Idaho Employment

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

IDAHO DEPARTMENT OF LABOR

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C.L. "Butch" Otter, Governor **Roger B. Madsen**, Director

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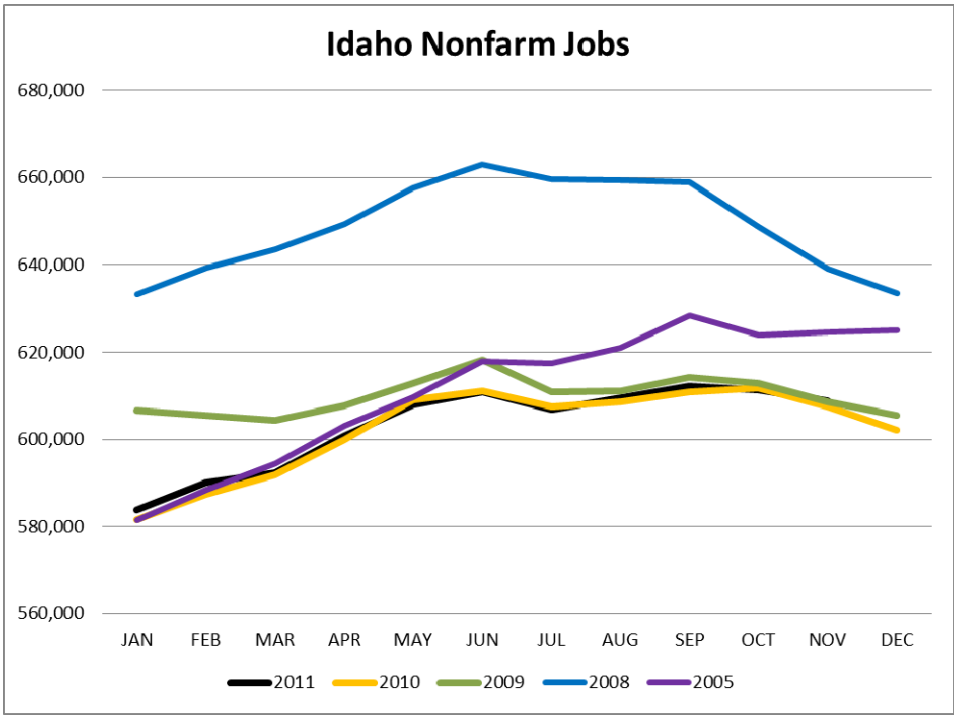
IDAHO'S JOB RECOVERY TO REMAIN SLOW IN 2012

Editors Note: The following is the presentation of the Department of Labor to the Legislature's Economic Outlook and Revenue Assessment Committee on Jan. 5

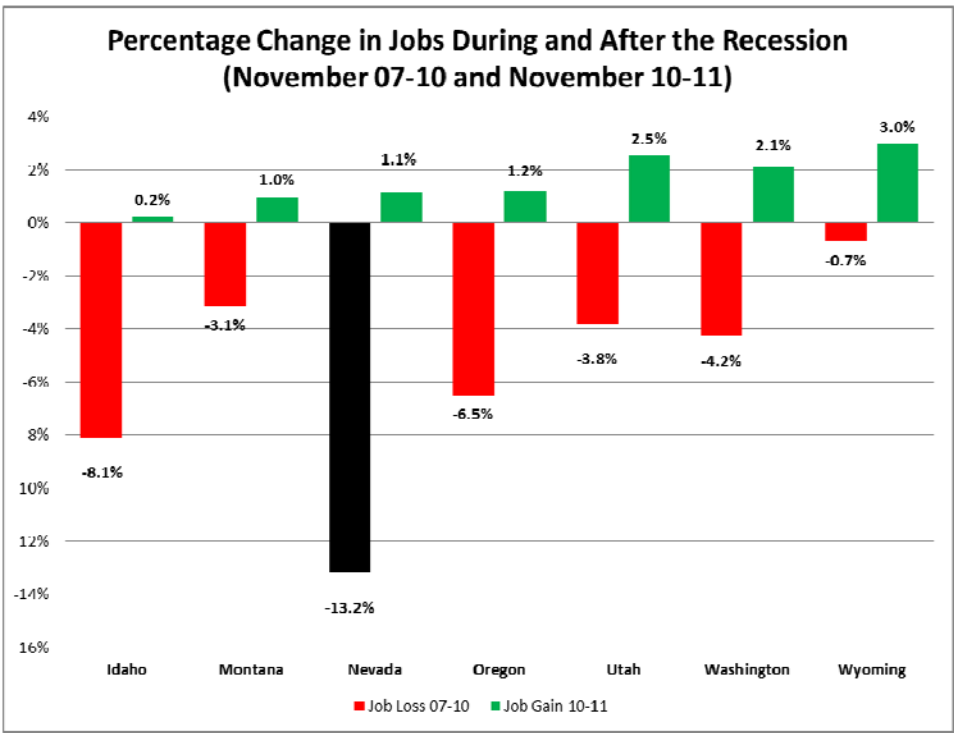
In the two and a half years since the recession officially ended, Idaho has seen hints the economy is on the verge of recovery.

While this past year exhibited the same economic situation that marked the last nine months of 2010. The outlook is for fractional improvement in the near term with a chance for some modest growth in the second half of the year.



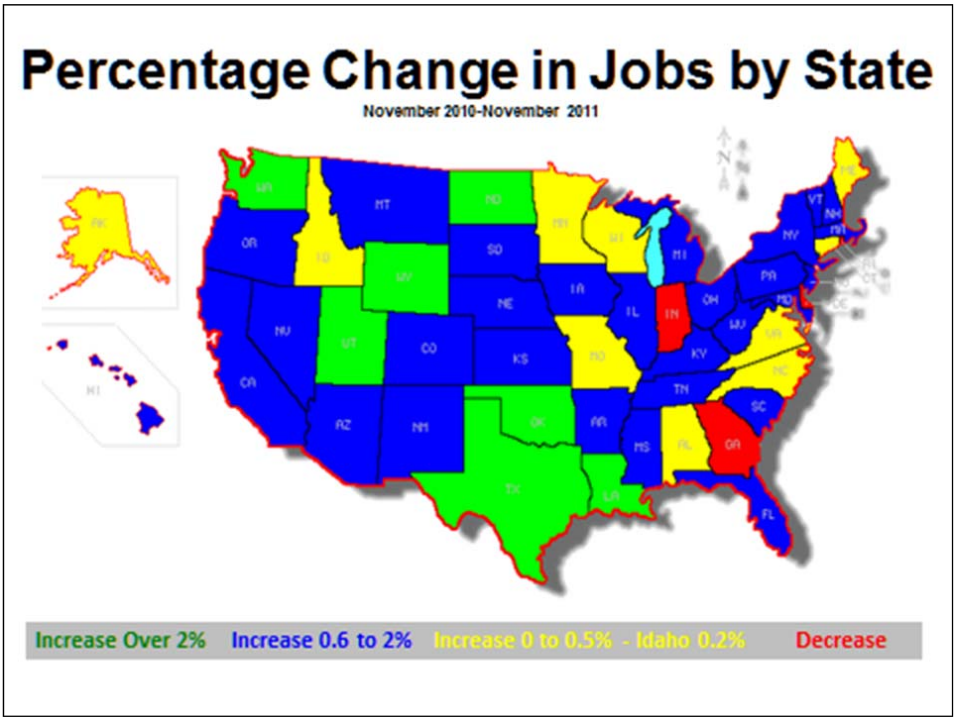
Monthly nonfarm jobs were essentially unchanged in 2011 from 2010. And both were well below the state's job peak in 2008 – just as the recession was getting a grip on Idaho – and below the level of 2005 as the expansion was taking hold.

There was one small indication of upward movement. Three of the last four months showed current job totals ahead of year-earlier totals, and in November nonfarm jobs edged just above 2010 and November 2009.



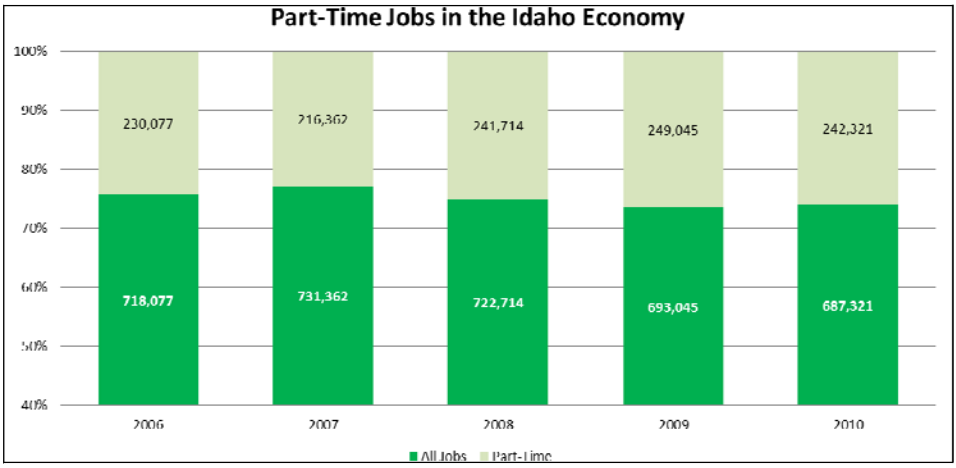
Idaho suffered the second deepest job loss in the region at 8 percent from 2007 to 2010. Only Nevada lost a greater percentage of its jobs.

In the last year through November, Idaho posted the smallest increase in jobs in the region – fractional at best. All the bordering states including Nevada posted year-over-year increases of at least 1 percent and Wyoming was up 3 percent.



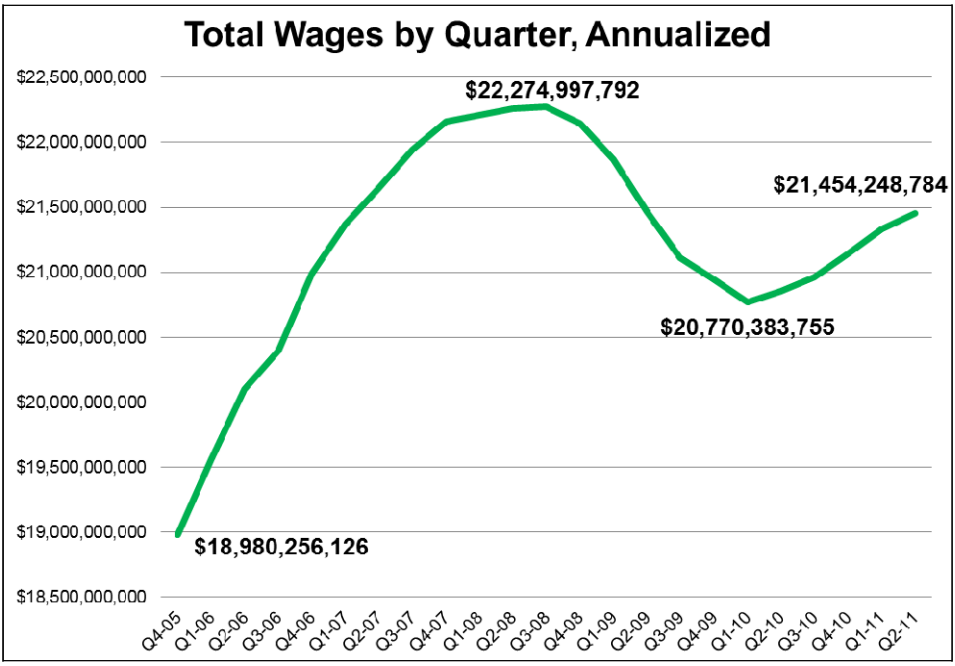
Nationwide, Idaho was one of just 15 states – all others were in the Midwest and East – that showed fractional growth or no growth year-over-year in November.

After a precipitous plunge during the recession, the job loss slowed significantly for nearly a year before stalling short of posting year-over-year job growth. Since the first quarter of 2010, Idaho's job numbers have ranged within a half percentage point of even for the most part, and for the last nine months ranged from two-tenths of a point below to two-tenths of a point above the year-earlier total.

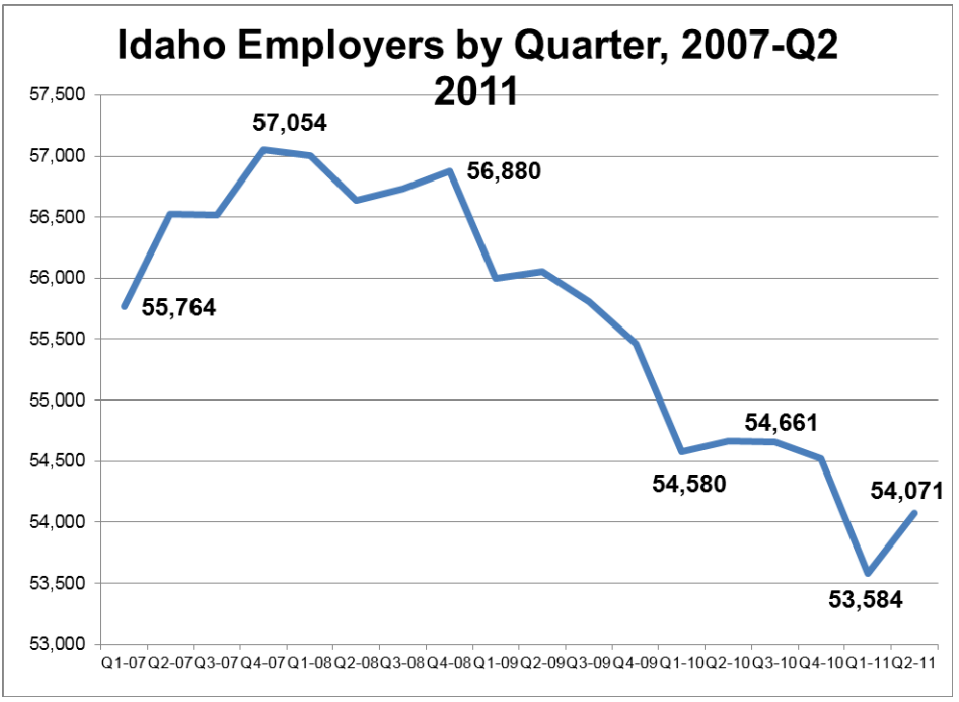


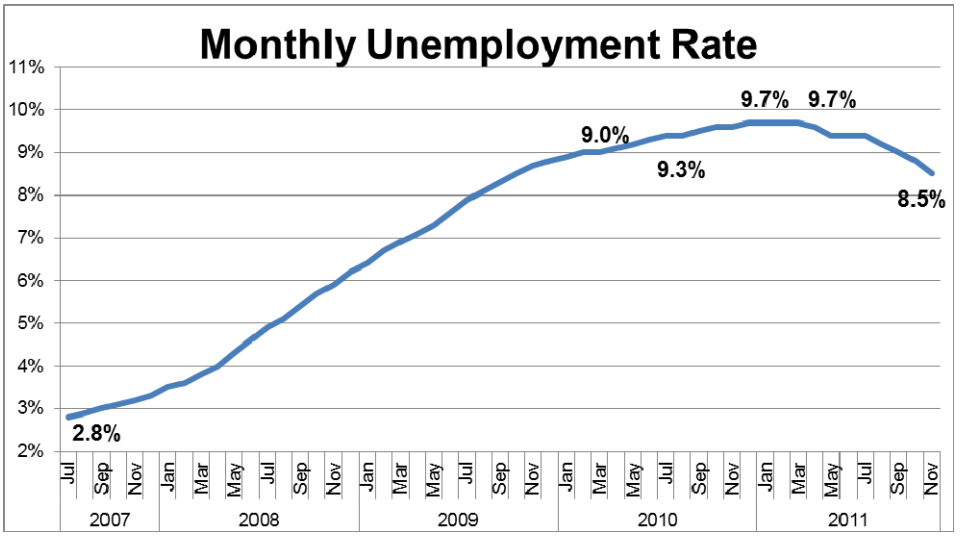
The recession reduced the number of jobs in the economy and increased the percentage of part-time jobs. About 29 percent of the jobs in Idaho were part time in 2007. But that hit nearly 36 percent in 2009 and remained above 35 percent in 2010.

Still the fact that jobs seem to be growing again, albeit slowly, combined with the decline in part-time jobs offers some indication the economy is ready to shift out of neutral and begin moving again.



Wages, which plunged by $1.5 billion, or 6.4 percent, from mid-2008 to the start of 2010, recovered $900 million of that amount through mid-2011.

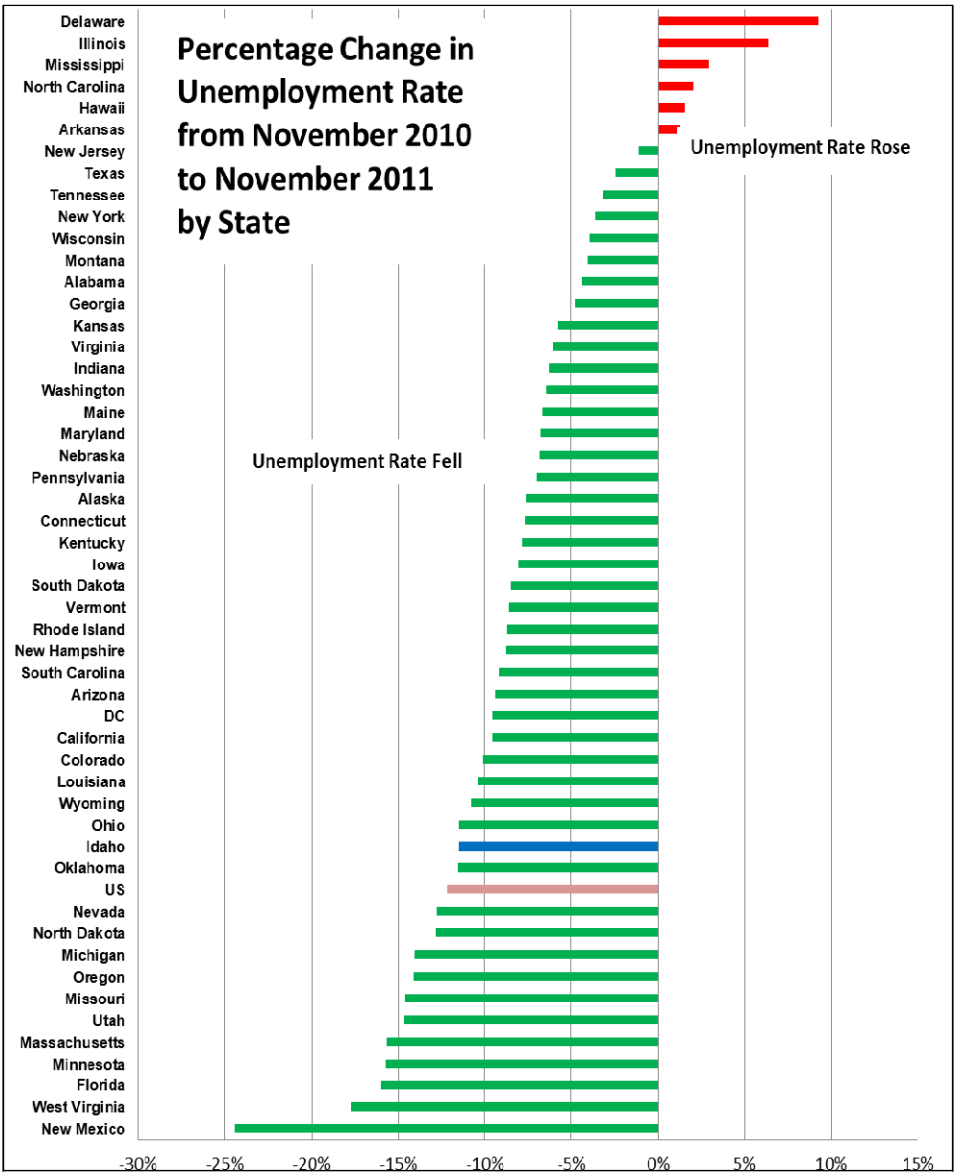




The net loss of employers finally stopped at 3,300 early this year and rebounded by 500 in the second quarter.

Unemployment peaked at a record 9.7 percent during the first quarter of this year, but since then it has been falling significantly. In November, the rate was down to 8.5 percent. All these unemployment numbers are subject to revision over the next two months because more accurate statistics are now available. But if they hold, that 1¼-point drop will be the largest drop in an eight-month period since the double-dip recession of the 1980s.

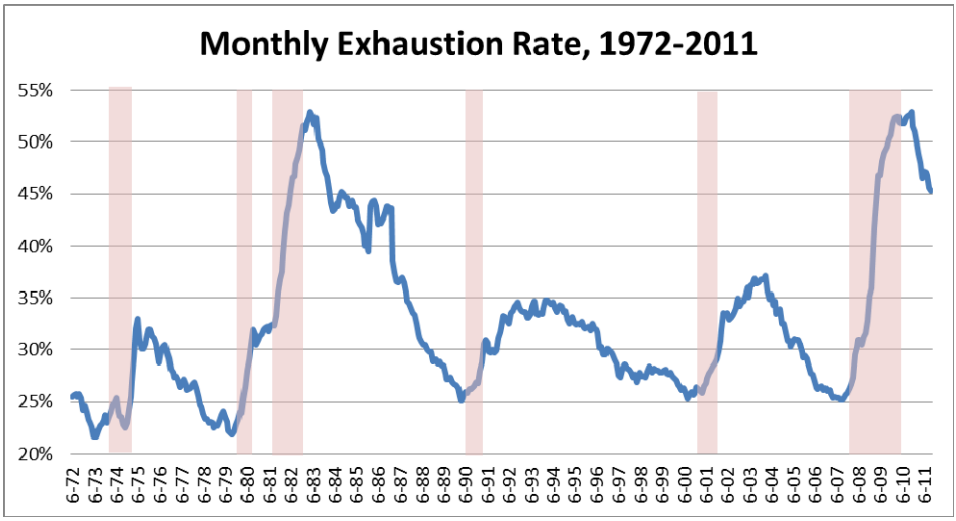
Even if there are adjustments, Idaho is in a much better light than it was a year ago when the state led the nation in the percentage increase in its unemployment rate during the recession.



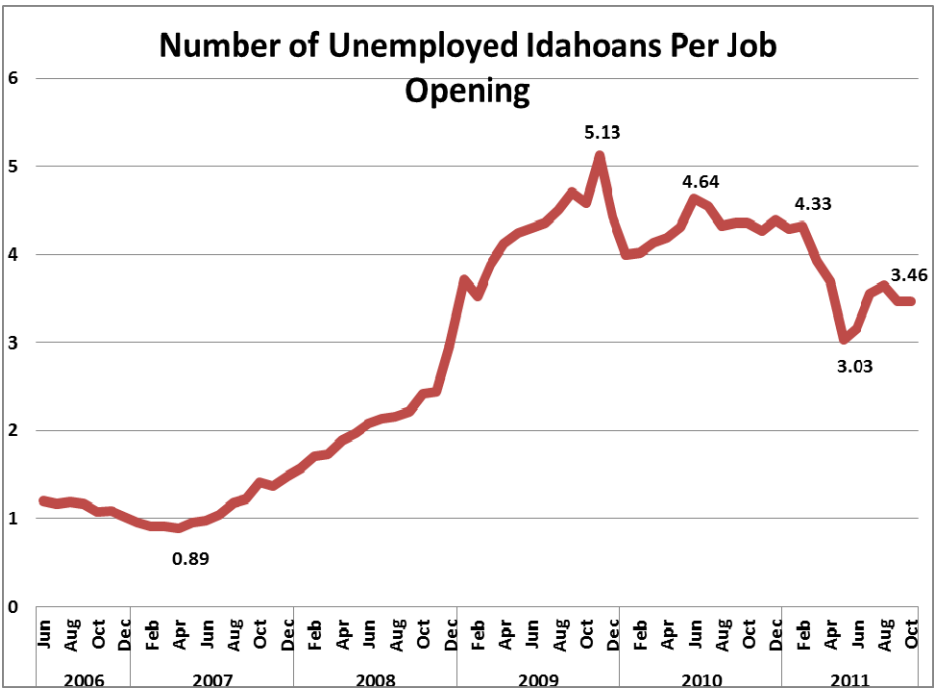
While the national rate dropped four-tenths of a point in November, it remained a tenth higher than Idaho's rate – the third straight month the Idaho rate has been below the national rate after nine months of exceeding it. Until last year, Idaho's rate has been below the national rate for over nine years.

But the fact is the total labor force in November was 5,000 workers smaller than it was last spring while the number of people working is up only 3,000. Total employment is rising to its highest level in two and a half years. But there were still several thousand people who just dropped out of the labor force, presumably because they became discouraged about their prospects of finding a job. This typically happens after people have exhausted all their unemployment benefits.

The percentage of claimants exhausting 10 to 26 weeks of regular state benefits without finding a job rose steadily through the recession and continued rising until about a year ago when it finally peaked at 53 percent and then began falling. It was down to 45 percent this fall, but is still about 20 points higher than during normal economic times.



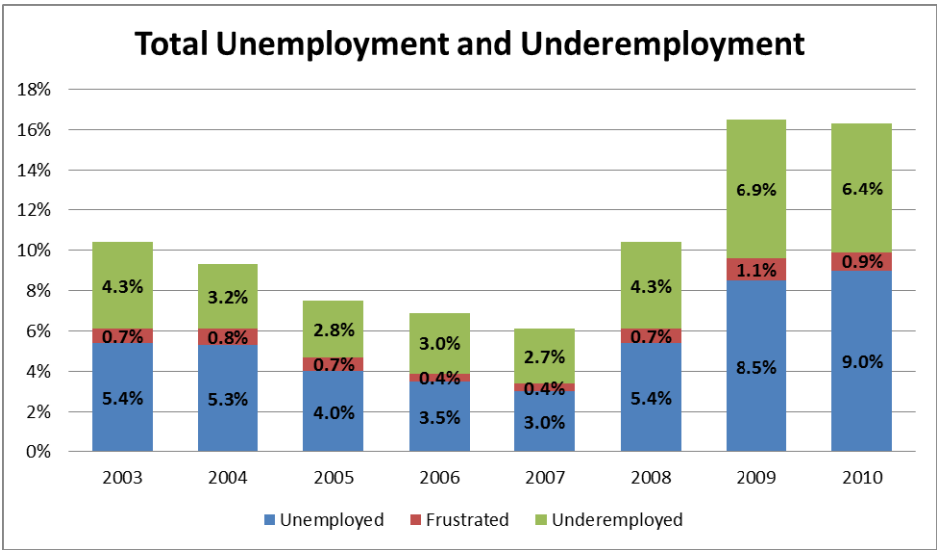
The Conference Board's monthly ratio of unemployed to posted job openings has also been slowly declining from its peak of over five jobless workers for every opening in late 2009. but is still right around 3½ to one since summer.



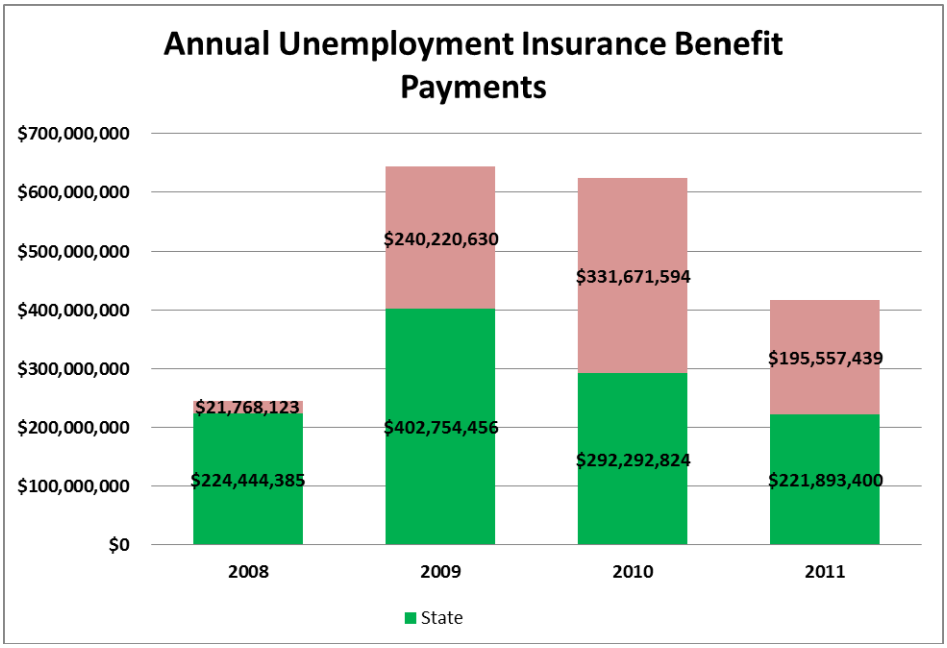
That involves only the officially unemployed. According to estimates by the Bureau of Labor Statistics, another 1 percent of the labor force – about 7,000 workers – are so discouraged about job prospects they just dropped out.

And then there are the tens of thousands of people who are working part-time jobs when they need and want full-time work. That group was estimated at over 6 percent in 2010, and the latest estimate was 5.8 percent.

But all three combined put the number of workers looking for jobs at 100,000 or more, and that does not count the people who have full-time jobs that provide inadequate paychecks or fail to put their talents to full use.



The recession that sent unemployment and underemployment soaring depleted the Unemployment Insurance Trust Fund in June 2009. That forced the state to borrow $202 million from the federal government over the following 10 months to continue paying benefits. It also pushed employer tax rates to their maximum in 2010, where they have stayed and likely will stay through 2013.



But legislation adopted last year to authorize repaying the federal loans with bonds secured by future fund revenues also included modifications to the trust fund formula. Those changes will boost the target balance to a level that will withstand future recessions and with tax rates pushed to their maximum for only a year instead of three and four years.

The bond sale went smoothly. All bonds were sold within two days at an unbelievable 1.017 percent interest rate. The bonds are being paid off over four years. The payments begin with $3.3 million due Feb. 15 and $50.2 million on Aug. 15. The payments the following three years will be $55.5 million, $54.6 million and $53.5 million.

Bonding has helped Idaho employers avoid a federal surtax this year and at least the next two. It also saved about $15 million in interest payments because the bond interest rate is a third to a quarter of the federal interest rate.

The benefit payout peaked in 2009 at $643 million in both state and federally funded extended benefits. Regular state benefits hit a record $403 million paid to 112,000 Idaho workers. Another 45,000 collected extended benefits.

The payout in 2010 was nearly as much, but the state share dropped by more than $100 million as workers exhausted state benefits and moved to the extended federal benefits. Still 96,000 Idaho workers collected regular benefits and over 54,000 more received extended benefits.

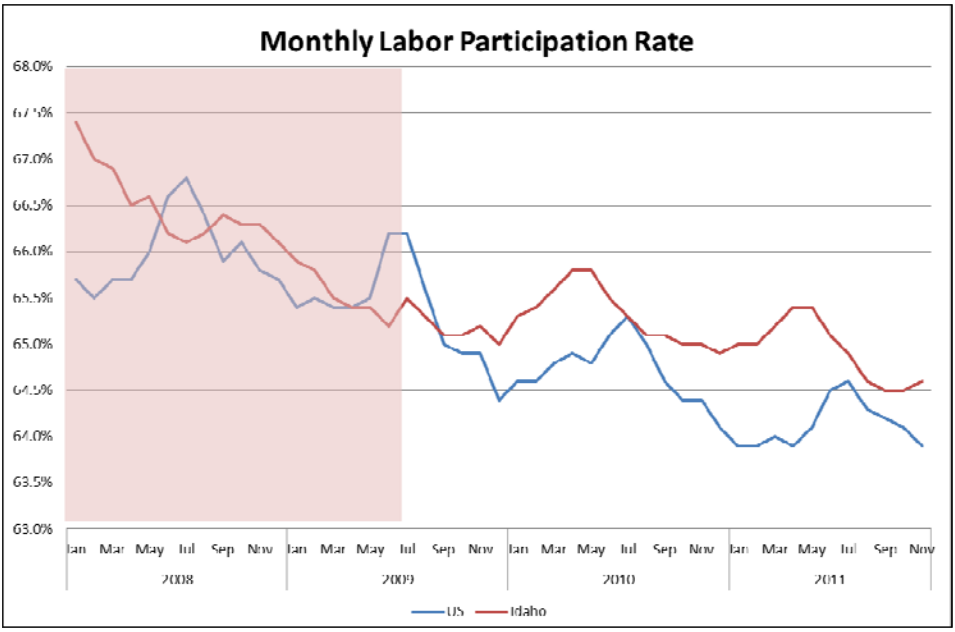
In 2011 total state benefits fell to around the level of 2008, the first full year of recession. More than 82,000 workers claimed regular benefits and 43,000 collected extended payments.

At its peak over 150,000 Idaho workers received unemployment benefits – nearly a quarter of the labor force.

Idaho's economic sluggishness has been evident in the new hires reported monthly to the Department of Labor under the welfare reform law of the mid -1990s. The number of new hires bottomed out in 2009 and 2010 and then finally began to recover in 2011. But while the annual and monthly totals have been up from the recession lows the past 12 months, they remain well below the level following the slowdown after the 2001 recession.

At the same time there has been a decline in the working age population actually participating in the labor force. The decline in Idaho from a peak of over 67 percent to around 64.5 percent in the last several years has generally followed a decline nationally. This is likely the result of the frustration laid-off workers and potential new entrants have with the prospects for finding a job in such a slow economy. *See participation rate chart on page 9.*

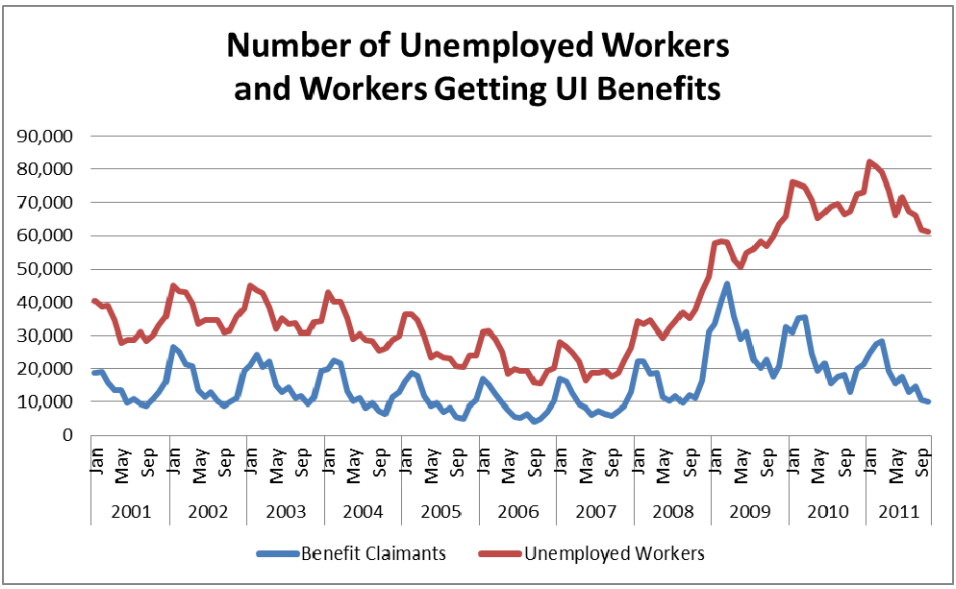
But this also indicates there are potentially thousands of people in Idaho ready to work if the opportunities present themselves as they did prior to the recession.

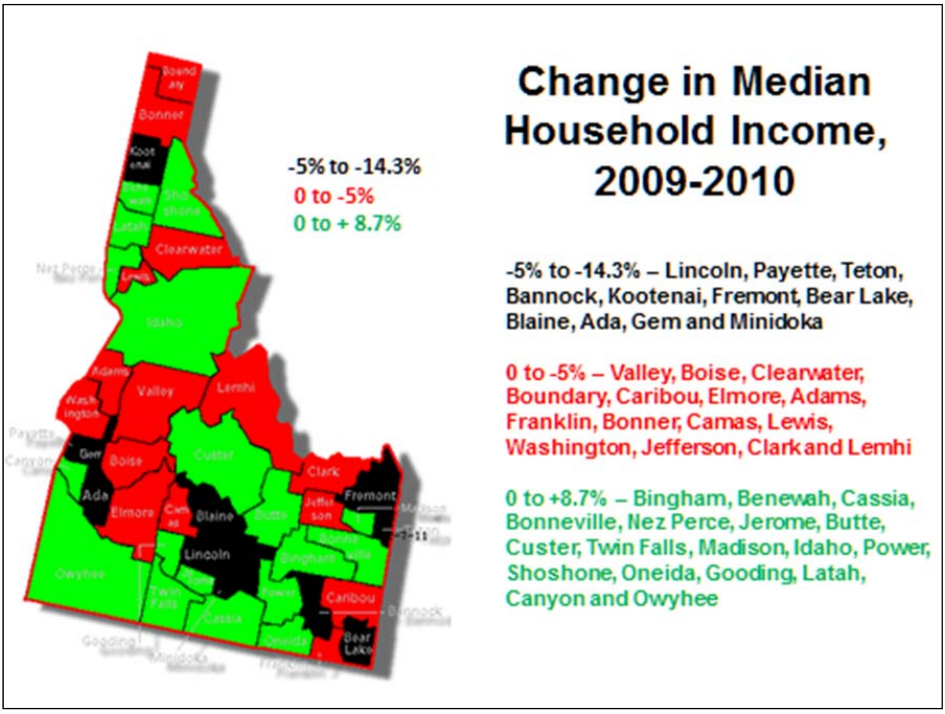


Extended unemployment benefits of 28 to 73 weeks, paid by the federal government, have been important to Idaho's long-term unemployed workers. The state's jobless benefit program helps keep qualified workers in Idaho by providing them limited resources to continue paying the rent or mortgage, buying food for their families and clothes for their kids and meeting the utility bills. The $800 million idled Idaho workers received over the past 3½ years has gone directly to businesses in their communities, helping many of them keep their doors open. Economic Modeling Specialists in Moscow estimates a job is saved for every $80,000 paid in unemployment benefits.

While that has eased the recession's economic drag, it by no means eliminated it. The long recession followed by 2½ years of little or no growth has significantly reduced the percentage of officially unemployed workers who are receiving jobless benefits. What was once two-thirds or more of the jobless receiving benefits at the worst of the recession is now less than half.

In addition, the average benefit is running below $240 a week – less than $6 an hour.



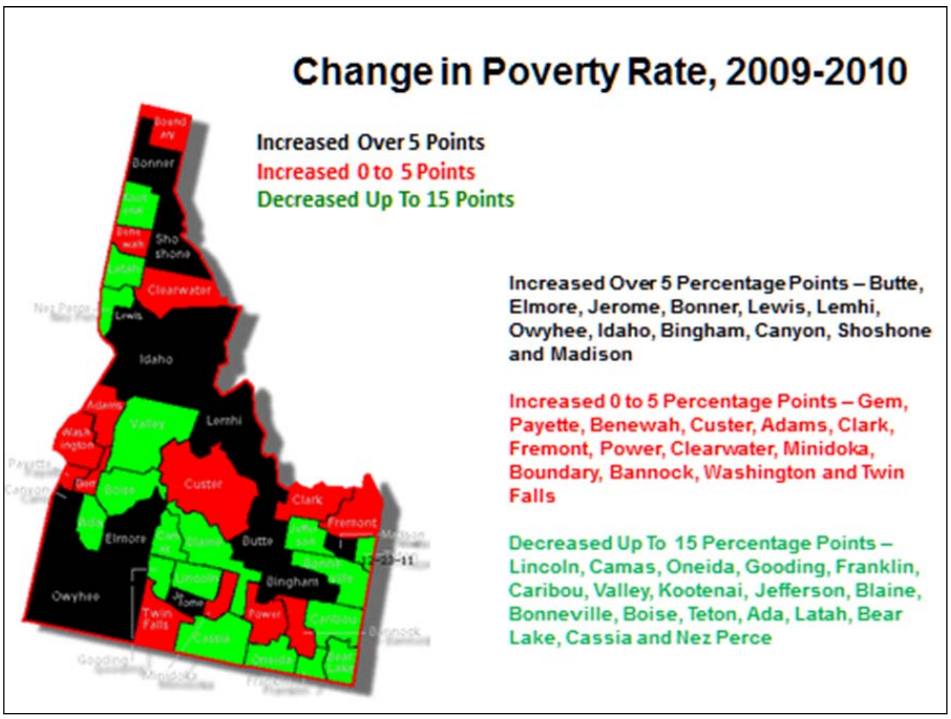


Personal income – the total of all wages, business profits, investment earnings and payments like pensions and Social Security – declined for five consecutive quarters from mid-2008 through summer 2009, the only time in over 40 years there have been consecutive quarterly declines in personal income. Since then it has been growing by 1 percent and as much as 1.9 percent.

The average annual wage in Idaho rose 2.1 percent to $35,800 in 2010 from 2009 while the national average annual wage was up 2.8 percent to over $47,000.

The Census Bureau found median household income fell from 2009 to 2010 in 26 Idaho counties. Two of the largest, Ada and Kootenai, experienced declines of over 5 percent.

At the same time, the poverty rate rose in 26 counties.



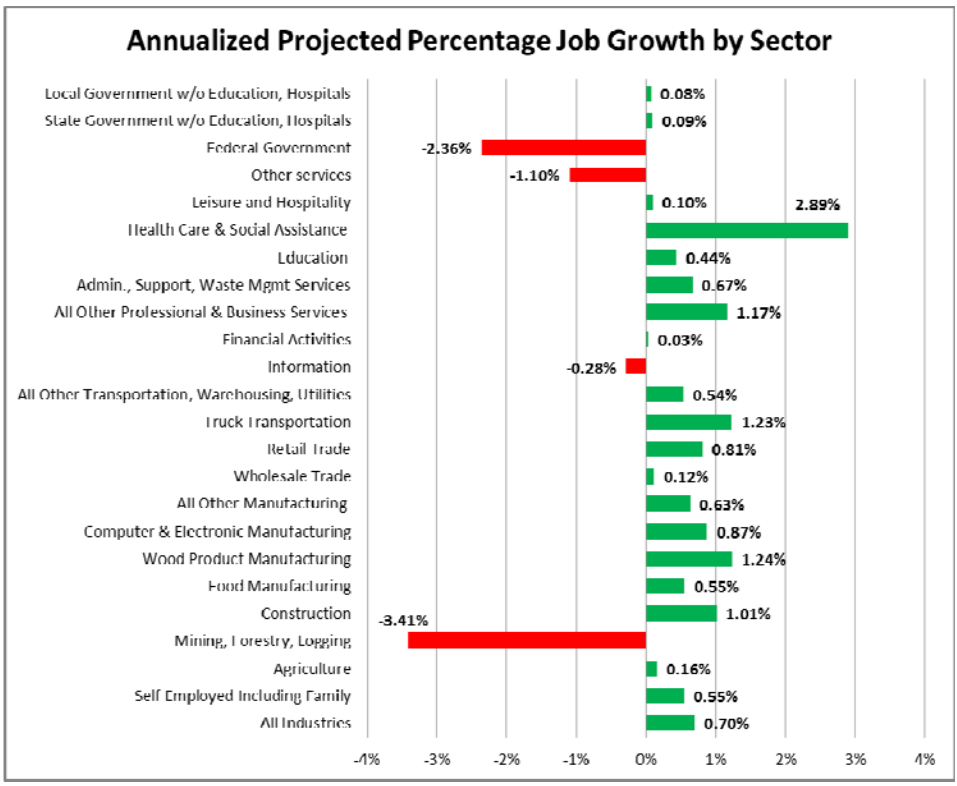
Clearly the fallout from the recession created a much more sluggish economy than even the department anticipated a year ago when it forecast extremely slow growth. It has only been in the last month or two that there have been indications of any marked growth at all.

The unemployment rate averaged 9.3 percent in 2010, breaking the old record of 9 percent in 1982 during the severe double-dip recession of that decade.

It appears that 2011 will come in below that but likely still around 9 percent.

The outlook remains limited. Through mid-2013 job growth will average about seven-tenths of a percentage point a year, and since the growth has been negligible over the past six months, the rate should be somewhat higher for the remaining 18 months. Still that will only amount to fewer than 10,000 jobs over the year and a half. And that growth could be undermined if Europe sinks into recession or some other financial calamity blunts an already slow American recovery.

Construction and financial services are being replaced by natural resource jobs and other services, which often can be jettisoned by households scrimping to make ends meet in tough times. Construction, in fact, is turning positive over the next 18 months.



The recession's impact on the tax structure means a further decline in federal jobs and fractional growth in state and local government payrolls – more likely toward the end of the projection period.

Health care, which continued growing through the recession as the state – and nation – ages, will again be the strongest sector in the Idaho economy.

Manufacturing has stabilized and begun to grow but only slowly. The overall projection is slightly higher for the next 18 months than a year ago.

The unemployment rate for Fiscal Year 2011 was an annual record 9.6 percent, according to preliminary figures. The rate was at a monthly record of 9.7 percent from December through March and never got below 9.4 percent any of the other months.

Based on those preliminary figures, the rate has come down dramatically this summer and fall, hitting 8.5 percent in November. Again, there has been an increase in economic activity, but at least part of that decline is the result of workers just dropping out of the labor force because they have become so discouraged about their prospects in a market where there are three to four unemployed people for every job opening

Population growth, which drives job creation in sectors like basic services, retail trade and health care, fell below 1 percent from mid-2010 to mid-2011 – the first time growth has been that low in two decades. With the housing market still depressed, the inability to sell homes will continue to slow in-migration from other states during the next year or two.

The dramatic decline in the unemployment rate since last spring is expected to level out in the coming 18 months. That will result in an annual rate of 8.7 percent for the current fiscal year and 8.5 percent for Fiscal 2013.

While well above the rates of 3 and 4 and 5 percent during the expansion, these projections still are heading in the right direction. But it will be the end of 2014 at the earliest before the Idaho economy recovers the last of those nearly 60,000 jobs lost during the recession.

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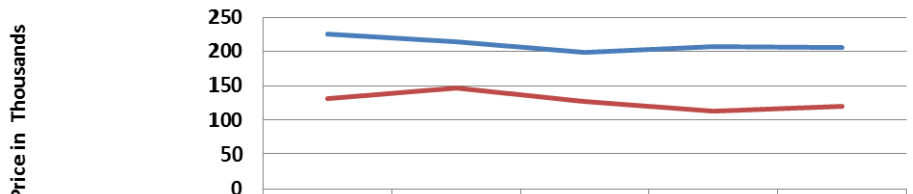
OUTLOOK IMPROVING FOR HOUSING SECTOR

Since 2007, news about the housing sector has been bleak. When the bubble burst, sending the country into one of the worst recessions ever, the housing market was a source of ire for many people. Recently though, data show that there may be light at the end of the tunnel – or at least the tunnel is getting no darker.

HOME PRICES

Reports on home prices are mixed but most provide some positive news. The National Association of Realtors' Realtors Confidence Index for October 2011 showed that 50 percent of the realtors surveyed believed prices will rise



	Q3	Q4	Q1	Q2r	Q3p
	2010		2011		
West	226.1	214.1	197.9	206.3	205.7
Boise City-Nampa, ID	131.8	147.7	127.3	113.6	119.8

in the next 12 months, albeit by less than 5 percent, and another 7 percent think the price rise will be greater than 5 percent. At the same time, the association found that the median sales price of existing single-family homes in the five-county Boise metropolitan area was trending slightly downward although there was a small boost in the third quarter of 2011, which the West overall did not experience.

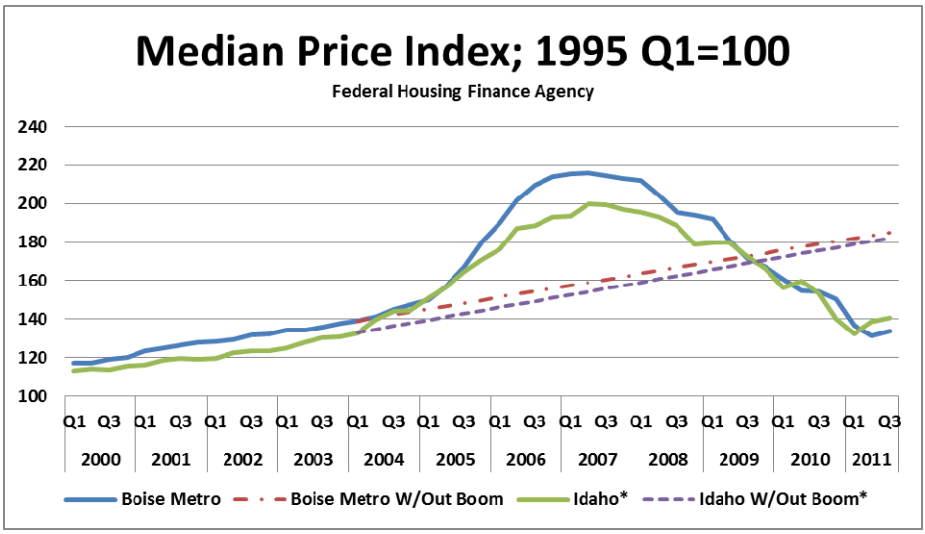
The Federal Housing Finance Agency's Housing Price Index echoed that modestly positive news. The weighted repeat-sales index tracks transactions involving conforming, conventional mortgages that are purchased or securitized by Freddie Mac or Fannie May. Conventional loans make up 21 percent of all the originated loans and 48 percent of all the originated purchase loans for the Boise metro area in 2010, according to the count of applications and originated loans that are reported to the Federal Financial Institution Examination Council in accordance with the Home Mortgage Disclosure Act.

Purchase Loans vs. Refinance Loans

	Applications Received	Loans Originated
Applications for conventional home purchase loans, one- to four-family and manufactured Home	5,594	3,961
Applications for FHA, FSA/RHS and VA home purchase loans, one- to four-family and manufactured home	5,794	4,342
Applications to refinance loans, one- to four-family and manufactured home	18,480	10,337

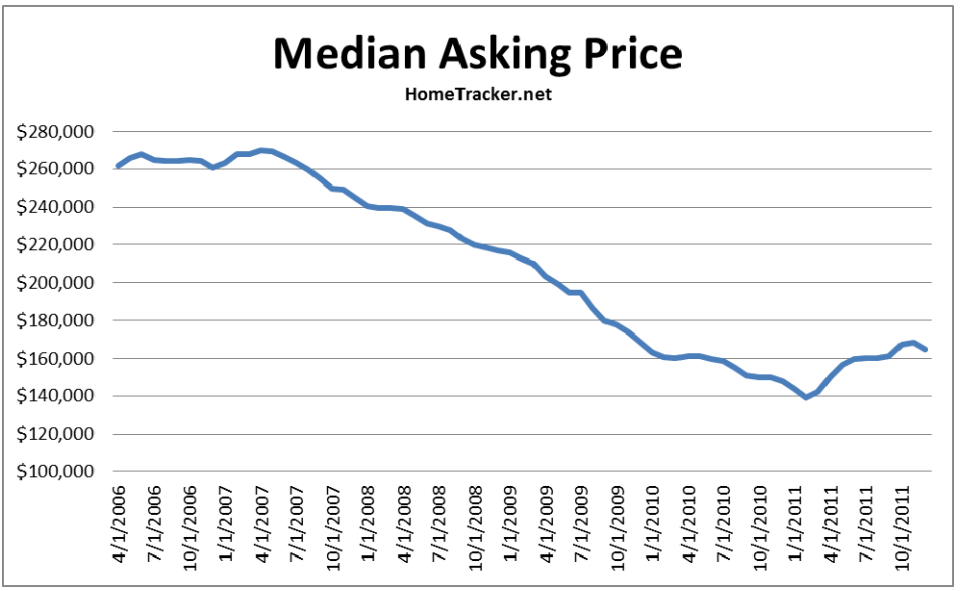
Home Mortgage Disclosure Act, Federal Financial Institution Examination Council

Although there are differences in the Housing Price Index for the metro area and the state, the trends are similar in that they both show a slight improvement for the third quarter of 2011. For the metro area, third quarter 2011 prices are around the late 2002 early 2003 level while statewide prices, once transactions such as refinancing were removed, appear to be around the second quarter of 2004. That is the same quarter where housing prices in the index broke from their gradual linear increase to begin climbing exponentially. If home prices increased along the more gradual linear path, the third quarter 2011 prices would be 29 percent higher for the state and 39 percent higher for metropolitan Boise.



***Idaho purchase index numbers were rebased to 1995 Q1=100.**

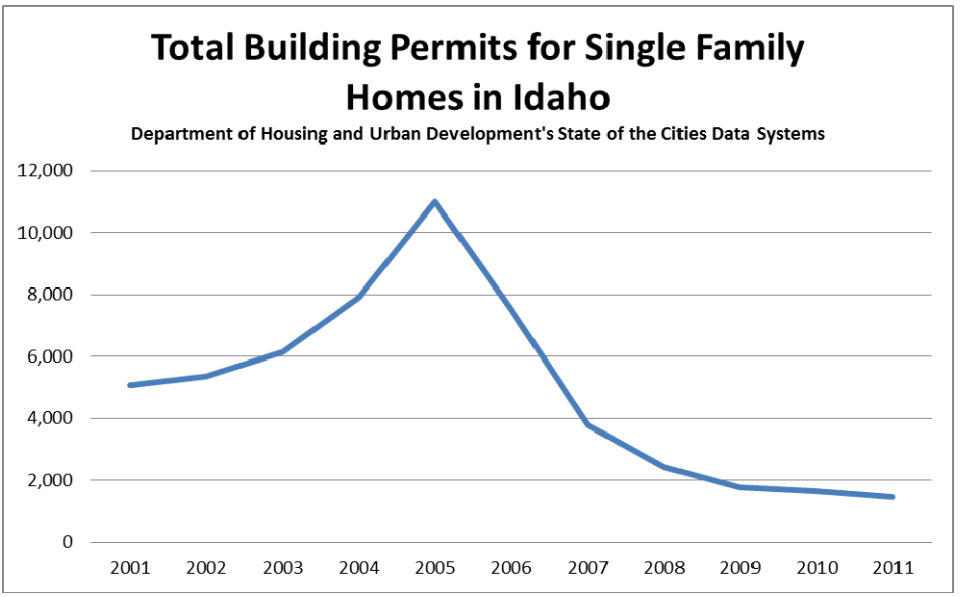
HousingTracker.net, a service that tracks home inventory and asking prices in some of the largest metro areas, showed a more optimistic figure. The median asking price for homes has been moving upward since February. July 2010 produced the first year-over-year increase to the median price since May 2007, and that trend appears to be continuing.



INVENTORY

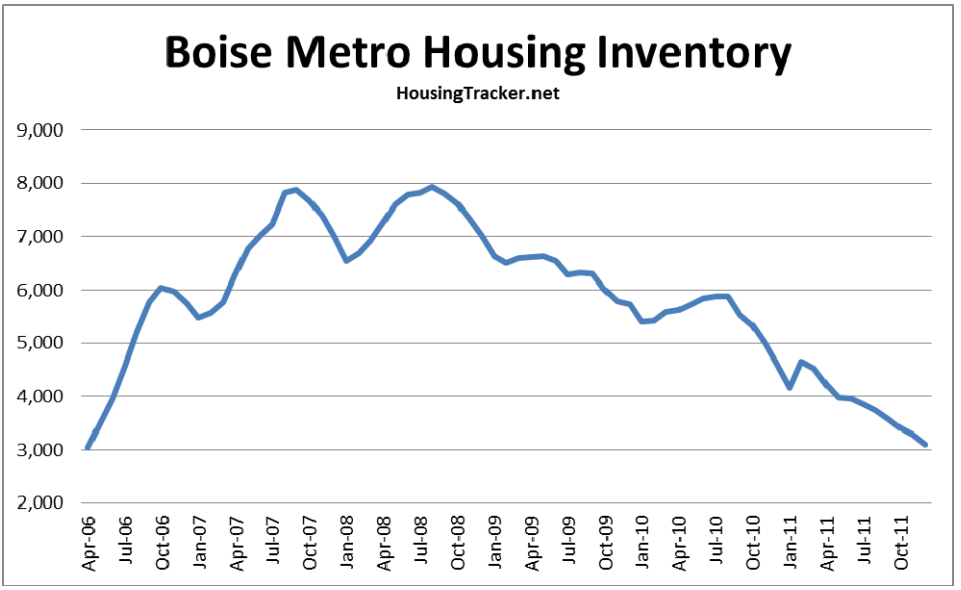
Housing inventory is another way to look at the health of the housing market. An over supply of houses on the market puts downward pressure on prices and vice versa. As with housing prices, though, inventory data are mixed.

But single-family homes seem to be resistant to much improvement. According to the U.S. Department of Housing and Urban Development, single-family home units are below their 2001 numbers, the earliest data they had available. The number of permits per year appears to have leveled off since 2009, indicating that the worst of the housing crisis might be over. Depending on what December 2011 looks like, the total for 2011 should equal or slightly exceed 2010 to mark the first year-over-year increase since 2005.

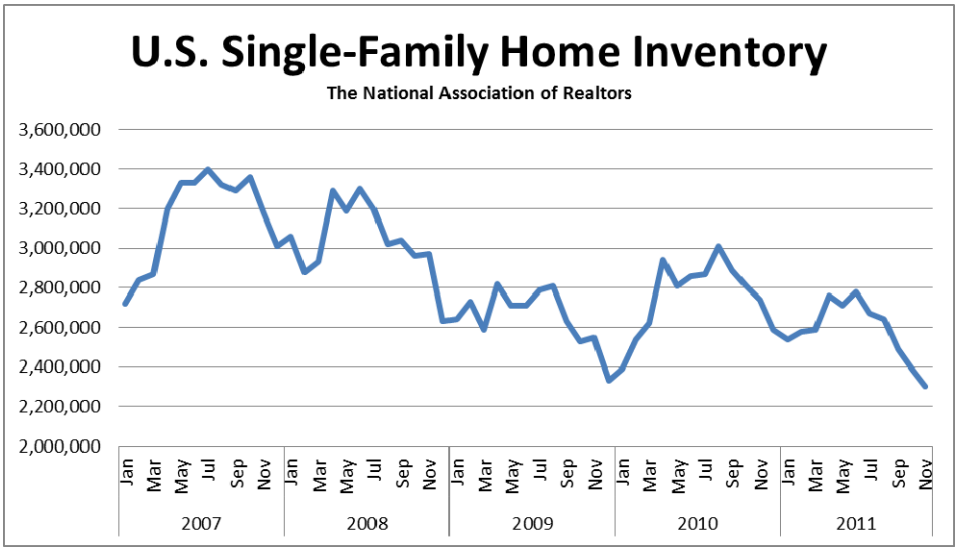


*** 2011 includes data through November only**

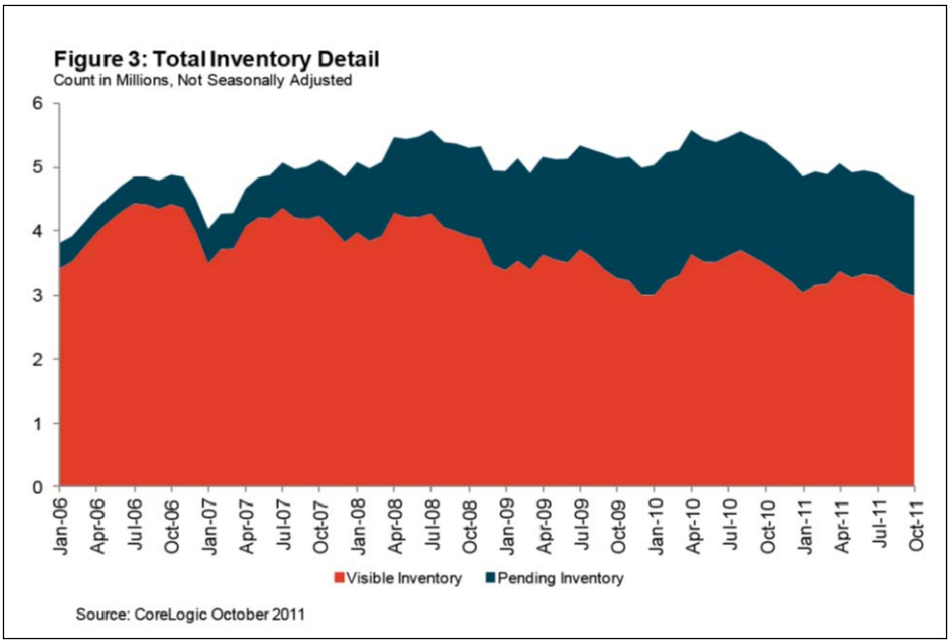
During the boom, inventory levels grew quickly fueled by an increase in new construction and soaring home values. After the collapse, building permits dropped off even more dramatically than they had risen, but inventory levels have been falling more slowly. According to HousingTracker.net, the supply of homes in metropolitan Boise only recently fell back to the level reported in April 2006. While it only took 17 months for the home inventory to peak at almost 8,000 homes in September 2007, it took over four years to return to that beginning level of April 2006. Still, the decline in inventory, no matter how slow, is a positive note for the housing market. Since the data have not yet shown any leveling off, it is difficult to say whether inventory will fall even more before reaching a sustainable level or the housing market will overcorrect, leading to another buying frenzy, albeit one tempered by changes in the financial industry.



Housing inventories nationally are also tending downward. The National Association of Realtors showed it peaking at 3.4 million in mid-2007 and then beginning to decline before jumping back to 3 million in late summer 2010 before resuming a gradual decline.



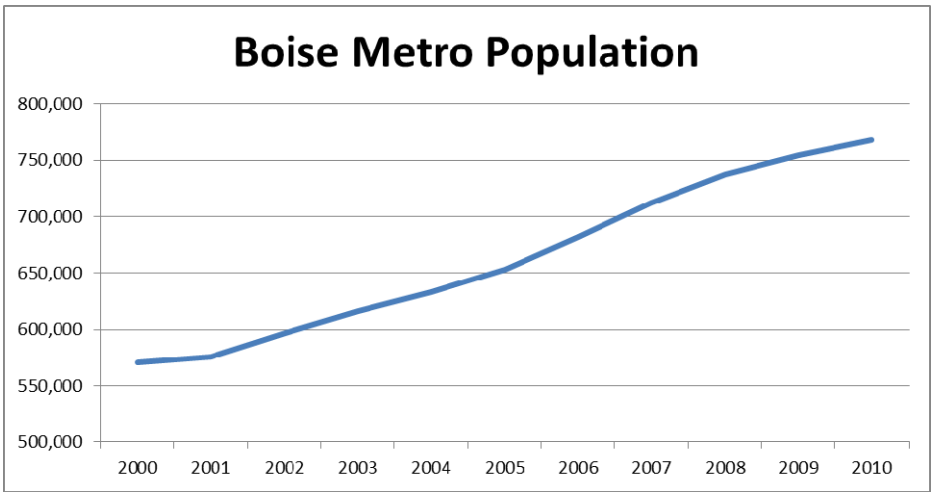
But this may not be the whole picture. CoreLogic, a data and analytics company, released a report last month that calculates what is known as the 'shadow inventory' on top of the traditional pending supply of homes. This number – homes that have not been listed but are at least 90 days delinquent on the mortgage, in a state of foreclosure or owned by the lender – has decreased since January 2010 but can still impact the health of the housing market. Once less than 10 percent of the total housing inventory, the shadow inventory hit 40 percent of the total in mid-2010. While the shadow inventory does not appear to be increasing any more, it is decreasing quite slowly. When these houses appear as visible inventory, changes to the overall health of an already fragile real estate market could be noticeable.



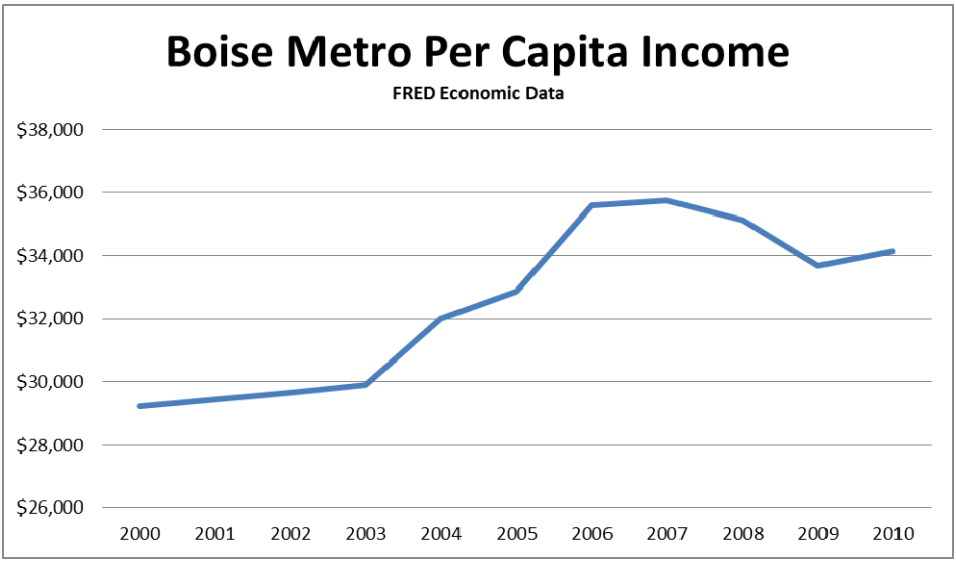
DEMAND

Many other factors can affect housing demand. The more easily quantified include population, income and inflation.

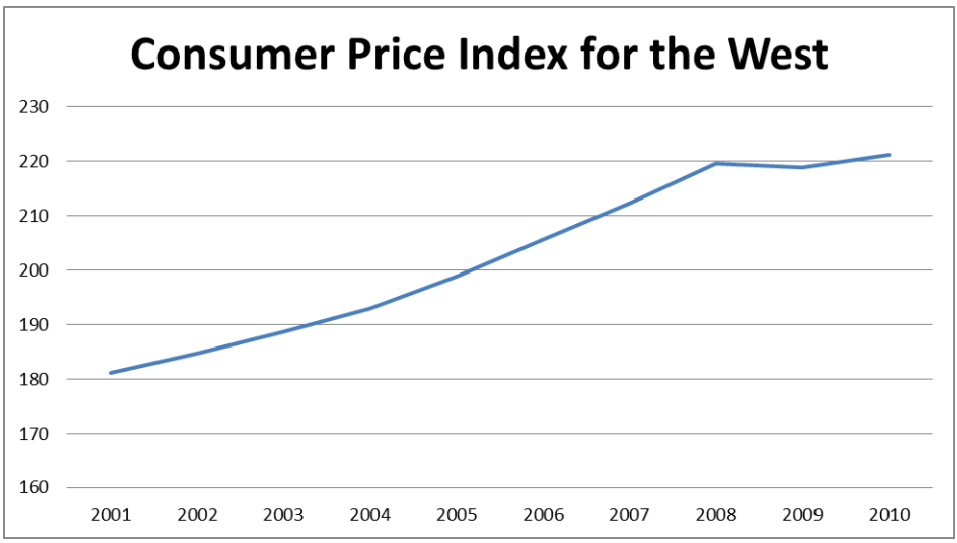
As population grows, more houses are needed to meet the new demand. According to the Census Bureau, the Boise metro area's population of people at least 25 years old has risen from 570,000 to more than 768,000 in the past decade. This constant increase when compared to the boom and bust of the housing market has little correlation.



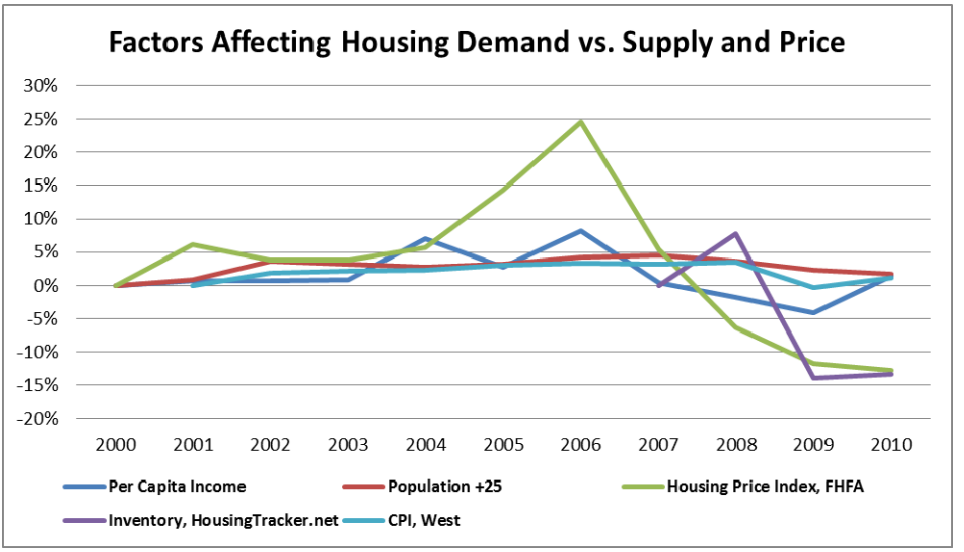
While population has increased dramatically, per capita income has not. Over the same decade, per capita income rose from $29,000 to over $34,000, 17 percent. It peaked in 2007 at $35,750 before the recession ate into earnings, cutting 6 percent by 2009 before turning upward again in 2010. The leveling in per capita income in 2007 and decline the following two years coincides with the housing price index's decline.



The last factor, inflation, pushed prices up 21 percent, according to the Consumer Price Index for the western United States, from 2001 to 2010. Interestingly, the price for houses in metropolitan Boise using the yearly average of the Federal Housing Finance Agency index increased 23 percent between 2001 and 2009. While the housing bubble that drove prices sky high resulted in an overreaction that has driven prices down dramatically, the Federal Housing Finance Agency's index shows existing prices below what they would have been had there not been a bubble. Current prices are about where they should be based on traditional inflation.



Based on population, inflation and income growth over the past decade, it is clear the surge in home prices during the bubble was out of place. The graph below shows that disassociation along with the fact that two factors affecting housing demand — per capita income and the over 25-year-old population — have begun to rebound after their decline following the bursting of the housing bubble.



The housing market's boom and bust had many causes and many more effects on the economy, nationally and locally. But the data are starting to show the market coming back to life. While it is too early to declare the housing market cured, there are positive signs it at least is has begun to heal.

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TRUCKING NEEDS TO KEEP UP WITH INDUSTRY DEMANDS

REGIONAL TRANSPORTATION

In south central Idaho, truck transportation is an industry with seemingly minimal barriers to entry but chronic vacancies because of difficult working conditions that lead to high turnover, comparatively low wages and better prospects in other sectors that are growing. Expansion in sectors such as retail and wholesale trade follow population growth. Twin Falls is recognized as a retail hub as well as a center for commodity production – a combination that typically requires truck transportation. It makes sense in these times of high pump prices and even higher diesel prices for companies to turn to railroads, and some do. But south central Idaho with its seasonal agriculture and manufacturing does not produce the huge loads that attract quality rail service. That makes trucks the most flexible and timely method of getting a product out of south central Idaho to its destination – port for export or other state – even when high diesel prices make them less affordable.

REGIONAL NEEDS

The milk industry has expanded, attracting quality companies such as WEL Cos. to Gooding. At several of the larger trucking companies, warehousing is key because of the refrigerated and climate controlled space required by food

processors. WEL Cos. is based in Wisconsin and has a long-established relationship with cheese makers. It is a family-owned company that has operated for over 50 years, and its experience in storage and transportation has generated contracts across the nation.

DOT Foods, a wholesale redistributor for smaller retail operations, also has a history with the cheese industry, but it primarily is a life saver for comparatively rural areas like most of Idaho and Nevada with its "Less than a Truckload" distribution plan. The company strives to fill the needs of smaller retailers who may not need a full pallet of any one product. Its green warehouse – over half dedicated to refrigerated storage – succeeds in maintaining a vast inventory of product for fast turnaround. DOT's transportation group has a different customer service philosophy than the traditional over-the-road trucking company. Its drivers are required to be nimble of mind and body, unloading the trucks at the destination instead of waiting for the recipient to do the work and at the same time building relationship, taking orders and ensuring the delivery is correct.

The Great Recession saw state trucking industry jobs fall 4.7 percent between mid-2008 and mid-2011, a loss of over 400. In south central Idaho, however, jobs were up 1.6 percent, and in Gooding they grew over 80 percent due in large part to its small base of existing truck drivers and the advent of WEL.

WAGES

The annual Occupational Employment and Wage Survey, based on statistically valid sampling of businesses throughout Idaho, shows regional wages for heavy and tractor-trailer drivers low compared to the nation and even the state. Some trucking companies in the region pay $50,000 a year with competitive benefits. Wages can be hourly, but in the trucking business, many are by the load or by the mile. DOT Foods reimburses its drivers an extra amount per mile if they keep at 60 mph for fuel efficiency.

	Median Hourly Wage		
Occupation	**U.S. Median Wage**	**State Median Wage**	**Regional Median Wage**
Truck Drivers, Heavy and Tractor-Trailer	$18.16	$16.07	$14.92
All Occupations	$16.27	$14.54	$13.97

OUTLOOK

Almost half of the growth in trucking transportation statewide has occurred in south central Idaho. Over the last 10 years from 1990-2000, south central Idaho averaged a net increase of 33 truckers a year – a growth rate of about 17 percent while the state grew by only 2 percent. In the last 10 years

the region showed an average annualized growth rate of 3.6 percent while the state posted growth of just 0.2 percent, indicating net job loss in other regions.

The regional outlook from 2008-2018 for heavy and tractor-trailer truck drivers will surpass the previous decade with an estimated 131 annual openings at a growth rate of 24.7 percent. The workforce has grown by close to a 1,000 over the last 15 years to approach 3,000 in 2010. Regionally, the job characteristics of high growth, high volume and high wage combine to make truck driving the top job for workers with limited training. It requires a short training course to obtain a Class A commercial driver's license.

CHALLENGES

Among the challenges facing employers is a lack of interest in driving as a career. The job is demanding. Some over-the-road drivers are away from home for weeks at a time. Consulting firm FTR Associates estimates the tenure of an average driver to be as short as a year, believing that an increase in wages to between $60,000 and $90,000 would stop some of that turnover.

In south central Idaho, U.S. Census Bureau figures indicate the turnover rate in 2010 averaged 10.7 percent in the five larger counties with high concentrations of transportation and warehouse workers. The statewide rate was 9 percent, and nationally the American Trucking Association estimates turnover at 89 percent for large fleets and 10 percent for "less than a truckload" companies, where drivers can be home every three or four days. WEL Cos. maintains its turnover rate is half the national average because of the support it provides its drivers.

New truck drivers looking for work are frustrated because they have paid for the training and acquired a commercial license but most companies want experience in the drivers they hire.

REGIONAL SUPPLY AND DEMAND

There appears to be plenty of applicants, but there can be issues such as health and physical conditions. Truck drivers must endure long hours of sitting and deal with heavy lifting at delivery points. Drug testing and a history of driving violations are barriers to work for some potential applicants. And most employers require a year or more of on-the-road experience, which blocks many new entrants to the occupations.

The industry seems to run counter to the economy. Interest is up in hard times when demand is typically down and vice versa. The recent downturn produced 39 applicants for every driver opening in 2009 and 17 per opening in 2010. The previously strong economy saw the opposite effect in 2006 when there were only 1.5 applicants per opening and about three per opening in both 2005 and 2007. The downturn had minimized negative impact of the truck driver shortage but with the recovery the effect will deepen, which could lead to rising wages along with interest in the profession.

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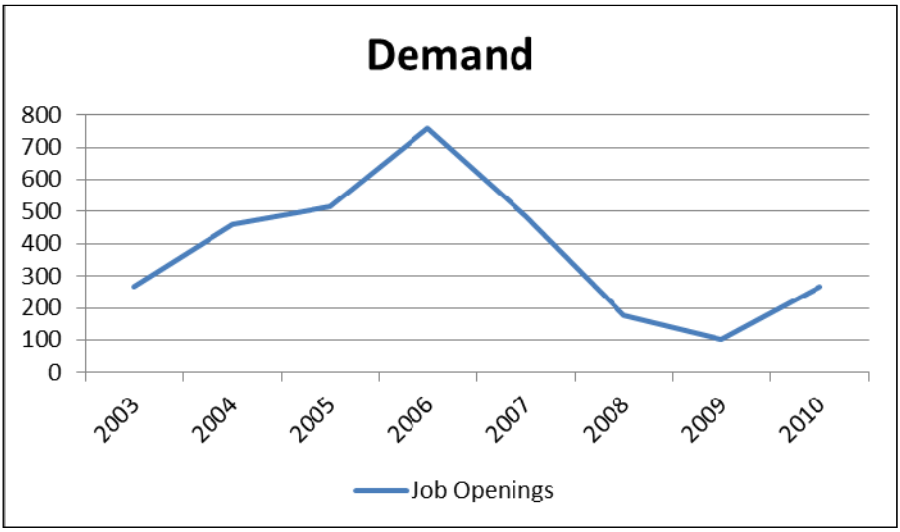
See supply and demand charts on page 21.

Year	Job Referrals
2003	2,532
2004	3,156
2005	1,785
2006	1,165
2007	1,485
2008	2,955
2009	3,938
2010	4,681



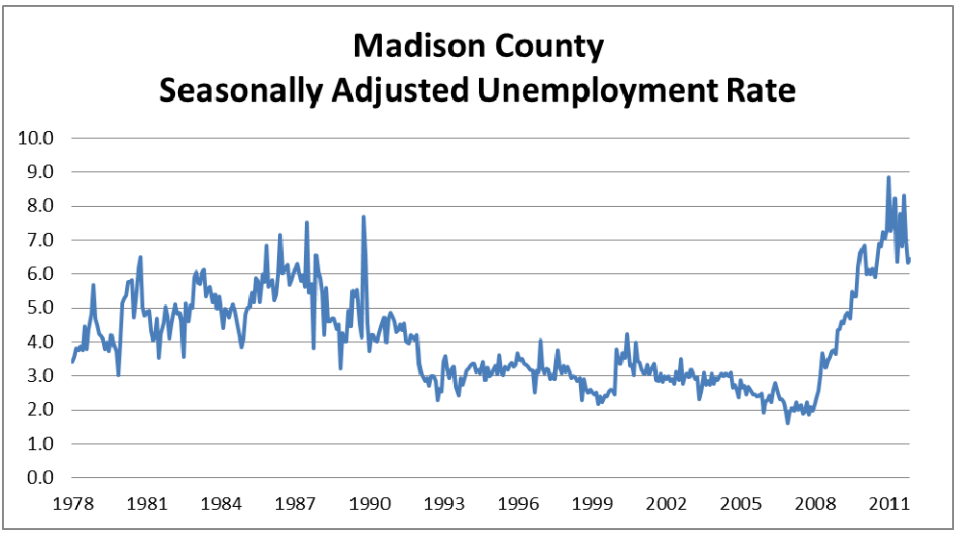
Year	Job Openings
2003	266
2004	460
2005	516
2006	758
2007	484
2008	176
2009	102
2010	269

MADISON COUNTY UNEMPLOYMENT RATE - 6.1 PERCENT OR 23.6 PERCENT?

Madison County has a long history of low unemployment rates.

In December 2006 the seasonally adjusted rate reached an all-time low of just 1.6 percent. By 2011 the rate had increased to record highs breaking the never before reached 8 percent mark – peaking at 8.8 percent in January.

Since then the rate has been sliding. By November it had decreased to 6.4 percent. Only six of Idaho's 44 counties had a lower unemployment rate.



To the untrained eye these low rates paint a picture of a thriving labor market with a higher-than-average supply of jobs. But the way the rate is calculated leaves out a significant portion of Madison's ever growing labor force – full-time students.

The area is rich with agriculture. It is bisected by U.S. Highway 20 – a main thoroughfare for thousands of Yellowstone-bound travelers each year. The local university is continuously adding new high demand majors. Between the 2000 and 2010 censuses, Madison County was the state's third fastest growing county. The population jumped 37 percent. But over the same decade employment grew by only 24 percent.

Much of the population increase stemmed from rapid growth at Brigham Young University-Idaho. Fall enrollment back in 2000 was 8,949. Then it was a two year school named Ricks College. But after the announcement the college would become a four-year university, there was a rapid increase in student population. A two-semester school year became a three-semester track system. Enrollment for those three semesters averaged around 14,500 during 2011 – that is three semesters a year, not two. But official Bureau of Labor Statistics estimates show Madison County's November labor force was only 16,657 – not seasonally adjusted.

Something does not seem to add up.

The recent recession made things difficult for college students who have to compete for jobs with workers who already have work experience. Low unemployment rates usually give an advantage to job seekers. But in Madison County the actual number of unemployed is much higher than official sources suggest.

In estimating the monthly unemployment rates for all counties, the federal Bureau of Labor Statistics counts as unemployed workers who have looked for work sometime in the previous four weeks. The labor force includes these unemployed workers plus those who are currently employed. Civilians who are institutionalized, hospitalized or living in long-term care facilities are not counted in labor force. Unemployed full-time students are also left out of the labor force estimate. For counties like Madison, leaving out full-time students creates a large pool of hidden unemployment.

A recent survey of college students in Madison County revealed a stark contrast between official unemployment and hidden unemployment. The survey distributed in mid-November to over 700 students yielded more than 300 responses. Students were asked about their employment situation using the federal standards except for counting as unemployed full-time students who wanted work.

From the responses, 59 percent of the student population was part of the labor force – meaning they were either working or looking for work. The remaining 41 percent choose not to work primarily because they wanted to focus on studies. And four of every 10 students in the labor force was unemployed. They wanted to work and had looked for jobs sometime in the last four weeks but found nothing.

Once these numbers were compiled, the results were applied to the general college student population.

Madison Labor Force - November 2011 (not seasonally adjusted)			
With Full-Time Students		**Official BLS Methodology**	
Labor Force	20,456	Labor Force	16,657
Employment	15,636	Employment	15,636
Unemployment	4,820	Unemployment	1,021
Unemployment Rate	**23.6%**	**Unemployment Rate**	**6.1%**

Since employed students are already counted in labor force, the only adjustment needed was in the number of unemployed workers. Based on enrollment head count of 15,102, the student labor force was estimated at 8,976 with 5,176 employed students and 3,799 unemployed. Unemployed estimates for Madison County using official federal reports put the number of unemployed at 1,021 – not seasonally adjusted. Adding in the number of full-time unemployed students would increase the number of unemployed to 4,820. The Madison County labor force would increase from 16,657 to 20,456 – a 22.8 percent increase. The November 2011 unemployment rate would increase from 6.1 percent to 23.6 percent – not seasonally adjusted.

Census data was used to validate the new labor force count. Madison's working age population 16 to 65 was 26,615, according to the 2010 census. There were 3,927 family households in the county with children under the age of 18. The assumption is made that these households have two parents, with one parent not participating in the labor force. Subtracting the number of family households from the 16 to 65 population leaves an estimated labor force of 22,688 – a number close to the newly created labor force estimate of 20,456, based on the university student survey.

So what does this mean for Madison County? Including full-time students in the unemployment rate would drive Madison County from one of the lowest unemployment rates in the state to one of the highest. The effect of hidden unemployment is accentuated in Madison County but is present in every labor market. In locations where large student populations exist the problem is more prevalent.

Now that the data are available, they become a valuable tool for business attraction. During tough economic times, high unemployment rates are attractive to businesses looking for locations to expand. Some might neglect the opportunity to locate in Madison County based on its official labor force information. What these businesses do not realize is the untapped potential of unemployed full-time students not counted in the official federal reports.

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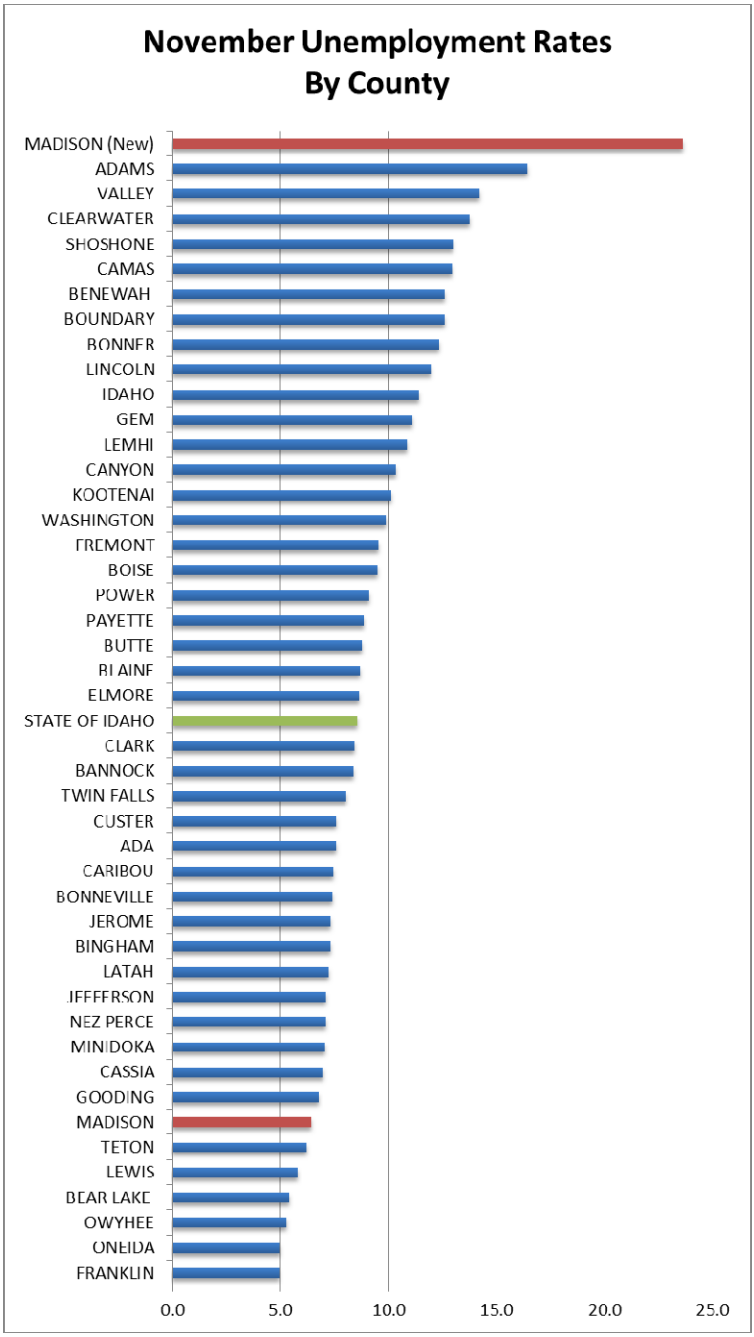
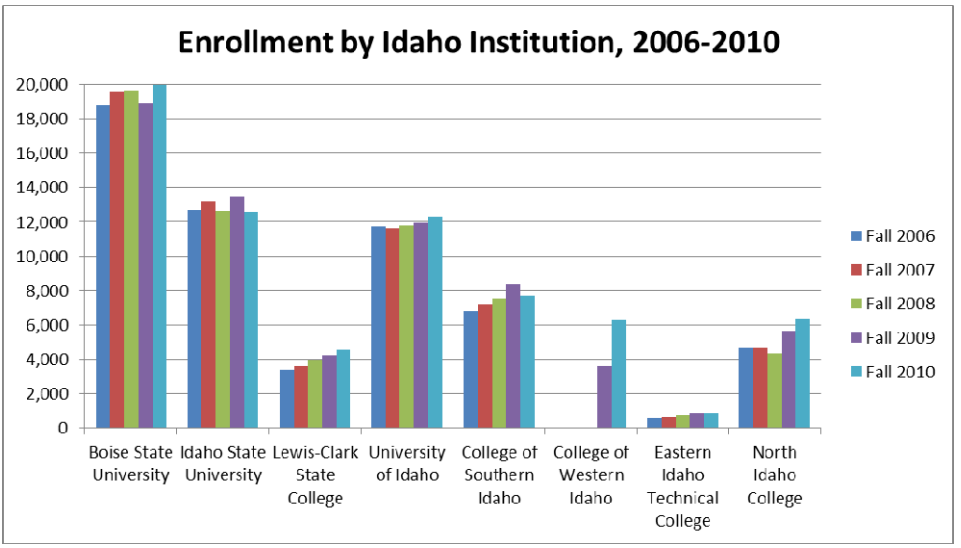


IDAHO HS GRAD RATES HIGH, COLLEGE ENROLLMENT LOW

Idaho's high school graduation rates at 78 percent are higher than the national rate of 70 percent. But the state falls behind in percentage of high school graduates going directly to college. Less than half of Idaho's high school graduates – just 49 percent – immediately enter college compared with 63 percent nationwide.

That majority of Idaho grads head straight into the workforce, becoming more productive, from an industry perspective, sooner. The labor force participation rate – the proportion of the noninstitutional population over 15 that is either working or looking for work – is 43 percent for Idaho teens 17 to 19 compared with 34 percent nationwide.

In fall 2010, 70,616 students were enrolled in Idaho public higher education institutions, a 1.7 percent increase from fall 2009. College of Western Idaho recorded unprecedented growth of 74 percent in one year. According to the Integrated Postsecondary Education Data System, enrollment rose from 2009 to 2010 at most two- and four-year public institutions. In Idaho three of the eight schools experienced declines – Idaho State University down 6.7 percent, College of Southern Idaho down 7.9 percent and Eastern Idaho Technical College off 1 percent.



Enrollment and course completions have held steady in the most highly sought after programs in the schools. The business programs at both Boise State University and Lewis-Clark State College had the highest completions for the 2009-2010 school year. Idaho State University's well-known health care programs have the largest number of graduates in that field. The University of Idaho had the most education college graduates followed closely by engineering graduates.

Graduation rates are one measure of performance for postsecondary education and can be somewhat misleading. The national data system defines graduation rate as the percentage of full-time students seeking a degree or certificate for the first time who complete the degree or certificate within 150 percent of normal completion time. The rate does not include students who have already attended another postsecondary institution or began their studies on a part-time basis.

By that definition, graduation rates in Idaho are low. But Idaho has a large number of transfer students, who by the definition are not included in the graduation rates. The three community colleges and the vocational-technical school play a large role in preparing students to further their education at other Idaho institutions. Of the 5,500 degree-seeking students, nearly half were transfers from other schools.

Total Degrees and Certificates by State

State	Total Degrees and Certificates			Certificates		
	2002-2003	2007-2008	Percent increase	2002-2003	2007-2008	Percent increase
Arizona	30,014	37,020	23.3%	5,779	7,138	23.5%
Arkansas	14,922	17,848	19.6%	2,046	3,178	55.3%
California	150,000	169,755	13.2%	14,485	13,534	-6.6%
Colorado	25,031	27,752	10.9%	1,832	1,755	-4.2%
Florida	95,697	121,820	27.3%	26,571	34,830	31.1%
Georgia	39,731	46,850	17.9%	10,121	9,055	-10.5%
Hawaii	5,564	5,799	4.2%	219	234	6.8%
Idaho	7,301	7,588	3.9%	955	694	-27.3%
Illinois	57,549	61,623	7.1%	4,843	5,469	12.9%
Indiana	34,689	37,415	7.9%	2,721	2,929	7.6%
Kentucky	19,805	27,454	38.6%	2,039	5,876	188.2%
Louisiana	24,822	27,279	9.9%	2,890	3,168	9.6%
Maryland	25,681	30,107	17.2%	364	525	44.2%
Massachusetts	22,883	25,020	9.3%	2,030	2,132	5.0%
Minnesota	25,427	28,197	10.9%	6,543	5,892	-9.9%
Missouri	25,217	27,842	10.4%	1,121	1,382	23.3%
Nevada	6,875	9,145	33.0%	285	307	7.7%
New Hampshire	11,518	11,777	2.2%	122	138	13.1%
New Mexico	10,672	13,411	25.7%	1,452	2,411	66.0%
North Carolina	35,273	39,029	10.6%	4,571	2,603	-43.1%
Ohio	52,605	59,979	14.0%	1,546	2,743	77.4%
Oklahoma	21,460	24,309	13.3%	572	346	-39.5%
Oregon	18,874	20,678	9.6%	1,405	1,322	-5.9%
Pennsylvania	26,642	32,160	20.7%	1,787	2,532	41.7%
South Dakota	3,260	3,939	20.8%	16	17	6.3%
Tennessee	22,109	24,596	11.2%	364	468	28.6%
Texas	107,577	128,928	19.8%	17,216	16,025	-6.9%
Utah	20,272	21,167	4.4%	1,059	448	-57.7%
Virginia	37,397	42,943	14.8%	1,073	1,220	13.7%
Washington	40,646	40,993	0.9%	5,144	4,231	-17.7%
West Virginia	9,498	11,193	17.8%	109	353	223.9%
Wyoming	1,990	2,376	19.4%	326	346	6.1%

Source: Complete College America using IPEDS and NCES data, September 2011

Notes: Not all states participated in the study

The number of degrees and certificates awarded at Idaho public institutions only increased 3.9 percent from the 2002-2003 school year to 2007-2008 school year—the third lowest increase nationwide. There were 260 fewer certificates awarded during the 2007-20808 school year than the 2002-2003 school year, nearly a 30 percent decline.

It appeared that students may be taking an excessive number of courses, and that is slowing down progress toward certificates and degrees.

The data indicate more students seeking bachelor's degrees are working while going to school, and that results in those students taking slightly longer to graduate than the national average. However, within its cohort, Idaho shines in terms of the percentage of students graduating with bachelor's degrees within four years.

	Certificate	Associate	Bachelor's
Should take….	1 year	2 years	4 years
Full-time			
U.S.	3.2 years	4 years	4.9 years
Part-time			
U.S.	4.4 years	5.1 years	5.9 years
Idaho	4.9 years	5.8 years	6.6 years

There are also many costs associated with staying in school longer. The average full-time student earning a certificate in Idaho takes 58 credits when the program only requires 30 credits. The additional cost can be as much as $3,500. The average full-time student pursuing an associate degree takes 102 credits when only 60 are needed, and that takes as much as $5,000 more to the overall bill. Students working toward bachelor's degrees average an additional 24 credits at an extra cost of roughly $7,000.

According to Complete College America, more than 60 percent of all jobs will require a college education in the next 10 years. Idaho is currently at 34 percent. Even though more students than ever before are enrolling in college, too few end up with certificates or degrees.

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IDAHO STEM PROGRAMS TO ENHANCE GLOBAL COMPETITIVENESS

Workforce experts point to a growing need to prepare more Americans for careers in science, technology, engineering and mathematics – often referred to as STEM skills. Leaders of some of Idaho's most important sectors including agriculture, manufacturing, forest management and health care say their future growth depends on having workers with these skills. Schools throughout Idaho are trying to stimulate the interest of students from kindergarteners to doctoral candidates in STEM fields. Grade schools are introducing children to science and engineering through hands-on activities to spark interest and build confidence. High schools are striving to make science and math classes more interesting and more relevant to the needs of local employers. Colleges and universities are attempting to determine how to encourage students to enter STEM fields and how they can help them graduate. National studies have found that roughly two of five students planning engineering and sci-

ence majors switch to other subjects or fail to get any degree. That is nearly twice the combined attrition rate of all other majors.

GROWING STEM NEEDS

The Idaho Department of Labor projects STEM occupations in Idaho will grow 18.9 percent over a decade to 77,055 in 2018. All other occupations are projected to grow 15.2 percent.

Idaho's manufacturing sector increasingly needs workers with STEM skills – workers better trained than in the past. The recession accelerated the move to automation, and now that manufacturing is growing again, many operations need workers with more skills than they laid off during the recession. Low-skilled manufacturing increasingly is moving overseas while the manufacturing jobs that remain here require more technical skills. Today's manufacturers are looking for people who can operate sophisticated computerized machinery, follow complex blueprints and demonstrate higher math proficiency than was previously required of typical assembly line workers. This change in skills comes not only from how products are being made but also from what is being made. The manufacturing industries that are growing most quickly involve innovative products requiring considerable research and development such as advanced medical devices, customized equipment and scientific instruments. In such industries, engineers and technicians play a larger role, and low-skilled assembly jobs often play no role.

Health care is Idaho's fastest growing sector, and its need for scientists, technicians, technologists, doctors and nurses will continue to expand rapidly as Idaho's population grows and ages. Every year, it creates about 510 new STEM jobs in Idaho. Health diagnostic and treating practitioners are projected to grow 26 percent between 2008 and 2018.

The professional services sector – which includes architecture and engineering firms, environmental consulting, surveying companies, computer system design, scientific consulting, veterinary services and research and development – also provides a large and growing number of STEM jobs. Professional, scientific and technical services employment in Idaho is projected to grow 32.9 percent, from 33,041 in 2008 to 43,919 in 2018. The Idaho National Laboratory, its contractors and their subcontractors also are the source of many STEM jobs as are agricultural companies, mining corporations, forestry including the Forest Service, and solid waste, water and wastewater management. Idaho employment in administration of environmental quality programs – federal, state and local agencies primarily involved with air and water quality and conservation – employed 7,159 people in 2010, up 1 percent from 7,100 in 2000.

With the need for STEM-educated workers growing, it is not surprising that colleges and universities have soaring demand for teachers and researchers in STEM fields.

STEM PAYS

Not only is demand for STEM occupations increasing, but these jobs also tend to be professional or semiprofessional, providing high pay, benefits, opportunities for career growth, good working conditions and flexibility.

People with science, technology, engineering and mathematics degrees or certifications are in a prime position in this economy, according to a workforce study by the Georgetown University Center on Education and the Work-

force. STEM occupations are expected to grow faster than most occupations with STEM-educated workers in demand by industries like finance, management and construction. Combined with the opportunity to switch jobs, that pushes salaries higher.

Regardless of occupation, people with a bachelor's degree in a STEM major make roughly $500,000 more over their lifetimes than non-STEM majors, the Georgetown study found. Over the past 30 years, salaries in STEM-related jobs have jumped faster than those for any occupation other than health care professionals and managers. STEM wages rose 31 percent over the past 30 years compared with 23 percent for all non-STEM occupations.

Workers with associate degrees in STEM fields out-earn 63 percent of people who have bachelor's degrees in other fields, the study found. Almost half of workers with bachelor's degrees in STEM fields out-earn workers with doctorates in other fields.

The average wage for STEM occupations in Idaho was $32.15 an hour while the average wage for all other occupations was $16.71 an hour, according to the Idaho 2011 Occupational Employment and Wage Survey.

THE UNIVERSITY OF IDAHO AND STEM

The University of Idaho plays many roles in expanding and improving STEM programs throughout the state and STEM education and research on campus.

About 33 percent of all degrees from the university are in STEM disciplines compared with an average of 12 percent at the other state institutions. University President Duane Nellis sees STEM education as "essential for gaining profitable new industries and jobs in Idaho."

The university is working on several projects to improve the STEM pipeline in classrooms from kindergarten through 12th grade where future scientists, mathematicians and engineers come from. The school wants to spark awareness of science and math in kindergartners, encourage that interest in elementary school and prepare more high school graduates for college STEM courses.

Through an initiative largely funded by the Micron Foundation, the university is trying to determine why some Idaho students may not perform well in STEM or pursue STEM careers. Since 2010 the school has been identifying student, parent, teacher and community perceptions of the relevance of STEM education to future employment along with the conditions that facilitate or deter student STEM achievement. Then it will develop educational programs to improve STEM training, using statewide partnerships.

The University of Idaho hosted a statewide technology competition for elementary and middle school students in Moscow last December in collaboration with an international organization called the FIRST LEGO League.

More than 400 Idaho students ages 9 to 14 spent up to eight weeks programming robots to perform complicated missions involving food safety. An important component was talking to experts in the field, said Tim Ewers, associate professor in the UI College of Agriculture and Life Sciences and director of the state FIRST LEGO League program. "A lot of kids in our society think of a scientist as a white guy with crazy hair," Ewers said. "But if they go out

and start meeting them, like they're doing today, that gives them an actual perspective of what they can do. And what's so important, is developing a realistic perspective that these kids absolutely can be engineers and scientists."

The final part of each team's research involved writing abstracts of their projects and presenting them to a panel of judges. Awards were given in several categories including mechanical design, robot performance, gracious professionalism, innovative solution, teamwork and inspiration.

The Palouse-Clearwater Environmental Institute in Moscow provides a number of local programs to teach adults and children about ecology and related scientific issues. It collaborates with the University of Idaho on the McCall Outdoor Science School, the only outdoor science camp in Idaho. The McCall programs use the outdoors as a context for learning about science, math, technology, engineering, language arts and teamwork. They also provide teachers with a model for integrating inquiry and place-based teaching tools into the classroom while linking the university's research and academic programs to Idaho's primary and secondary schools.

The university also uses the 4-H program it administers statewide as Idaho's land grant institution to stimulate children's interest in STEM fields.

The university operates the Idaho STEM Pipeline—an effort to better integrate STEM efforts statewide at every level. Through a user-friendly Web portal, it provides information on various programs to students, parents and teachers.

In early 2011, the university landed a $20 million federal grant to conduct research for the next five years on regional climate change. Researchers will share their findings about climate change and innovative agricultural solutions with students at elementary and high schools in the region.

A $2.9 million National Science Foundation grant is financing a five-year project that connects water researchers with middle and high school classrooms in rural northern Idaho and eastern Washington. Spearheaded by the university's Waters of the West program, it pairs graduate-level scientists with science teachers to enhance education on water resources through new classroom activities, workshops and field projects.

OTHER PROGRAMS TO IMPROVE STEM SKILLS

The Palouse Discovery Science Center in Pullman helps elementary and high students throughout eastern Washington and north central Idaho get excited about science. It hosts dozens of field trips focusing on various scientific topics. Exhibits provide hands-on learning about everything from brain functions to anti-gravity mirrors, lentils and mammoth bones. Funded in large part by Schweitzer Engineering Laboratories, it also tries to incorporate what local science-oriented businesses are doing in such areas as nanotechnology, biological research and water quality.

Agriculture and chemistry students at Troy Junior-Senior High School have been learning about green energy. Last spring, they processed their own biodiesel on school property using locally grown rapeseed. After testing in the chemistry lab, the students used the biodiesel to run various motors in the ag shop. Its curriculum was called exemplary by the Northwest Accreditation Commission.

To improve the manufacturing skills of the local workforce, the Clearwater Economic Development Association and the Northwest Inland Manufacturers Association are working with Lewis-Clark State College and the University of Idaho to expand use of a program called Solid Works in professional-technical education at six high schools in Cottonwood, Kamiah, Moscow, Lewiston, Nezperce and Orofino. Solid Works is a three-dimensional, solid modeling software program used for manufacturing design and teaches students skills in high demand by local manufacturers. As part of the Solid Works initiative, the two associations are exploring the workforce needs of local manufacturers. In addition, the college will develop mentoring and job shadowing programs with local manufacturers, exposing more students to job opportunities in the manufacturing sector. Other partners include Valley Vision and Idaho Tech Prep. The initiative will serve as a model for future workforce development projects that respond to rural manufacturer needs.

Three Kamiah High School students won gold and silver medals at the national SkillsUSA competition in June. About 5,600 students from across the nation participated in contests judged by industry experts. SkillsUSA seeks to increase the technical skills of America's future workforce. Two of the Kamiah students used Solid Works in the technical drafting competition.

Potlatch Elementary School teachers have been incorporating the nation's space agency programs to improve STEM skills. Last spring their efforts paid off when the sixth-grade class won a national contest sponsored by NASA. Astronauts on board the International Space Station conducted an experiment designed by the sixth-graders. First, the teachers videotaped the students performing the experiment, and then two astronauts tried the same experiment in a zero-gravity environment.

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RESEARCH STUDY YIELDS JOBS FOR SOUTHEASTERN IDAHO

Franklin County came through the recession better than most counties in southeastern Idaho and the state. In November the county's unemployment rate was 6.9 percent compared with 8.5 percent statewide.

But the rate does not reflect the large number of Franklin County workers, who are underemployed.

In November 2008 Franklin County obtained a Rural Business Development Grant from the U.S. Department of Agriculture to study the feasibility of an equine center. The study found that such a business would likely succeed and would have a major economic impact on Franklin County and the surrounding area.

All too often research on economic development does not lead to job creation. But the Franklin County case may be the exception.

Ernest Bleinberger, a businessman with 18 years of experience in the equine industry, found the results of Franklin County feasibility study very promising.

"The area offered great potential for a new equine complex," Bleinberger said.

With a group of investors, he bought 167 acres on the outskirts of the city of Franklin last year. The project has obtained needed local permits and approvals, and Bleinberger credits "the positive attitude of local government leaders (that) has sped up our ability to pursue this venture."

The $80 million complex will include a 75-room hotel, condominiums, commercial space for other businesses, an arena and a veterinary hospital. Most of the construction labor will likely come from southeastern Idaho and northern Utah.

According to Bleinberger the area is attractive because it is close to Salt Lake City, Bear Lake and Yellowstone National Park – all of which attract tourists.

"Many people in the equine industry travel through this part of the county with their horses," he said. "Our hotel and facilities are one of the few places that cater to the lodging and hospitality needs of both horses and their owners."

The complex hopes to attract an interesting mix of rodeos, livestock shows, year-round farmers markets, organic food retailers, restaurants and a grocery store.

The equine industry and gambling are often associated with each other, but Bleinberger says there are no plans to include gambling in the complex.

"If everything goes according to schedule, we expect to begin construction on the project in June or July," Bleinberger said. He estimated that when completed the new complex and its associated businesses will create up to 300 jobs – everything from hospitality workers, managers and sales associates to trainers, horse groomers, veterinarians, exercise riders, maintenance people and security staff.

The project is a major step forward for Franklin County – an example of how a rural local government can work effectively with the U.S. Department of Agriculture to promote economic development.

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GILLIAM LEAVES BANNOCK DEVELOPMENT FOR COMMERCE

As a region southeastern Idaho has fared better than most of Idaho during the economic hard times of the past few years. The regional unemployment rate for November was 7.6 percent compared with a statewide rate of 8.5 percent. An important factor in the region's lower unemployment has been Gynii Gilliam and the Bannock Development Corp.

Gilliam has left her job as executive director to become the chief economic development officer for the Idaho Department of Commerce.

She joined the Bannock Development Corp. in 2006 after leading simultaneously the economic development organizations in Custer and Lemhi counties where she was instrumental in the creation of 300 new jobs. Her efforts lowered their combined unemployment rate from 7.8 percent to 4.8 percent.

In Bannock County Gilliam strove to create a team to promote economic development throughout southeastern Idaho. She brought together the resources of city, county and state organizations to achieve economic growth during difficult times.

According to Bannock Development, her efforts helped lead to the creation or retention of over 3,000 jobs in the Pocatello area. The efforts of both Gilliam and the development corporation helped keep the region from feeling the full force of the recession, providing work for many.

Those who worked closely with Gilliam praised her leadership and team spirit. Kandi Rudd, manager of the Idaho Department of Labor's Pocatello Office and a member of the development board said Gilliam was successful "because of her positive attitude, endless support of the community and her ability to collaborate. Prospective employers can count on Gynii to take care of them from start to finish."

The successes of Gilliam and her team are many.

- A $315 million in government and private grants to support job creation and retention.
- Working with area and state leaders including Gov. C.L. "Butch" Otter to secure the Allstate Insurance call center in Chubbuck and 575 jobs.
- Luring Hoku Materials to Pocatello and its 175 jobs.
- Helping ON Semiconductor and Petersen's complete multimillion-dollar expansions.

Angie Callaway, Gilliam's assistant at Bannock Development, called Gilliam an "amazing sales person for Pocatello, Chubbuck and Bannock County. Her hard work at establishing strong partnerships with our businesses, local government and the state has created a strong economic development team that not only helps BDC respond quickly to the client requests but also sends the message that the company would be enthusiastically welcomed to join our Pocatello/Chubbuck community. This combination has proven effective."

Gilliam's new duties as chief economic development officer give her the opportunity to do statewide what she did for southeastern Idaho.

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2011 TOP 10 DEVELOPMENTS IN SOUTH CENTRAL IDAHO

1. Agro Farma broke ground for its $128 million Chobani Greek Yogurt production plant in Twin Falls, bringing an initial 400 jobs to the region.
   » This means the valley *will have culture and its healthy yogurt products that are popular nationally.*
2. The new St. Luke's Magic Valley Regional Medical Center opened.
   » This means the region is *home to the most state-of-the-art health care facility in Idaho.*
3. A major street widening and improvement project was completed after three years, meeting demands placed on the system by a new high school, Walmart and the hospital.
   » This means *Twin Falls is more accessible and safe.*
4. WEL Companies of DePere, Wisc., invested in the former Kiefer-built building in Gooding, adding up to 50 transportation and warehousing jobs.
   » This means *south central Idaho makes sense for logistics.*

5. Gem State Processing, headquartered in Oregon, built a new potato processing plant in Heyburn at the former J.R. Simplot potato processing plant, increasing employment by 50.
   » This means *diversification in an economy still rooted in agriculture.*
6. Sun Valley resort celebrated its 75th anniversary in grand fashion with fireworks, ice skating and twilight ski procession down Baldy Mountain.
   » This means *Sun Valley continues to be a class act as it celebrates its success.*
7. Tom Courtney concluded a 40-year distinguished career as Twin Falls city manager.
   » This means *Twin Falls is a community that provided sufficient challenge and quality of life to retain great talent in its top public servant.*
8. A day-long homecoming celebration for the 116th Calvary Brigade Combat Team was held at the Eldon Evans Expo Center.
   » This means the region *has veterans searching for employment now.*
9. Idaho's state employment rate estimate for November 2011 dropped to 8.5 percent, down a full point and a quarter in just eight months, translating to 8,000 fewer unemployed. Regionally, there were 795 fewer unemployed with 1,600 more on the job and almost 850 more in the civilian labor force.
   » This means *our labor pool is growing again. While there are fewer new entrants from other states, the pool is being fed by those who normally might retire, stay home to manage the household and kids or go to college had they the money.*
10. Commodity prices were high across the board so growers had less to complain about even with high input costs.
   » This means a *great economic impact for the region across the board.*

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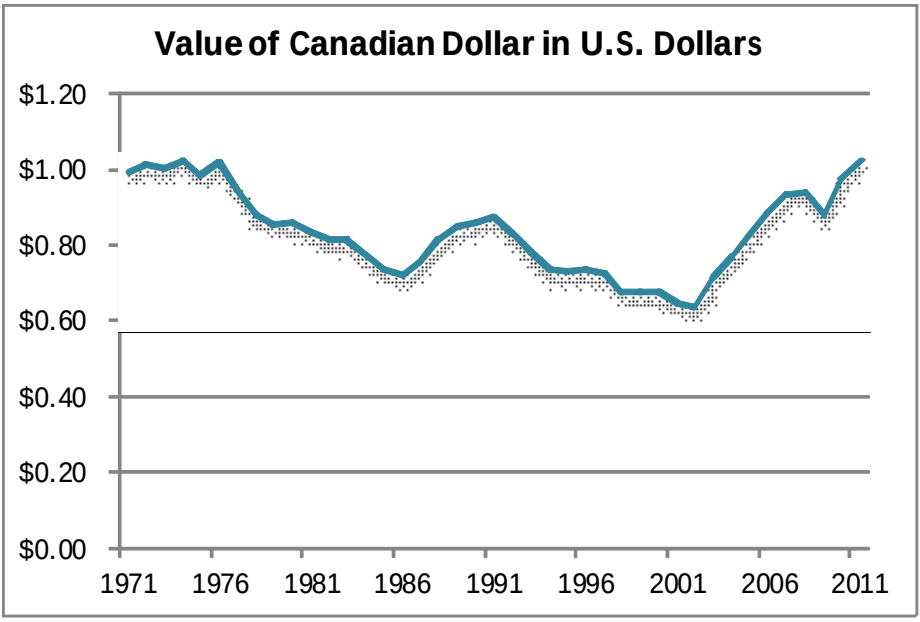
NORTH CENTRAL IDAHO 2011 IN REVIEW

Recovery from the 2007-2009 recession continued to be painfully slow in 2011. In north central Idaho, like the nation, the economy seemed mired most of the year. While some industries grew, others lost just as many jobs. Three counties gained jobs. Two lost them. Unemployment remained high, but incomes rose.

Manufacturers, farmers and the tourist industry have benefited the last few years from the depreciation of the dollar, which makes American products – and traveling in the United States – less expensive for foreigners. It also makes foreign products and destinations more expensive for Americans.

Local wood product manufacturers and tourism businesses have especially benefited from depreciation relative to the Canadian dollar. For much of 2011, the Canadian dollar bought more than a U.S. dollar's worth of goods and services. That helped reduce Canadian imports of lumber and other wood products and caused more Canadians to visit the U.S. while keeping more Americans touring on this side of the border. In July, the Canadian dollar peaked at $1.05, its highest level since at least 1971. Between 1971 and 2006, the Canadian dollar averaged 82 cents against the U.S. dollar.



NEZ PERCE TRIBE IN 2011

The Nez Perce Tribe has a payroll of nearly 1,000 people, making it the fourth largest employer in north central Idaho after the University of Idaho, Clearwater Paper and ATK Inc. It is involved in many projects that affect the economy of the four counties encompassed by the reservation.

The tribe continues to lead the region in salmon recovery efforts and habitat restoration, working with the Forest Service, Bureau of Land Management and private land owners. The tribe's fisheries department released over 8 million fish in 2011 in streams and rivers where they will return to spawn. For the third year in a row, the hatchery built in 2002 was in full production. The program's success was obvious when the Clearwater, Snake and Salmon rivers teemed with fall chinook salmon. The tribe also reached a milestone in coho recovery in March when it released 550,000 smolts that were offspring of adult coho that returned to tributaries of the Clearwater River. In the 1990s, the tribe began trying to re-establish the species by releasing juvenile coho in the Clearwater Basin. Most years at least some of those fish have come from coho adults that returned to hatcheries on the lower Columbia River. But 2011 marked the first time all of the juvenile fish came from coho that returned to Lapwai and Clear creeks near Kooskia.

Salmon managers from tribal, federal and state agencies expect a near record 73,000 hatchery spring chinook to at least reach Lower Granite Dam on the Snake River on their return from the ocean. Last spring, about 60,000 were counted at Lower Granite. They also predict the return of endangered Snake River sockeye to be similar to last year's run of about 1,900. Returning fall chinook are expected at the high levels of last fall.

The tribe plans to break ground soon for a $10 million expansion of its Clearwater River Casino near Lewiston. The addition will replace the 900-seat tent event center with a 1,200-seat building that includes a 130-seat bingo hall and space for 200 more video gaming machines. When construction is completed at the end of the year, the casino will add more workers to the nearly 300 currently at the casino, restaurant, hotel and convenience store.

The tribe and the city of Lapwai opened an $8.5 million wastewater treatment plant to serve 4,500 Lapwai Valley residents last summer and accommodate industrial and population growth.

The Nez Perce Tribe is extending its fiber-optic, broadband network, providing valuable "middle mile" access to help communities on and near the reservation. It is working with First Step Internet of Moscow, which has a grant secured by the Clearwater Economic Development Association to extend high-capacity Internet service throughout the region. The tribe is also working with Inland Cellular in Lewiston to expand wireless service to help existing businesses grow and to attract new businesses and residents by improving Internet training opportunities and enhancing Internet services at schools and libraries.

Also in 2011, the tribe opened a radio station in Kamiah and expanded the Appaloosa Express, which offers regular bus service between Lewiston and Lapwai, Orofino and Lapwai and Orofino and Kooskia.

CLEARWATER COUNTY IN 2011

While celebrating its centennial in 2011, Clearwater County's economy was on the rise. Nonfarm payroll jobs rose 1 percent, a marked contrast to the annual declines of 2 percent or more the prior four years. Last year, the private sector added nearly 70 jobs while the public sector lost nearly 40.

High foreign demand for logs and lumber allowed the county to add another 20 logging and lumber mill jobs in 2011. After a long-term decline, logging and mill jobs peaked during the housing bubble at close to 400 in 2006. When the bubble burst, they fell to a low of 190 in 2009. Although the market has stabilized, the county has only regained about 30 of those jobs.

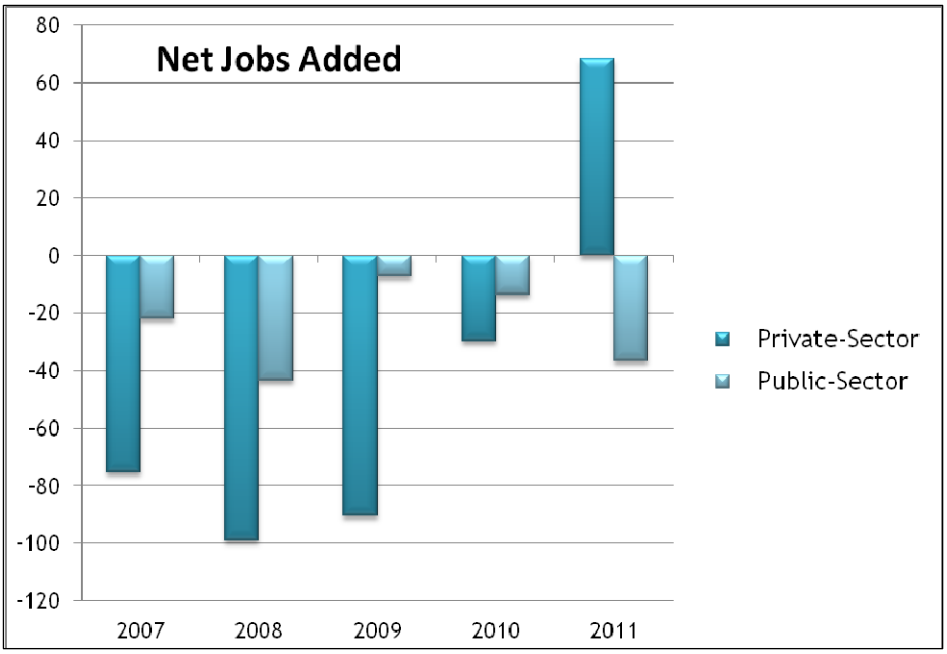
To create more forest products jobs, the county is pursuing a biomass plant in Orofino to generate electricity for sale to the grid by burning wood waste. As well as employing at least 25 people, it would create jobs in the forest. Excess steam would be used to heat the prison next door, making it less costly to operate and therefore more likely to remain open.

The Clearwater Basin Collaborative will provide dozens of jobs over the next 10 years by thinning the national forest and restoring habitat for fish and wildlife. The collaborative of environmentalists, forest industry representatives, the Nez Perce Tribe and local government representatives working with the Forest Service to develop a plan for the Clearwater and Nez Perce forests could result in easier federal timber sales by reducing the likelihood of litigation.

Until the Jaype mill closed in 2000, the largest private-sector employer in the county was always a mill and until now at least the largest manufacturer. But in 2011 the county passed a milestone when Nightforce Optics became its largest manufacturer and wood products no longer provided more than half of the manufacturing jobs. Today, the county has five wood products manufacturers employing fewer than 60 people and 17 other manufactures employing more than 130 people. When Nightforce Optics moved its rifle scope production to Orofino in 2000, it employed three people. Since then employment has soared to about 80 today and a second shift is expected to be added in the next few months.

Farmers on the Weippe Prairie had a pretty good year – high prices and better-than-average yields on planted fields. But harsh weather in the spring prevented some farmers from planting spring wheat. Still farmers saw their spending power rise.

During and right after the recession, government provided some job stability. Then state and local budgets tightened, and government, especially the federal government, began shedding jobs. The Forest Service plans to consolidate the Clearwater and Nez Perce national forests, eliminating 36 jobs over the next three years. The Clearwater's headquarters in Orofino would probably close when its lease runs out in three years. The Postal Service says it will close the post office in Elk River early this year and possibly the post office at Ahsahka. Other major employers include the Army Corps of Engineers, fish hatcheries, a state mental hospital and a state prison. Together, federal and state government agencies employ 530 people – nearly one in five payroll workers – down from 570 four years ago. Local governments lost about 60—more than 10 percent—of their jobs.



The National Guard still plans to open a Youth Challenge school in Pierce this fall, although funding issues have delayed the project. It would provide two classes of up to 120 students each. The 22-week boot-camp program would employ 56. The economic impact of the program is estimated to be $2.7 million a year – $1.6 million from its payroll and the rest from its spending locally for supplies and its employees' spending. A foundation is working to raise the $200,000 match required to start the program. The federal government will pick up three-quarters of the annual costs of operation, and the foundation will provide the rest. The J.A. and Kathryn Albertson Foundation has committed to contribute $450,000 per year for four years.

Construction employment increased in 2011 with construction of Commercial Park, a 10,000-square-foot business center. Work also began on the $1.4 million Deyo Reservoir project, and the old school in Pierce was renovated for the Youth Challenge school. Contractors will finish the Deyo project this year. After enough time for the reservoir to fill and then sediment to settle, it should be ready for fishing by the fall of 2013. In the Clearwater Na-

tional Forest, work on bridge repair, road resurfacing and recreation site improvements continued through the fall under contracts awarded in 2010 and funded by the federal stimulus. The Idaho Department of Environmental Quality awarded Orofino an $8.5 million interest-free loan for a new water treatment plant, water intake system and pump station and to upgrade the Wixon Heights water reservoir and associated transmission lines. Construction is expected to be completed by July 2013.

Retail activity picked up in 2011, rising for the first time in four years. According to sales tax reports from the Idaho Tax Commission, taxable sales in the first three quarters of 2011 totaled $34.7 million, up 6 percent from $32.8 million in the same period the year before. When adjusted for inflation, sales were down 15 percent from their 2007 peak.

Although hotel visits declined in 2011, visitors were spending a little more freely than in the last couple of years, and locals also were visiting local restaurants and tourist attractions in greater numbers. Unusually cool, wet weather through June dampened tourist activity in the first half of the year. In the first 10 months of 2011, hotel-motel receipts were $1.7 million, down 10 percent from $1.88 million in the same months the year before. The net result was a little job growth—an estimated 3 percent—in the leisure and hospitality sector.

Clearwater County's unemployment rate remained in the same range in 2011 as the year before – between 15 percent and 16 percent. High unemployment is not unusual in Clearwater County. Its annual rate was above 10 percent in all but five of the last 30 years. Shrinking job opportunities in forest products forced many residents to move out, causing the population to decline 16 percent since 1980. In the same period, the U.S. population grew 36 percent. The population probably fell by 30 to 50 residents last year, as it did the year before that. That would give the county a 2011 population of about 8,700.

IDAHO AND LEWIS COUNTIES IN 2011

In 2011, just as in 2010, it seemed like for almost every step forward, there was another one back. Nonfarm payroll jobs ended up marginally higher than the level of 5,632 the year before. The counties' combined unemployment rate hovered in the same range – above 10 percent – as in 2010.

The most important sector – farming and ranching – performed well in 2011. Strong prices for wheat and other crops and record high prices for cattle helped boost agricultural revenues above their fairly high level in 2010. Farm incomes probably rose significantly, despite increased costs for fuel and other inputs and difficulties planting spring wheat, which makes up a quarter of the wheat planted in the area.

Commissioners in both counties declared an agricultural emergency in June because many farmers were unable to plant spring crops. More than 46,000 acres went unplanted because rain made fields too muddy. Yields were above average on the acres that were planted.

More than four-fifths of Idaho County – Idaho's largest geographically – is covered by national forests so the Forest Service is a major employer. Cool, rainy weather reduced the risk of forest fire, requiring fewer seasonal work-

ers. At the same time, smaller budgets reduced long-term employment. So, the Forest Service employed fewer people in 2011 than the year before. Tighter budgets also caused other federal agencies, state government and some local governments to lose some jobs – mostly by attrition. The public sector lost about 30 jobs last year while the private sector gained about 70.

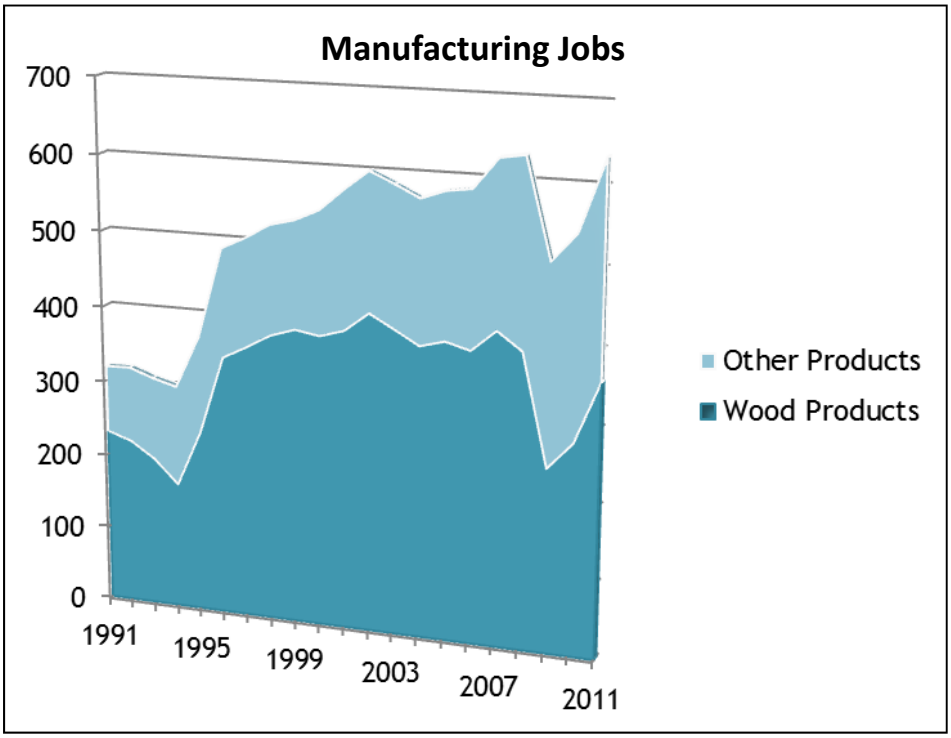
Lewis County gained jobs in 2011 while Idaho County lost them, following the pattern of recent years. Between 2007 and 2011, Lewis County's nonfarm payroll jobs rose 8 percent while Idaho County's fell 8 percent. In the same period, U.S. jobs fell 5 percent.

Technology and reductions in timber harvests on the national forests has reduced logging and wood products jobs over the years, aggravated when the housing bubble burst. With lumber prices above their low levels of a couple of years ago and strong demand from overseas, the county recovered some of those lost jobs in the last couple of years. This summer, in part because of expanded Asian sales, the Idaho Forest Group mill in Grangeville brought its employment to 160, slightly higher than its pre-recession level. The reopening of the Three Rivers Mill in Kamiah by Blue North Forest Products in the fall of 2010 added nearly 50 jobs between 2010 and 2011. Logging and wood products manufacturers added about 90 jobs last year and 60 the year before, but remain about 60 jobs short – 14 percent – of their prerecession level.

Non-wood manufacturing employment expanded during 2011 as it has every year since 2002. It rose from 179 in 2002 to an estimated 275 by 2011. Several manufacturing operations expanded during the last year or prepared to expand in the next year or two.

- Hillco Technologies is enjoying strong sales for its leveling systems for farm combines and is working with John Deere Co. to develop technology that gathers crop residue so it can be converted into biomass fuel. The Nezperce manufacturer added a few jobs last year and now employs more than 40 people. Hillco is also considering making parts for armament or tanks. Through a pilot program developed by the American Manufacturing Network, the company is learning how to land and manage government contracts.
- Idaho Sewing for Sports near Grangeville added a handful of jobs and expects to double its employment to nearly 40 in two years. It primarily makes padding for ski lifts and sports arenas. Increased sales to Canadian ski resorts are driving growth.
- Despite the depressed construction market, Advanced Welding and Steel Co. doubled its workforce to 40 in the last four years. The company just outside Grangeville makes metal skeletons – including beams, columns, stairs and handrails – for large buildings throughout the West.
- A lost-foam foundry opened in early 2011 at the Craigmont industrial park created by the Clearwater Economic Development Association. It currently employs three but is expected to employ nearly 20 in two years. Craigmont used a $500,000 community development block grant for infrastructure improvements at the industrial park, which provides space for manufacturers and wholesalers.

- Pacific Cabinets Inc., which employs almost 50 people near Ferdinand, is thriving because its expertise in medical cabinets let it take advantage of the only growing construction field – hospitals and other medical facilities. By implementing employee suggestions for improvement, the company reduced overall costs by more than 15 percent in the last two years.
- Anderson Aeromotive, one of the world's largest repair shops for radial engines, plans to break ground on a 40,000-square-foot hangar at the Idaho County Airport this year. The hangar to serve customers from around the globe, will allow the company to hire 15 more people. Despite a tight budget last year, commissioners invested nearly $500,000 to upgrade the infrastructure at the airport to help Anderson expand and to attract other businesses.



Heavy rains in the spring and early summer kept anglers, whitewater fans and other visitors away while the sour economy stifled business travel. Hotel-motel receipts in the first 10 months of 2011 were 16 percent lower than the same months the year before. Jobs in the leisure and hospitality sector fell 7 percent from 468 in 2010 to 434 in 2011.

Riggins is among the Idaho cities hosting the world jet boat marathon championship in mid-April. The races will begin in St. Maries and Lewiston and then move to Riggins, where the awards banquet will be held. The Salmon River Chamber of Commerce is the lead organization and the main contact in Idaho for race organizers.

The retail sector showed significant signs of improvement, with sales subject to sales tax growing 11 percent from $77.9 million to nearly $86.8. Higher farm incomes drove most of the increase.

Road construction and the last of the Forest Service stimulus projects limited further erosion in the construction sector. Some retirees moving into the county and building houses also helped buoy construction although there are fewer moving in now than there were four or five years ago. Population in

the two counties grew by about 100 in 2011, bringing Idaho County's population to 16,370 and Lewis County's population to 3,840. Before the recession, about 150 people were added to the population base each year. Construction employment last year was 17 percent below its 2007 level. In the same period, U.S. construction employment fell 27 percent.

The availability of workforce housing is an issue in the two counties as illustrated by Cottonwood's recent loss of 18 housing units. In April 2011, the Idaho Department of Correction sent eviction notices to its employees living in a department housing complex on the northern city limits of Cottonwood. The development was originally built in 1955 to house Air Force officers assigned to the Cottonwood Butte. When the Air Force left in the mid-1960s, the Jobs Corps took the site over until the prison was built in 1974. Prison employees have been living there since. The state bought the land for $1 in 2006 and in April found out it no longer could insure the property that was plagued by asbestos, poor grounding, lead paint and other problems. The alternative was to demolish the complex. The evicted workers and their families had trouble finding affordable housing in the area, underscoring the long-term concerns about affordable housing. Manufacturers like Pacific Cabinets, Hillco Technologies and Militech report problems attracting employees because of the lack of affordable housing, and similar concerns have been expressed in other communities. The Clearwater Economic Development Association is pursuing several solutions, and the city of Cottonwood plans to conduct a market study to determine the viability of a new housing project in the area of the demolished complex.

LATAH COUNTY IN 2011

The farm sector was the brightest spot in Latah County's economy last year.

Prices for agricultural products were high and yields were above average despite a late start to the growing season and subsequent delay in harvest by up to three weeks. A good year for farmers helps retailers, wholesalers and service providers. Growing demand for garbanzos, dried peas and lentils led the Pacific Northwest Farmers Cooperative to invest $1.8 million in new processing equipment. That brought its employment in Genesee from 34 to 40.

More than one in four Latah County jobs are at the University of Idaho, which employs 4,400 people in Moscow. In the last two years, the university has eliminated 217 full-time positions. Enrollment at the school remained virtually unchanged this fall, reaching 12,312, just 10 more than the previous fall. Last winter, the university received a $20 million federal grant – the largest grant it has ever received – to conduct research for the next five years on regional climate change.

With hundreds of Latah County residents working for Washington State University or Schweitzer Engineering Laboratories, the rapid growth at Schweitzer, which added more than 300 jobs in 2011, has offset some of the job losses at the university. Despite severe cuts in state funding, the school has managed to prevent even more job losses by expanding its research projects and by increasing enrollments and tuition. Since Moscow is the major retail center for the Moscow-Pullman area, growth of Pullman's population including students helps Latah County retailers. Layoffs and pay cuts at both

universities reduced consumer spending in the area over the last three years although rising enrollments partially offset the decline.

The timber industry – which plays a major role in the Potlatch, Elk River and Kendrick areas – recovered more of the jobs it lost during the recession. Wood products manufacturing, whose largest employer is the Bennett lumber mill in Princeton, finally employed as many people as it did before the recession, but logging employment still is only four-fifths of its 2007 level.

Other manufacturing operations added about 20 jobs, 10 percent, in 2011. Machine shops and equipment makers added most of those new jobs. Fab Tec Inc., a Moscow company that produces portable processing machinery for the rock-crushing industry, is the largest of those companies. It employs more than 40 people and sells its equipment all over the world. Abbot Inc. in Troy is a machine shop specializing in heavy industrial steel fabrications and installations for lumber mills, farms and fire fighting. PNW Arms, an ammunition maker, moved from the Seattle area to the D8 building just outside Potlatch last October after the precision mold maker moved out. PNW employs more than a dozen – about the same as D8 – and expects to expand in the next few years.

Several projects could help expand the county's manufacturing potential. Potlatch is studying the feasibility of opening a light industrial park along the Palouse River. Moscow plans to build a 65-acre light industrial park that would have space for 780 jobs. Mike Meehan, founder of Biketronics, hopes to create a nonprofit to spur the creation of small, dynamic manufacturing companies in north central Idaho. The Idaho Fab Lab, which would be located in the Biketronics plant, would feature an area where entrepreneurs could use manufacturing equipment. It also would offer safety training and entrepreneurship classes. Moscow's economic development department, the Idaho Department of Commerce and TechHelp are working with Meehan.

Technology transfer, the creation of businesses using technology developed at the University of Idaho, not only leads to the development of manufacturing but also to growth in professional services. Management, scientific and technology consulting and research companies employed about 30 people in 1995. Eight years later they employed 94. Today their payrolls total more than 290. Economic Modeling Specialists Inc. in Moscow employs 55 people to provide economic consulting services and develop Web-based tools for analyzing regional economic and labor market data. Other major players include EcoAnalysts, which provides biological assessment and consulting services all over the world; GoNano Technologies, which develops microscopic nanosprings to store vast amounts of electrical energy; First Step Internet, which designs distributed computing environments, groupware, graphical user interfaces, application level productivity tools and multimedia tools; BioTracking, which develops pregnancy testing kits for livestock and wildlife; and Anatech Labs, which does water testing, other environmental work and pharmaceutical testing.

Construction employment dropped slightly in 2011, declining for the fifth year in a row. For every three jobs the county had in construction in 2006, it had only two in 2011. Housing construction remains depressed, and commercial construction is relatively low. In 2011, Potlatch finished an $8 million upgrade of its wastewater treatment facility. The University of Idaho completed

three construction projects – an $11 million safety upgrade of the Kibbie Dome, $5.2 million in improvements to seating for the dome and a $2.5 million reconstruction of the Dan O'Brien Outdoor Track and Field Complex.

The closure of the Moscow Walmart in September 2010 more than offset significant job gains at other retailers, causing a 5 percent decrease in average retail employment between 2010 and 2011. That 200-job loss will be erased at the end of January when Walmart reopens the store that it expanded to sell groceries. Increased spending by farmers and population growth helped retail sales increase slightly despite the shakiness of the local economy. Sales subject to sales tax grew 1 percent from $125.3 million in the first three quarters of 2010 to $126.6 million in the same period of 2011.

Latah County	2007	2010	2011
Total Nonfarm Payroll Jobs	15,380	14,800	14,653
Logging & Mining	273	204	200
Construction	611	422	408
Manufacturing	424	369	413
Wholesale Trade	210	290	293
Retail Trade	1,944	1,713	1,623
Transportation & Utilities	97	88	82
Financial Activities	495	421	432
Professional & Business Services	682	709	725
Educational & Health Services	1,529	1,614	1,638
Leisure & Hospitality	1,835	1,708	1,677
Information & Other Services	846	801	749
Government-Education	5,563	5,567	5,525
Federal Government	203	208	192
State Government Except Education	107	101	98
Local Government Except Education	561	585	598

Tight budgets at colleges across the nation resulted in less business travel and fewer meetings in Latah County in the last few years. In 2011, the downward slide stopped but wasn't reversed. Hotel-motel receipts between January and October 2011 were about 3 percent lower than in the same 10 months in 2010. Leisure and hospitality employment fell an estimated 2 percent from 1,708 in 2010 to 1,677 in 2011. Despite the lingering effects of the recession, the county's tourism sector expects long-term growth. A 73-room Fairfield Inn and Suites by Marriott is under construction and will open this fall.

The U.S. Postal Service is likely to close the post offices at Bovill, 11 miles northeast of Deary; Harvard, eight miles east of Potlatch; and the University of Idaho.

Moscow continues its strong economic development push. Its biggest project is creation of Legacy Crossing, a large mixed-use development centered on a former grain elevator in the blighted area along an abandoned railroad between the university and downtown. The city is using a brownfields grant to prepare the site for development.

The Latah Economic Development Council is exploring the feasibility of creating a food innovation center, where new food products can be devel-

oped and marketed. Spin-off companies would create manufacturing jobs in the county. The center would leverage two of the county's greatest strengths – the research skills of graduates and faculty at the University of Idaho and the Palouse's bountiful harvests of wheat, garbanzos, peas and lentils – to create jobs and business opportunities for entrepreneurs and farmers.

Latah County probably added about 300 people to its population base between 2010 and 2011, growing to 37,600, mostly because of the enrollment surge at the university in the fall of 2010. The growth added about 300 people to the labor force so even though the number of employed residents increased, the unemployment rate remained in the same range in 2011 as the year before – around 7.8 percent.

NEZ PERCE COUNTY IN 2011

As Nez Perce County struggled to recover from one of the four worst economic periods in its long history, it also celebrated that history. Throughout 2011, Lewiston held several events to commemorate its sesquicentennial. The county threw a party in December for its own 150th birthday, remembering when it was carved out as the second county in what is now Idaho.

Enrollment at Lewis-Clark State College hit a record 4,693 last fall, 3 percent higher than fall 2010. The school has relied on rising enrollment and tuition increases to help offset cuts in state funding. It increased resident tuition 7 percent this fall from $4,998 to $5,348 per year.

RegenceBlueShield was the source of dozens of new jobs in 2011, bringing employment at its Lewiston health insurance center above 725 from 655 the year before.

Manufacturing employment grew about 1 percent – only about 20 jobs – between 2010 and 2011, moving closer to the prerecession level. In the same period, the U.S. lost 16 percent of its manufacturing jobs.

- Clearwater Paper's decision to close the Lewiston mill on Oct. 26 and idle 250 workers sent shock waves throughout north central Idaho and southeastern Washington. Since the mill opened in 1927, it and the paper mills that grew up next to it have been the area's largest private-sector employer. Idaho Forest Group, which purchased the mill for $30 million, reopened it in December with less than half the payroll. The new owner is discontinuing the cedar operation and will auction the equipment. Idaho Forest Group plans upgrades that will boost the mill's capacity to the largest of its five mills, eventually creating more jobs over the next two years.
- Clearwater Paper continues to employ 1,350 people at its paperboard, pulp and tissue operations in Lewiston. Employment remained stable in 2011.
- The Palouse Lewis Clark Valley Wine Alliance, representing six wineries and eleven vineyards, received an $18,000 grant to help establish a recognized American Viticulture Area – a crucial step to restoring one of the Lewiston area's first major industries. Before Prohibition, vineyards and wineries thrived in the Lewiston Orchards, where the climate is particularly conducive to grape growing.

- Schweitzer Engineering Laboratories is opening its new $11 million manufacturing plant in Lewiston this month with an initial payroll of 60 doing precision injection plastic manufacturing. Eventually it also will make electronic circuit boards, fiber optic cables and other components for electronic instruments and could employ as many as 250 in two or three years.
- Howell Machine added 25 jobs in the last year and expects to add up to another 40 in the next year as it completes a $10 million expansion in Lewiston.
- The Snake River Boat Builders, who have been working together to introduce their jet boats into the European market, exhibited their boats at Europe's largest boat show in Dusseldorf, Germany, last January and at a boat show in Barcelona, Spain, in November. The builders also hosted two European groups. They are working on earning the CE mark, the European Union certification that a product meets consumer safety and environmental standards. Expanding exports and an improved market in the U.S. allowed boat builders to bring back the 120 jobs they shed in the previous three years. Their total employment is again around 240.
- Precision Machine in Lewiston landed a $16.9 million contract from the U.S. Bureau of Reclamation to retrofit and upgrade Hoover Dam over five years. About two-thirds of the estimated 80,000 hours of work will be done in Lewiston. Precision just hired five people, bringing its total employment to 65 with about half in Lewiston and the other half in Spokane.

The only sectors that experienced substantial growth after the recession began were the Nez Perce Tribe and health care. The tribe added about 60 jobs since 2007 at a variety of enterprises and government operations. Residents of surrounding counties rely on the Lewiston metro area for health care services. Although population growth in north central Idaho has been slower than the nation's, its population 65 years and over has grown even faster than the nation's. While 13 percent of the U.S. population is 65 or older, 17 percent of north central Idaho's population is 65 and older. In 2011, there was virtually no growth in the combined education and health care sector because of job losses at agencies serving people with developmental disabilities caused by a 34 percent reduction in the Medicaid reimbursement rate.

Strong commercial and industrial construction helped boost construction employment 11 percent from 676 in 2010 to an estimated 752 in 2011, but sluggish housing starts kept construction employment 12 percent below its 2007 level.

Lewiston made progress on its plans to develop its waterfront, downtown and airport in 2011. It opened a skateboard park on the levees near downtown last spring. Other waterfront projects included an amphitheater, lighting improvements along the river and a sidewalk and tunnel connecting the Bryden Canyon Road area with the levee pathways. A construction project that began in November will expand stormwater capacity in downtown Lewiston. Lewiston's urban renewal agency began a makeover on two major streets in the downtown area. Providing sufficient infrastructure on First and

Fifth streets should make undeveloped downtown properties including the former Twin City Foods site more appealing to businesses. The Lewiston library began working to move into an historic building downtown. The Lewiston Urban Renewal Agency voted this fall to improve a downtown area where a life-size replica of Idaho's first territorial capitol will be built. K&G Construction completed work on renovations at the Alexander Investments building on Main Street. A $3.2 million project to build Southside Industrial Airpark at the airport began in the spring.

The Port of Lewiston, the farthest inland seaport on the West Coast and the only port providing container shipping in the Lewis-Clark Valley, was affected by a shutdown of the Columbia and Snake rivers from Dec. 10, 2010, to March 27, 2011, for repair of the river system's locks. The shutdown, the longest in the system's history, had been announced months in advance, allowing shippers to find alternate means of moving products. Barge transport offers significant savings and is used to move wheat, lentils, peas, logs, lumber and paper products. At an October hearing on the port's proposed expansion of its docks, Bill Flory, a Winchester farmer who serves on the Idaho Wheat Commission, said northern Idaho wheat growers save anywhere from $1.6 million to $8 million a year barging wheat to Portland compared with the costs of rail. The repairs will prevent unexpected shutdowns if the aging locks failed, creating greater cost and inconvenience for the port, industries that ship products on the barge, barge companies and truckers that bring products to and from the port.

Last year was the first year that the port attempted to move a large number of what have become known as megaloads of refinery parts along Idaho roads to out-of-state destinations. The shipments closing both lanes of traffic have been delayed and changed by legal actions in Idaho and Montana. The first four megaloads shipped from the port along U.S. Highway 12 contained parts of a ConocoPhillips refinery bound for Billings, Mont. Initially, Imperial Oil wanted to send more than 200 megaloads of equipment for the Canadian Oil sands from the Port of Lewiston along a 175-mile stretch of the highway to the Montana border, but delays in Idaho and Montana made them cut the size of some of the loads and move them on U.S. Highway 95 through Moscow to Coeur d'Alene and on Interstate 90. Turning 33 loads into 70 loads that can travel along the interstate required about 300 people working for several months. It cost about $500,000 for each large load to be changed into two smaller ones. Imperial Oil originally diverted some of the megaloads to routes from Vancouver, Wash., and the Port of Pasco. It still hopes to ship some along U.S. Highway 12. By the end of the year, five megaloads had traveled from the Port of Lewiston along U.S. Highway 12, and more than 40 had taken U.S. Highway 95 from the port to Interstate 90.

Leisure and hospitality employment rose an estimated 2 percent from 1,798 in 2010 to 1,832 in 2011. That nearly brought it back to its 2007 peak. Restaurants and lodging both added jobs. Hotel-motel receipts rose to a record high in 2011 – even when adjusted for inflation. They rose 22 percent from $7.2 million in the first 10 months of 2010 to $8.8 million in the same period a year later. Tourism was up slightly, held back by poor weather in the first half of the year. As one of the Northwest's warmest areas, the Lewis-Clark Valley often draws hundreds of golfers in February through April. Last spring, rainy weather kept many visitors away. That meant fewer visitors at

	Net Jobs Added		Percent Change	
	2007-2010	2010-2011	2007-2010	2010-2011
Financial Activities	-149	79	-8%	5%
Construction	-176	76	-21%	11%
Leisure & Hospitality	-41	34	-2%	2%
Manufacturing	-56	19	-2%	1%
Educational & Health Services	269	8	8%	0%
Professional & Business Services	-168	3	-13%	0%
Federal Government	13	1	7%	1%
Logging & Mining	-19	-6	-9%	-3%
Information & Other Services	26	-9	2%	-1%
State Government Except Education	-9	-16	-2%	-3%
Wholesale Trade	-67	-16	-11%	-3%
Retail Trade	-485	-17	-17%	-1%
Local Government Except Education	106	-21	7%	-1%
Government-Education	-56	-35	-3%	-2%
Transportation & Utilities	-210	-39	-19%	-4%

local hotels, restaurants and retailers. Most of the growth at restaurants and hotels resulted from the 300 workers staying in Lewiston for more than half the year to cut oil refinery megaloads in half. In April, Lewiston will be one of the Idaho cities hosting the World Marathon Jet Boat Races. The 2012 championship will be held on the St. Joe River near St. Maries, the Snake and Clearwater rivers near Lewiston, and the Salmon River near Riggins. As well as attracting visitors, the races are expected to be a good showcase for regional boat builders.

Lewiston is the region's hub for retail, transportation, wholesale, government services, health care, communications and professional services. Most of these sectors declined during the downturn, which reduced spending by Lewiston metro area residents significantly and by residents of neighboring counties. With job levels increasing marginally and farm incomes soaring, most of those sectors saw some growth in 2011. The retail sector saw some improvements in 2010. Sales subject to sales tax rose 8 percent from $221.2 million in the first three quarters of 2010 to $239.4 million in the first three quarters of 2011. Still retail employment declined slightly from 2,418 in 2010 to an estimated 2,401 in 2011. More than 50 jobs will be added this spring when TJ Maxx opens the $1.7 million store it is building at Nez Perce Plaza.

About 240 people were probably added to the county's population base last year, bringing it about 39,600. Between 2002 and 2007, the county grew by 320 a year. In 2011, enrollment growth at Lewis-Clark State College helped boost the county's 18-to-24 year old population, and some retirees moved in as well. In addition, births exceeded deaths by about 30. Offsetting some of that growth, many young adults and their families moved away for job opportunities elsewhere. The county's labor force declined slightly because of that and others simply giving up looking for work and taking early retirement or becoming full-time homemakers or students. The county's unemployment rate rose marginally from 7.3 percent in 2010 to an estimated 7.5 percent in 2011.

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NORTHERN IDAHO

Benewah, Bonner, Boundary, Kootenai & Shoshone counties

REGIONAL DEVELOPMENTS

In an ongoing effort to meet future state requirements, Millwood-based Inland Empire Paper Co. is working with Corvallis, Mont.-based AlgEvolve Inc. on new biological technology to reduce the amount of phosphorus in the wastewater discharged into the Spokane River during its paper-making process. The company's technology uses algae to remove phosphorus in wastewater from industrial processes and from municipal systems.

COUNTY DEVELOPMENTS

BENEWAH COUNTY

- Chairman Chief Allen announced Heather Keen as the new public relations director for the Coeur d'Alene Tribe. She has most recently served as the Director of Programs and Community Outreach for the Human Rights Education Institute in Coeur d'Alene and previously worked for the Spokane office of Gallatin Public Affairs. She spent several years in Washington, D.C., as a legislative assistant to former U.S. Rep. Joel Hefley of Colorado.
- The Coeur d'Alene Tribe distributed $3.3 million over the last two years under its compact obligation to give 5 percent of its casino profits to local education. The tribe has made $16.8 million in payments from casino profits since 1994. The Plummer-Worley school district received $3.125 million from the tribe during that time including a $220,000 payment in August. The tribal school is the second biggest beneficiary of casino payments – $2.8 million since 1994. Other 2011 recipients include the Sacred Encounters Exhibit, the tribe's FM radio station, the Childhood Learning Center, the Idaho Meth Project, Gonzaga University, the American Cancer Society, Coaches vs. Cancer, the Plummer/Worley School District, the Kroc Center and the University of Idaho. Based on the donations reported by the tribe, the Coeur d'Alene Casino earned about $66 million in profits in 2010 and 2011.

The Idaho Education Network made its final stop in St. Maries. The network links more than 83,000 students in 194 high schools across Idaho. Because of its remoteness, St. Maries was the last high school to join the network, which allows students to access lectures from some of the top colleges and research centers across the globe. Community members may also use the equipment to access specialized training and continuing education.

- The St. Maries city council unanimously approved an ambulance fee increase. No one appeared at the public hearing to speak for or against the hike. Beginning Jan. 1 it will cost between $425 and $455 plus $10 per mile for ambulance services up from $385 plus $8 per mile.

BONNER COUNTY

- The Sagle Fire Department acquired a new fire engine and new living quarters. The district was unable to scare up grant funding for a new station, which would have cost up to $2 million. Remodeling and expanding the existing station to improve its living quarters would have cost an estimated $250,000. Instead, the department opted for an $84,000, 1,250-square-foot prefabricated building. The district put up about $74,000 to install the building, and Bonner County chipped in $10,000 because it will be used to house an advanced life support-certified Bonner County emergency medical services paramedic. The $323,451 fire truck will be purchased using $57,451 in city funds and a grant for the remaining $266,000.

Whitewater Creek Inc., a Hayden-based developer, is planning to break ground on a complex of 50 affordable housing units in Sandpoint near Super 1 Foods. The development will include eight one-bedroom units, 31 two-bedroom units and 12 three-bedroom units. Rent will start at $325, but for qualifying low-income renters, a sliding scale will be implemented to ensure that rent does not exceed 30 percent of their monthly incomes. While Whitewater Creek will be funding the development primarily through credit financing, the plans for high efficiency standards and affordable rent have won it a $1 million federal grant that will help offset construction costs.

KOOTENAI COUNTY

- Whitewater Creek Inc. of Hayden plans to open Coeur d'Alene's Riverstone West's 50 apartments in the affordable housing community in mid-January. The income-restricted units rent for $468, $557 and $638 a month. Some units do not have income restrictions.

- A midtown housing project is moving forward. The Housing Company, a nonprofit arm of the Idaho Housing and Finance Association, could be ready to start building a multi-use commercial and workforce housing complex later this year. The $9 million project would rent studio, one- and two-bedroom apartments to people who earn less than 60 percent of the area's median income.

- Work has started on the Beck Road interchange at I-90 in west Post Falls. The interchange is to become the primary freeway access to the 200-acre Pointe at Post Falls commercial development on the western edge of the city, where the Cabela's store opened in 2007 and a Walmart supercenter opened in 2010. The project will benefit from a funding mechanism called state tax anticipated revenue, or STAR, that was approved by the Idaho Legislature in 2007. The interchange is scheduled to be completed by the end of this year.

SHOSHONE COUNTY

- After a series of accidents killing two miners and injuring seven over the past year, the Mine Safety and Health Administration started investigating Hecla's Lucky Friday mine in Mullan. Part of the mine was closed in late December following a rock burst. The mine was initially expected to reopen at normal capacity by the end of February, but now is reportedly closed by federal directive for a year. The Spokesman-Review reported that about 275 people work at the mine.
- US Silver reported positive outcomes from its drilling programs at the Coeur and Galena mines, confirming further exploration in 2012.

OPENINGS

- Boardwalk Boutique in Coeur d'Alene.

EXPANSIONS

- Timberline added a 10,000-square-foot clearance center in Coeur d'Alene.
- Inland Rentals is now Volvo Rents, a heavy equipment rental company, in Post Falls.
- Cooper Fabrication tripled its footprint to 4,500 square feet in Post Falls.

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NORTH CENTRAL IDAHO

Clearwater, Idaho, Latah, Lewis and Nez Perce counties

REGIONAL DEVELOPMENTS

- Electric rates recently increased for many rural residents of north central Idaho. Clearwater Power Co. in Lewiston and Idaho County Light & Power in Grangeville passed along a 7.8 percent hike from the Bonneville Power Administration, effective Oct. 1. BPA supplies almost all of the electricity for the two utilities, which receive the power through the Pacific Northwest Generating Cooperative. Clearwater Power serves about 8,000 customers in rural parts of Nez Perce, Latah, Clearwater, Idaho, Lewis, Benewah and Shoshone counties in Idaho; Asotin, Garfield and Whitman counties in Washington; and Wallowa County in Oregon. The average Clearwater Power residential customer using 1,100-kilowatt hours a month will see the monthly bill go from $107.45 to $113.80. Idaho County Light & Power serves about 3,700 customers in rural areas of Idaho and Lewis counties. The average Idaho County Light & Power residential user of 1,000 kilowatt hours per month now pays $105, up from $100.

The Clearwater National Forest will close 194 miles of trails and more than 1 million acres to motorized use under a new travel management plan released Jan. 4. The plan forbids cross-country travel by most motorized vehicles and requires all-terrain vehicles, motorcycles and full-sized cars and trucks to travel only on roads and trails that are designated for their use. Some trails that were previously open to motorcyclists year-round will only be open in the late summer and fall in order to protect elk herds when calves are young. The trail closures, which have been expected for more than two years, mainly affect

single-track trails used by motorcycle riders. They fit with a national rule that bans off-trail cross-country travel on nearly all land managed by the Forest Service. The Forest Service said it was balancing protection of fish and wildlife habitat with the desires of motorized and non-motorized users of the forest.

- A visit last May by a Taiwanese delegation to wood product businesses in Idaho resulted in $580,000 in sales and may lead to more. Most of the sales resulting from the trade mission sponsored by the Idaho Department of Commerce were of Ponderosa pine, lodgepole pine and Douglas fir by three companies in other parts of Idaho. Tri-Pro Forest Products in Konkolville near Orofino and Bennett Lumber Products in Princeton have yet to finalize deals with the Korean delegation, but their executives remain optimistic. The sales could help make up for some of China's reduced demand for lumber as its economy cools and for the expected fall in exports as the dollar grows stronger.

NEZ PERCE TRIBE

- The Nez Perce Tribe more than doubled its donations to local education in 2011. The grants, which are 5 percent of net gaming proceeds as agreed to in a compact with the state, rose from $127,000 to $284,000. Donations peaked in 2007 at almost $428,000 and fell sharply as the recession depressed gaming activity. The tribe expects the rebound to continue this year and to climb even higher after the expansion of the Clearwater River Casino, which should break ground in the next few weeks. Money was distributed to programs in Nez Perce, Clearwater, Lewis and Idaho counties based on short grant applications filled out by schools. Two of the grants for $25,000 each helped fund full-time kindergarten in Kooskia and Kamiah.

CLEARWATER TRIBUNE

- A fire on Jan. 3 damaged the Central Idaho Offset Printing shop in Orofino. The shop prints the Clearwater Tribune and some other regional publications. The printing equipment was not touched, but parts of the building could not be used. Decisions have not been announced yet about the building. In the meantime, the Clearwater Tribune, a 100-year-old weekly covering Clearwater County, is being printed by the Lewiston Tribune.

- The Weippe Public Library received the nation's highest honor for libraries and museums in November. The Institute of Museum and Library Services presented a national medal to the library for its tireless "efforts to bring the best to its patrons. The opportunity for community enhancement, employment and increased literacy skills have begun to stir the residents of the area and progress is being made, supported and enabled by the Weippe Public Library. This small library is a vital part of the heart of this disadvantaged, remote community. It has given vision and hope too many of those it serves." The library was first to provide high-speed Internet access to residents and now maintains an eight-computer Tech Center for the general public. It operates a small business center with computers, digital cameras and color laser printer. Committed to staying current with technology, the library also provides free WIFI and cell phone access. In December, it sponsored "a technology petting zoo" with help from First Step Internet, the Moscow-based business which recently

increased the library's Internet speed from 1.5 Mbps to over 9 Mbps. Members of the public were introduced to smart phones, iPads, laptops, Kindles and other technological gadgets. The library built and moved into the Discovery Center in 2003. The center, which offers a community meeting room with kitchen facilities, also houses a Lewis-Clark State College employee providing adult basic education and GED classes. Located near where the Lewis and Clark expedition first encountered the Nez Perce Tribe in 1805, the center played an important role in the expedition's bicentennial and is one of only two centers in Idaho that retain the "lasting legacy" title of providing information about the expedition to visitors from around the world.

COUNTY DEVELOPMENTS

IDAHO AND LEWIS COUNTIES

- The business Jeremy and Bitsy Zimmer recently opened in Lucille offers country-living boot camps, survival training for Christian missionaries and three-day juice-fast retreats. The boot camp that costs $300 a week per person teaches gardening, food preservation, alternative energy and other aspects of country living. In the six-week training for work in isolated areas with limited resources, aspiring missionaries learn skills like identifying edible plants. Lucille is located on the Little Salmon River just off U.S. Highway 95 between White Bird and Riggins.
- The Museum at St. Gertrude near Cottonwood recently received a $1,500 grant to make its exhibits more interactive for visitors. The 80-year-old museum, which is one of the oldest museums in the Northwest, will upgrade its exhibits to provide hands-on, experiential learning about the history of north central Idaho. The museum is located on the grounds of a monastery that has housed Benedictine sisters for 104 years. The monastery grounds also include a retreat center, bed and breakfast, gift shop and healing center that offers massage therapies.
- A consortium of economic development organizations throughout eastern Washington and northern Idaho recognized Craigmont's efforts to create jobs. When presenting Craigmont with the 2011 community award, Inland Northwest Partners noted that Mayor Roger Riggers and City Councilor Raina Frei have been instrumental in a number of projects including locating Ende Machine and Foundry in the city. They worked with the Clearwater Economic Development Association, which established a business park there.

LATAH COUNTY

Another technology transfer company is growing in the Palouse Knowledge Corridor. Invertebrate Ecology performs biodiversity studies, environmental site assessments and endangered species surveys. The consulting firm also advises on weed biocontrol and pest management. Founded in 2007 by Tim Hatten, who earned a doctorate in entomology from the University of Idaho, the company can assess the impact of human activities on invertebrate communities and the ecological functions that they perform. Invertebrates include insects, spiders, snails and slugs. The company benefits from location in Moscow benefits because of its close working relationship with

scientists at the University of Idaho and Washington State University and access to the schools' entomological museums with extensive reference collections of insects. One of the company's major projects is working with the Kootenai Tribe on a multiyear assessment of the 500-year floodplain of the Kootenai River. It also is helping Yakama tribal biologists to inventory and characterize the benthic invertebrate community in the Twisp River of eastern Washington. Its employment grew from three people in 2008 to 10 in 2011.

- Pullman-Moscow Regional Airport last fall began building a $1.5 million fire station. It will include a training room and an office for fire and snow operations. A $126,000 project last fall added a new pedestrian rampway and a new set of doors for the terminal.
- B.J. Swanson, who served as the interim executive director of the Latah Economic Development Council for the last five months, recently agreed to become the executive director. Swanson, who has 46 years of banking experience, has served on the council board since 1988 and is a co-chair of the Idaho Workforce Development Council. She will work 12 hours a week as executive director, which requires hiring an assistant to work 20 hours per week. Swanson intends to work two years as executive director, and envisions turning the reins over to the assistant eventually. Among the projects she is spearheading are developing a business park in Potlatch and examining the feasibility of creating a food innovation and research center to help entrepreneurs commercialize local agricultural products.
- Moscow celebrated the 125th birthday of one of its greatest tourist attractions – the McConnell Mansion – on Christmas Eve. William J. McConnell, a merchant who became a U.S. senator when Idaho became a state and later serve as Idaho's third governor, moved his family into the house on Adams Street Dec. 24, 1886. Other historic persons associated with the McConnell Mansion include McConnell's daughter Mamie, who married William Borah, one of Idaho's most famous senators; Moscow physician William Adair and his daughter "Pinkie," who played a role in the Big Burn of 1910; and Carol Ryrie Brink, who wrote several books set in Idaho and is best known for the children's classic Caddie Woodlawn. The house's last owner, University of Idaho classics professor Fredrick Church, donated the house to Latah County to be used as a "gathering place and museum." The Latah County Historical Society opened the house to visitors in 1972 and maintains it as an accurate representation of a Victorian home.
- Eighteen local owners of lodging on the Palouse have created a network to increase awareness of alternative accommodations – bed and breakfasts, small inns and guest houses – in the area that includes Moscow, Pullman, Potlatch, Troy and Uniontown. Customers seeking local lodging can contact any of the 18 members to inquire about rentals and will be referred to other members as necessary.
- The Palouse Ice Rink received a promised donation of a $100,000 from an anonymous source to expand from three-quarter size to full size. The donation is contingent on the approval of a 50-year lease by the Latah County Commission for the land the rink sits on at the county fairgrounds. The

growing numbers of ice skaters and hockey fans in Moscow are hoping the rink will break ground on the expansion this spring. The total cost of the expansion is estimated at $3 million.

The Idaho Wheat Commission announced in January that it plans to create two faculty research endowments at the University of Idaho's College of Agricultural and Life Sciences. A $2 million endowment will fund a wheat breeding professorship and a wheat agronomist professorship, both at the university's research and extension center in Aberdeen. The research is intended to support Idaho's 4,500 wheat growers and their $766 million annual harvest. In addition, the university will shift faculty and resources to strengthen grains research – creating two new positions in Moscow and Aberdeen. The university also will fill a vacant position in Nez Perce County for an extension educator to support cereal agronomic and yield test sites in northern Idaho. Limagrain Cereal Grains, an international research company, will collaborate with university researchers to develop new wheat varieties with improved productivity and tolerance to disease and stress. "Some of the endowment will enhance salaries of faculty already conducting research, an effort to stay competitive, to keep these professionals in Idaho," said Donn Thill, director of the university's Idaho Agricultural Experiment Station.

- Mammoet, the company hauling the huge Imperial Oil/ExxonMobil shipments of refinery equipment from the Port of Lewiston to the oil sands of Canada, is reimbursing Moscow for the staffing costs for police officers to handle crowd control since the oil company began transporting the megaloads in July. Its first payment in mid-December covered $20,664 in costs from July to Nov. 1. In the future, the city will send monthly invoices. Three weeks after Moscow made its request for payment, the county sheriff's office sent its first invoice requesting reimbursement for 118 hours of overtime for deputies providing crowd control. The sheriff's office hasn't received payment yet.

NEZ PERCE AND ASOTIN, WASH., COUNTIES

- The Sears store at the Lewiston Center Mall is on a list of 79 Sears and Kmart stores that will be closed in 2012. The exact closing data has not been announced. More than 50 people work at the store and will receive special assistance from the Idaho Department of Labor in finding and preparing for new jobs.
- Clarkston plans to make improvements that will increase the safety of pedestrians and drivers and provide better access for the disabled as well as beautify part of downtown. The project includes changing light poles, adding planters and hanging flower baskets and building handicapped-approved ramps. Crea Construction of Lewiston won the bid for the $400,000 project and will begin work in the next month or two.
- Bruneel Tire Factory closed a Lewiston store at the end of the year and consolidated its retail efforts at its larger store on Main Street in Lewiston. The six employees at the closed store are working at the Main Street and Clarkston stores. The company started in 1966 and expanded to 11 locations in Idaho and Washington.

- Basalt Cellars in Clarkston won three medals in the last year for its 2007 Merlot – gold at the San Francisco Chronicle Wine Competition, gold and Best of Variety at the Tri-Cities Wine Festival and platinum from the Pacific Northwest Wine Competition. Owners Rick Wasem and Lynn DeVleming, who opened the winery in 2004, share a dream of reviving the vineyard and winery industry that thrived in the Lewis-Clark Valley before Prohibition. Their wines, which have won several other awards, are a good start on restoring the area's reputation for premium wines. Basalt Cellars specializes in reds, mixing rapes from local growers with those from high-end growers in Washington's Columbia Valley and elsewhere. It makes between 1,500 and 2,000 cases a year. Located on Port of Clarkston property overlooking the Snake River, the business is near Riverport Brewing Co. The port envisions other companies that make cheese, fudge, specialty foods and hard liquor eventually locating there to draw customers including the passengers on the cruise boats that come up the Columbia and Snake rivers.

OPENINGS

- Aaron's, the national furniture retailer and lease-to-own business, in Moscow's Eastside Marketplace, employing five.
- Bawa Smoke Shop and Espresso on East Main Street in Lewiston.
- Fastsigns, a franchise that puts lettering, logos, pictures and photographs on paper, vinyl, plastic, aluminum, canvas, wood, windows, vehicles, walls and floors, in Lewiston.
- Palouse Pediatrics, a branch of the practice which has served Pullman for 40 years at Moscow's Eastside Marketplace.
- Seasons Bistro, serving lunch and dinner at Morgans Alley in downtown Lewiston.
- Queenie's Garden, a boutique on West Main in Grangeville.

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SOUTHWESTERN IDAHO

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

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COUNTY DEVELOPMENTS

ADA COUNTY

- SeaPort Airlines halted the only direct flight between Boise and Idaho Falls late last month. The three-a-day flights expected 25 passengers a day but were averaging only 10 from Boise and only 15 from Idaho Falls.
- Portland-based Promontory Healthcare Companies has broken ground on a 30-bed transitional care unit in Boise. The facility will focus on providing short-term care in an upscale setting. Scheduled to open late next year, Riverview Rehabilitation will employ 50 health care professionals.
- According to the Building Owners and Manager Association Experience Exchange report, Boise is one of the most affordable office markets in the nation. With an average rent rate of $14.64 per square foot, Boise comes in sixth behind Columbus, Ohio. The list also included the most expensive markets with New York and Washington, D.C topping the lists at $48.27 and $42.63 per square feet.

- Boise State University received $1 million to renovate classrooms and expand research space. The money, which comes from the state's permanent building fund, will be used to add a physics laboratory in the multipurpose classroom building and renovate several other rooms throughout the campus. The work is expected to take a year.
- Demolition will start this month on the Compton Warehouse in Boise. The two month long project will make way for the construction of the $70 million dollar Jack's Urban Meeting Place, which is scheduled to take two year to complete.
- Boise State University's Technology and Entrepreneurial Center is increasing its leasable space in its northeast Nampa building. The 11,500-square-foot increase will be paid for with a grant from the U.S. Economic Development Administration. With the additional space the TECenter should become financially self-sufficient.

CANYON COUNTY

- The 65,000-square-foot Hugh Nichols Public Safety Building opened this month in Nampa, housing the Nampa Police Department, administrative personnel with the Fire Department and city information technology staff. There is also an attached 216-space garage. The $14.5 million project was built with LEED certification in mind. The existing police headquarters and the fire department administration building will be sold for development.

GEM COUNTY

Most of Emmett's $4 million water treatment plant upgrade came online in December. The upgrades, which include a new sand filter and lines, were paid for with proceeds from a 2009 bond issue, city funds and an Idaho Community Development Block Grant. Work to clean water mains and fix dead lines will start this spring.

OPENINGS

- Balsam Brands, an e-commerce management firm, in Meridian.
- Hugh Nichols Public Safety Building in Nampa.
- Les Schwab Tire Center in Meridian with up to 10 employees.
- Treasure Valley Home Inventories, a home inventorying firm, in Meridian.
- 7 Rivers Livestock Commission, a stock sales yard, in Emmett with up to 20 employees.
- Pickers Paradise, a full-service music store, in Weiser.
- Idaho Fitness Factory, a 24-hour health club, in Meridian.
- Definitive Testing Services, a mobile drug and DNA testing company, in Meridian.
- DermaViv Skincare Studio, which offers skin care and body treatments, in Meridian.
- Sound Depot, a car audio and electronics retailer, in Boise.
- Four Elements, which provides holistic counseling, in Donnelly.
- Fit Impact in Emmett.
- Black Berry Bog & the Fire Fly Shack, a boutique clothing store, in Weiser.

- Bronco Motors Hyundai West car dealership in Nampa with 30 employees.
- Indian Creek Steakhouse in Caldwell.

EXPANSIONS

- First National Bank of Layton added six employees and might increase staff by as much as 20 if current mortgage refinancing trends continue.
- Konica Minolta, an office and professional services firm in Boise, is adding five employees.

CLOSINGS

- Home Federal bank branch in Boise.
- Life Flight Network's McCall base. The company said employees who worked in McCall will be transitioned to other Idaho locations.

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SOUTH CENTRAL IDAHO

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

REGIONAL DEVELOPMENTS

AGRICULTURE

- The University of Idaho estimates the state's total farm-gate receipts at $7.4 billion in 2011, a 29 percent increase over the $5.73 billion total in 2010 and far above the previous record of $6.22 billion in 2008. Seven of the state's major farm commodities – dairy, cattle and calves, potatoes, wheat, hay, sugar beets and dried beans – set records for cash receipts, according to the Capital Press. Onions were the state's only major crop to see cash receipts decline. Dairy remained the state's most lucrative agricultural commodity with $2.44 billion in 2011, up 28 percent from 2010. Potatoes remained the top cash crop at $912 million in sales, 32 percent more than in 2010

GOT MILK?

The list of weird products manufactured from food continues to grow. Since the 1930s, fabric has been made from milk but has not caught on in the fashion industry, perhaps because milk has been considered more important for nutrition than fashion. But now a designer clothing line is being made from sour milk. A 28-year old micro-biologist and fashion designer in Hanover, Germany, created the process that produces material for designer dresses that are relatively inexpensive at around $120. The milk protein casein is extracted after losing most of the liquid and is then ground up and heated with other natural ingredients to make a threadlike substance that washes well, does not require the chemical ingredients that silk and other fabrics need for similar texture and drape and purportedly regulates heat and blood circulation. The maker also maintains the cloth is anti-bacterial and does not age.

COUNTY DEVELOPMENTS

BLAINE COUNTY

- Gov. C.L. "Butch" Otter held the Capital for a Day in Sun Valley in Decem-

ber. Tourism, a new airport, housing and development – all key issues in the Wood River Valley – dominated the session. The proximity of Christmas brought opportunities to showcase local choirs singing carols.

CAMAS COUNTY

A study on the impact of humans on wolverine habitat will enlist Fairfield and Stanley winter sports enthusiasts, who will carry GPS tracking armbands when they are snowmobiling or back country skiing to monitor wolverines fitted with tracking collars. Scientists are interested in seeing where the two meet and whether they can co-exist. In the past, the deep snow was not nearly as accessible to humans. Part of the weasel family, female wolverines burrow about 15 feet into the snow to make dens where their pups are born and weaned before the spring snowmelt.

GOODING COUNTY

- Southern Idaho Tourism has received a federal Rural Business Enterprise Grant to study the feasibility of establishing a wine-culinary center in the Hagerman area. Tourism Executive Director Debbie Dane said the stakeholders in the area believe the center is feasible. They hope to open the center by summer to support and promote locally produced products including local fruit, fish and wine.

- Miracle Hot Springs is restoring concrete sidewalks, adding two outdoor soaking pools, two VIP private baths. two massage rooms and updating dressing rooms, showers and restrooms. The geothermal water is considered near perfection. Three alligators have their own fenced-off private paradise at Miracle Hot Springs. The resort offers yurts for picnicking and overnight stays as well as RV and camping sites along a creek. It was developed by the Olson family 54 years ago. Today, members of the family's

fourth generation are participating in the business operation.

JEROME COUNTY

Local government officials, private business leaders and taxpayers believe inadequate capacity for natural gas and wastewater treatment are hindering growth. They are also looking for ways to jump start a number of improvement projects including expansion of high-quality optical cable through the county. They say only three other places in the West have that quality of cable – Microsoft in Washington, Micron in Boise and Salt Lake City – so it would be a major asset in attracting future economic expansion. Idaho Commerce Director Jeff Sayer detailed the programs he has for communities needing a little help to

realize goals. Expanding natural gas alone is estimated to cost $30 million – an amount the local tax base cannot support.

MINIDOKA-CASSIA COUNTIES

- Amalgamated Sugar has filed a lawsuit against its former partner, M.A. Patout & Son of Jeanerette, La., for $1 million. The companies had been in a joint venture on a sugar processing plant on land owned by the Louisiana firm when it abruptly pulled out. Amalgamated Sugar contends it had already spent money on project design and construction including engineering services, environmental permits, marketing plans and financing options that Patout could use in the future to build a sugar plant in competition with Amalgamated.

- Pickett Equipment, which makes farm implements, believes its participation in the recent state trade mission to Brazil and Mexico was well worth it. The company, which hopes to eventually establish a dealer network in Mexico, found it helpful to assess in person the growing practices and soil conditions in Mexico so equipment can be customized to meet the needs of those producers.

- The city of Burley hopes to improve its parks with the help of grants from Idaho Parks and Recreation. Three applications have been submitted for $135,000 in improvements such as new restrooms and boat docks at the Burley Golf Course Marina and bass fishing docks near the Dry Dock Restaurant on the Snake River.

- The Burley City Fire Department does not have a fire alarm system in its station to protect the building, equipment and other assets. The structure predates the fire and building code and was exempted. But now the city is ready to remove the irony. It recently received a $100,000 grant from the Department of Homeland Security to install an alarm and sprinkler system.

TWIN FALLS COUNTY

- Agro Farma broke ground on its state-of-the-art yogurt plant. The 940,000-square-foot plant will be the largest in the world, according to Hamdi Akulaya, founder and chief executive of the company which produces Chobani Greek Yogurt. Akulaya pointed out that the new plant is designed for future expansion. The plant should be built in the next several months so production can begin in June.

- The South Central Community Action Partnership broke ground recently for another four homes in Kimberly built with a self-help grant from the U.S. Department of Agriculture's Rural Development agency. Three homes have been built already through the program. The homes are less costly because the low-income buyer provides much of the labor. The agency hopes to start another eight projects next summer in this same subdivision in Kimberly.

- The Magic Valley Mall has been busy throughout the recession. According to Brent White, general manager for Woodbury Corp., which owns the mall, sales surpassed prerecession highs and are now at an all-time high. Sales have grown over seven percent year over year, which is more than double the national average, he said. The mall was expanded in 2009 and

is expanding again now. White said more stores are opening in the mall than at any time since it opened in 1986 with occupancy at nearly 99 percent. He said that national retailers love the bridge over the Snake River Canyon just north of the mall and believe it to be the prime retail location for the market.

- The College of Southern Idaho will offer core and general education classes at Eastern Idaho Technical College in Idaho Falls beginning this month. Adjunct instructors will be hired from the Idaho Falls area.
- A zip line operation in the Snake River Canyon was approved by the local planning and zoning board after a rocky three-year attempt by two different companies. Residents have been opposed, citing adverse effects on wildlife and the hazardous road that is already used by golfers, boaters, kayakers, picnickers and hikers.
- Cheese producer Glanbia USA, one of the largest companies in the region with over 500 employees in three counties, again gave away bricks of cheese with hundred-dollar bills attached to them, this time to jobseekers in the local Idaho Department of Labor office. The company has sponsored the unannounced giveaway in the past at different locations.
- Alan Horner, chief executive of First Federal Bank in Twin Falls, will represent Idaho on the American Bankers Association's Government Relations Council Administrative Committee for the coming year. Horner will also meet with Idaho lawmakers to educate them on banking and financial issues.
- Murtaugh School District received approval of its merit-based incentive program from the State Board of Education. The plan rewards its fourth grade through high school teachers for implementing technology in their classrooms if they include five interactive lessons in a curriculum. The plan is conceived to measure outcomes but also to implement the state directive to increase the use of technology in schools.

CLOSURES

- North and Co., a clothing retailer in Hailey for the last 25 years.
- Kurt's Hallmark store in the Magic Valley Mall.

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SOUTHEASTERN IDAHO

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

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- The National Citizen Survey, which polls communities of 25,000 to 100,000, found that overall Pocatello residents like their city. The findings released in early January showed residents gave high marks to the city for ease of driving, the city's general direction and the region's recreational activities. The survey also found that Pocatello residents are more likely to volunteer than residents in similar sized Western cities, but also think their city is dirtier than many others in the West.

BEAR LAKE COUNTY

- Bear Lake High School received an early Christmas gift from the Ford Motor Co. – a check for $7,333 for the school's participation in Ford's "Drive One 4 UR School" promotion. The promotion required that local residents go into Bear Lake Motor Co., test drive a car and fill out a questionnaire during September. Over 300 local residents did just that. The maximum award was supposed to be $6,000, but Ford officials were so pleased with the local turnout they donated an extra $1,333 to Bear Lake High School. The school was only one of four schools to be awarded at least $6,000 nationwide.

BINGHAM COUNTY

- The J.R. Simplot Co.'s announcement that within three years it will close its potato processing plant in Aberdeen has gotten local leaders involved in planning for the future. The plant employs about 290 workers and is a major employer in both Bingham and Power counties. In mid-December local residents began mapping out a strategy to deal with the closure, meeting with representatives from Idaho State University's College of Technology, the U.S. Small Business Administration, USDA Rural Development, the Bingham Economic Development Corporation, the Great Rift Economic Development Corporation, the Idaho Housing and Finance Association, the city of Aberdeen and the Idaho Department of Labor.

FRANKLIN COUNTY

- The movie "Napoleon Dynamite" put Preston, Idaho, on the map of American pop culture. On Jan. 15, the city gained further notoriety as Fox Television broadcast the first episode of the "Napoleon Dynamite" animated television series. The "Napoleon Dynamite" movie and now television series are the creation of Preston native Jared Hess. The new show will depict the fictional life of Napoleon Dynamite and his friends in Preston.

POWER COUNTY

- Double L Manufacturing will be moving its operations from American Falls to the new Magic Valley Business Park in Heyburn. The company, which started in American Falls in the 1970s, makes agriculture-related equipment and employs about 90 workers.

- The city of American Falls will get a $2.3 million grant from the U.S. Department of Transportation this March to revitalize the downtown area. Local businesses can upgrade storefronts, and the city will repair sidewalks and curbs and to make the downtown area more accessible to people with disabilities.

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EASTERN IDAHO

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

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REGIONAL DEVELOPMENTS

- Mid-December room reservations in Jackson Hole were down compared

to 2010 and 2009. About 25 percent of the rooms in the valley had been reserved for the weekend of Dec. 17, 2011, compared to 32 percent for the same weekend in 2010. The same weekend in 2009 showed 34 percent of rooms were booked.

COUNTY DEVELOPMENTS

CUSTER COUNTY

- The Custer Economic Development Association's income and expenses projections for a proposed community center indicate the center would have a positive economic impact on the area. The estimates were made in a 2010 study by the Eastern Idaho Entrepreneurial Center in Rexburg and the Regional Development Alliance in Idaho Falls. Officials from the Custer Economic Development Association believe the center will break even but are prepared to cover any shortfall. Assuming two events bring 300 visitors, it could bring an additional $127,200 to the area, based on the assumptions in the study. A land transfer for the center was recently finalized.

LEMHI COUNTY

The Idaho Department of Energy is providing federal stimulus money to the Salmon School District to retrofit its Life Skills Building and Alternative School with geothermal heat pumps. Local officials believe the new system will significantly reduce heating costs from the old electric baseboard heaters and furnaces.

BONNEVILLE COUNTY

- The Office of Nuclear Energy was awarded $768 million in the latest budget bill, up $31 million from last year. That is good news for the Idaho National Laboratory. INL spokeswoman Amy Lientz credited Idaho Republican Congressman Mike Simpson with boosting INL's standing in Washington. The Office of Nuclear Energy is one of INL's main sources of funding.

The INL is starting a three-year research project on extracting oil and biofuel from algae. OriginOil of California will also take part in the project. UP to 10 INL employees will begin the research work this month. The U.S. Navy wants to replace half its fuel needs with biofuels made from nonfood materials.

MADISON COUNTY

- The J.A. and Kathryn Albertson Foundation awarded Madison High School $100,000 as part of the "Go on Challenge." The award recognizes the school's efforts to prepare students to attend college. The school mandates sophomores take a college entrance examination and has added several new advanced placement and dual credit courses.

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State of Idaho Data — State Economic Indicators

	Dec 2011**	Nov 2011*	Dec 2010	% Change From Last Month	% Change From Last Year
IDAHO LABOR FORCE (1)					
Seasonally Adjusted					
Civilian Labor Force	762,500	760,800	758,900	0.2	0.5
Unemployment	64,100	65,000	73,400	-1.4	-12.7
Percent of Labor Force Unemployed	8.4	8.5	9.7		
Total Employment	698,400	695,800	685,500	0.4	1.9
Unadjusted					
Civilian Labor Force	759,900	760,800	755,000	-0.1	0.6
Unemployment	64,700	63,800	73,200	1.4	-11.6
Percent of Labor Force Unemployed	8.5	8.4	9.7		
Total Employment	695,200	697,000	681,800	-0.3	2.0

U. S. UNEMPLOYMENT RATE(2)	Dec 2011	Nov 2011	Dec 2010
	8.5	8.7	9.4

UNEMPLOYMENT INSURANCE	Dec 2011**	Nov 2011*	Dec 2010		
Claims Activities					
Initial Claims(3)	16,399	15,920	19,827	3.0	-17.3
Weeks Claimed(4)	95,496	93,475	116,504	2.2	-18.0
Benefit Payment Activities(5)					
Weeks Compensated	77,818	70,293	97,472	10.7	-20.2
Total Benefit $ Paid	$18,511,257.47	$16,365,042.84	$23,222,932.81	13.1	-20.3
Average Weekly Benefit Amount	$237.88	$232.81	$238.25	2.2	-0.2
Covered Employers	47,306	47,288	48,111	0.0	-1.7
Total Benefit $ Paid During Last 12 Months(4)	$223,019,676	$227,731,352	$283,407,947	-2.1	-21.3

U.S. CONSUMER PRICE INDEX(2)	Dec 2011	Nov 2011	Dec 2010	% Change Month	% Change Year
Urban Wage Earners & Clerical Workers (CPI-W)	222.2	222.8	215.3	-0.3	3.2
All Urban Consumer (CPI-U)	225.7	226.2	219.2	-0.7	3.0

**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.

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