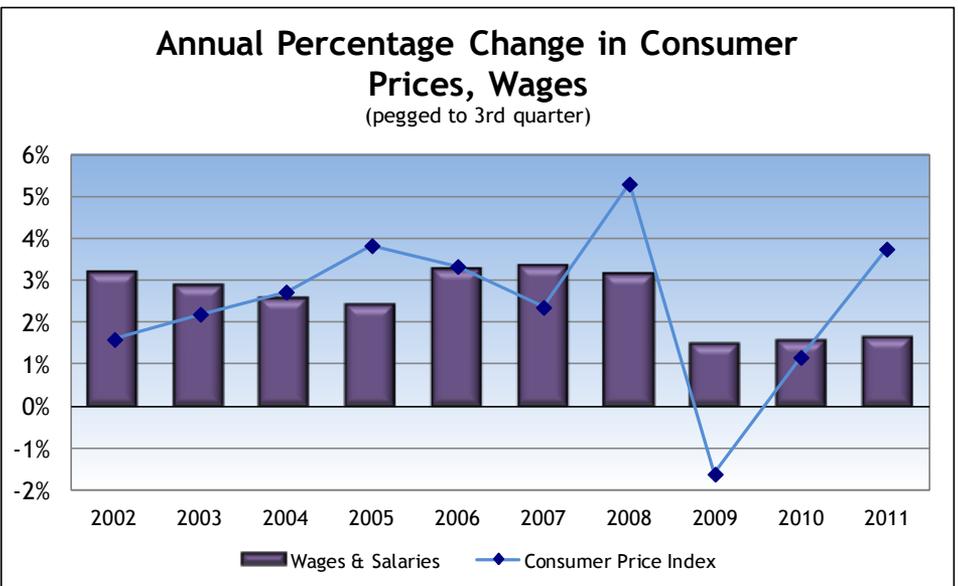
RISING RENTS PUSH UP CORE INFLATION

Upward pressure is expected to dog the rental housing market, which accounts for about one-third of the consumer price index, as more people opt to rent over buying. Average apartment rents after discounts rose to \$1,004 nationwide in the third quarter, up 2.4 percent from a year earlier, according to real estate research firm Reis Inc. Rents had kept the consumer price index low in the previous three years as the housing market struggled through its worst conditions since the Great Depression. Rents also affect the government’s measure of home ownership costs known as *owners’ equivalent rent*. This fall rents began rising sharply, resulting in a 3.5 percent increase between October 2010 and October 2011.

WAGES EDGE UP ONLY SLIGHTLY

Wage pressures remain subdued as high unemployment left workers with little bargaining power on wages. Employers continue to hold down employee pay because of uncertain demand and a surplus of labor. Only workers with specialized in-demand skills can successfully demand higher wages. Between the third quarter of 2010 and the same quarter this year, the U.S. employment cost index posted a 2 percent increase.

Benefit costs continued to rise more quickly than wages and salaries. Benefits – including overtime, bonuses not tied to output, paid leave, insurance and retirement – rose 3.2 percent while wages and salaries were up just 1.6



percent. Benefits make up about 30 percent of total compensation costs with wages and salaries accounting for the rest.

The increase in wage and salary was less than half the 3.8 percent rise in consumer prices, eroding buying power.

A year earlier, wages only grew 1.5 percent, but unlike the past year it was ahead of inflation, which was only 1.2 percent. Benefit costs rose 2.8 percent during the 12 months through October 2010.

Pay may rise a little faster in 2012 as employers begin returning to more normal operating policies. Buck Consultants found that only about 9 percent of companies have put pay freezes in place over the last 18 months compared to nearly two thirds of businesses that had pay freezes in place in January 2010.

Normally wages grow faster than the cost-of-living because workers are rewarded for increased productivity. Even though productivity has increased considerably since the recession began, high unemployment has put such strong downward pressure on wages that they have trailed the cost-of-living. Productivity has risen for three major reasons: employers laid off their least productive workers; businesses introduced labor-saving technology that increases the output per worker; and workers increased their work effort because they were afraid of losing their jobs and had to make up for some of lost contribution from laid-off workers.

BUT EMPLOYER COSTS ARE RISING

The faster growth in benefits means that the cost of employees is rising, even though workers aren't seeing much added to their take-home pay. Higher benefit costs eat into profits without directly raising a company's output in the way hiring more workers would. And unfortunately benefit costs are expected to continue to rise rapidly. The third-quarter Duke/CFO Magazine outlook survey showed companies expected health care costs to jump 7.8 percent over the next year while wage and salary costs would grow only 2.3 percent. Pension-related costs could also rise as companies deal with higher deficits due to earlier declines in the equity markets and super low interest rates.

LOW WAGES REDUCE SPENDING, WHICH CAUSES LOW WAGES

The fall in real earnings is stalling the recovery. Consumer spending has fallen in the last few years, as people lost their jobs. With take-home pay not stretching as far as it did, even the employed are being forced to reduce their spending.

Another factor dramatically reducing expenditures is the loss of wealth. Homes are the primary form of wealth for most Americans. Since the housing bubble burst in 2006, the wealth of American homeowners has fallen by some \$9 trillion, or nearly 40 percent. Housing prices dropped even more dramatically in Idaho. Between the third quarter of 2006 and the third quarter of 2011, the Federal Housing Finance Agency's house price index for Idaho fell 26.8 percent while the U.S. index fell 18.6 percent. Home prices aren't likely to grow significantly until unemployment drops significantly and wages start rising.

With disposable incomes falling, perhaps it is not surprising that 64 percent of Americans worry that they won't be able to pay their families' expenses at least some of the time, according to a mid-September survey by the

Marist Institute for Public Opinion. Among those, one-third say their financial problems are chronic.

The economy seems mired by labor market conditions. Until consumers significantly increase their spending, the economy is not likely to grow much. And consumers will not be spending much beyond the necessities until they see a substantial increase in employment or their wages begin outpacing inflation.

Idaho has seen considerable decreases in consumer spending since the recession began in late 2007. While prices rose 8.1 percent, transactions subject to the sales tax fell 7.8 percent from \$16.3 trillion in January through September of 2007 to \$15 trillion in the same months four years later.

RETIREES RECEIVE COST-OF-LIVING INCREASE

While most workers do not get cost-of-living increases, most retirees do. Social Security recipients and federal retirees will receive a 3.6 percent cost-of-living increase starting in January. That probably won't increase consumer spending much because the increases in Medicare premiums, which are deducted from Social Security payments, are expected to wipe out the gains. That is the first increase since 2009. In 2010 and 2011, inflation was too low to trigger an increase – the first time that has happened since automatic cost-of-living increases were adopted in 1975.

The cost-of-living increase will go to 55 million Americans who receive Social Security and 8 million Americans who receive Supplemental Security Income. In total it will affect about one in five U.S. residents. It will go to about 270,000 Idahoans who receive Social Security and 27,300 Idahoans who receive Supplemental Security Income – more than one in six Idaho residents.

HOW MUCH HAS THE COST-OF-LIVING CHANGED LOCALLY?

There is no federal or state calculation of the cost-of-living for Idaho or its regions.

Typically, estimated changes in the cost-of-living in Idaho follow changes in the monthly U.S. consumer price index published by the Bureau of Labor Statistics. That index is the average for the metropolitan areas that the bureau surveys. It is a measure of the average change over time in prices paid for a specified basket of consumer goods and services. It is widely used as an economic indicator, a deflator to show real economic changes without the effects of inflation and as a mechanism to adjust wages or other payments to compensate for escalating costs.

Consumer prices are not collected for smaller communities because it would be enormously expensive to conduct frequent surveys to track prices on hundreds of consumer items.

Although Portland and Seattle have their own indexes and are close to Idaho, economic activity on the coast and the Intermountain West varies significantly. The coastal area of the Pacific Northwest often experience very different price movements than inland areas. It's entirely possible for housing costs or taxes in Portland or Seattle to move differently than housing costs or taxes in Boise, Coeur d'Alene or Pocatello. The Bureau of Labor Statistics warns that city indexes tend to be much more volatile – moving up or down more abruptly – than the national or regional indexes. Although the index for the West is less volatile than a particular city index, it is heavily influenced by

Los Angeles, San Francisco and other metropolitan areas where prices sometimes move very differently than Idaho's. It's more likely that an Idaho community's cost-of-living will change in a similar fashion to the U.S. average than any one city's or the region's.

Some people will argue that the U.S. consumer price index isn't useful because the cost-of-living in Idaho is considerably lower than in most of the country. The consumer price index measures the rate of increase in the cost-

Cost-of-Living Indexes	
U.S. Average = 100	
Boise	104
Bonnets Ferry	93
Coeur d'Alene	100
Idaho Falls	92
Kellogg	89
Lewiston	93
Nampa	95
Pocatello	89
Twin Falls	90
Juneau	139
Los Angeles	147
Missoula	114
Portland	119
Salt Lake City	103
Seattle	149
Spokane	95
Source: Sperling's Best Places	

of-living, not the level of the cost-of-living. So, even though the cost-of-living may be lower in Idaho, generally prices will increase at about the same rate as the U.S. cost-of-living. The only time that the U.S. index will not accurately reflect price changes in an Idaho community is when something unusual is happening to housing costs or energy costs in that community. For example, in the early 1990s when the nation was in a recession, housing costs were rising very slowly in most U.S. communities and even falling in a few metropolitan areas, but Idaho was riding the peak of the population boom, and housing costs were rising at a much stronger clip than the national average. At that time, the cost-of-living in most Idaho communities was probably rising faster than the U.S. consumer price index.

Although there are no reliable statistics showing the change in cost-of-living in states and smaller communities, there are some informal estimates of the difference in the cost-of-living between communities. The table shows cost-of-living indices found on the Sperling's Best Places cost-of-living comparison website in early November. The U.S. average is 100, so Boise's 104 means that the cost-of-living is 4 percent higher in Boise than the U.S. average. Bonnets Ferry at 93 means its cost-of-living is 7 percent lower.

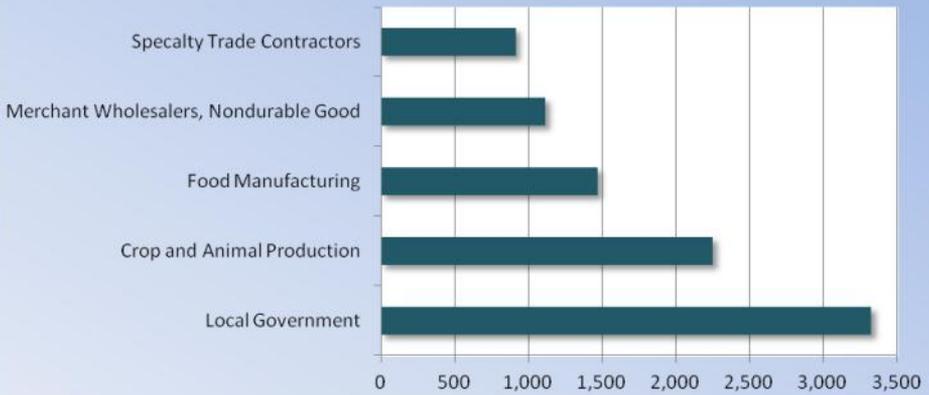
**Kathryn.Tacke@labor.idaho.gov, Regional Economist
(208) 799-5000 ext. 3984**

SIMPLOT CLOSING AFFECTS ABERDEEN AND SURROUNDING AREA

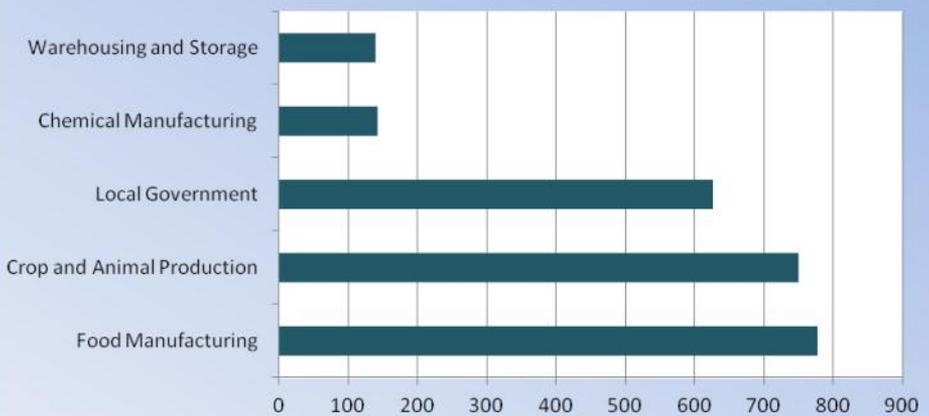
Agriculture and the manufacturing related to it play an important role in the economy of many of the counties in southeastern Idaho. In Power County food manufacturing is the leading employer, providing about 775 jobs. Crop and animal production is second with about 750 jobs. In neighboring Bingham County, crop and animal production is the second largest employer at about 2,250 jobs while food manufacturing is third with about 1,475 jobs.

The two counties were hit hard on Nov. 9 when the J.R. Simplot Co., announced it would shut down its Aberdeen potato processing plant in 2014. The plant employs 290 workers, most of whom live in Power and Bingham counties. Hardest hit will be the city of Aberdeen with a population around 2,000. Five percent of them work at Simplot.

Bingham County Top Five Employment Sectors - Jobs per Industry



Power County Top Five Employment Sectors - Jobs per Industry



Source: EMSI Complete Employment 2011 Q4

Simplot’s plans to close the Aberdeen plant are not due to a lack of business or a slow economy. According to Simplot officials, the firm wants to consolidate its potato processing operations into one plant across the state in Caldwell. The new plant will be state of the art and located close to the center of the area where Simplot procures its potatoes.

Currently, Simplot’s three potato processing plants including Aberdeen employ about 800. The new Caldwell plant will need only 250 due to automation. Workers in Aberdeen are expected to continue to be employed until the new Caldwell plant opens in just over two years.

Simplot officials said the plant realignment was announced early to give workers time to plan for the future. Simplot is working with local, community and state officials to help ease the transition.

Simplot’s Aberdeen plant has been at the heart of the local economy since it was opened in 1969 by Western Farmers. In 1973 the facility was taken over by Simplot. The news of the Simplot closure came as a surprise to many.

“We were only told something was happening that would affect the Simplot plant,” Aberdeen mayor Morgan Anderson said. “We hoped it was good news. It turned out it wasn’t.”

Bingham County Commission Chairman Cleon Jolley was shocked by the announcement.

“It’s going to be quite a hit for us,” Jolley said. “I don’t know what is going to happen to Aberdeen.”

The concern over the job loss in is not unwarranted. According to data provided by Economic Modeling Specialists Inc. of Moscow, the plant’s closure will have a greater impact than the loss of its 290 jobs. It is estimated that an additional 400 jobs will disappear in other sectors of the local economy when the plant shuts down.

Job Loss From Simplot Plant Closure by Sector		
NAICS Code	Description	Change
311411	Frozen Fruit, Juice, and Vegetable Manufacturing	296
11A000	Crop and animal production	107
930000	Local government	62
484121	General Freight Trucking, Long-Distance, Truckload	11
622110	General Medical and Surgical Hospitals	8
484110	General Freight Trucking, Local	8
722211	Limited-Service Restaurants	7
115115	Farm Labor Contractors and Crew Leaders	6
445110	Supermarkets and Other Grocery (except Convenience) Stores	5
561720	Janitorial Services	5

Source: EMSI Complete Employment 2011 Q4

Community and government leaders are taking action to deal with the plant closure. Within a week of the announcement, Mayor Morgan Anderson, Roger Chase of the Bingham Economic Development Corp. and Dirk Driscoll of the Aberdeen Chamber of Commerce have set up three task forces to deal with the plant closure in conjunction with officials from American Falls, the Idaho Department of Labor, the Idaho Department of Commerce, Great Rift Economic Development, Bingham County, Power County and the Farm Bureau. One taskforce will try to convince Simplot to stay in the community while the second will help find education and training options for the Simplot workers. The third will focus on marketing Aberdeen to new businesses.

The Idaho Department of Labor has organized a session in mid-December that will include representatives from local, state and federal organizations detailing the services and programs that will be available to workers when the lay-off occurs.

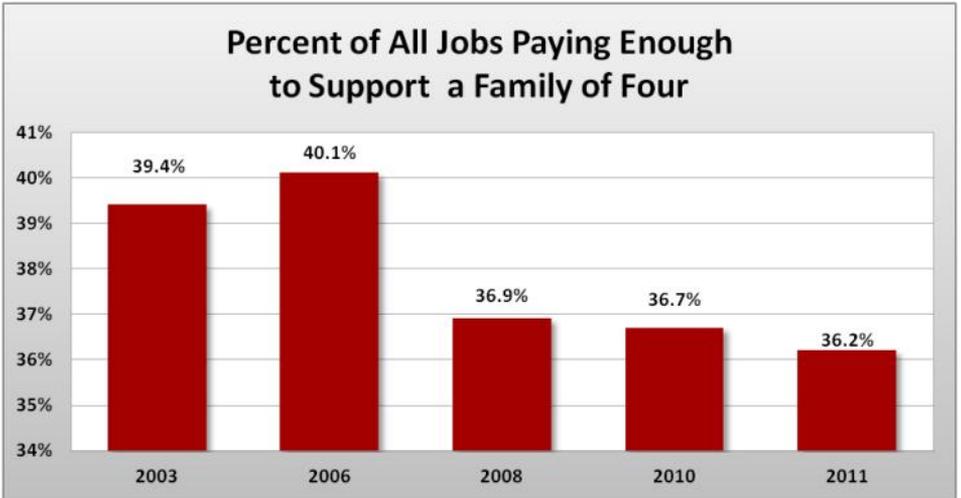
**Dan.Cravens@labor.idaho.gov, Regional Economist
(208) 236-6710 ext. 3713**

RECESSION ERASES JOBS PAYING SELF-SUFFICIENCY WAGES

More than two years after the recession ended, Idaho is still feeling the effects of the worst downturn since World War II.

Only 36 percent of the jobs in Idaho pay enough to support the traditional family of four at a minimal standard of living. That is down from over 40 percent at the peak of the economic expansion in 2006.

Using Idaho’s Occupational Employment Statistics and the U.S. Department of Labor’s annual determination of the smallest paycheck workers can earn and still support themselves and their families without assistance – public or otherwise – nearly 380,000 of the 595,000 jobs in the Idaho economy paid less than the minimum required to support a couple with two children. In rural Idaho, that is \$36,400, or a full-time job paying \$17.50 an hour. The wage is a little higher in the metropolitan counties – \$37,900, or a full-time job at \$18.23 an hour.



The percentage of jobs paying enough to support households of two and three has shown the same decline from the pre-recession era. The Census Bureau reported that the median income in Idaho was just under \$22,000 in 2010, meaning half the individuals in Idaho made more and half made less. At the same time, the median income for a household was \$43,300, indicating a large number of multiple earner households. Only 11 states had lower median household incomes.

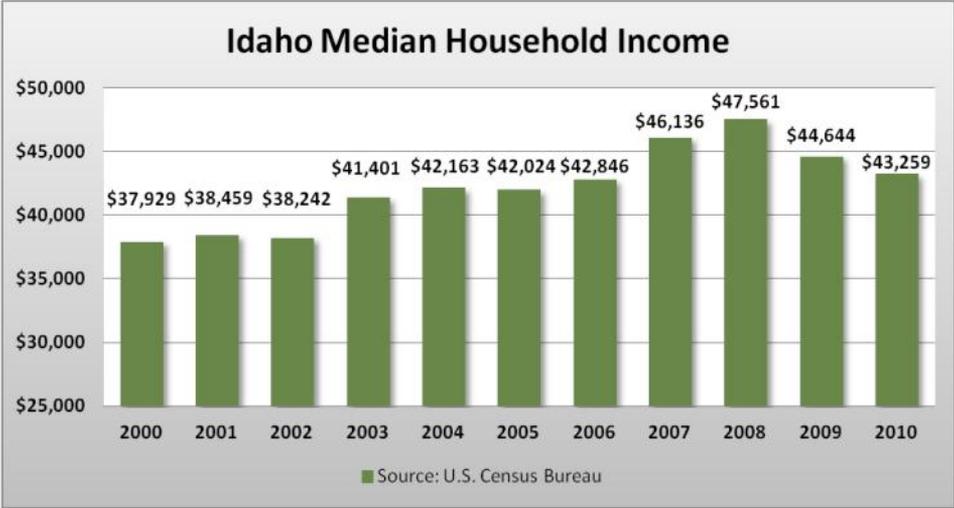
The recession’s impact has also been seen in median household income, which has declined 9 percent from its peak of \$47,600 in 2008. Only Nevada recorded a larger percentage decline.

In addition, unlike those prerecession years when every job met the minimum needs of a single person, there are now over 5,000 jobs that fail to pay enough for a single person to live without assistance. That likely is the result of the dramatic increase in part-time work and the reduction in hours for many full-time workers during the recession. The number of people working part-time or temporary jobs lasting less than five months when they wanted full-time jobs jumped from 71,300 in 2007 to nearly over 86,000 in 2010.

Idaho also has one of the highest rates of multiple job holders in the nation. In 2010, 7.1 percent of the state’s workers held more than one job, up from 7 percent in 2009. Only nine other primarily agricultural states had higher multiple job holder rates.

The Lower Living Standard Income Level is keyed to an austere budget that provides for housing, clothing, food and other basic necessities. The monthly budget was last established by the U.S. Bureau of Labor Statistics in 1981 and has been adjusted for inflation since. It is the U.S. Department of Labor’s measure of minimum self-sufficiency. For the traditional family of four, the 2011 budget allocated \$439 a month for rent and utilities with an-

other \$85 for other household expenses, \$776 a month for food and \$259 for transportation out of a monthly income of under \$3,200.



The income level is calculated for a family of four in both urban and rural settings in the four regions of the country – the Northeast, Midwest, South and West – and then statistically adjusted for households from one to six people. Except for specific income levels set for the Denver, Seattle, San Francisco, Los Angeles and San Diego metropolitan areas, the rest of the West including Idaho uses the same urban and rural incomes. Of Idaho’s 435,000 multiple-person households, nearly 17 percent have four people, 18 percent have three and 46 percent have two.

Family Size	Four	Three	Two
Income	\$3,160	\$2,560	\$1,864
Food	\$776	\$630	\$458
At home	\$681	\$553	\$402
Out	\$95	\$77	\$56
Rent	\$439	\$355	\$259
Home expenses	\$85	\$69	\$50
Transportation	\$259	\$210	\$152
Clothing	\$243	\$197	\$143
Personal Care	\$101	\$82	\$60
Medical Care	\$414	\$334	\$246
Misc Expenses	\$129	\$105	\$76
Other Expenses	\$155	\$125	\$91
SSA & Disability	\$243	\$197	\$143
Income Taxes	\$316	\$256	\$186

Source: U.S. Bureau of Labor Statistics

The urban counties in Idaho, which typically have higher Lower Living Standard Income Levels, are Ada, Canyon, Kootenai, Nez Perce, Bannock, Twin Falls, Bonneville, Bingham and Jefferson.

The loss of nearly 60,000 jobs during the recession – more than half in the higher paying construction and manufacturing sectors – combined with the reduction in hours for many of the workers who remained on payrolls to aggravate the erosion in wages that began with the onset of the recession.

Bob.Fick@labor.idaho.gov, *Communications Manager*
(208) 332-3570, ext. 3628

See related tables on page 14.

Percent of All Jobs Paying Self-Sufficiency Wages by Household Size

Household Size	2003	2006	2008	2010	2011
One	100.0%	100.0%	100.0%	99.0%	99.1%
Two	72.7%	73.2%	72.2%	71.7%	70.9%
Three	52.5%	55.5%	50.8%	50.1%	49.6%
Four	39.4%	40.1%	36.9%	36.7%	36.2%
Five	29.6%	29.0%	27.8%	27.6%	27.6%
Six	26.2%	21.9%	20.4%	20.2%	20.6%

2006 Idaho Lower Living Standard Income Levels

Family Size	Urban Minimum	Jobs Paying at Self - Sufficiency	% of Urban Jobs	Rural Minimum	Jobs Paying at Self - Sufficiency	% of Rural Jobs
One	\$5.91	453,202	100%	\$5.70	168,974	100%
Two	\$9.69	327,888	72.3%	\$9.33	127,654	75.5%
Three	\$13.30	250,351	55.2%	\$12.81	95,004	56.2%
Four	\$16.42	180,133	39.7%	\$15.81	69,055	40.9%
Five	\$19.38	127,063	28.0%	\$18.66	53,315	31.6%
Six	\$22.67	92,279	20.4%	\$21.82	43,970	26.0%

Source: U.S. Department of Labor, Idaho Department of Labor

2008 Idaho Lower Living Standard Income Levels

Family Size	Urban Minimum	Jobs Paying at Self - Sufficiency	% of Urban Jobs	Rural Minimum	Jobs Paying at Self - Sufficiency	% of Rural Jobs
One	\$6.35	477,543	100%	\$6.13	171,364	100%
Two	\$10.40	342,301	71.7%	\$10.05	125,899	73.5%
Three	\$14.28	237,642	49.8%	\$13.79	91,770	53.6%
Four	\$17.63	171,311	35.9%	\$17.02	68,174	39.8%
Five	\$20.80	128,746	27.0%	\$20.09	51,555	30.1%
Six	\$24.34	94,286	19.7%	\$23.50	37,912	22.1%

Source: U.S. Department of Labor, Idaho Department of Labor

2010 Idaho Lower Living Standard Income Levels

Family Size	Urban Minimum	Jobs Paying at Self - Sufficiency	% of Urban Jobs	Rural Minimum	Jobs Paying at Self - Sufficiency	% of Rural Jobs
One	\$6.81	455,932	99.0%	\$6.78	152,709	99.1%
Two	\$10.61	329,763	71.6%	\$10.14	111,088	72.1%
Three	\$14.57	227,898	49.5%	\$13.93	80,004	51.9%
Four	\$17.98	166,605	36.2%	\$17.19	58,825	38.2%
Five	\$21.23	125,759	27.3%	\$20.29	43,947	28.5%
Six	\$24.82	92,103	20.0%	\$23.73	32,251	20.9%

Source: U.S. Department of Labor, Idaho Department of Labor

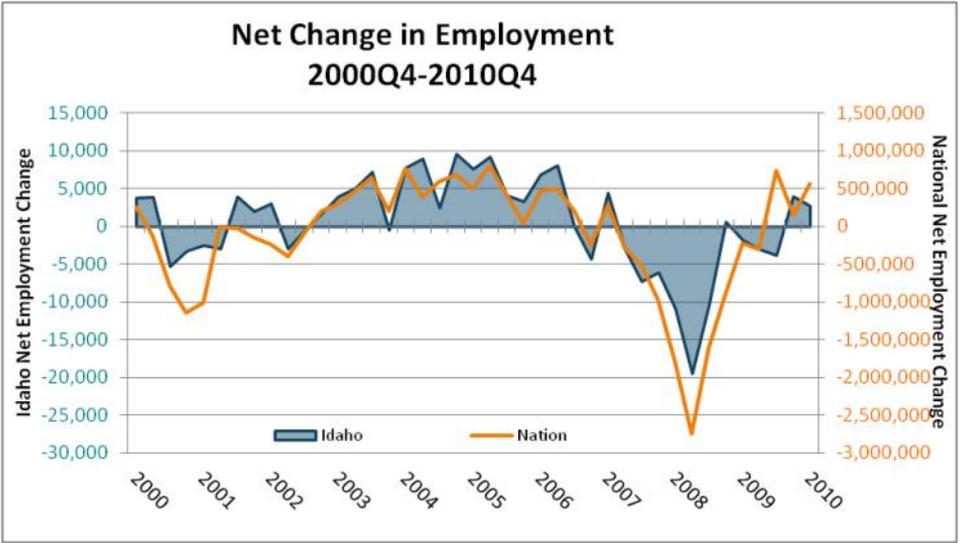
2011 Idaho Lower Living Standard Income Levels

Family Size	Urban Minimum	Jobs Paying at Self - Sufficiency	% of Urban Jobs	Rural Minimum	Jobs Paying at Self - Sufficiency	% of Rural Jobs
One	\$7.38	438,326	99.1%	\$7.37	150,808	99.0%
Two	\$10.76	311,804	70.5%	\$10.33	109,797	72.1%
Three	\$14.77	217,087	49.1%	\$14.18	78,108	51.3%
Four	\$18.23	158,720	35.9%	\$17.50	56,874	37.4%
Five	\$21.51	121,831	27.5%	\$20.65	42,582	28.0%
Six	\$25.16	91,151	20.6%	\$24.16	31,485	20.7%

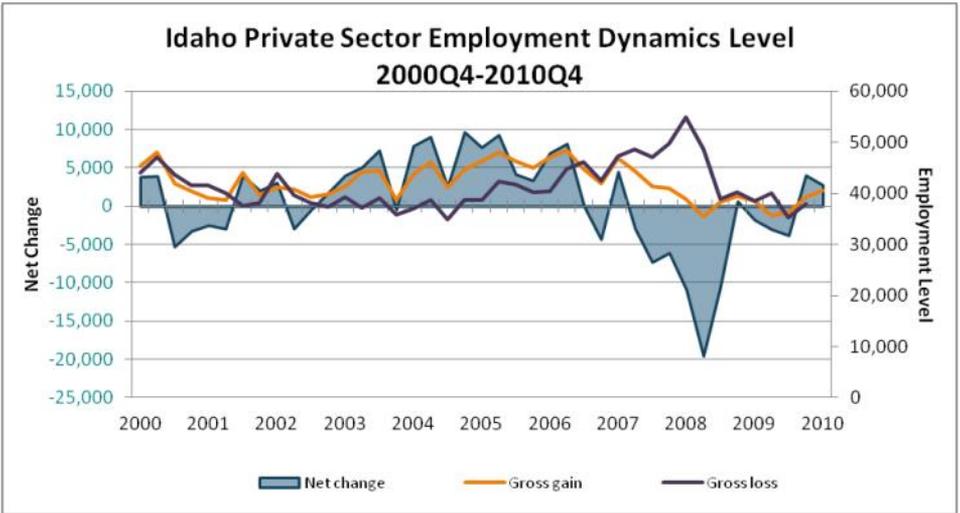
Source: U.S. Department of Labor, Idaho Department of Labor

PRIVATE SECTOR RECORDED NET GAIN IN JOBS 4Q 2010

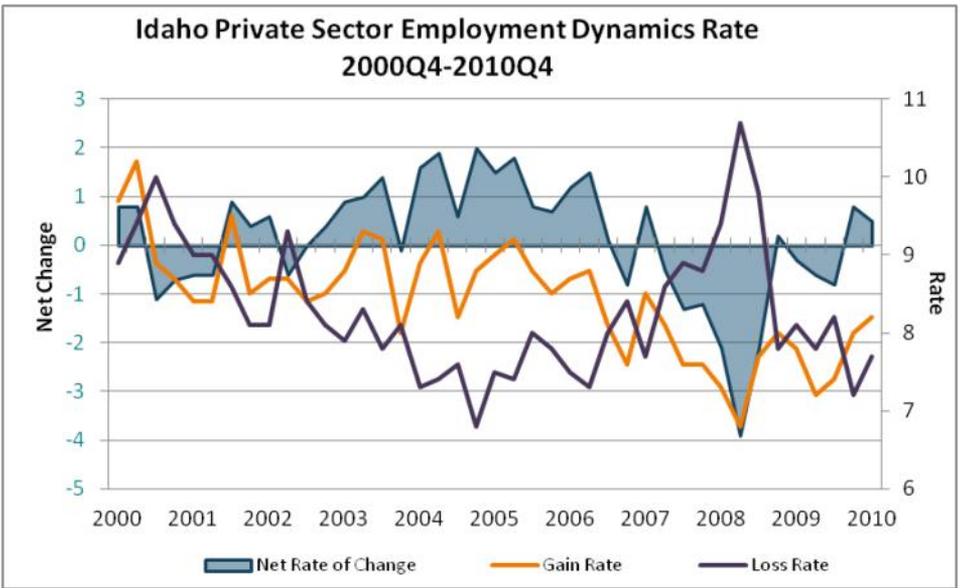
Idaho experienced a net gain of 2,744 private sector jobs during the fourth quarter of 2010 on a seasonally adjusted basis, according to the Business Employment Dynamics program of the U.S. Bureau of Labor Statistics.



The Business Employment Dynamics program tracks information on job gains and job losses from private businesses opening, expanding, closing and downsizing. It is another tool for analyzing the business cycle. From October to December 2010, Idaho's opening and expanding businesses added 40,627 jobs while those closing or downsizing cut 37,883. This was the second consecutive quarter of net gain following a streak of job losses that began in the first quarter of 2008. That was interrupted only by a slight net gain of 600 jobs in the third quarter of 2009.

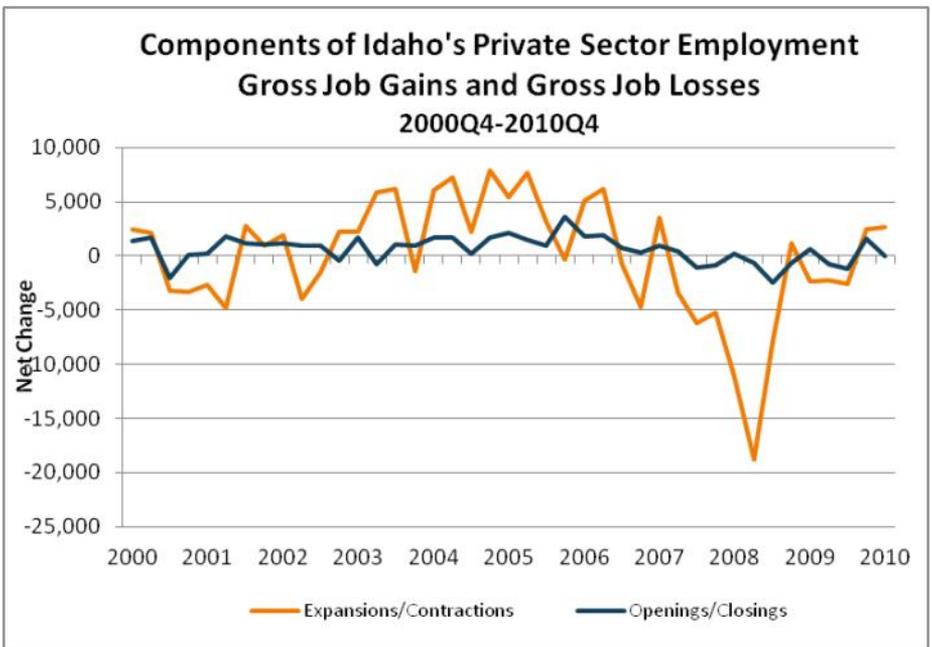


The National Bureau of Economic Research marks the beginning of the recession in December 2007, though Idaho began to see evidence of a slow-down during the second quarter of 2007. In the 12 quarters that followed, Idaho lost jobs in all but two. Even with these slight gains, net job loss since the downward trend began exceeded 55,000 by the end of 2010. However, this was less than the net recession job loss of over 62,000 measured at the



peak of the recession in second quarter 2010, due to robust net gains in the second half of 2010.

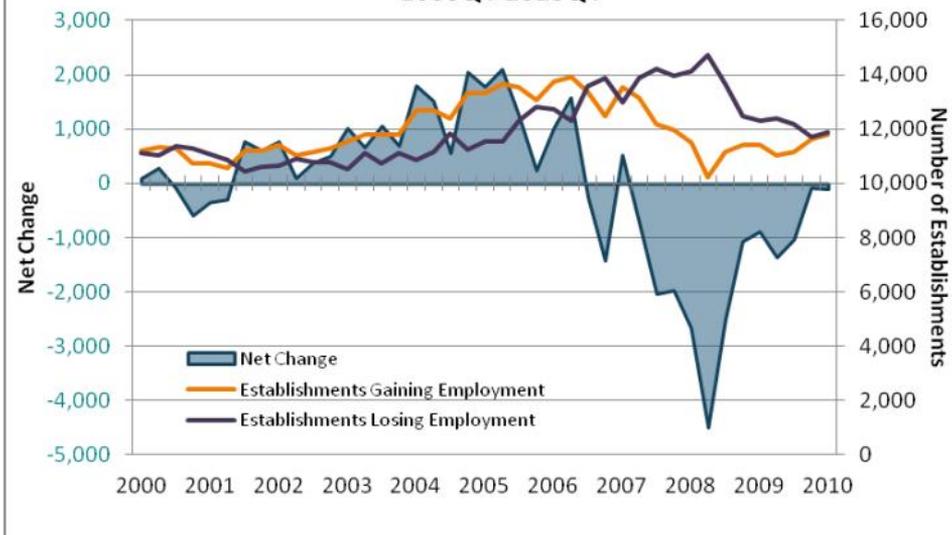
Jobs increased 8.2 percent in the fourth quarter of 2010, the third quarter in a row of ever higher rates of increase and the fifth quarter of job gains since the beginning of the recession. As in the third quarter, the gross job gain rate topped the gross job loss rate of 7.7 percent in the fourth quarter for a net gain of half a percentage point. The gross loss rate for the fourth quarter was a half percentage point higher than the third quarter's.



Expanding businesses created about 2,700 more jobs than contracting businesses eliminated during the fourth quarter while, new businesses created 50 more jobs than closing businesses eliminated.

Just under 11,800 of Idaho's 50,000 businesses added jobs during the fourth quarter – 8,850 through expansion and 2,950 opening for the first time. A nearly equal number, just over 11,800 establishments, eliminated jobs – 9,000 downsized and 2,800 closed altogether.

Number of Idaho Private Sector Establishments by Direction of Employment Change 2000Q4-2010Q4



Nationally, fourth quarter 2010 saw a net job gain of 563,000 stretching across almost all economic sectors. This was the third consecutive quarterly gain on a national level in over two years, since the fourth quarter of 2007. New and expanding businesses created 7 million jobs, roughly 360,000 more than in the third quarter. Meanwhile, the nation experienced a loss of 6.4 million jobs as more businesses closed or pared payrolls. This loss was 50,000 jobs less severe than the loss in the third quarter.

While most industry sectors gained jobs in the fourth quarter, construction lost 63,000 jobs and information 5,000 jobs. There was no change in other services. Significant gains were made in professional and business services at 193,000 jobs and education and health services at 137,000. Manufacturing continued to hold its own through the end of 2010. Though the sector's modest 11,000 job gain was less than in past quarters, the fourth quarter marked the third quarterly gain in a row after the sector suffered steady losses since the beginning of the recession. The financial activities sector recorded a net gain of 22,000 jobs, the first net gain for the sector since second quarter 2007.

As in past quarters, the highest job gain and job loss rates were found in the western states, indicating more job churning than in other parts of the country. Alaska's 10.3 percent gain rate and 10.6 percent loss rate were the highest rates in the nation, followed by Wyoming's 9.1 percent gain rate and 8.9 percent loss rate. Montana broke even with 8.2 percent gain and loss rates. Of the fifty states, the District of Columbia, Puerto Rico and the Virgin Islands, seven areas experienced net job losses, four saw no change and the rest recorded net gains in the fourth quarter 2010.

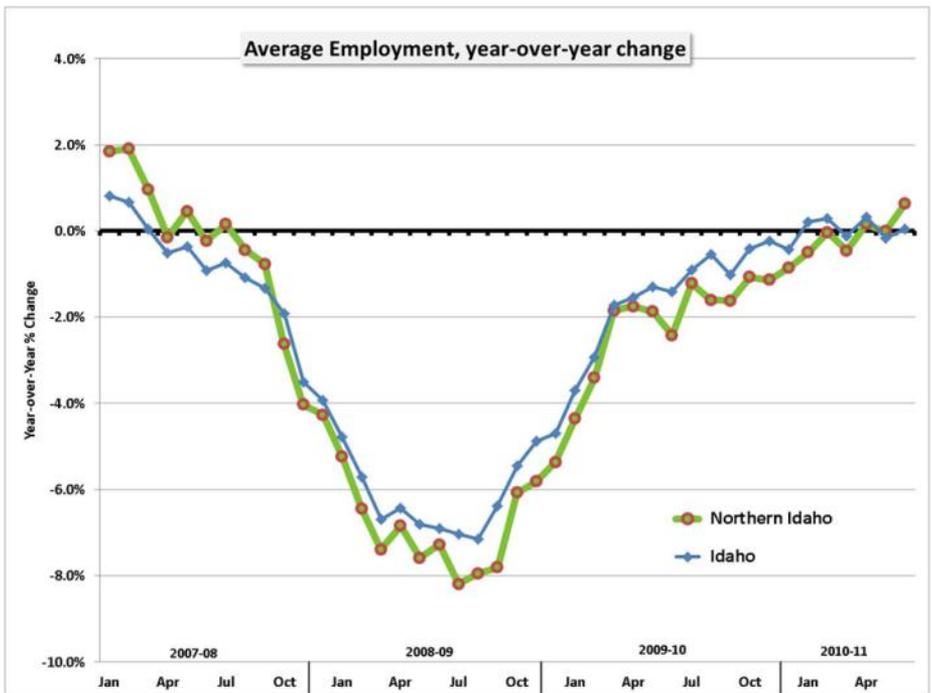
The Idaho economy continued to show signs of strengthening in the fourth quarter with its second quarter of significant job gain since the beginning of the recession. On the national level, continued improvement was evident on an industry-by-industry and state-by-state basis. These positive developments made the fledgling economic recovery seem somewhat less tenuous.

*The Business Employment Dynamics data series includes job gains and losses at private sector establishments. The data represent the change in the number of jobs over time, which is the net result of increases and decreases in employment that occur at all businesses in the economy. More information on Business Employment Dynamics series is on the Web at www.bls.gov/bdm/.

Karen.JarboeSingletary@labor.idaho.gov, Senior Research Analyst
(208) 332-3570, ext. 3215

NORTHERN IDAHO’S ECONOMIC YEAR IN REVIEW

After nearly three years of little to no growth, the Idaho Panhandle started seeing year-over-year gains in April 2011. Statewide, that turning point occurred in late 2010. Employment gains in the second quarter offset seasonal losses in the first quarter.



The cooler, wet spring kept the region from gaining momentum, particularly in Benewah and Boundary counties. The melt of a near-record snowpack flooded forest roads during spring breakup, delaying loggers and construction workers from getting a jump on the season.

Although off to a slow start, commercial construction remained steady over the last year. Benewah Community Hospital in St. Maries started construction on a \$28.5 million expansion project in late December 2010. Lasting approximately one year, the project has created up to 200 construction jobs for the area.

The Coeur d’Alene Tribe spent \$75 million on a major upgrade on its resort and casino, creating 150 new jobs. The tribe also started construction on a new \$11.8 million state-of-the-art medical facility.

Ground Force, the Post Falls manufacturer of mining equipment, broke ground on the future site of Under Ground Force. The company plans to expand its workforce by 200 over the next several years with additional operations at the old Echelon facility in Plummer.

After completing a \$1 million expansion earlier this year, LA Aluminum Casting Co. in Hayden added a new line of equipment that resulted in a 20 percent increase in sales.

Other commercial construction projects included Super 1 Foods in Bonners Ferry, which expected to open Summer 2012 with 90 employees; Kootenai Technical Education Campus, which will open in fall 2012; Hospice of North Idaho's new inpatient facility with up to 20 jobs; Walmart's two new stores in Hayden and Post Falls with 300 employees; the \$1.73 million Benewah County Transfer Station; a \$15 million U.S. Border Patrol station near the Boundary County Airport.

The Welco Mill in Naples resumed full operation with 76 employees. The company anticipates a growing need for its western red cedar and whitewood fencing products. Idaho Forest Group has also been ramping up in not only production but employees this year.

Timber prices were up and lumber prices down.

A dramatic increase in the Russian timber export tariffs from 6.5 percent in 2006 to 20 percent in 2007, 25 percent in 2008 and 80 percent since 2009 coupled with increasing pressure from China, Japan, and Korea pushed demand for logs in the Pacific Northwest upward over the past couple of years. The log exports to China in 2010 at 664.2 million board feet were over 40 times that in 2005's 15.8 million board feet. This trend continued in 2011. While market demand is changing, factors such as transportation costs resulting from liquid fuel and empty container backhaul shipping, manufacturing costs and exchange rates are becoming more appealing to East and South Asian countries.

Stalled housing starts kept lumber prices low, averaging \$272 per 1,000 board feet compared to \$283 in 2010. Prices in 2009 fell to an average of just \$222 per 1,000 board feet. Demand a year ago was helped by the homebuyer tax credit that has since expired. Throughout 2010, 694 housing permits were issued throughout the Panhandle, down 36 percent from 2009. As of October 2011, there were 465 housing permits issued this year – a rate below 2010.

Silver prices soared even more in 2011, reaching \$48.70 per ounce for the first time since 1980. Record metal prices and increased production gave Hecla the assurance that a new shaft at its Lucky Friday mine could increase the mine's annual silver production by as much as 50 percent and extend the mine's life beyond 2030. After investing more than \$55 million in determining the feasibility of the #4 Shaft Project and an additional \$50 million for off-shaft development, Hecla expects capital expenditures for development could range from \$150 million to \$200 million for an internal shaft descending from the 4,900-foot level to the 7,800-foot level. The #4 shaft is expected to be completed by late 2014.

Renovations of the Star Mine began this year after sitting dormant for over a decade and a half. The project is expected to create a connection to the existing development at Lucky Friday and coincides with the Lucky Friday #4 Shaft Project.

A new aerospace manufacturer in Sandpoint, Tamarack Aerospace Group, is taking hold and by the end of next year should more than offset the losses Quest Aircraft incurred last year.

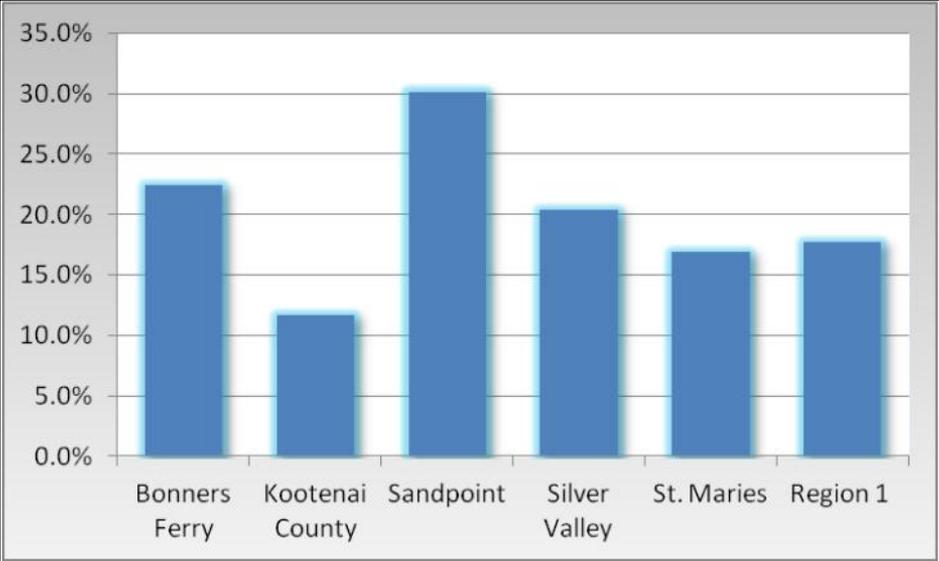
Near record snowpack boosted skiers at the region’s three slopes. Visitation at Silver Mountain increased 23 percent from 69,800 visitors during the 2009-2010 ski season to 85,900 during the 2010-2011 season. With 192 inches at the summit by the end of the season, 2,700 more people visited Lookout Pass ski area, an increase of nearly 5 percent. Schweitzer experienced a decline in skier visits of under 1 percent but still remains one of the most visited mountains in Idaho.

Favorable exchange rates – the most favorable for Canadians in nearly 35 years — drove more Canadians across the border this summer. During the height of tourist season, taxable sales rose 3 percent compared to the previous year. Benewah, Boundary and Shoshone counties enjoyed dramatic increases of 7 percent to 8 percent. While Kootenai County posted a 2 percent increase and Bonner County 5 percent, they each added \$5 million year-over-year.

Attendance at Silverwood Theme Park was up 6 percent over 2010’s all-time best of 628,000. The company is investing \$2 million on new attractions at its water park and has been approved for a zoning change on a 95-acre parcel adjacent to the existing park. The addition of Walmart and approximately 300 employees over the year stimulated employment growth in that sector.

Job openings registered with local Idaho Department of Labor offices through the third quarter were up 18 percent compared to the first three quarters of 2010. Most of the increases occurred in the first half of the year and slowed by the third quarter. There were 1,200 job openings region-wide throughout November.

Percent Change 1Q-3Q 2011 Compared to 2010, Panhandle Local Offices



Health care led the way in the number of job openings at 1,200 in the first three quarters excluding Kootenai Health. Administrative and support services closely followed due to turnover at call centers. Health care has been the fastest growing industry in Kootenai County through the recession, adding 1,100 jobs since 2007. And with 22 percent of the workforce over the age of 55, even more opportunities will arise.

Stronger employment growth in the second quarter coupled with increasing activity across the Panhandle has helped curb the depths of the most recent economic contraction. It is hoped that manufacturing, health care, and consumer confidence through the holiday season will continue the momentum through the upcoming winter season.

Alivia.Body@labor.idaho.gov, *Regional Economist*
(208) 457-8789 ext. 3486

JOB VACANCY STUDY INDICATES OPPORTUNITIES INCREASING

The labor market in southwestern Idaho appears to have loosened up slightly over the past year.

The Idaho 2011 Job Vacancy Survey by the Department of Labor found 600 more vacancies than the 2010 survey, and the composition of the openings is an improvement over a year ago with a higher percentage of openings for full-time, permanent jobs.

Jobs requiring certifications or licenses and education beyond high school also increased while those requiring related experience dropped from 2010. Along with more openings requiring certifications and postsecondary education, the median wage for the region’s vacant jobs increased from an estimated \$9.30 per hour to \$10. New job growth appears to have slowed slightly though, dropping from 39 percent in 2010 to 33 percent in 2011. Even so, a third of all vacancies being newly created positions is still noteworthy considering the slow economic recovery for most areas.

Southwestern Idaho Job Vacancies 2010 vs. 2011		
	2010	2011
Estimated Vacancies	3,999	4,658
Full-Time Positions	58%	68%
Newly Created Positions	39%	33%
Permanent Positions	77%	82%
Requiring Certification or License	32%	38%
Requiring Related Experience	71%	64%
Requiring Education Beyond High School	31%	34%
Median Wage	\$9.30	\$10.00

Source: 2010 Idaho Job Vacancy Survey, 2011 Idaho Job Vacancy Survey, Idaho Department of Labor
The difference in all percentages between the two years is statistically significant at the 95 percent confidence level.

The breakdown of vacancies across industries in southwestern Idaho was very similar to 2010. Because of health care’s resistance to the economic downturn, vacancies in that sector again dominated the region. For both years, health care vacancies were more than double retail trade vacancies, which were the second largest.

As with industries, the occupation groups with the most vacancies for 2011 followed 2010. Notably though, health care practitioners and technical occupations had an increase of almost 50 percent in vacancies from 2010. This group contains more advanced occupations such as doctors and nurses that pay higher salaries. This year, the median wages for openings in this group were \$21.35 an hour, almost \$7 higher than Idaho’s median wage of \$14.54.

Southwestern Idaho Job Vacancies, by Industry Group 2010 vs. 2011

2010		2011	
Industry Group	Estimated Vacancies	Industry Group	Estimated Vacancies
Health Care and Social Assistance	915	Health Care and Social Assistance	1,014
Retail Trade	402	Retail Trade	543
Other Services (except Public Administration)	390	Administrative and Support and Waste Management and Remediation Services	435
Administrative and Support and Waste Management and Remediation Services	377	Professional, Scientific, and Technical Services	357
Professional, Scientific and Technical Services	355	Accommodation and Food Services	308

Source: 2010 Idaho Job Vacancy Survey, 2011 Idaho Job Vacancy Survey, Idaho Department of Labor

Southwestern Idaho Job Vacancies, by Occupation Group 2010 vs. 2011

2010		2011	
Occupation Group	Estimated Vacancies	Occupation Group	Estimated Vacancies
Office and Administrative Support Occupations	679	Office and Administrative Support Occupations	768
Sales and Related Occupations	496	Healthcare Practitioners and Technical Occupations	513
Personal Care and Service Occupations	476	Sales and Related Occupations	493
Healthcare Practitioners and Technical Occupations	353	Food Preparation and Serving Related Occupations	366
Food Preparation and Serving Related Occupations	267	Transportation and Material Moving Occupations	318

Source: 2010 Idaho Job Vacancy Survey, 2011 Idaho Job Vacancy Survey, Idaho Department of Labor

The occupations with the most vacancies were also similar to the 2010 survey findings. Customer service openings increased by over 100. Both registered nurse and heavy and tractor-trailer truck driver jobs offer higher-than-average wages, but over 90 percent of the vacancies were for replacements, not new growth.

Southwestern Idaho's job vacancy picture has improved noticeably since 2010. With almost half of all the states openings located in this region, the improvement in this area bodes well for Idaho's economy overall. However, most industries except health care have a lot more hiring to do to reach pre-recession employment levels.

Southwestern Idaho Job Vacancies, by Occupation 2010 vs. 2011

2010		2011	
Occupation	Estimated Vacancies	Occupation	Estimated Vacancies
Recreation Workers	337	Customer Service Representatives	267
Interviewers, Except Eligibility and Loan	254	Registered Nurses	243
Retail Salespersons	227	Retail Salespersons	180
Registered Nurses	173	Farmworkers and Laborers, Crop, Nursery and Greenhouse	175
Customer Service Representatives	154	Heavy and Tractor-Trailer Truck Drivers	173

Source: 2010 Idaho Job Vacancy Survey, 2011 Idaho Job Vacancy Survey, Idaho Department of Labor

The complete 2011 Idaho Job Vacancy Report, which includes all regions, is online at <http://lmi.idaho.gov/ResearchProjects.aspx>.

**Andrew.Townsend@labor.idaho.gov, Regional Economist
(208) 332-3570, ext. 3455**

FORBES RANKINGS DON'T CAPTURE ENTIRE PICTURE

Forbes recently released an extensively researched list of the best states for business in 2011. Not surprisingly, Idaho was not in the top five or the bottom five. It ranked 16th.

Okay, Forbes, there is more to life than being number one.

Idaho may rank first one day but for how long, and why would a state want that ranking? Unsustainable, bubble and overwrought are just a few of the possibilities that come with a first-place ranking.

Forbes lists always create a stir. They are posted on myriad commerce and industry websites. They provide all sorts of interesting information for data junkies about the state of the states, but much of the valuable data remain buried in lengthy reports.

The top five state in 2011 were Utah and Virginia followed by North Carolina, North Dakota and Colorado. There are states with nothing in common and states with many commonalities. The top five states experienced solid immigration and have strong education or job opportunities. Utah ranked in the top 15 of all six categories measured. The top three states did not change in rank from 2010 while the biggest move came from North Dakota, which jumped from 11th. The Bakkan oil field development there has increased oil production from \$393 million in 2001 to \$2.1 billion in 2010 – 6 percent of the state's gross product.

The bottom five states have already peaked while Rhode Island's glory may have been when it was one of the original 13 colonies. None is prospering economically at this point for unique reasons. Maine was ranked last below Hawaii, Rhode Island, Michigan and Mississippi.

The variety of data used to determine the rankings were diverse and heighten the credibility of the report. The categories were business costs, la-

bor supply, regulatory environment, economic climate, growth prospects and quality of life.

Business costs receive the greatest weight in this ranking. Moody's Analytics Index pulls together labor, taxes and energy with most weight applied to wages – low being best for this scoring since the level of wages affects taxes. Unemployment, income, worker's compensation and Social Security taxes are all applied to gross wages. Idaho is once again 16th in this category. The top states were South Dakota, North Carolina, Nebraska, North Dakota and Wyoming.

At the bottom in this category were New York, Connecticut, New Jersey, Hawaii and Massachusetts, all states with comparatively high real estate and energy costs, which drive up the cost-of-living and property taxes and contribute to higher operating costs.

Labor supply estimates were developed from educational attainment data, five-year net migration patterns, projected population growth and union representation. This component attempts to quantify the labor pool and the continued flow of workers into an area while establishing the level of skills. It also rewards lower levels of union participation. The top five states in this category had union representation ranging from 4.9 percent to 8.4 percent of the workforce while 31 states nationally are in the double digits for union representation. The top five states for labor supply were Colorado, Virginia, North Carolina, Georgia and Utah.

At the bottom of the list for labor supply are Mississippi, Ohio, Michigan, West Virginia and Louisiana. Louisiana is still rebuilding from the mass exodus after Hurricane Katrina. Michigan has been paralyzed since the auto industry contracted. And only about 80 percent of the workforce in Louisiana, Mississippi and West Virginia have high school diplomas while the top states are near 90 percent.

Regulatory environment, which captures the attention of many companies, ties together two indices – the Economic Freedom Index and the U.S. Tort Liability Index – published by San Francisco-based Pacific Research Institute, which value less governmental intervention and less costly and risky court decisions. Idaho was recognized by both indices in the top 10 for being more empathetic to businesses based on its record of reduced government regulation and limited court rulings against business. The institute's partners in developing the indices are Forbes and the Manufacturers Alliance. This category also rewards efforts to attract companies with tax incentives and economic development investment even though both are a form of government intervention. Forbes also reviews the Moody's Bond Ratings on general obligation debt and transportation infrastructure, giving credit to states with right-to-work laws. Idaho's ranking was the lowest in this category at 28th, in part because of its transportation infrastructure – something that is always an issue in small states. The top performers – all with populations of at least 4.7 million – were North Carolina, Virginia, Georgia, Texas and South Carolina.

The lowest ranked states, which included those with great natural beauty and low populations – all smaller than Idaho's 1.5 million – were Rhode Island, West Virginia, New Hampshire, Vermont and Hawaii.

Economic climate is a natural business barometer for a state. The number of large public and private companies headquartered in a state, its gross state product growth, job growth, income growth and the current unemployment rate are all factored in. Idaho ranked right in the middle at 25th. It has few major corporate headquarters and projected growth in jobs, wages and gross product is slower than many other states that seem to be coming out of the recession at a faster rate. Four of the top five states have energy-based economies, and three have launched major job recruiting campaigns in other states to bolster labor supply. At the top of Forbes list in this category was Texas fol-



North Dakota was listed second in the nation for economic climate according to Forbes Inc. in its Best States for Business and Careers report released in late November.

lowed by North Dakota, Oklahoma, Wyoming and New York, which always needs service workers to meet the demand of domestic and international tourists, diplomats and business professionals.

No doubt, the bottom five states have experienced rough times, a few even before the Great Recession began. Michigan and Ohio have been hit hard over the past decade with the loss of companies and workforce to outsourced manufacturing. Nevada – at the very bottom of this category – saw its gambling and tourism industry torpedoed by the recession after the bursting housing bubble sent its economy tumbling. Rhode Island has struggled with its small population and land area as well as a tax system that was outmoded until being reworked in 2010. It takes time to work itself out of these structural issues, but the high employment in health care is a stable influence in the state that is also known for its energy efficiency. The state has a large number of government workers and noted educational institutions such as the Ivy League Brown University and the Naval War College. The final state in the bottom five was Georgia.

Growth prospects are based on the five-year forecasts for jobs, income and gross state product using Moody’s projections along with business openings and closings and the levels of venture capital investment from Price Waterhouse data. Idaho was again in the middle, ranking 24th. The highest growth states over the next five years are in the Southwest with prime retirement climate for aging baby boomers driving most of the growth. Many of the cold northern latitude states have implemented incentives to retirees by not taxing their retirement funds. At the top of the growth prospects list was Texas followed by Arizona, New Mexico, California and Washington.

The states at the bottom have small population except for Indiana, which has seen its manufacturing sector depleted by the recession and overseas outsourcing. Maine was at the very bottom below Indiana, South Dakota, Hawaii and Mississippi.

Quality of life is the most subjective of the categories, but Forbes makes a reasonable argument that there are unbiased quality of life indicators such as crime and poverty statistics, cost-of-living estimates, school test performances and the number of top-ranked four-year universities based on another Forbes annual list. The founder of Sperlings Best Places, Bert Sperling provided Forbes with data regarding the culture and recreation. The climate is an integral aspect of category with the mean temperature a component. But for the top five, winter wonderland is apropos. Idaho ranked 19th here with five of its colleges and universities making the Forbes list of top colleges.

The top five states for quality of life were Massachusetts, Connecticut, Minnesota, Virginia and New Hampshire.

The bottom five were Louisiana, Nevada, New Mexico, Mississippi and Alaska.

GENDER AND POLITICS

There is always the question of just what impact a governor has on a state's ranking. Women hold the office in only six of the 50 states – Arizona, New Mexico, North and South Carolina, Oklahoma and Washington. Two – North Carolina and Washington – are Democrats. The other 44 are split 24 Republican and 20 Democratic.

GROSS STATE PRODUCT

There are only three states that are in the trillions for Gross State Product : California at \$1.9 trillion, Texas at \$1.2 trillion and New York State at \$1.1 trillion. Typically, states with the highest per capita gross state product have smaller populations and in-demand natural resources, well-established manufacturing clusters or human intellectual capital. Natural resources such as oil and natural gas reserves explain Alaska and Wyoming. Delaware, Connecticut and Massachusetts are among the smaller states by land mass, which restricts population and potentially gross state product. There is tremendous human capital with educational opportunities abounding in Massachusetts. Connecticut is the heart of the insurance industry, which provides much of the gross state product. Connecticut also benefits from the presence of nuclear submarines, helicopters and jet engines makers and has a large number of corporate headquarters. Delaware is definitely the corporate mecca of the United States with favorable tax laws. New York State is highly diverse with large agricultural and manufacturing sectors as well as a world financial center. It also has a large population and is fairly large in area to fuel its mega-economy.

Maine, which ranked last on Forbes business-friendly list, is surprisingly similar to Idaho. While lobster and blueberries come to mind when Maine is mentioned, its top agricultural commodities are potatoes and dairy products – just like Idaho but in smaller amounts. The population and gross state product of the two states are similar as well. Maine's per capita gross state product is higher, and Idaho is usually on the low end of wage scales. The biggest difference between Maine and Idaho is density. Idaho has 19 people per square mile, and Maine has 43. Both are blessed with extensive natural beauty and attractions for vacationers.

The western states continue to draw population to their open spaces and, in some cases, more independent mindedness. Nevada and California are the

Rank	State	GSP in Billions	Population	Per Capita GSP	Land Area (Sq. Miles)
2	Alaska	\$49.12	716,900	\$68,517	570,641
1	Delaware	\$62.28	905,800	\$68,757	1,949
3	Wyoming	\$38.53	566,800	\$67,973	97,093
4	Connecticut	\$237.26	3,585,400	\$66,174	4,842
6	Massachusetts	\$378.729	6,568,500	\$57,658	7,800
5	New York	\$1,159.54	19,414,100	\$59,727	54,556

Source: Forbes Inc.

only two western states that ranked in the bottom 15. California's only high ranking was in the category of growth prospects as it continues to attract retirees seeking comfortable routines and young people seeking recreation and active lifestyles. Its low ratings are bound to turn around if for nothing other than quality of life – superb public postsecondary educational institutions, large land area, large population, natural resources, diversity in climate and natural beauty.

Idaho should remain in the top half of the states because of the research value of the Idaho National Laboratory, Micron's new research facility and governmental leaders who embrace private industry.

Jan.Roeser@labor.idaho.gov, *Regional Economist*
(208) 735-2500 ext. 3639

ASK THE ECONOMIST

MULTIPLIERS: ESTIMATING THE TOTAL ECONOMIC IMPACT

One of the easiest ways to calculate the impact of a major economic development – the opening of a new plant or the closing of a long-standing business – is by applying a multiplier.

Economic multipliers translate project-specific effects into economy wide impacts. Multipliers quantitatively express the ripple effects of an initial change and what economic activity that change will generate because of the economic interdependence of a region's industries.

An economic stimulus such as the opening of a manufacturing plant sets in motion a chain of spending and re-spending.

As an example, an ice cream manufacturer in Moscow gets a special order from the U.S. Army that boosts its sales by \$100,000. That increase in receipts is the beginning of the money trail. To meet the increased demand, the plant increases production – using some portion of the \$100,000 to buy more ingredients to make more ice cream and package it, hire more workers, pay higher electricity and water bills and perhaps even buy some new equipment. And each of the plant's suppliers will respond in a similar fashion because demand for their products has increased. Ultimately, this economic ripple could reach far beyond the sectors of the economy that are most obviously linked to ice cream production.

Increased purchases of inputs by businesses are not the only way in which the economic stimulus diffuses throughout the economy. People also benefit from increased demand as workers and business owners earn more. More likely, they will spend some of that money on a wide variety of new consumer goods and services, not to mention new investments. Depending on their in-

come classes, these purchases likely spread across the economy from cookies to pick-up trucks to piano lessons. As the grocery stores, car dealers and piano teachers respond to this increased demand, they will in turn increase their own purchases. Moreover, any owners and employees in these businesses will have additional income or profit to spend on still other goods and services.

The indirect economic effects are seen in more supplier sales to expanding businesses, more sales to new workers and even more sales to an expanded government made necessary by the expanding economy.

At first glance, this cycle of spending and re-spending seems like it might continue without end. But it doesn't because of "leakage" – dollars that are withdrawn from the re-spending cycle. From the very first round of spending and continuing in all subsequent rounds, a certain portion of the dollars will "leak" out of the economy in the form of:

- Savings.
- Increased tax payments to entities outside of the region.
- Spending on goods and services that are not produced locally.

The higher the leakage, the lower the multiplier will be.

The leakage – the percentage of spending lost due to savings, taxes and imports – is used in a formula to determine the multiplier. If the leakage is 20 percent, the multiplier is 5. If the leakage is 80 percent, the multiplier is 1.25.

Multipliers can be denominated in various ways.

Multipliers can estimate the changes in jobs, earnings, sales or output, but job multipliers are the most widely understood.

Multipliers always are greater than one.

A multiplier is always greater than 1 because it is a ratio created by divid-

Multiplier Effects			
	Leakage		
	40%	50%	60%
Initial Impact	\$1.00	\$1.00	\$1.00
Round 1	0.60	0.50	0.40
Round 2	0.36	0.25	0.16
Round 3	0.22	0.13	0.06
Round 4	0.13	0.06	0.03
Round 5	0.08	0.03	0.01
Round 6	0.05	0.02	
Round 7	0.03	0.01	
Round 8	0.02		
Round 9	0.01		
Multiplier	2.48	1.99	1.66

ing the estimated total effect – direct and indirect effects – resulting from a given economic stimulus to the economy by the direct effect of the initial project. Of course, the direct effect, which is 1, always will be smaller than the total effect so the multiplier always will be greater than 1.

A multiplier of 2 shows the initial impact – the original 1 – plus an additional indirect impact of 1. If 100 jobs are created in an industry with a job

multiplier of 2, there would be an indirect impact of 100 jobs for a total of 200 jobs. If 500 jobs are created in an industry with a job multiplier of 1.8, there would be 500 jobs directly created and another 400 jobs indirectly created in other sectors for a total impact of 900 – 1.8 times the original impact of 500 jobs.

Generally the smaller the area, the smaller the multiplier.

A single county, especially in a rural area, is much more likely to experience high levels of leakage because unlike a state or nation it is more dependent on goods and services produced outside its boundaries.

Generally the lower the wage rates, the smaller the multiplier.

Multipliers also partly depend on the wages generated directly and indirectly by an economic stimulus. Typically, the higher the wages are in the affected industries, the higher the multiplier will be because it provides workers more money to spend on other goods and services.

The more tied an industry is to local businesses, the higher its multiplier.

Each multiplier essentially measures the strength of the economic linkages between a given industry or economic sector and the rest of the regional economy. The more local suppliers an industry has, the higher its multiplier is likely to be. For example, in northern Idaho, sawmills tend to have very high multipliers because they have many local suppliers – logging companies, machinery repairers, transportation companies – and purchasers of sawmill products and by-products including other wood product manufacturers and paper products companies.

The more “basic” an industry, the higher its multiplier.

In general, multiplier effects are much greater for basic, or export, industries – industries that derive most of their revenues from sales outside of the region – whether the exports are foreign or domestic.

Multipliers are only appropriate for genuine changes.

Multipliers should only be applied to projects that are a genuine source of net new economic activity. Incoming firms are not always a net new source of economic activity because they can take business away from existing firms. New retail or entertainment developments create indirect economic impacts only if they capture spending that formerly left the area or if they attract new spending from outside the area.

A multiplier’s effects may be relatively brief.

Construction impacts are often significant but relatively short-lived compared to the operational impacts that often are smaller but sustained over a longer period.

Assumption of constancy.

Using multipliers correctly, as with everything else in applied economics, requires making the assumption that all other things are equal. Using multipliers from economic models essentially assumes that industrial relationships, federal and state taxes and spending patterns all remain the same.

Multiplier effects are based on assumptions about the availability of unused or underused resources and people to accommodate the effects of mi-

gration and unemployment, for example. Since many resources are already used in a full-employment economy, multiplier effects tend to ignore or mask negative effects so positive multiplier effects will include hidden opportunity costs and substitution effects – presumably in a highly differentiated way.

In the long run, multipliers change. New technology and changes in taste lead to changes in spending patterns. Changes in transportation costs and in regional comparative advantages lead to changes in the geographical pattern of trade and leakage. The business cycle, changes in spending patterns caused by price fluctuations and changes in trade patterns may also change multipliers.

Large multipliers may not mean large impacts.

Large multipliers are not the same as large multiplier impacts. The impacts depend on both the size of the multiplier and the magnitude of the economic stimulus the multiplier is applied to.

Multipliers do not reflect the total economic impact.

Beside the rounds of spending that a change may cause, it may have other economic impacts. For example, road construction may reduce the costs of transportation and the time required for commuting, business deliveries and other transportation, and those changes also have economic impacts that are not reflected in the multiplier for road construction. Another example is education. When a new form of education becomes available in an area, it can improve the skills of the local workforce, boosting the incomes of the educated workers and potentially attracting more businesses to the region. A new hospital may not only have economic impacts, but it can also save lives and improve the health of residents, which is an enormous economic benefit that is not captured by the multipliers. The opening of a new manufacturing plant could lead to suppliers locating in the area, resulting in the formation of an economic cluster that could foster additional economic development. Multipliers do not reflect negative consequences such as pollution with economic impacts that offset the benefits of an economic activity.



Multipliers are not as high as generally believed.

It is not uncommon to see very high multipliers that grossly exaggerate the economic impacts of projects. The inflation of multipliers often reflects the optimism and enthusiasm of people proposing certain economic developments.

One reason people accept these high multipliers is because they think they remember their economics teachers telling them that the rounds of spending normally are seven or more. They don't realize that there are significant leakages from those rounds of spending, so the multiplier effects are much lower than the number of rounds of spending. Also their economic teachers generally were referring to multipliers at the national level, which

will be much greater than the multipliers for states, which far exceed the multipliers for smaller areas. In addition, the national multipliers for many industries have fallen considerably over the last couple of decades as more industries rely on imported supplies and American consumers purchased more imported goods.

Kathryn.Tacke@labor.idaho.gov, *Regional Economist*
(208) 799-5000 ext. 3984

BOEING'S 787 PRODUCTION CREATES DOMINO EFFECT

This summer, Boeing announced it will increase the production rate for its 737 from 31.5 airplanes per month to 35 per month by early next year. That number is expected to jump to 38 per month in the second quarter of 2013 and then to 42 by the first half of 2014.

Any 737 production beyond 42 a month is expected to max out Boeing's Renton, Wash., plant, which means Boeing is likely to consider other locations for some final 737 assembly needs. That could occur at sites in Western Washington, Eastern Washington or perhaps globally. Boeing is speeding up production of other jetliner models as well — the 747, 767, 777 and the new 787 Dreamliner, which is also boosting businesses in the area that supply or serve the manufacturer.

Spokane Community College recently added new training for quality assurance programs specific to the aerospace industry and a new business certification program. SCC is also the lead agency administering a recent \$20 million grant through the U.S. Department of Labor that includes 10 other state community colleges. The funds will go toward SCC's Air Washington program for education, training and services to meet the state's growing workforce demands identified by industry employers. The targeted training sectors include advanced manufacturing, machining, aircraft assembly, aircraft maintenance, composites and electronics. Meanwhile, the college is working to develop a new SCC Inland Northwest Aerospace Technology Center to eventually be located at Spokane International Airport.

Many manufacturers in the region are benefiting from the production of Boeing's 737 in Renton, Wash. Triumph currently has 566 employees at its plant in West Plains, Wash., up from about 500 employees a year ago. Advanced Thermoplastic Composites Inc., a Spokane Valley aerospace manufacturer, expects to double its workforce of 15 and quadruple its production within the next two years because of the 787 launch. It makes reinforced thermoplastic brackets used throughout Boeing's newest airliner. Another West Plains manufacturer, L&M Precision Fabrication Inc., is seeing a rebound in production due in part to its recently upgraded certification as an aerospace manufacturer. Its specialties include welding, finishing and computer-numeric-controlled cutting and shaping of metal parts, and the company expects its annual revenue to jump 50 percent this year compared with 2010. Novation Inc, a paint and metal finisher, and Inland Northwest Metallurgical Services Inc., which does heat treating, completed the required certification as well. Inland Northwest Metallurgical Services has seen its aerospace work increase significantly in the past 12 months, mainly from Boeing's 787 production. The company's total workforce of 75 is up about 15 percent from two years ago, and its revenue has grown about 15 to 20 percent compared

with two years ago.

Associated Painters Inc., the Everett, Wash.,-based commercial and military aircraft painting company with operations at Spokane International Airport, is taking preliminary steps to add a second hangar at the airport to accommodate a backlog in job orders. Such a hangar would employ an additional 50 to 100 workers.

Idaho aerospace companies taking off include Tamarack Aerospace Group. With technology that will be revolutionary for the aircraft industry, Tamarack currently employs 13 people and expects to grow to 300 employees over the next five years.

The Washington Council on Aerospace estimates 21,000 new workers are expected to be needed statewide over the next decade. Washington's 650 aerospace companies now employ 84,000 workers, 3 percent of total employment in Washington.

**Alivia.Body@labor.idaho.gov, Regional Economist
(208) 457-8789 ext. 3486**

NORTHERN IDAHO

Benewah, Bonner, Boundary, Kootenai & Shoshone counties

REGIONAL DEVELOPMENTS

- Century 21 Beutler & Associates, a Coeur d'Alene-based real estate brokerage, has closed its Liberty Lake office and moved its 21 agents there to the Spokane office. Beutler & Associates is considering leasing the Liberty Lake building entirely or selling it.
- Lookout Pass was the first of the five ski resorts in the region to start running its lifts, Nov. 18, with 34 inches of snow at the summit and 18 inches at the base. Schweitzer Mountain Resort and Silver Mountain in Idaho, and 49 Degrees North and Mt. Spokane in Washington were all open by the Thanksgiving holiday. The northern Idaho resorts, combined, employ 500-550 employees in the winter months.
- Washington is gearing up to privatize its liquor sales by June. There is concern the 13 Idaho State Liquor stores that are within 15 miles of the Idaho-Washington border will lose sales due to the privatization. The 13 border stores account for \$34 million of the state's liquor sales, or 23 percent, and \$13 million in profits alone last year.

COUNTY DEVELOPMENTS

BENEWAH COUNTY

- Benewah County could soon see its first stop light. A traffic light is one option the Idaho Transportation Department is considering as an improvement at the four-way stop in St. Maries, where State Highways 5 and 3 intersect. Construction costs are estimated to total approximately \$836,000. All costs associated with highway improvement will be paid for by the state. Any additional costs, such as decorative lighting, utility upgrades, landscaping or other enhancements, would be funded by the city. Construction is expected to begin sometime in 2014. A public hearing was scheduled for Dec. 14.

BONNER COUNTY

- An economic development initiative launched this fall, Sandpoint Forward, plans to connect local business and government more securely by developing better communication. The mayor, city officials and economic development experts are touring facilities and meeting with operators of key area businesses to discuss strategies for success.
- Work will continue on the Sand Creek Byway project in Sandpoint through the winter months. The route should open to traffic in the spring/early summer, months earlier than initially expected. The contractor for this \$98 million project is Parsons RCI, of Sumner, Wash. The pro-

ject was originally scheduled for four construction seasons, with a completion date of fall 2012.



Whitewater Creek Inc., a Hayden-based developer, is planning to break ground on a complex of 50 affordable townhomes built to LEED certification, funded in part by a \$1 million federal grant. The development will include eight one-bedroom units, 31 two-bedroom units and 12 three-bedroom units. The complex is located within walking distance of a grocery store and positioned near a SPOT bus stop for free transportation in the community and to nearby towns. The location will allow its residents easy connectivity to the greater Sandpoint area. Monthly rent for will start at \$325 for the smallest units. A sliding scale will be used for qualifying low-income renters to ensure that rent does not exceed 30 percent of their monthly income.

- This spring, Bonner General Hospital will break ground on a two-story, 40,000-square-foot lot. The offices for the marketing, community development, patient pre-registration, home health, hospice care, education, accounting, business and out-patient rehab departments will move into the new space. The building's first floor will include retail space, out-patient rehabilitation, administration and home care. On the second floor, visitors will find the education department, conference rooms and physician offices.

KOOTENAI COUNTY

- Ground Force Manufacturing is donating use of a 4,000-square-foot warehouse for a warming center in Post Falls. Several homeless encampments were recently closed due to fires that got out of control started by their residents trying to stay warm. The Fresh Start warming center at 16th and Sherman and St. Vincent DePaul center in Post Falls generally don't open unless it's below 20 degrees.
- Post Falls Theater has converted to a discount cinema from a "first-run" format. Prices dropped from the \$7-\$9 range to \$2 for everyone and \$1 on Wednesdays. The theater shows movies that have been shown for a few months at "first-run" theaters or older popular flicks. The reason for the change is the high cost of converting to digital production. It has been difficult for the theater to compete as a first-run theater, and the movie industry as a whole is down about 30 percent in recent years. The hope to revive the theater is that the lower prices will raise volume and revenue in concessions.
- The first phase of what is known as the Education Corridor in Coeur d'Alene has been completed. The corridor is a transformation of a former lumber mill site. Construction broke ground on the \$3.6 million project in June. Improvements include a new intersection with traffic signals at Hubbard and Northwest boulevards, providing an additional entrance to North Idaho College and the Fort Grounds neighborhood. Three roundabouts were also constructed to ease traffic flow, and sidewalks, curbs and landscaping were added all as a part of the collaborative project among several Idaho colleges, including NIC, the University of Idaho and Lewis-Clark State College.

- Dirne Community Health Center, a Coeur d'Alene nonprofit founded to improve community access to health care in North Idaho, is expanding from its current 6,000-square-foot facility to a new 18,700-square-foot facility to meet increasing demand. This year, Dirne provided services to 12,000 patients in more than 50,000 visits, up from about 8,100 patients totaling about 33,100 visits in 2009. Last year, the clinic provided \$3 million in charitable care.

BOUNDARY COUNTY

- Super 1 Foods broke ground for a new grocery store in Bonners Ferry in November and expects to open Summer 2012 with 90 employees.
- The 9th Circuit of Appeals upheld the decision for Revett Minerals to build a mine beneath Montana’s Cabinet Mountain Wilderness area. The decision included mitigation efforts to protect the region’s threatened grizzly habitat. The proposed Rock Creek Mine is located east of Noxon, Mont., within the Noxon Reservoir. Mining companies have floated plans for the silver-copper deposit for three decades, but a series of lawsuits stalled the mine’s development. Revett bought the project in 1999. The mine is expected to run for 25 to 30 years, producing about 6 million ounces of silver and 50 million pounds of copper each year. About 300 people would work there.

SHOSHONE COUNTY

- Brandon Lloyd Gray, 26, died of injuries sustained in a mining accident at Hecla’s Lucky Friday mine in Mullan. The miner had been working for Cementation USA, a company under contract for the construction of the mine’s No. 4 Shaft. The accident was the second fatality at the Lucky Friday this year.



Since the mid-1990s, the Lolo National Forest Superior Ranger District has worked to complete and open the Route of the Olympian, a 30-mile trail that would run from the Route of the Hiawatha bicycle trail parking lot to outside St. Regis, Mont. Since 2007, the Forest Service has acquired about 85 percent of the land parcels. The last two pieces, in what is called a complicated puzzle, are the Saltese Trestle and private land by Two Mile, called Wolf Track. Now, after various public meetings and an extended public comment period about how the trail would be used, the ranger district is analyzing the public comments will soon decide on the plan’s future. More information can be found at http://www.fs.fed.us/nepa/nepa_project_exp.php?project=32498.



A section of the Route of the Olympian in Montana shown in summer. How the trail will be used will be decided soon. *Photo: U.S. Forest Service.*

OPENINGS

- Northern Lights Stone, Tile & Floor Covering in Post Falls
- New Avenue Studios in Post Falls
- Merry House, a senior daycare center, in Coeur d'Alene – employs two
- Rocky Mountain Installation Coeur d'Alene office – employs nine
- Gentlemen's Corner in Coeur d'Alene – employs four
- Vitality Health& Fitness in Coeur d'Alene – employs four
- Big R acquires [D&B Farm and Home](#) – all 20 employees have been retained
- Now & Then Thrift Store in Coeur d'Alene
- Integrative Wellness Center in Hayden
- Grandma Zula's Country Cooking in Post Falls – employs nine
- Scrud's Gourmet Grub in Coeur d'Alene – employs five
- Home Instead Senior Care in Coeur d'Alene
- Knead n'Dough Bakery in Athol
- Vivid Tattoo & Art in Coeur d'Alene – employs two
- Disaster Masters in Sandpoint
- River Mountain Realty in Priest River has merged with Century 21 RiverStone of Sandpoint

EXPANSIONS

- Treaty Rock Motor Sports expanded into another 6,000-square-foot new building still in Post Falls
- Cartridge World opened fourth store in Coeur d'Alene
- Thrifty Car Rental and Car Sales expanded into Coeur d'Alene
- The Estate Store in Coeur d'Alene
- North Idaho Dental Group in Coeur d'Alene – employs 10

CLOSURES

- Caruso's in Post Falls
- Ciao Mambo in Hayden

Alivia.Body@labor.idaho.gov, *Regional Economist*
(208) 769-1558 ext. 3486

NORTH CENTRAL IDAHO

Clearwater, Idaho, Latah, Lewis and Nez Perce counties

REGIONAL DEVELOPMENTS

- Best of Life International Inc. and Bronzestone unveiled plans for significant expansion during the Nov. 3 business showcase in Pullman sponsored by the Palouse Knowledge Corridor and Valley Vision. Best of Life's Maxelence, a caffeine-free energy drink, is taking off on a national level, and the company expects to start selling in Europe in the next couple of years. Bronzestone, a new company at the Port of Wilma near Clarkston, said its humus made from locally grown garbanzo beans is beginning to gain significant market share. Others at the showcase were Noah's Ark in Palouse, which makes gluten-free products sold in grab-bag size; Viral Science in Moscow, which tests vaccines and other pharmaceutical products used for human and animal health; Mobile Utility Systems in Genee-see, which makes sanitary latrines for human waste disposal in places like

the South Sudan and disaster-stricken parts of the United States; and Aunt Rose's Hard Jam, a fruit-based jam that contains alcohol created by Washington State University students Brian Doherty and Rick Snell. Created by the University of Idaho and Washington State University, the Palouse Knowledge Corridor attracts and fosters high-technology companies that are developed by or benefit from the existence of the neighboring research universities. Valley Vision is the economic development organization serving the Lewis-Clark Valley. This was the first showcase held by the corridor, which expects to make it an annual event.

- The Snake River Boat Builders, eight jet boat manufacturers and a boat trailer manufacturer promoting increased exports to Europe, exhibited their products at an international boat show in Barcelona in November and are preparing for a second appearance at Europe's largest boat show in Dusseldorf, Germany, in January. The consortium also received training in exporting to help them earn the CE mark, the European Union's equivalent of the American UL certification that demonstrates a product meets consumer safety and environmental standards. The export program was conceived by the Northwest Intermountain Manufacturers' Association and developed by the Clearwater Economic Development Association and partially funded by a U.S. Department of Agriculture Rural Development grant and Port of Clarkston donations.

CLEARWATER COUNTY

- Elk River, a town of 125 people, learned in November that the U.S. Postal Service plans to close its post office. In the building's place, cluster mailbox units will be placed around town where residents can go to send and receive mail. According to the postal service, closing the Elk River post office and establishing service through Deary, 32 miles away, will save about \$26,400 a year. It also is studying the feasibility of closing another Clearwater County post office – Ahsahka – and three post offices in rural Latah County – Bovill, Harvard and Viola.

IDAHO AND LEWIS COUNTIES

- The Ida-Lew economic development organization, serving Idaho and Lewis counties, recently hired Melissa Bryant as the economic development specialist to replace Gil Bates, who resigned in September. Bryant, who grew up in Kamiah and worked in the Idaho Department of Labor's Grangeville office for the last seven years, will focus on planning, new business recruitment, fostering existing industry clusters and helping local businesses understand grants, incentive programs, changes in tax laws and resources that can help them grow. Her new office is only a few feet from her old office. Ida-Lew rents space in the Department of Labor office.



The Nez Perce and Clearwater national forests both exceeded timber sale goals for fiscal 2011, and Forest Service officials expect to see more of the same in coming years. The Nez Perce forest, which averaged about 60 million board feet a year in the 1980s, sold 15.6 million board feet in 2011 and the Clearwater sold 35.9 million board feet, the highest amount in recent years although much lower than the 1980s average of 130 million board feet. Forest Service officials say they have be-

come more efficient in preparing timber sales and stewardship projects. To avoid litigation and appeals, they are working with concerned groups before projects are designed. The Clearwater Basin Collaborative has brought together timber industry representatives, environmentalists, economic development organizations and local governments to create a common vision for the two forests.



Forest Service timber sales for the fiscal year that ended Sept. 30 included projects on the North Lochsa Face that were changed from timber sales to stewardship projects, where timber is swapped for restoration work. The stewardship work included 11 million board feet north of Lowell and 13 million board feet south of Mex Mountain handled by the Idaho Forest Group in Grangeville. Another stewardship project north of Syringa and Lowell will yield about 10 million board feet to Blue North Forest Products in Kamiah. Three small biomass projects took slash that normally would have been burned on site and sold about 3,750 tons to Clearwater Paper in Lewiston. The remaining volume on both forests was offered through traditional timber sales.

- Construction began in September on a storage facility for Idaho County Search and Rescue at the Idaho County Airport in Grangeville. Schacher Construction of Grangeville won the bid on the \$428,000 project. The 4,800-square-foot building will house ATVs, snowmobiles, command trailers and other equipment currently being stored in Riggins, Elk City and Stites. In the long run, the county may add office space and an alternate dispatch area. Idaho County Search and Rescue is made up of Idaho County deputies and community volunteers including Grangeville Mountain Rescue and the sheriff's posse. Given the county's large size, wilderness areas, rugged mountains, forests, whitewater rivers and hunting venues, the search and rescue crews frequently help in challenging situations.
- Gov. C.L. "Butch" Otter honored Idaho Sewing for Sports at the 10th annual Governor's Brightest Star awards ceremony Nov. 10 in Boise celebrating Idaho volunteers. The Grangeville firm that makes padding for the ski areas and sports arenas was honored for its decision to pay its employees to work in the community, rather than laying them off, when its workload fell. The company continues to allow its employees four hours each week to serve in the community no matter what the workload.

LATAH COUNTY

- A new Moscow technology transfer company expects to grow rapidly in the next few years. Viral Science conducts pharmaceutical compliance testing on products with animal additives for human use such as flu shots, which frequently contain bovine serums, cell cultures or eggs. U.S. Department of Agriculture and the Food and Drug Administration regulations require any product containing human or animal components be tested and verified by an independent laboratory. The North Central Idaho Small Business Development Center and the Clearwater Economic Development Association helped Viral Science get started and secure financing. With increasing demand for biotechnology around the globe, the company, which now employs 10, expects to grow and create jobs in the

community. "We have intelligent kids in this community and there's a lot of untapped talent and they grow up and leave," Dirk Wischmeier, one of Viral Science's three owners, said. "This is one way we can grab them and keep some of them here." Viral Science provides high-salary jobs on normal shifts. Training for the very specialized work comes from hands-on experience rather than school. Construction recently began on a custom-designed 7,500-square-foot plant.



The Potlatch River Ridge Redevelopment Project received an award for partnership Nov. 16 from the Inland Northwest Partners, an association of economic development professionals in eastern Washington and northern Idaho. The city of Potlatch and its partners are working to create a mixed-use business park on a former sawmill site donated by Potlatch Corp. Other partners include the Latah Economic Development Council, the Clearwater Economic Development Association, Avista, USDA Rural Development and Welch-Comer Engineering. The plan calls for light industrial, commercial, residential and recreational uses on an 80-acre site.

- The Best Western Plus University Inn in Moscow is expanding its Quiet Bar, Broiler Restaurant and courtyard area. The project is slated for completion in February. The new courtyard will allow the inn to host larger weddings, banquets and other outside events, while the Quiet Bar will triple in size to provide a venue for guests to enjoy lunch, Sunday brunch, live entertainment and outdoor seating on the new patio.
- Moscow School District patrons approved a \$1.97 million increase to the district's \$7.6 million supplemental levy in November. The increase will allow the district to maintain its current programs in the face of inflation and state and federal funding cuts. Since 2007, state and federal funding to the district has fallen by \$2.6 million. The supplemental levy makes up a significant portion of the district's \$21.4 million maintenance and operation budget.
- Decagon Devices broke ground on a 27,000-square-foot addition that will nearly double the size of its plant in the Pullman Industrial Park. The technology transfer company has steadily grown over the last six years from 55 employees to 100 today. The company develops and manufactures scientific instruments that measure water activity in food and moisture in soil. One of Decagon Devices' products, a thermal and electrical conductivity probe, went to Mars to measure humidity and wind speed. Demand has risen for its food instruments as consumers spend more at the grocery store instead of eating out and as commodity prices climbed, making food processors more careful in monitoring ingredients.
- Washington State University recently began an \$80 million update to Martin Stadium. The project, which is privately funded through donations, will add premium seating including luxury suites, lounge boxes, club seats and a new press box. The new seats, which should be ready next fall, are expected to bring in more than \$3 million each year and increase the university's ability to attract athletes. A second phase will be construction of a football operations building behind the west end zone.



Washington State University is in the early planning stages for a new \$57.5 million laboratory building on the east side of campus. The 85,000-square-foot facility will contain research and education in energy management, renewable energy, biofuels and the environment. The project schedule calls for construction to begin in the summer of 2013 and to be completed by the fall of 2015.



Washington State University plans to shut down nonessential business operations and associated buildings on its Pullman campus during the last week of December in an effort to save money. Cost savings will mainly come from reduced heating. Other institutions including the University of Idaho have implemented similar plans successfully. Employees are strongly encouraged to take time off during the closure. The days of closure do not constitute a furlough, where employees are forced to take days off without pay. Most employees will use paid leave.

NEZ PERCE AND ASOTIN COUNTIES

- Idaho Forest Group in Coeur d'Alene purchased the lumber mill at Clearwater Paper in Lewiston in late November. The mill will continue to supply Clearwater Paper with chips and sawdust for its pulp mill next door. The new owner reopened the mill in mid-December with about 120 workers. Before the acquisition, the mill employed twice as many people. The pulp and paper operations in Lewiston remain unaffected and continue to employ about 1,350 people. The Idaho Department of Labor office in Lewiston is helping the laid-off workers with the transition to new jobs.
- Lewis-Clark State College received high marks from National Survey of Student Engagement. The study found the college is student-centered, preparing them well for the future. The survey conducted this spring gave the school especially high marks for "student-faculty interaction" and a "supportive campus environment." Of the 400 seniors and first-year students who took part in the survey last spring, 86 percent said the school remains their top choice for higher education.



A construction project that began in November will expand stormwater capacity in downtown Lewiston. Funded by a \$2.1 million grant from Federal Emergency Management Agency, the stormwater drainage systems downtown and in portions of the Lewiston Levee Bypass will be reconstructed and increased in size to prevent persistent flooding that affects about 90 downtown buildings.

- Big R purchased the D & B Farm and Home stores in Lewiston and Coeur d'Alene and is keeping the employees. More than a dozen people work at the Lewiston store. Big R carries products used by farmers and ranchers as well as sporting goods, hardware, clothing, tools and pet supplies. Headquartered in Great Falls, Mont. the chain opened its first Idaho store in Ponderay, a few miles from Sandpoint, last spring.

OPENINGS

- Miller Marine Service & Accessories, repairing boats and motors and selling boating-related items, on Highway 12 in Orofino
- Moscow Defensive Tactics, a martial arts and self defense studio, in Moscow

- Verde, a garden and home décor store, at the Palouse Mall in Moscow.

Kathryn.Tacke@labor.idaho.gov, *Regional Economist*
(208) 769-1558 ext. 3486

SOUTHWESTERN IDAHO

Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley & Washington counties

COUNTY DEVELOPMENTS

ADA COUNTY

- The J.A and Kathryn Albertson Foundation awarded a \$3 million grant to the Boise State University Foundation to expand the football athletics complex and help increase awareness of the foundation's Go On campaign encouraging young people to secure postsecondary education or training.
- The Idaho Aquarium is opening this month in Boise. Roughly \$300,000 has been raised, but no large sponsors have been found. The aquarium will include hands-on exhibits like a tide pool and touch tanks.



Terra-Fresh has moved into a 13,000-square-foot building in central Boise. The company that makes and sells a soil stimulant to increase agricultural yields currently employs 13 but has plans to increase to over 100 in 2012.

ADAMS COUNTY

- Cambridge school board won approval for a \$100,000 two-year levy to help cover an anticipated \$200,000 budget shortfall. The remainder will be met through reduced personnel costs.

CANYON COUNTY



Amalgamated Sugar Co. has reached a preliminary agreement with the Idaho Department of Environmental Quality to reduce emission from its Nampa processing plant. The \$8 million project will replace existing coal-fired burners with burners that produce considerably less nitrogen oxides by 2016.

- Caldwell received a \$500,000 community development block grant to improve the safety and aesthetic appeal of the downtown Indian Creek area. The work, that begins next year, will include trees, benches, sidewalk improvements and increased lighting.

ELMORE COUNTY

- Mountain Home Air Force Base is turning over its military housing to a civilian firm. The deal which would include 1,155 dwellings is part of a national effort to privatize military housing. Balfour Beatty Communities from Pennsylvania is also assuming control of housing on six other bases. The deal is slated to be completed in early 2012.

GEM COUNTY



The Black Canyon diversion dam is slated to get a new hydropower unit. The \$40 million project, which will be paid for by the Bonneville Power Administration, will increase the power output by as much as 12.5 megawatts. According to Economic Modeling Specialists Inc. in

Moscow, the economic impact to the region could be as much as an increase of over 500 jobs and \$33 million in earnings. Construction should begin in 2013 and last for two years.

- Last month, Gem County commissioners approved their first application for a confined animal feeding operation. The \$300,000 expansion will allow the county's largest dairy to nearly triple its operation to 2,000 dairy cows while feeding another 2,000 heifers. Along with the capacity upgrade, several pieces of equipment will also be purchased that will increase efficiency.

PAYETTE COUNTY



Fruitland passed a city revenue bond for a new multimillion-dollar wastewater treatment facility to replace two lagoons that would not be able to comply with new federal restrictions. The facility is scheduled to be completed in two years and will raise residents' sewer bills \$30 to \$40 a month starting next summer.

EXPANSIONS

- Children's Home Society of Idaho added nine new clinical staff members

OPENINGS

- Pinz, bowling alley, in Meridian — 25 employees
- North Shore Hot Dog Co., Hawaiian-style hot dogs, in Boise — 10 employees
- GoLite, outdoor equipment and apparel store, in Boise — seven employees
- a'Tavola, an upscale deli with a retail component, in Boise
- The Soda Works, vintage and unusual beverages, in Boise
- ReUse Market in Boise
- Jesse's Auto Repair in Council
- Riehle Custom Leather in Council
- ABT Towing and Recovery in Council
- Power Tools and Toys, retail store and dealership, in Council
- Tai Pan Trading, home décor retailer, in Boise — 25 employees

CLOSINGS

- Home Federal, banking branch, in Garden City
- Both Perkins Bakery and Restaurants in Boise — 30 employees

Andrew.Townsend@labor.idaho.gov, *Regional Economist*
(208) 332-3570, ext. 3455

SOUTH CENTRAL IDAHO

Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls counties

COUNTY DEVELOPMENTS

TWIN FALLS COUNTY

- Lee Enterprises, an Iowa-based publicly traded publishing company, has filed for protection from its creditors while it reorganizes under Chapter 11 of the federal bankruptcy law. Lee Enterprises owns the Twin Falls Times-News newspaper. The company said it is maneuvering to refinance some debt and does not believe this will affect operations.

- The Southern Idaho Economic Development Organization celebrated its 10th anniversary in the glow of its latest success, Chobani Greek Yogurt. General managers of some of the companies recruited over the decade by the organization – DOT Foods, WEL Companies and Chobani – agreed that they chose the Magic Valley for its location, labor force, incentives, cost of doing business and taxes. Executive Director Jan Rogers pointed out that the organization began its run by landing Dell computers in 2001 and is opening its second decade with the Chobani deal.
- Buhl schools were awarded a \$36,885 GEAR UP grant from the Idaho State Board of Education. The grant will be applied to transportation costs of students attending college campuses for fairs. The grant focuses on teaching students how to choose a college and successfully complete postsecondary education. Almost 100 Buhl students just attended the 2011 Boise National College Fair at the Boise Centre, where 130 colleges from all over the nation participated.
- Three Creek School District was down to a single trustee, putting district business on hold until the Twin Falls County Commission named a new trustee. That decision came in early December with the appointment of Gail Purcell. The third seat will be filled later by Art Small. Four students are currently enrolled in this one-room school. The 20-mile one-way commute has been a barrier to busing students who are needed to help on family farms or ranches after school.
- The Idaho Department of Correction has leased part of the old Magic Valley Regional Medical Center in Twin Falls for five years. The department is the first tenant and will take over about a quarter of the 56,000-square-foot building for \$9,166 a month. The county is considering a \$6 million renovation of the building for county offices. The building has been vacant for seven months since St. Luke's moved into its new facility with 186 beds and 700,000 square feet.
- Representatives from the Department of Labor and the College of Southern Idaho toured the South Edmeston, N.Y., Chobani Greek Yogurt plant. The fact finding mission was to secure information on the technical skills needed for the workers and the company environment.
- The College of Southern Idaho is selling its AM radio station that it used to broadcast basketball games. The quality of reception is poor and equipment is costly to enhance the signal. The school has held the license for 20 years. Boise State University owns the transmission tower.
- Lighthouse Christian is expanding its school into a nearby 28,000-square-foot building. The move from the former Anderson Lumber building will enable the school to increase enrollment from 300 to 750. The cost of renovation is estimated at \$1 million and follows construction of a football field with lights and a track.
- Historic data on single family housing permits is shown in the table on page 45 dating back to 1997. The data shows the housing market continues to be dour with no signs of relief. This is the lowest level in the last 14 years.

Permits Issued for Single Family Dwellings, Twin Falls County, by Year

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	3	7	9	15	11	7	7	4	7	5	5		
YTD	3	10	19	34	45	52	59	63	70	75	80	80	80
2010	14	5	20	36	9	8	7	4	7	6	13	7	
YTD	14	19	39	75	84	92	99	103	110	116	129	136	136
2009	4	8	3	20	21	22	20	27	14	18	16	17	
YTD	4	12	15	35	56	78	98	125	139	157	173	190	190
2008	19	6	22	28	29	17	14	18	21	5	13	2	
YTD	19	25	47	75	104	121	135	153	174	179	192	194	193
2007	12	21	23	33	16	47	17	21	10	23	18	18	
YTD	12	33	56	89	105	152	169	190	200	223	241	259	258
2006	54	36	94	45	62	42	30	49	41	25	60	12	
YTD	54	90	184	229	291	333	363	412	453	478	538	550	547
2005	27	41	52	60	41	42	49	91	75	72	59	57	
YTD	27	68	120	180	221	263	312	403	478	550	609	666	664
2004	24	21	23	34	27	42	59	41	31	48	44	44	
YTD	24	45	68	102	129	171	230	271	302	350	394	438	438
2003	23	38	40	34	32	53	42	30	28	39	15	27	
YTD	23	61	101	135	167	220	262	292	320	359	374	401	400
2002	25	21	30	34	40	24	28	30	24	36	28	27	
YTD	25	46	76	110	150	174	202	232	256	292	320	347	344
2001	10	18	23	27	18	21	20	26	18	30	18	14	
YTD	10	28	51	78	96	117	137	163	181	211	229	243	241
2000	9	13	14	17	22	15	15	14	6	19	17	7	
YTD	9	22	36	53	75	90	105	119	125	144	161	168	168
1999	6	8	23	23	16	18	17	13	14	14	15	9	
YTD	6	14	37	60	76	94	111	124	138	152	167	176	176
1998	15	16	15	28	13	19	23	12	14	16	10	16	
YTD	15	31	46	74	87	106	129	141	155	171	181	197	195
1997	4	13	17	14	11	25	19	16	12	14	19	15	
YTD	4	17	34	48	59	84	103	119	131	145	164	179	179

* Totals may be less than the sum of twelve months, due to permit cancellations.

MINI-CASSIA AREA

- Heyburn will be the home of a new \$5.5 million potato harvesting equipment manufacturing plant. Construction has started and should be finished by next October. Double L Manufacturing previously built equipment in a leased plant in American Falls, but the owners live in the Heyburn area and are moving the plant there. Double L sells equipment across the nation and in six foreign countries. Owner David Price says demand is rising in China.
- Pomerelle Mountain opened for Thanksgiving skiing with 24 inches at the base. It is operating on a limited basis until the Christmas holidays.
- The Minico High School Drill Team will perform at the Cotton Bowl in Dallas, Texas, this year.

BLAINE COUNTY

- The renovated visitors center in a former bank building in Ketchum has opened. The center is equipped with plasma screens and iPads that highlight the area and its attractions. Residents and visitors will enjoy the Starbucks featuring local products on its menu.
- Power Engineers has acquired Professional Design Group of Minneapolis. The facilities-focused company is compatible with Power Engineer's need to provide solutions for customers in coordination with its existing engineering team.
- Sun Valley Resort opened for the Thanksgiving holiday with 16 inches of snow at the base. Limited runs were available.

OPENINGS

- Persian Kebobs Restaurant and Market in Twin Falls, offering Mediterranean delights such as falafels, dates, fava beans, Turkish Delight candy and dried limes.
- Complete Nutrition, a health and weight loss franchise with certified personnel offering advice and products, in Twin Falls.

CLOSURES

- Quiznos restaurant in Twin Falls
- Pita Pit restaurant in Twin Falls after four years of operation.
- Labor Ready Temp Services branch in Twin Falls
- Hudson Shoe Store in Burley

Jan.Roeser@labor.idaho.gov, *Regional Economist*
(208) 735-2500 ext. 3639

SOUTHEASTERN IDAHO

Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida & Power counties

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- Gynii Gilliam, executive director of the Bannock Development Corp., was named the new chief economic development officer for the Idaho Department of Commerce. Gilliam took the helm of the Bannock development corporation in 2006 and has been involved in the creation of over 1,000 jobs in the Pocatello area. She will remain with the development corp. until Jan. 3 when she starts her new position.

BEAR LAKE COUNTY

- After conducting a study of all 1,900 critical access hospitals in the United States, the North Carolina Rural Health and Research and Policy Analysis Center found Bear Lake Memorial Hospital one of the most financially sound in the nation. The study considered cash flow margin of 5 percent or more; 60 days or more of operating cashing on hand; sufficient debt service coverage and a Medicare out-patient ratio of less than 0.56. Bear Lake Memorial hospital was one of only 32 hospitals to achieve all five performance standards for three years in a row.

BINGHAM COUNTY

- Moreland resident Jon F. Walters was surprised and humbled to have the new Eastern Idaho Electrical Joint Apprenticeship and Training Committee

training facility named in his honor. "It's awesome for them to dedicate it to me," Walters said. "I love this industry." Walters, 69, was an apprentice in the then Local 449 program from 1960 to 1964. Through the years he was a member of the International Brotherhood of Electrical Workers Local 449 and held a number of union offices including local president in 1970, business manager from 1977 to 1982 and district vice president from 1982 to 2005. The union has about 700,000 members nationwide and represents about 90 percent of utility companies. The local moved its apprenticeship program into the 12,000-square-foot facility in Pocatello about four months ago.

Dan.Cravens@labor.idaho.gov, *Regional Economist*
(208) 236-6710 ext. 3713

EASTERN IDAHO

Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison & Teton counties

COUNTY DEVELOPMENTS

BONNEVILLE COUNTY

- Sea Port Airlines is discontinuing flights between Idaho Falls and Boise effective Dec. 31. President Rob McKinney cited fuel prices and lack of ridership. Ticket sales started off well for airline when the flight was first offered last July but have declined ever since.
- The Daily Beast website ranked Idaho Falls as the second best city to get a fresh start in your career – Austin, Texas, was No. 1. Six data categories were compared to form the rankings – small-business friendliness, ease of finding a job, high income level, low cost of living, nonprofit friendliness and student friendliness.
- The Idaho State Board of Education announced Steve Albiston as the new president of Eastern Idaho Technical College. Albiston is an eastern Idaho native and has worked at the school for 30 years. He has most recently served as vice president of instruction. The current president, Burton Waite, is retiring at the end of this month.



Idaho National Laboratory held a party to celebrate the launch of a Mars rover with equipment developed at the Lab. The Mars rover uses a propulsion system assembled and tested by experts at the lab. It is powered by plutonium-238, which produces electricity through heat.

- More than 1,500 jobs seekers attended an Idaho Department of Labor job fair in Idaho Falls on Dec 7. At the job fair close to 30 employers were looking to fill 270 job openings. Community resource providers were also on hand to answer questions for attendees.

CUSTER COUNTY

- Custer County commissioners are asking the Idaho Transportation Department to reduce speed limits on U.S. Highway 93 south of Challis from 65 mph to 55. The roadway is frequently used by wildlife along the Salmon River.



The Stanley Geothermal Development Initiative is in full swing. The city of Stanley is looking into the electric power generation potential of geothermal resources. Once preliminary research is done, a test hole will be drilled for water in excess of 165 degrees Fahrenheit. The city was awarded \$20,000 in U.S. Department of Agriculture Rural Development block grants to perform the feasibility study. Partnerships with Idaho National Laboratory, Idaho State University, the Custer Economic Development Association, the Salmon River Electric Cooperative and local property owners have helped make the project a success.

TETON COUNTY



A Nordic ski trail in Driggs is providing a new way for area students to attend middle and high school. The trail was created last year as a partnership between the school district, city of Driggs and neighborhood property owners. Teton Valley Trails and Pathways maintain the four kilometers of trail through a grant from Silver Star. The city of Driggs provided a snowmobile to pull grooming equipment while high school teachers help groom the track. In the future there are plans to connect a trail from Victor to West Yellowstone using old railroad beds.

LEMHI COUNTY

- Considerable construction has been completed at the Idaho Cobalt Project in the mountains of Lemhi County. A Formation Metals press release noted progress with the crusher and concentrator pads, tailings waste storage facility, portal bench, powerline, tram right-of-way and discharge terminal. Roadwork is nearing completion and transportation route improvements have been made. Through the winter months, work will continue on drilling surface monitoring wells and preparing work areas adjacent to the mine.

FREMONT COUNTY

- St. Anthony city officials are collecting applications for business licenses. The city recently adopted business licenses after nearly a year of discussion. Brick and mortar businesses will pay \$10, seasonal and temporary licenses are \$50 a year and transient solicitors will pay \$250 with public background checks of up to \$250. The city will use newly acquired software to manage the licenses.

**Will.Jenson@labor.idaho.gov, Regional Economist
(208) 557-2500 ext. 3077**

November labor force and consumer price index reports were not released in time for this publication. The data will be published online when they are released. See imi.idaho.gov for most current information.

State of Idaho Data – State Economic Indicators

	Oct 2011**	Sep 2011*	Oct 2010	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	759,100	758,500	759,400	0.1	0.0
Unemployment	66,400	68,100	73,600	-2.5	-9.8
Percent of Labor Force Unemployed	8.8	9.0	9.6		
Total Employment	692,700	690,400	685,800	0.3	1.0
<i>Unadjusted</i>					
Civilian Labor Force	763,500	760,100	760,100	0.4	0.4
Unemployment	61,300	61,600	67,300	-0.5	-8.9
Percent of Labor Force Unemployed	8.0	8.1	8.9		
Total Employment	702,200	698,500	692,800	0.5	1.4
U. S. UNEMPLOYMENT RATE ⁽²⁾					
	Nov 2011	Oct 2011	Nov 2010		
	8.6	9.0	9.8		
UNEMPLOYMENT INSURANCE					
	Nov 2011**	Oct 2011*	Nov 2010		
<i>Claims Activities</i>					
Initial Claims ⁽³⁾	15,920	11,323	20,451	40.6	-22.2
Weeks Claimed ⁽⁴⁾	93,475	68,386	107,475	36.7	-13.0
<i>Benefit Payment Activities</i> ⁽⁵⁾					
Weeks Compensated	70,293	45,405	87,349	54.8	-19.5
Total Benefit \$ Paid	\$16,365,042.84	\$10,497,902.00	20,365,460	55.9	-19.6
Average Weekly Benefit Amount	\$232.81	\$231.21	233	0.7	-0.1
Covered Employers	47,288	47,668	48,112	-0.8	-1.7
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$227,731,352	\$231,731,769	\$297,448,988	-1.7	-23.4
U.S. CONSUMER PRICE INDEX ⁽²⁾					
	Oct 2011	Sep 2011	Oct 2010	% Change Month	% Change Year
Urban Wage Earners & Clerical Workers (CPI-W)	223.0	223.7	214.6	-0.3	3.9
All Urban Consumer (CPI-U)	226.4	226.9	218.7	-0.2	3.5

**Forecast data

* Preliminary estimate

(2) Source: U.S. Bureau of Labor Statistics.

(3) Includes all entitlements on intrastate and interstate agent, new and additional claims.

(4) Includes all entitlements, intrastate and interstate agent.

(5) Includes all entitlements, total liable activities.

Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Metropolitan Statistical Areas (MSA): A county or a combination of counties in which at least half the residents live in an urban center of 50,000 or more and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MSAs. Idaho has five MSAs: Boise MSA including Ada, Canyon, Boise, Gem and Owyhee counties; Bonneville MSA including Bonneville and Jefferson counties; Pocatello MSA including Bannock and Power counties; Lewiston MSA including Nez Perce County and Asotin County, Wash.; Coeur d’Alene MSA including Kootenai County.

Micropolitan Statistical Area (MicSA): Combinations of counties in which at least half the residents live in urban centers totaling at least 10,000—or 5,000 living in a single urban center—and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MicSAs. Idaho has three MicSAs: Burley MicSA including Cassia and Minidoka counties; Rexburg MicSA including Madison and Fremont counties; Twin Falls MicSA including Twin Falls and Jerome counties.

Glossary of Labor Market Terms (cont.)

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Small Labor Market Areas (SLMA): Combinations of counties with significant ties through commuting patterns but no urban centers with populations of 10,000 or more. The Office of Management and Budget designates the SLMAs. Idaho has two SLMAs: Hailey SLMA including Blaine and Camas counties; Grangeville SLMA including Lewis and Idaho counties.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.

IDAHO EMPLOYMENT is published online monthly by the Idaho Department of Labor. All information is in the public domain and may be duplicated without permission; however, the Idaho Department of Labor should be cited as the source.

The source for all data tables and graphs is the Idaho Department of Labor, Communications & Research, except where noted.

IDAHO EMPLOYMENT is produced by the Idaho Department of Labor which is funded at least in part by federal grants from the U.S. Department of Labor. Costs associated with this online publication are available by contacting the Idaho Department of Labor. Questions and comments can be directed to Public Affairs by phoning (208) 332-3570, ext. 3220, or by email to janell.hyer@labor.idaho.gov or to the Regional Economists noted in each area news section.

Editor: Bob Fick (bob.fick@labor.idaho.gov)

Layout/Design: Jean Cullen
(jean.cullen@labor.idaho.gov)

IDAHO
DEPARTMENT OF LABOR
C.L. “BUTCH” OTTER, GOVERNOR
ROGER B. MADSEN, DIRECTOR