

# Idaho Employment

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

IDAHO  
DEPARTMENT OF LABOR

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ROGER B. MADSEN, DIRECTOR

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## IDAHO TEEN UNEMPLOYMENT HIT HARD BY RECESSION

Teenagers and Hispanics were hit hard during the recent recession in Idaho, according to quarterly data compiled by the Census Bureau and the U.S. Bureau of Labor Statistics.

The monthly Current Population Survey is vital when calculating labor force and unemployment statistics for the nation, states and counties. But the national data available every month and the state data available quarterly are scoured by researchers for new trends and figures that would help explain the socio-economic characteristics of the population.

Detailed labor force demographics on age, sex and race provide a remarkable look at how the recent recession affected Idaho workers. Comparing the first quarter of 2012 with the same quarter in 2011 and 2007 provides insight into how worker groups were affected and what the current recovery looks like.

### UNEMPLOYMENT DEMOGRAPHICS BY AGE

Teenage workers have been the hardest hit by the recession. Unemployment rates that started in 2007 at 14.7 percent for this group reached 35.8 percent in 2011. By the first quarter of 2012 unemployment for teens had

Idaho Unemployment Rates By Age	First Quarter		
	2007	2011	2012
Age 16 and over	3.6%	10.4%	8.6%
Age 16 to 19	14.7%	35.8%	28.7%
Age 20 and over	2.9%	9.2%	7.7%

only fallen to 28.7 percent.

Many of these workers are new to the labor force and have little work experience. Their first

jobs are usually seasonal and require little training but are vital to developing the soft skills necessary to advance in the workforce and their chosen careers. Many of these teen workers are competing with older workers who already have work history and more advanced education levels.

During the first quarter of 2012, the average unemployed Idaho teen spent 26.2 weeks looking for work. In 2007 most unemployed teens spent

less than five weeks looking for work. At the same time all workers age 16 and older spent an average of 10.9 weeks finding work – by 2011 it increased to 30.5 weeks before falling to 28.4 weeks in the first quarter of 2012.

Duration of Unemployment by Age in Weeks						
	Median			Average		
	2007	2011	2012	2007	2011	2012
All Unemployed	5.5	17.2	13.7	10.9	30.5	28.4
Age 16 to 19	3.4	19.2	26.7	4.9	23.7	26.2
Age 20 and over	7.4	16.5	12.9	12.9	31.6	28.8

### UNEMPLOYMENT DEMOGRAPHICS BY RACE

In the first quarter on 2012 almost 96 percent of Idaho’s workforce was identified racially as white although some of them could also be identified ethnically as Hispanic. Hispanics made up over 12 percent of the workforce. Less than 1 percent was black.

White and Hispanic unemployment rates both increased between 2007 and 2011. There was no data for black workers. Between 2007 and 2011, unemployment rates for Hispanic workers rose by 9.4 percentage points. Unemployment rates for white workers only increased by 6.9 percentage points. By the first quarter of 2012 unemployment rates for both worker groups had fallen to 8.4 percent for whites and 9.3 percent for Hispanics.

The first quarter 2012 unemployment rate for black workers was more than double the rate for Hispanic and white workers at 19 percent.

The duration of unemployment was significantly lower for black workers compared to whites and Hispanics. In the first quarter of 2012 average duration of unemployment for black workers was only 6.7 weeks. White workers averaged 29.5 weeks as unemployed while Hispanics averaged 16.1 weeks.

Duration of Unemployment by Race in Weeks						
	Median			Mean		
	2007	2011	2012	2007	2011	2012
All unemployed	5.5	17.2	13.7	10.9	30.5	28.4
White	5.7	17.5	14.3	10.2	30.4	29.5
Black	-	-	7.2	-	-	6.7
Hispanic	2.2	12.8	9.1	8.2	23.3	16.1

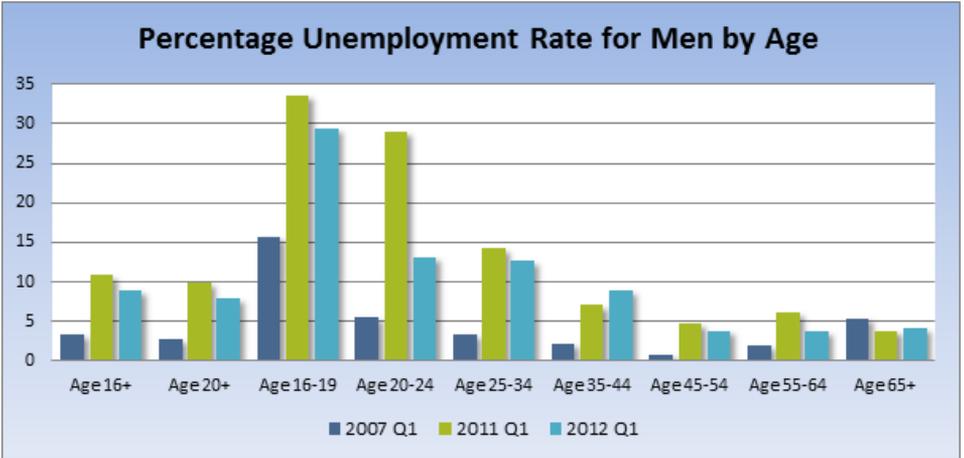
Between 2007 and 2011 the average duration of unemployment for whites nearly tripled from 10.2 weeks to 30.4 weeks. The duration of unemployment for Hispanics increased from 8.2 weeks to 23.3 weeks.

Idaho Unemployment Rates by Race (First Quarter)									
	White			Black			Hispanic		
	2007	2011	2012	2007	2011	2012	2007	2011	2012
Age 16 +	3.6%	10.5%	8.4%	-	-	19.0%	4.9%	14.3%	9.3%
Age 16-19	15.4%	37.1%	27.9%	-	-	-	19.2%	28.4%	8.7%
Age 20+	2.8%	9.3%	7.5%	-	-	20.7%	3.2%	13.2%	9.3%
<b>Male</b>									
Age 16+	3.6%	11.2%	8.7%	-	-	22.3%	3.5%	10.7%	8.5%
Age 20+	2.8%	10.3%	7.6%	-	-	25.5%	1.8%	11.5%	8.5%
<b>Female</b>									
Age 16+	3.5%	9.7%	8.0%	-	-	13.5%	7.9%	22.0%	11.1%
Age 20+	2.8%	8.2%	7.3%	-	-	13.5%	6.9%	17.1%	11.2%

**UNEMPLOYMENT DEMOGRAPHICS BY SEX**

Unemployment rates increased for everyone since the recession began, but they have risen more for men than women, a trend that prompted some to call the recent recession a “he-cession.”

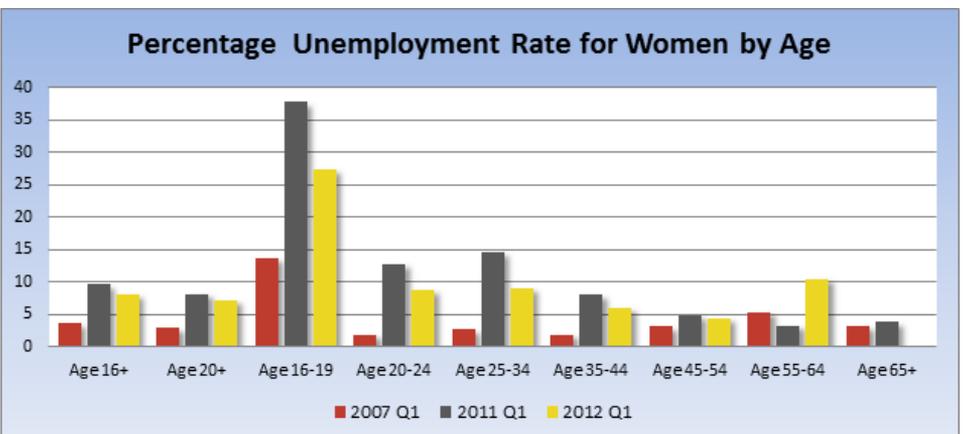
The first quarter of 2012 brought relief for men in most age groups. Only two male age groups experienced increasing unemployment rates between 2011 and 2012. Unemployment rates for men age 35 to 44 increased from 7.1 percent to 9 percent, and rates for men age 65 and over increased from 3.9 percent to 4.2 percent.



The duration of unemployment for men increased nearly three-fold between 2007 and 2011 from an average of 9.9 weeks to 29.8 weeks. There was only limited respite in the first quarter of 2012. Duration dropped just over a week to 28.6 weeks, nearly matching the duration for all workers.

	Median			Average		
	2007	2011	2012	2007	2011	2012
All unemployed	5.5	17.2	13.7	10.9	30.5	28.4
Men	6.4	17.6	13.6	9.9	29.8	28.6

During the first quarter of 2007, the unemployment rate for women at 3.7 percent was only three-tenths of a point higher than for men. Male-dominated industries like construction and female-dominated industries like health care were affected differently by the recession. Preliminary estimates show statewide construction employment falling 43 percent between 2007



and 2011 while health care and social assistance employment rose 13 percent. These trends seem to have reversed the unemployment situation for men and women following the recession. Female unemployment rates were lower than those for men in both 2011 and 2012.

Unemployment duration during the first quarter of 2011 for women averaged 12.1 weeks compared to 9.9 weeks for males. In 2011 women spent an average of 1.6 more weeks looking for work than men. This trend was reversed in the first quarter of 2012 when women spent an average of 28.2 weeks looking for work while men spent 28.6.

Duration of Unemployment by Sex in Weeks						
	Median			Average		
	2007	2011	2012	2007	2011	2012
All unemployed	5.5	17.2	13.7	10.9	30.5	28.4
Women	4.1	16.7	14	12.1	31.4	28.2
Men	6.4	17.6	13.6	9.9	29.8	28.6

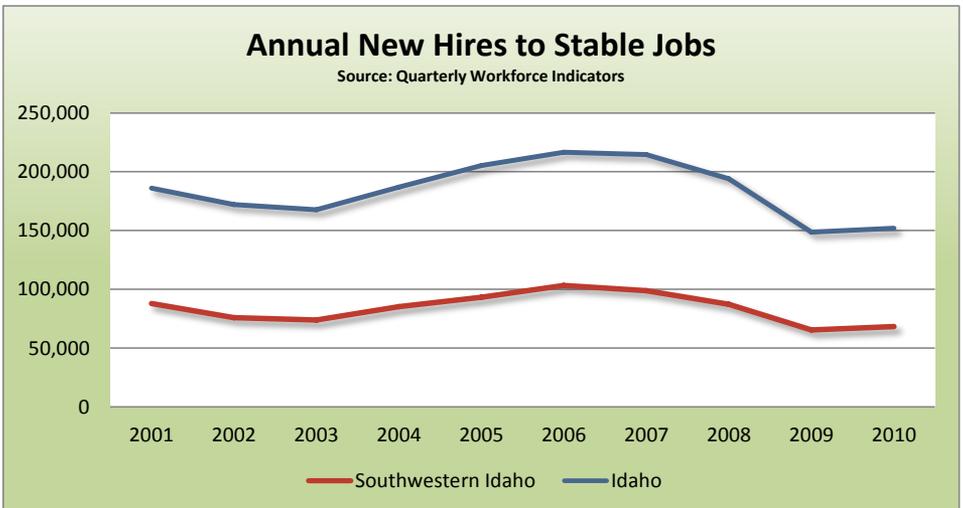
Since the first quarter of 2007 much has change in unemployment rates. Rates have ranged from 1.8 percent in 2007 for Hispanics age 20 and over to 37.8 percent in 2011 for female teenagers. Fortunately 2012 has shown signs of improvement – something over 60,000 unemployed Idahoans hope will continue although at a faster pace.

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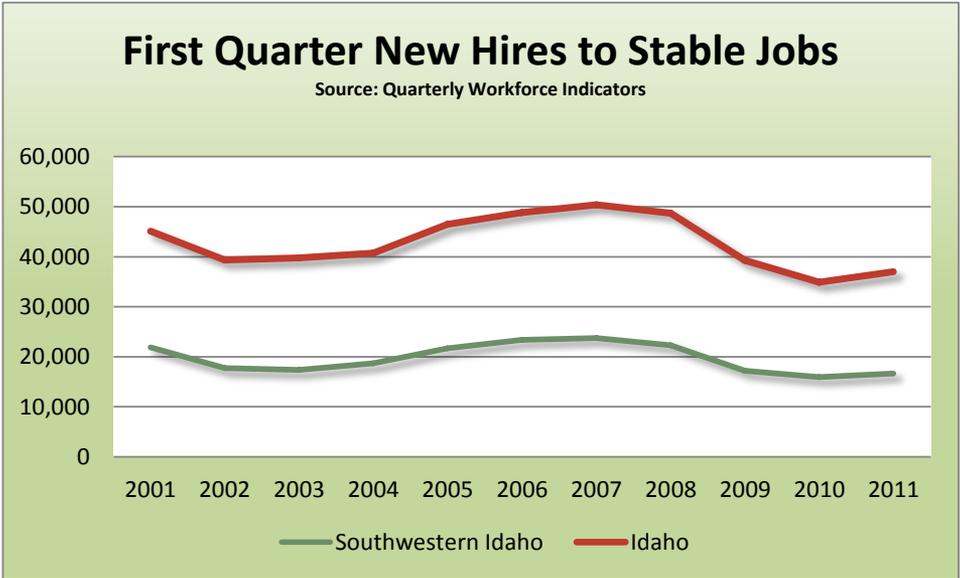
### STABLE JOBS WITH NEW HIRES REVEAL POSITIVE NEWS

Hiring to stable jobs is a useful economic indicator, especially now that Idaho is recovering from the worst recession in recent memory. It can help point the unemployed and general job seekers to industries that are expanding their workforce with stable employment.

Data provided by the Census Bureau through a partnership with state labor market information agencies shows that this kind of hiring is picking up in southwestern Idaho and statewide. A new hire to a stable job is one in which a worker has collected wages from a company for a full quarter but did not receive any wages from that company in the previous year.



The figures show new hires to stable jobs mirrored the trend in jobs overall during the recession. Southwestern Idaho’s annual new hires to stable jobs peaked in 2006 with more than 103,000, then decreased slightly in 2007 before falling with the rest of the economy to reach the low point of 66,000 in 2009. In 2010, the year-over-year decline in new hires stopped, and a modest increase of 3,000 new hires was recorded – still a long way from the boom times.



But the trend strengthened in the first quarter of 2011. Combining it with data back to 2009 presents a picture showing a strong seasonal pattern to new hires that peaks in the fourth quarter followed by a decline until the summer quarter. There was a mild upward trend in the number of new hires to stable work, which speaks well to the recovering job market.

New Hires to Stable Jobs Since 2009	
Industry	Total New Hires*
561 Administrative and Support Services	19,845
722 Food Services and Drinking Places	17,796
611 Educational Services	9,000
621 Ambulatory Health Care Services	8,512
541 Professional, Scientific, and Technical Services	7,178
624 Social Assistance	5,688
238 Specialty Trade Contractors	4,742
622 Hospitals	4,497
623 Nursing and Residential Care Facilities	4,273
452 General Merchandise Stores	3,354

Source: Quarterly Workforce Indicators

\*2009-2011 Q1

The top industries that have hired the most new workers to stable jobs in southwestern Idaho are administrative and support services and food services by a wide margin – more than 37,000 between them. Health care made a strong showing with all its subsectors showing strong hiring. But even combined, their total still trails the top two. Interestingly, specialty trade contractors were among the top hirers even though construction was the

hardest hit sector during the recession. Seeing a construction-related industry as one of the top hirers bodes well for many who are still searching for this type of employment.

Average Monthly Earnings for New Hires to Stable Jobs	
Industry	Q1 2011
486 Pipeline Transportation	\$7,261
325 Chemical Manufacturing	\$6,779
213 Support Activities for Mining	\$6,346
334 Computer and Electronic Product Manufacturing	\$6,272
523 Securities, Commodity Contracts, and Other Financial Investments and Related Activities	\$4,655
221 Utilities	\$4,111
481 Air Transportation	\$4,100
622 Hospitals	\$3,694
928 National Security and International Affairs	\$3,644
237 Heavy and Civil Engineering Construction	\$3,543

Source: Quarterly Workforce Indicators

In terms of wages for new hires to stable jobs in southwestern Idaho in the first quarter of 2011, workers in pipeline transportation came in with the highest wage at \$7,300 per month followed by chemical manufacturing at \$6,800.

While knowing which industries are paying the highest wages or hiring the most new people is useful, by themselves they can be misleading for career planning. Industries that are hiring the most people could be hiring for low-skilled jobs that are plentiful but don't pay well while there may be only a few new hires going into the top-wage industries. Combining the two measures is more useful, finding industries that rank high on both scales. This is similar to the Idaho Department of Labor's hot jobs and hot industries rankings.

Combined New Hires and New Hire Wages		
Industry	New Hires*	New Hire Wages**
622 Hospitals	4,497	\$3,694
541 Professional, Scientific, and Technical Services	7,178	\$2,659
334 Computer and Electronic Product Manufacturing	1,639	\$6,272
423 Merchant Wholesalers, Durable Goods	2,186	\$3,263
236 Construction of Buildings	2,008	\$3,098
441 Motor Vehicle and Parts Dealers	2,202	\$2,469
237 Heavy and Civil Engineering Construction	1,385	\$3,543
522 Credit Intermediation and Related Activities	2,735	\$2,303
484 Truck Transportation	1,955	\$2,300
524 Insurance Carriers and Related Activities	1,341	\$2,564

Source: Quarterly Workforce Indicators

\*2009- Q1 2011

\*\* Average Monthly Wage for Q1 2011

Hospitals now top the list with almost 4,500 new hires between 2009 and the first quarter of 2011 and an average monthly wage of \$3,700. They are followed by professional, scientific and technical services and computer and electronic product manufacturing. There is a wide array of industries from health care and computer product manufacturing to truck transportation and

automotive dealers that rank comparatively high in both hiring and wages. All include many different types of occupations.

This positive trend in southwestern Idaho's new hires to stable jobs is another sign of the current recovery. While there is still a way to go, the industries that are filling their ranks with new hires should give direction to those still looking for work.

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## REPORT NEW HIRES WITHIN 20 DAYS

The Idaho Department of Labor has been stepping up education about benefit and tax responsibilities for claimants and employers when new hires are reported to the department. Less than half of Idaho employers comply with the 1997 law requiring them to report newly hired workers to the Idaho Department of Labor within 20 days. While the businesses that do report are the largest in the state and employ two-thirds of Idaho's workers, the failure of all employers to report undermines the law's purpose to track down unemployment insurance overpayments and identifying individuals who have not been paying child support.

Last year, 1,776 people didn't report that they landed a new job and illegally continued collecting unemployment insurance benefits – long after they went back to work. Department staff cross-matches unemployment benefit recipients with the new hire reports every week to prevent further benefit payments to claimants who have returned to work without alerting the department. This triggers investigations by department staff into why these workers were still trying to collect benefits. The department has recovered more than \$3 million in overpayments since the recession began in December 2007.

To report a new hire an employer only needs to add the date of hire and the business's employer identification or state unemployment insurance tax account number to a copy of the employee's W-4 and fax, mail, report it to us online or drop it off at any of Labor's 25 local offices.

For more information about how to report, go to [labor.idaho.gov/newhires](http://labor.idaho.gov/newhires).

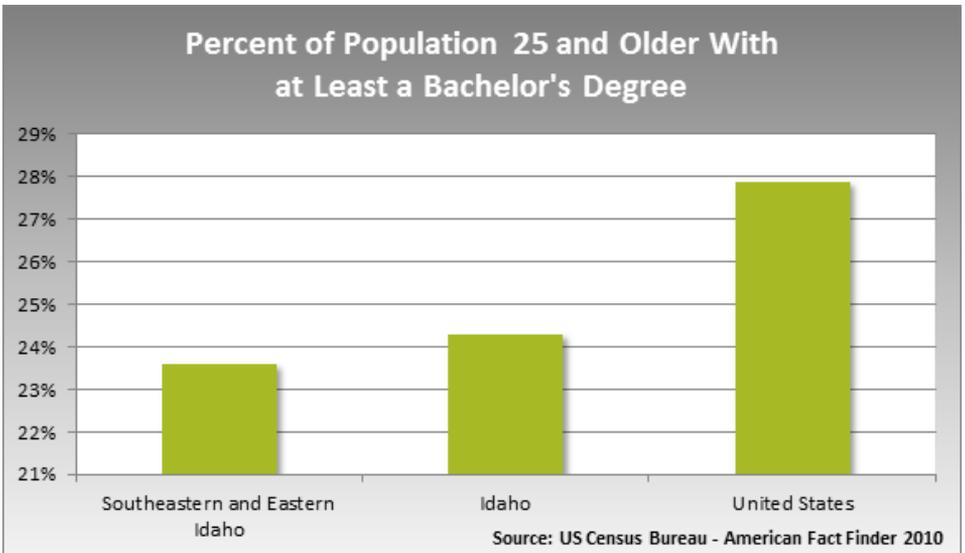
## EDUCATIONAL ATTAINMENT LAGS IN SOUTHEASTERN AND EASTERN IDAHO

The J.A. and Kathryn Albertson Foundation is working with the Idaho Department of Labor, Idaho State Department of Education and other Idaho organizations to improve the educational attainment of Idaho's youth. Their goals are to:

- Improve overall student scores on college entrance exams and improve the ability to collect data to help identify ways to better prepare students for life beyond high school and college;
- Continue to improve Idaho's college-going national ranking;
- Decrease the need for remedial education;
- Improve the student retention rate of Idaho's institutions of higher education, which now ranks 50<sup>th</sup> nationally; and
- Have 60 percent of Idahoans complete a postsecondary certificate, degree or specialized training.

Their impetus is simple — a better educated and trained workforce will allow Idaho to compete more effectively for new employers and high-wage jobs.

According to a 2010 report issued by the Idaho Department of Labor, “Idaho’s Future: Where the Next Jobs Come From,” southeastern and eastern Idaho have been identified as having the capacity to attract jobs in energy and other high-tech fields. But according to data from the U.S. Census Bureau, only 23.6 percent of the residents in eastern Idaho’s 16 counties age 25 and older had at least a four-year college degree in 2010. Eastern Idaho’s rate of attainment for bachelor’s degrees was lower than the state average of 24.3 percent. Nationally, 27.9 percent of the population over age 25 holds a bachelor’s degree or higher.



According to the Idaho Department of Labor’s “100 Hot Jobs,” a four-year college degree will be an important qualification for job seekers through 2018. Forty-nine of those 100 jobs will require a bachelor’s degree or higher.

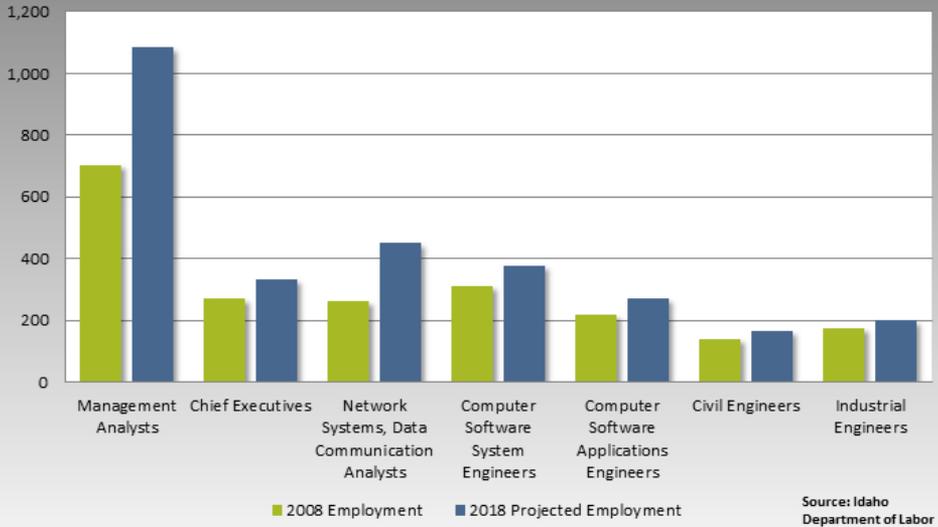
Because of the lower percentage of the labor pool with bachelor’s degrees, Idahoans as a whole may have difficulty competing for many of the in-demand occupations in the state simply due to a lack of academic qualifications. Southeastern and eastern Idaho residents may find the disadvantage caused by lower educational attainment to be even more profound.

Because of the region’s growth in energy and high-tech businesses, careers requiring bachelor’s degrees or higher will play an increasingly important role in the economy.

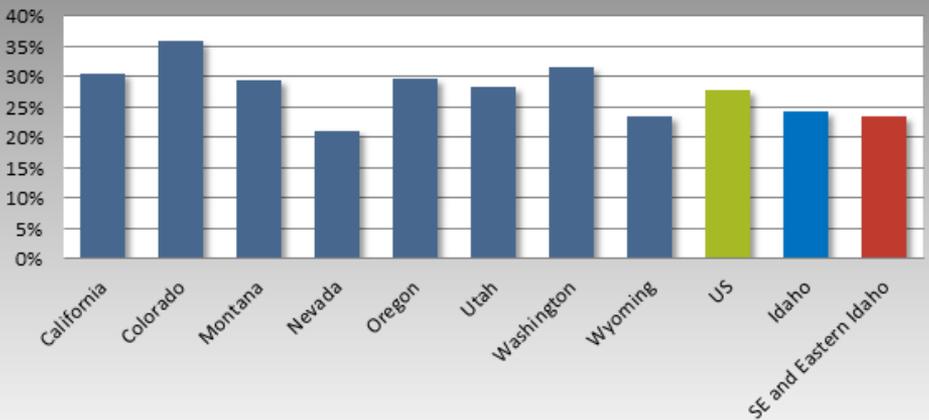
The apparent shortage of workers with bachelor’s degrees has drawn jobseekers from other nearby states to the region to take those kinds of jobs. Wyoming and Nevada are the only bordering states with lower rates of educational attainment.

The educational attainment gap problem is also found in Idaho’s young-adult population ages 18 to 24. Statewide and in eastern and southeastern Idaho, young adults lag behind their counterparts nationwide.

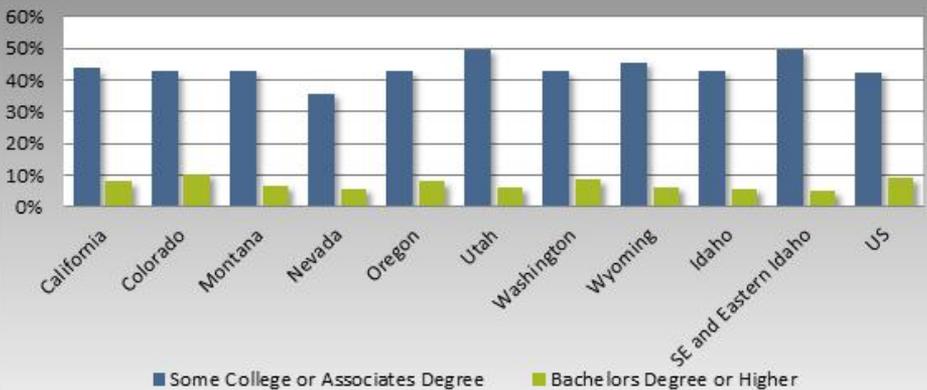
### Eastern and Southeastern Idaho High-Tech Occupation Projections 2008-2018



### Percent of Population with Bachelor's Degrees by State



### Educational Attainment by State 18- to 24-Year-Olds



Source: US Census Bureau – American FactFinder 2010

## EDUCATIONAL ATTAINMENT 18- TO 24-YEAR-OLDS

Idaho ranks last with Nevada for the percent of 18- to 24-year-olds who hold bachelor's degrees at 5.9 percent, eight-tenths of a point higher than the region. The nation is at 9.2 percent. Nearly 43 percent of Idaho's young adults have some college or an associate degree, four-tenths of a point above the national average. But the percentage of young adults in Idaho 24 years old with some college or an associate degree is still lower than California, Utah and Wyoming.

In southeastern and eastern Idaho, just under half — 49.9 percent — of the young adults have at least some college. However, this number is inflated by Madison County, which is home of Brigham Young University-Idaho, and Bannock County, where Idaho State University is located. Disregarding those two counties, young people with at least some college or an associate degree in southeastern and eastern Idaho dropped to just 34.7 percent and only 4 percent had bachelor's degrees.

Rural counties report the lowest educational attainment. Several including Bear Lake, Butte, Clark, Lemhi, Oneida and Power counties had few if any bachelor's degree holders between the ages of 18 to 24.

Caribou County had a relatively high share of 18- to 24-year-olds with at least some college education at 41.1 percent. That county also enjoys one of the highest per capita incomes in the state.

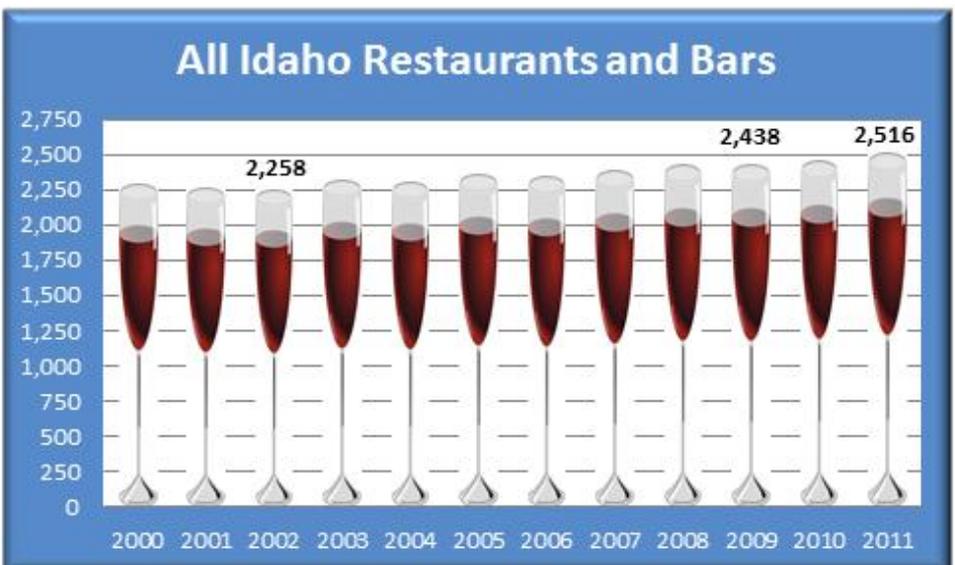
Idaho's ability to compete for jobs will benefit from efforts to raise the level of education among its workers.

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## RESTAURANT INDUSTRY ADAPTS TO ECONOMY

The food and drink business is tough enough in good economies, but it's typically even tougher in bad ones. A quarter of restaurants fail in their first year of operation, according to researchers at Ohio State University. Another 19 percent fail in their second year, and 14 percent more fail within three.

But new entrepreneurs inevitably step in to fill the gap and then some, keeping this sector of the economy growing as the population grows.



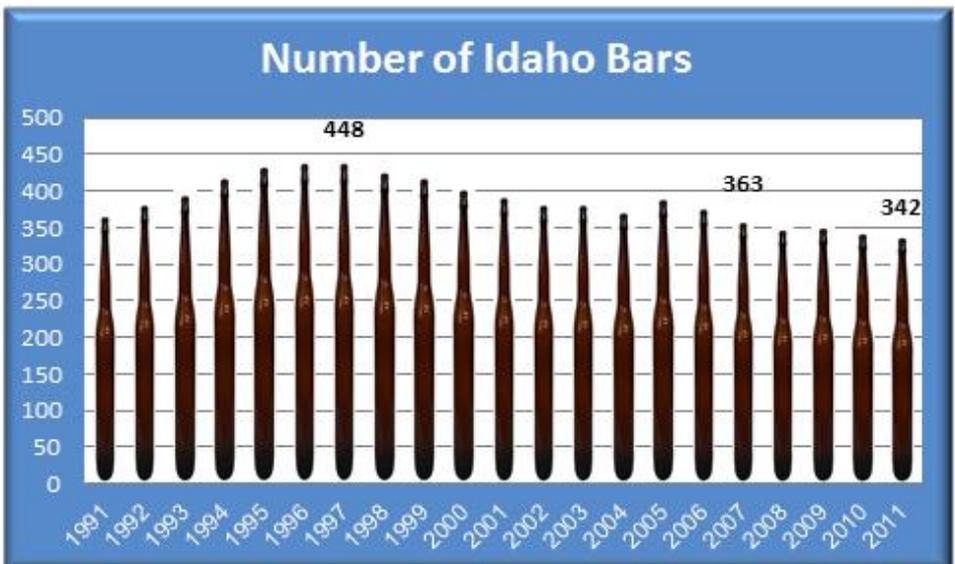


Idaho restaurateurs and barkeepers were not immune from the industry churn, but the number of businesses has risen steadily since the 2001 recession, primarily on the growth of limited-service, fast-food outlets.

In 2000, the food and beverage business in Idaho accounted for 2 percent of total wages and 6.2 percent of all jobs. Eleven years and two recessions later, employment was up nearly 9 percent and wages rose 53.5 percent – at least partly because the minimum wage increased \$2.10 an hour to \$7.25 between 2007 and 2009. The Idaho economy overall generated an 8 percent increase in employment and a 39 percent increase in wages.

Idaho’s food and beverage sector did not suffer the 4.4 percent slump that restaurants and bars were hit with nationally during the Great Recession. But it was that steady growth in restaurants that overcame a persisting decline in bars.

The number of bars, taverns and nightclubs in Idaho has been steadily decreasing since 1997 as tougher laws against drunken driving were approved and enforcement of those laws intensified.

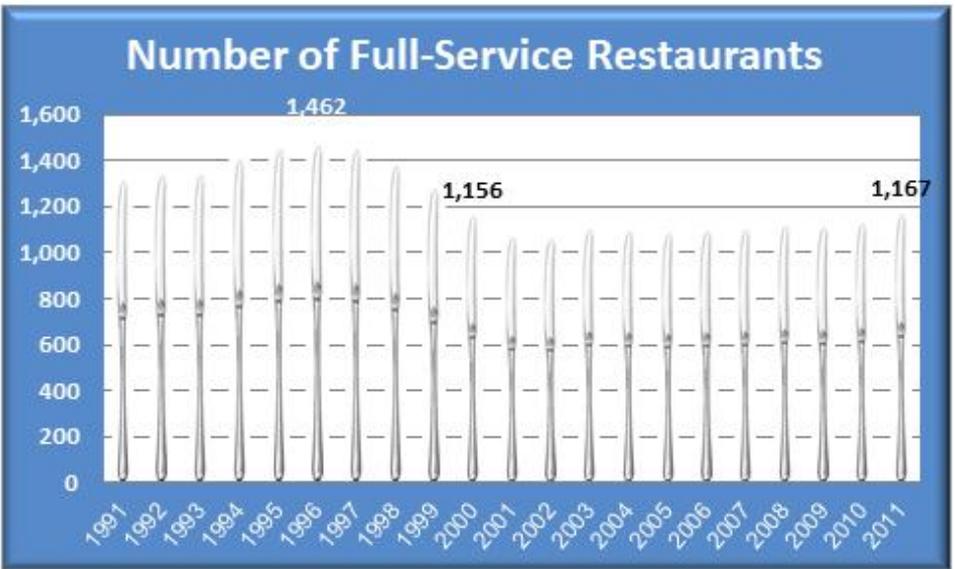


The number of bars peaked at 448 in 1997. They employed almost 2,600 people with an annual payroll of nearly \$19.2 million. By the end of the expansion in 2007 the number had fallen to 363, a decline of 19 percent. But there were about 2,600 workers, and the payroll had risen to \$26.7 million.

Four years later, however, not only had the number of bars slumped to 342, but employment dropped to 2,150 and the payroll was down to \$21.2 million. It would have fallen even further had it not been for the three-year phased-in increase in the minimum wage.

At the same time, the restaurant side of the industry was growing but only because of insatiable appetite for fast food. Americans spend \$110 billion a year on fast food, twice what they spend on weight loss products and services including dietary supplements.

After peaking in the mid-1990s at nearly 1,500 establishments statewide, the number of sit-down restaurants plunged to 1,060 during and after the 2001 recession and has grown just modestly since.



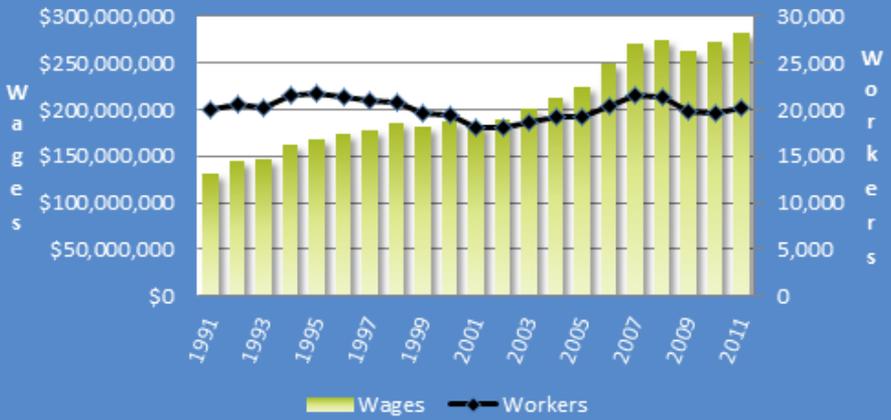
Employment has fluctuated from a peak of 21,700 in 1995 to 18,100 in 2002 and back to 21,500 at the peak of the expansion in 2007 at the height of the expansion before settling right around 20,000 midway through the Great Recession.

After flattening out before and during the 2001 recession, payroll, however, climbed steadily until taking a hit in 2009 as the industry felt the full force of the Great Recession. In 2011, wages were at a record \$282.5 million.

The rapid increase in fast-food outlets in the Idaho economy more than made up for the holding pattern sit-down restaurants have been in for a decade and the decline in the number of bars.

In just two decades, the number of fast-food restaurants has quintupled to more than 1,000, growing markedly even during and after the Great Recession when more and more people shifted their meals out from traditional restaurants to fast-food chains. The workforce has grown from 4,400 in 1991 to over 16,000 going into the recession before slipping slightly and quickly returning to 16,000 in 2011.

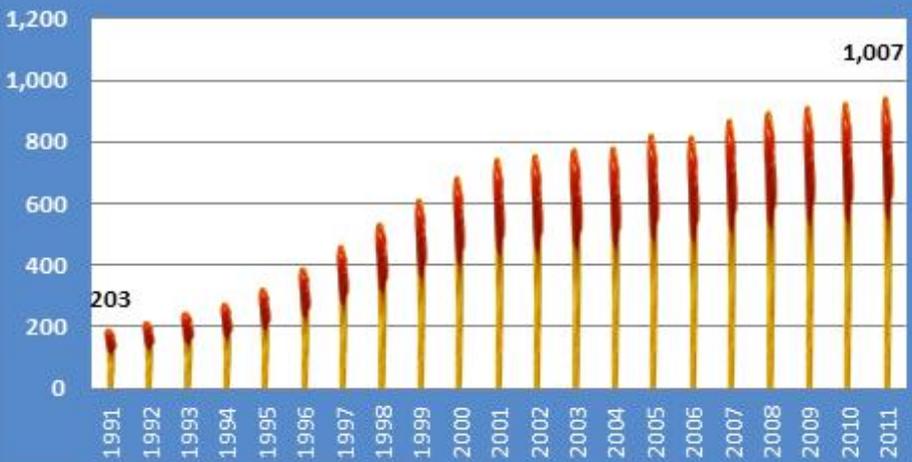
## Full-Service Restaurant Employment, Wages



Wages showed the same gains, rising from \$27 million in 1991 to over \$180 million in 2007 before the recession knocked them back just under 1 percent. But they have rebounded to hit a record \$186.6 million in 2011.

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## Number of Limited-Service Restaurants



## Fast-Food Restaurant Employment, Wages



## WARBIRD WEEKEND TO SHOWCASE POTENTIAL OF IDAHO COUNTY AIRPORT

The Idaho County Airport will host Warbird Weekend July 14, starting what is hoped will be an annual event that attracts historic plane owners and fans of the era.



The all-day event — which includes fly-ins by warbird-era planes such as Corsairs, P-51s and Bearcats — will showcase the airport, which has become both a place for business development and the recreational gateway to north central Idaho’s backcountry wilderness. Local pilots will offer free flights for youngsters, and outfitters and guides will be on hand to tell visitors about the outdoor recreation opportunities in the region.

In the last two years, county commissioners invested nearly \$500,000 to upgrade the airport’s infrastructure to encourage businesses to move there.

“This event is to show the direction the airport is going and to give the public an opportunity to see the future vision for the airport,” said Melisa Bryant, one of the event organizers and also economic development specialist for the Ida-Lew Economic Development Council.

The airport’s largest customer, the U.S. Forest Service, operates an air center from which it sends aircraft and smokejumpers to hotspots across the Nez Perce and Clearwater national forests.

Warbird Weekend participants will tour the Anderson Aeromotive plant adjacent to the airport. The company is the world’s largest overhauler of cylinders for Pratt & Whitney and Curtis-Wright engines and employs more than 30 mechanics.

Anderson Aeromotive recently purchased a Gem Equipment building east of the Forest Service facility at the Idaho County Airport. It plans to turn the building into a hangar. The company repairs engines and air frames at a plant on U.S. Highway 95, where customer airplanes must remain outside – something owners of rare, vintage WWII aircraft valued at up to \$5 million refuse to tolerate. The current location also poses safety problems, and work can require leaving aircraft suspended on jacks, unsheltered and unsecured. That forced Anderson Aeromotive to turn down some work for lack of space. When the new hangar is ready late this year, the company will add two more workers.

An enclosed maintenance hangar expands Anderson’s potential customers for airframe inspection and repair and opens the door to ancillary businesses such as sheet metal work, instrumentation, interiors and electrical to locate at the county airport.

More information about Warbird Weekend is available on Facebook.

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Dave Hansen’s PV-2 is pictured at the Idaho County Airport.

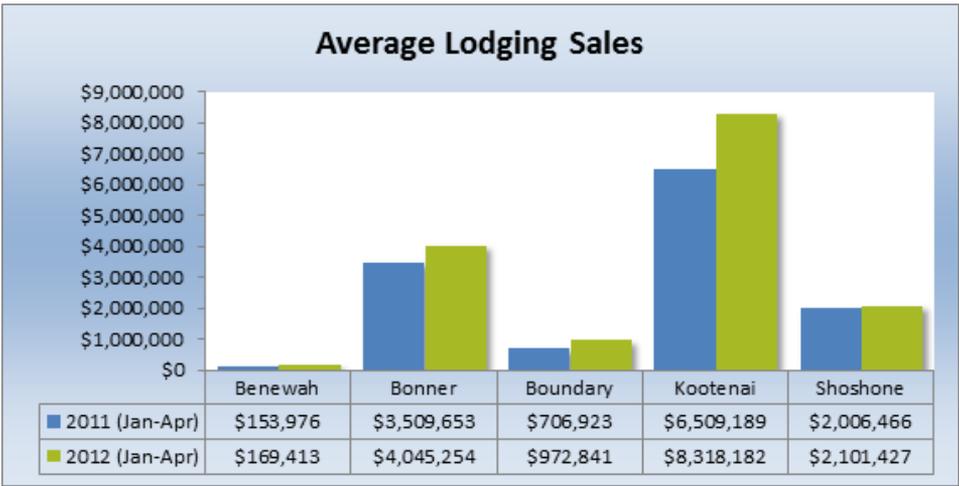
## PANHANDLE TOURISM INDUSTRY SHOWING STRENGTH

The economic sun began shining again on northern Idaho’s tourism industry in 2011. Employment, wages and sales were all up from 2010.

An influx in restaurants such as Lemon Grass, Seasons of Coeur d’Alene, Ugly Fish and Fire contributed to a successful year for the industry, creating about 200 jobs. However, pent-up demand, a strong holiday season and an attractive exchange rate for Canadians also made northern Idaho’s retailers, hotels and recreational areas popular.

Percentage Annual Change in Taxable Sales				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2010	-16.8%	28.3%	7.7%	-36.1%
2011	28.2%	-4.1%	1.6%	33.0%

The industry saw a sluggish second and third quarter, but the year ended with overall taxable sales up nearly 8 percent while lodging sales increased by \$1.8 million from \$75 million in 2010 to \$76.8 million in 2011. Both the first and last quarters of 2011 saw the largest jump in year-over-year sales in over a decade and the first quarter performance was the best in three years.



The industry accounts for 14 percent of employment in northern Idaho and 7 percent of total wages.

The leisure and hospitality industry – arts, entertainment, recreation, restaurants, accommodation and bars – plays an important role in northern Idaho’s economy by bringing outside dollars into the community. It is also seen as an economic development tool – the opportunity to draw people to the area who would not otherwise do so. The exposure brings opportunity to attract potential businesses and families, resulting in additional revenue and economic vitality for the region.

Estimated Employment in the Hospitality Industry	
Northern Idaho	10,500-11,000
Benewah	150-200
Bonner	1,500-2,000
Boundary	250-300
Kootenai	8,000-8,500
Shoshone	400-450

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## INDUSTRIAL CLUSTERS HELPFUL TOOL FOR ECONOMIC DEVELOPMENT

Industrial clusters have been getting more and more attention over the last decade, not just from economic developers in Idaho but across the globe. The concept is being used to prioritize economic development projects.

### *ECONOMIES OF SCALE: INTERNAL AND EXTERNAL*

Economies of scale – the cost advantage gained by expansion – occur when increasing the size of an enterprise helps lower the per-unit cost of inputs. Some inputs such as research and development, advertising, managerial expertise and skilled labor are expensive. But because of the possibility of increased efficiency with such inputs, they can lower the average cost of production and selling. If a company spreads the cost of such inputs over more production units, economies of scale are realized. If a fast food chain chooses to spend more money on technology to eventually increase efficiency by lowering the average cost of hamburger assembly, it would also have to increase the number of hamburgers it produces a year in order to cover the increased technology expenditure.

Economies of scale typically come through:

- Technology by taking advantage of returns to scale in the production function.
- Purchasing by bulk buying of materials through long-term contracts.
- Management by increasing the specialization of managers.
- Financing by obtaining lower-interest charges when borrowing from banks and having access to a greater range of financial instruments.
- Marketing by spreading the cost of advertising over a greater range of output in media markets.

As the scale of production of a company increases, it can use specialized labor and machinery resulting in greater efficiency.

To attain economies of scale, a company may need to expand beyond its local market into national or international markets.

**Diseconomies of scale** occurs when production falls in proportion to inputs, which means there are inefficiencies within the firm or industry resulting in rising average costs. These inefficiencies could stem from management or labor policies, over-hiring or deteriorating transportation networks. Furthermore, as a company's scope increases, the distribution of its goods and services may be progressively more dispersed, which can actually increase average costs.

**External economies of scale** affect all businesses in the same industry in an area. They can come from improved transportation and telecommunications networks or be reaped if the industry lessens the burdens of costly inputs by sharing technology or managerial expertise. They also can result from the development of local suppliers with specialized knowledge of the industry. Another common source of external economies of scale is development of a skilled labor force.

**Agglomeration benefits** arise from external economies of scale because interacting firms benefit from lower cost or increased performance by being located near each other. Benefits from clustering in the same geographic area also may occur because of labor skills.

## THE MARSHALLIAN TRINITY

The first economist to describe industry clusters was Alfred Marshall, who wrote in 1920 about the pattern of economic activity in the industrial districts of England. He identified three reasons why groups of firms in a particular trade located near one another would be more productive than if they were separated.

- Labor market pooling
- Supplier specialization
- Knowledge spillovers

**Labor market pooling** results when a concentration of similar firms attracts, develops and benefits from a pool of labor with a common set of skills. Individual workers minimize their economic risk by being located in a place with many possible employers of their specialized skills. Likewise, firms are attracted to pools of talented labor. Moreover, successful clusters generate additional human capital from the experience workers and managers gain in the cluster.

Although other cluster inputs such as parts, suppliers and services can more easily be outsourced, the workforce remains a local resource constrained by acceptable commuting patterns. Changing demographics and preferences only reinforce the critical nature of a skilled labor supply. Declining birthrates in industrialized nations coupled with diminished interest among youth in pursuing industrial careers have increased the pressures to locate where a labor pool already exists.

**Supplier specialization** results when a concentration of similar firms creates a good market for suppliers and provides the scale needed for suppliers to refine and specialize their expertise. This, in turn, works to the productive advantage of their customers.

The interaction between buyers and suppliers can trigger quicker and more effective responses to technical problems or demand changes, helping all the firms in the cluster.

**Knowledge spillovers** result, Marshall found, with the concentration of many people working on similar economic problems. In industrial districts, ideas move easily from firm to firm as if knowledge was “in the air,” producing a widely shared understanding of an industry and its workings. Inventions and improvements in machinery, processes and the general organization of business have their merits promptly discussed. If one company has a new idea, it is taken up by others, combined with suggestions of their own and becomes the source of further new ideas. Now, Marshall’s concept is also tied to Kenneth Arrow’s identification of the importance of learning by doing.

Local clusters have a “buzz.” Face-to-face contact is an efficient way to trade information in situations in which the economy is changing. Often membership in a cluster provides the entrée to global contacts, which helps bring knowledge from the outside world.

Knowledge spillover is a positive externality where technological improvements in one firm spreads to others.

## INDUSTRIAL CLUSTERS

Harvard professor Michael Porter noticed in the 1980s that regions with strong industrial clusters – groups of firms that make similar products or

provide similar services and their suppliers – tended to grow faster than other regions. Some of the best known clusters include the film and television industry in Hollywood, the electronics companies in Silicon Valley, the Research Triangle in North Carolina, the wine industry in California’s Napa Valley, the automotive industry in Detroit and financial services on Wall Street.

In his publications in the early 1990s, Porter argued that knowledge spillover in specialized, geographically concentrated industries stimulated growth, and competition with other firms in the same locality fostered the pursuit and rapid adoption of innovation. He gave examples of Italian ceramics and gold jewelry industries, in which hundreds of firms are located together and fiercely compete to innovate since the alternative to innovation is demise.

Cluster members compete against each other for customers, supplies and workers. They can be motivated to improve their services and products by rivalry. They also can learn about their customers’ needs by seeing how their competitors meet or fail to meet them. If the competitors work together, they can help solve some of their common needs for worker skills, infrastructure, legal environment and supply chains.

Porter pointed out that when businesses complement each other in meeting customer needs, they create linkages among the cluster members, resulting in a whole greater than the sum of its parts. In the tourism industry, for example, customer views of local attractions will be enhanced if they feel well treated at hotels and restaurants. At the same time, if they like the local attraction, they will be happier with the hotels and restaurants. In an example from the wood products sector, the efficiency of sawmills depends on a reliable supply of high-quality timber and the ability to put all the timber to use – the highest quality of wood going for furniture, the lower quality for pallets and boxes and the lowest quality for wood chips for paper. By the same token, once an area develops a good reputation for certain kinds of products, every member of the cluster benefits from the reputation that is earned by the other cluster members.

A strong cluster stimulates the formation of new business, which in turn strengthens the cluster. Furthermore, recent research shows that startup firms that are part of a strong cluster are more likely to survive.

Porter concluded that clusters are places where people turn ideas into businesses better, faster and more reliably. He noted that industries participating in a strong cluster register higher growth in employment, wages and business establishments and secure more patents.

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## **SUPPORT FOR SMALL BUSINESSES THRIVES IN NC IDAHO**

Many north central Idaho organizations are stepping up their efforts to help entrepreneurs start up and existing businesses expand.

Avista announced in May that it will contribute \$100,000 over three years to Walla Walla Community College’s Clarkston campus to provide resources for potential entrepreneurs. The college will recruit mentors, advisers and professional service providers to support startup ventures. Classes will start in

the fall of 2013. As well as providing entrepreneurship training, the program establishes a microloan fund for students who go on to found companies after completing the instruction. It is modeled on an Avista initiative credited with creating 39 new jobs in the Spokane area. The Avista Center for Entrepreneurship, which began in 2007 at Spokane Community College, has helped launch 28 businesses. Similar programs also are being created at North Idaho College in Coeur d'Alene and Rogue River Community College in Medford, Ore. Each school will receive \$100,000 over three years and must provide \$60,000 in matching funds.

The Small Business Development Center on the Lewis-Clark State College campus in Lewiston serves all of north central Idaho and the Clarkston and Pullman areas in Washington. It provides one-on-one consulting and low-cost training courses on many aspects of starting and running businesses. Its no-cost confidential consulting services help businesses create business plans, prepare for owner transitions, research potential markets, improve marketing, deal with management issues and handle cash flow. It works closely with local economic developers to retain and expand businesses. In the last year, 29 percent of its 1,856 consulting hours were on business startup, 25 percent on business planning, 18 percent on marketing and 12 percent on accounting and financial issues. It offered 973 training hours. In all they helped launch 13 businesses, create 90 jobs, raise \$1.2 million in capital and increase sales by \$6.1 million.

The Palouse Knowledge Corridor hosted an event in Moscow on May 1 that put budding entrepreneurs in front of investors and scientists and other experts from the University of Idaho and Washington State University. Among the seven people describing plans for their new businesses were Brian Hoffman, a general surgeon who plans to open a vodka distillery at the Port of Clarkston next to Basalt Cellars and Riverport Brewing. The business showcase introduced him to experts who could help develop production equipment. The Moscow Brewing Co. presented its plan to open Moscow's newest microbrewery this summer.

Three businesses headed by University of Idaho students presented their ideas at the corridor's showcase. Ultrafast Fermentation purports to have a faster, less wasteful fermentation method, applicable to ethanol, oil or beer. Lucid Diagnostics is developing a test to determine the microbial makeup of women to improve their health care. Another new company, headed by two engineering students, is working on a two-stroke engine – commonly found in yard tools, scooters and other light machinery – that is more fuel-efficient and less noisy. This was the corridor's second business showcase. The first was last November in Pullman.

The Clearwater Economic Development Association provides loans for small business startup and expansion projects across the five counties of north central Idaho and the four counties of southeastern Washington. It offers financing that can be used in partnership with bank financing to help bridge the gap between the amount available through the bank and the amount available from the business and its owners. The association also operates microloan programs for financing smaller projects in situations where bank financing is unavailable. In addition, the staff provide technical assistance to applicants and borrowers under the Rural Micro-Entrepreneur

Assistance Program. Since inception of the finance program in 1989, the association has issued 229 loans totaling \$8.8 million. This financing has helped to create and/or retain over 725 jobs and has leveraged over \$9 million in private financing and investment.

Owners of two local businesses - Chris Aberle and Austin Storm - opened another in downtown Moscow - a co-working enterprise. Like the many co-working spaces that have opened in many cities across the U.S, Brick and Mortar offers a shared workspace where freelancers can get the benefits of working in an office, including the social interaction and exchange of ideas. The Moscow workspace includes Wi-Fi access and use of a conference room, kitchen, printer and a desk.

“What we’re selling is a community for entrepreneurs and self-employed creative types,” said Aberle. “A lot of the time, they work alone at home, and there may be distractions or they just want a dedicated space to network and have that ‘co-worker’ experience. There’s so much talent here. I thought Moscow was a perfect mix of people who are willing to try new things.”

A SCORE chapter has formed on the Palouse and plans to start offering services soon in the Pullman-Moscow area. SCORE, a partner organization of the Small Business Administration, is made up of retired executives who provide mentoring to entrepreneurs to help their businesses thrive. The chapter is still looking for professionals with experience in accounting, law, graphic design and branding, marketing, sales, restaurant/hospitality, manufacturing, distribution and inventing.

Vandal Solutions, a University of Idaho course, makes real-world business applications part of class. The students in the course function as a business, selling services throughout the region that include making business plans, designing logos, marketing and promotion, building Facebook pages and providing secret shoppers. Like any business, Vandal Solutions teams drum up clients. Students can draw on the university’s resources including faculty and technology. Not only do businesses receive low-cost, professional services, students also gain real-life experience and skills. Profits are donated back to the university. More information about Vandal Solutions is at [www.vandalsolutions.com](http://www.vandalsolutions.com).

The Idaho Department of Labor is providing one-on-one counseling to assist businesses with human resource, business management and other issues. It also can help businesses come together as industrial clusters to tackle common challenges. The department focuses its most intense efforts on the industrial clusters that are most likely to have a major positive impact on communities including advanced manufacturing, energy, high-technology and health care.

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## **GROSS PRODUCT INDICATES DIVERSITY DEVELOPING IN SC IDAHO**

The value of all goods and services produced in south central Idaho in 2011 was \$5.6 billion in 2011, according to Economic Modeling Specialists Inc. in Moscow. EMSI uses state and national gross product estimates from the U.S. Bureau of Economic Analysis to estimate county gross product.

It provides a snapshot of which industries generate the region’s wealth and includes \$3.8 billion in earnings, \$1.5 billion in property income and nearly \$500 million in taxes.

Agriculture has long driven the economy of south central Idaho, but the newest gross product estimates show manufacturing is not far behind it. Many agricultural commodities are drawn into the nondurable manufacturing sector when they are turned into tater tots, cheese bricks, pecan crusted trout fillets, frozen corn, beer and sugar for our desserts.

The plastics manufacturing cluster that has developed in the region maintains a solid position with payroll doubling over the last decade while total jobs are up 30 percent. That indicates individual paychecks have grown significantly over the last 12 years, reflecting the higher skill level required of workers in an increasingly technological sector. Durable manufacturing, on the other hand, posted a decline in the workforce during the recession while food processing was substantially less affected by the downturn.

<b>2011 Gross Product for South Central Idaho by Sector</b>		
<b>Industry</b>	<b>Amount*</b>	<b>% of Total</b>
Total Regional Gross Product	\$704,065,944	100%
Agriculture, Forestry, Fishing and Hunting	\$600,737,697	13%
Manufacturing	\$589,020,768	11%
Government	\$501,339,998	10%
Real Estate and Rental and Leasing	\$497,306,460	9%
Retail Trade	\$426,625,291	9%
Health Care and Social Assistance	\$327,453,298	8%
Finance and Insurance	\$322,406,488	6%
Wholesale Trade	\$270,013,619	6%
Professional, Scientific and Technical Services	\$248,661,145	5%
Transportation and Warehousing	\$226,821,467	4%
Construction	\$226,631,139	4%
Accommodation and Food Services	\$147,851,542	4%
Utilities	\$137,513,536	3%
Other Services (except Public Administration)	\$131,142,419	2%
Administrative and Support and Waste Management and Remediation Services	\$130,563,746	2%
Information	\$55,189,222	2%
Arts, Entertainment and Recreation	\$28,985,657	1%
Mining, Quarrying and Oil and Gas Extraction	\$24,581,694	1%
Educational Services (Private)	\$16,036,388	0%
Management of Companies and Enterprises		0%

Source: Economic Modeling Specialists Inc.

\*in billions

Food processing, which accounts for the bulk of nondurable manufacturing in the region, has twice the workforce and payroll of durable manufacturing. But there were still more durable manufacturing employers in the eight-county area than nondurable.

Beyond the plastics manufacturing cluster, a strong fabricated metal and transportation equipment manufacturing base has developed. The average wage in 2011 for food processing was 9 percent higher than in durable manufacturing, likely the result of employers needing more supervisors to oversee their larger workforces. There were also higher skilled jobs in food processing such as food scientist and laboratory technician, and a number of jobs require experience and problem-solving abilities such as plant operators and plant maintenance workers who are critical to the process. The large

## 2011 South Central Idaho Wages and Employment

Industry	Total Wages	Average Employment	Employers	Average Annual Wage
<b>All Sectors</b>	<b>\$2,387,886,593</b>	<b>77,608</b>	<b>7,254</b>	<b>\$30,769</b>
<b>Average Wage Higher than All Industry</b>				
Management of Companies and Enterprises	\$12,192,417	193	31	\$63,173
Utilities	\$31,771,488	565	58	\$56,233
Finance and Insurance	\$80,780,565	1,726	328	\$46,802
Professional, Scientific and Technical Services	\$121,522,473	2,727	608	\$44,563
Wholesale Trade	\$133,913,087	3,081	397	\$43,464
Manufacturing	\$323,249,790	7,966	276	\$40,579
Information	\$40,531,301	1,152	97	\$35,183
Public Administration	\$144,975,113	4,137	208	\$35,044
Transportation and Warehouse	\$133,516,460	3,865	380	\$34,545
Health Care and Social Assistance	\$297,636,132	8,816	627	\$33,761
Mining	\$4,715,645	140	24	\$33,683
Construction	\$122,538,559	3,645	946	\$33,618
<b>Average Wage Lower than All Industry</b>				
Agriculture, Forestry, Fishing and Hunting	\$267,990,133	9,340	673	\$28,693
Educational Services	\$173,076,210	6,267	151	\$27,617
Other Services (except Public Administration)	\$55,270,291	2,135	511	\$25,888
Real Estate and Rental and Leasing	\$21,718,543	862	274	\$25,196
Retail	\$223,544,354	9,333	822	\$23,952
Administrative and Support and Waste Management and Remediation Services	\$81,066,423	3,927	301	\$20,643
Arts, Entertainment, and Recreation	\$17,213,815	930	116	\$18,509
Accommodation and Food Services	\$100,663,794	6,801	426	\$14,801

Source: Quarterly Census of Employment and Wage, Idaho Dept. of Labor

number of workers and high production call for additional back office staff to handle human resources, accounting and logistical functions.

Government ranked third in contribution to regional gross product and further cuts to federal, state and local government budgets could be detrimental to the continued recovery from the recession. Many vital government functions are faltering now as building permits increase without the staff to evaluate and process the paperwork. Educational issues will surface as the repercussions of staff reductions affect students, particularly in the elementary and secondary schools. Private industry could be affected as well by government budget cuts since government oversight is critical in areas such as food safety and consumer and securities advocacy.

Real estate and leasing provided a higher share of gross product than retail, which was unexpected in an area where there has been increasing emphasis on attracting more major retailers. The never-ending need for rental housing and other types of leased property such as equipment, furniture, electronics and vehicles is likely to continue.

The housing debacle has scarred many homeowners to the point they maintain renting is the only way to go. As long as the new home market remains flat and credit requirements are tight, rentals will remain the more attractive alternative for all population groups. Both these industries are big contributors to gross product but the average wage in both industries is below the average for all workers in the region. The retail sector has always seen a high percentage of part-timers and minimum-wage workers. For many Americans, retail was their first experience in the job market.

Looking to the future, the region must consider how the economy should look and whether it will be comprised of lower paid jobs or jobs that require higher skill levels with corresponding higher paychecks. The region and the state suffered something of a brain drain during the recessionary years of the 1980s when those with educational and training credentials left for better prospects in other states. Many of those people have since returned as Idaho started to see more economic diversification with computer chips, technology and high-tech startups and in finance that followed job creation.

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### NORTHERN IDAHO

Benewah, Bonner, Boundary, Kootenai & Shoshone counties

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#### REGIONAL DEVELOPMENTS



The University of Idaho has received a \$1.1 million National Science Foundation grant to help provide students from the Coeur d'Alene and Spokane Indian tribes hands-on learning in watershed and health studies. The three-year program targets fourth- through sixth-graders with after-school and summer activities. The curriculum incorporates native culture with projects that expose students to additional learning in mathematics, science, technology and engineering.

- Wagstaff Inc. of Spokane Valley began work on a 57,000-square-foot addition to its manufacturing plant and over 90,000 square feet to another building. The company makes aluminum-casting equipment that is sold globally. Nearly 85 percent of the equipment is exported. The company currently employs approximately 300 people.



Liberty Lake-based Itron Inc., the big maker of energy-management equipment and systems, recently signed a contract with the Algerian National Co. of Measurement and Control Instruments to provide a large-scale commercial and industrial energy data-collection system across that country. The project is expected to be conducted over the next year and half.

- Prompted partly by a large growth in new insurance policies, Hubbell Financial Group Inc., the Spokane-based regional office for Northwestern Mutual Financial Network, is recruiting 25 new financial representatives and 30 interns to meet a growing demand for its products and services in the Inland Northwest. The new financial representatives will be spread out between its nine offices across eastern Washington and northern Idaho.
- FedEx donated a Boeing 727-200F aircraft to Spokane Community College's aviation maintenance program and will also be used for Aircraft Rescue Firefighting personnel. The aircraft will be housed at Spokane International Airport for training purposes.
- PepsiCo is merging its Coeur d'Alene and eastern Washington operations into one regional distribution operation in the Spokane Valley. The 130 employees in the region will make the move to the new facility after Aug. 1. In selecting the new site, PepsiCo obtained \$50,000 in incentive funds from the governor's Strategic Reserve Fund with the assistance of Greater Spokane Incorporated.
- Garco Construction of Spokane landed a \$35.8 million federal contract after challenging an earlier award of the job to an Oklahoma competitor. Although Garco's bid last year was lower to build a large truck and

maintenance shop at Joint Base Lewis-McChord near Tacoma, the U.S. Army Corps of Engineers gave the job to The Ross Group of Tulsa, Okla., because the base is in an Historically Underutilized Business Zone and that means small companies like Ross was supposed to be get preference on federal contracts. After learning that The Ross Group did not meet the HUBZone requirements, Garco challenged the award and, as a result, the bid process was reopened. The Lewis-McChord project is the first of more than a dozen similar U.S. Army projects the Corps of Engineers will award over the next three years. Together, those maintenance facilities projects are expected to cost about \$499 million.

## COUNTY DEVELOPMENTS

### *BENEWAH COUNTY*

- Backers are hoping for more success at June's second annual St. Joe River Marathon in St. Maries. The inaugural event last year had 514 participants from 12 states including Texas, California, Ohio and New York. There were just over 460 applicants of all ages and abilities registered for the full marathon, half marathon and five kilometer races. A SuperKid River Run has been added to this year's events. The event is growing with support from national sponsors.
- Due to declining enrollment, the Plummer-Worley School District has reduced its staff from four teachers to two for the upcoming school year. Enrollment is down 29 percent – 21 students – from the 2007-2008 school year.
- The Stimson mill in St. Maries has requested a permit to regulate emissions for additional kiln capacity. The amount of lumber drying on kilns is expected to increase from 93.4 million board feet to 110 million board feet.

### *BONNER COUNTY*

- Residents said goodbye to Lake Pend Oreille School District Superintendent Dick Cvitanich, who has taken a job at the Olympia School District in Washington. He is being replaced by Shawn Woodward from North Kitsap School District in Poulsbo, Wash. Woodward started out as an administrator in 1999.
- Sandpoint High School hosted the annual reverse career fair as one of the major events in its career pathways class. Everything from horse training to helicopter piloting was represented as sophomores and juniors lined up their desired careers. They got first-hand information on the positive and negative points of various careers and the best way to achieve them. Local professionals evaluated those student presentations related to their career and they graded students on their communication ability, attire, clarity of speech and the quality of visual aids.
- The Community Assistance League in Sandpoint awarded \$100,000 in grants this year. Sagle Fire District officials will use their money to update their ice rescue suits. The Bonner County Museum is upgrading the software used to catalogue its showpieces. The Pend Oreille Arts Council will be taking kids to see live theater performances in Spokane. As for the Pa-

nida Theater, the grants will finance restoration. Kinderhaven will be updating its playground equipment. The philanthropic group raises its money primarily through Bizarre Bazaar, an upscale second-hand retail store operated entirely with volunteer labor.

- North Idaho College has created more of a presence in Sandpoint after signing a five-year lease at the Sandpoint Event Center in the heart of downtown. The Sandpoint Urban Renewal Agency contributed \$40,000 a year for four years to help the college bear the increased costs of relocating from the Bonner Mall in Ponderay. The college, now branded NIC at Sandpoint, will be ready for the fall semester.



The 30<sup>th</sup> annual Idaho State Forestry Contest took place in Careywood with students from the third grade all the way through seniors in high school from Bonners Ferry to Genesee. The annual forestry contest includes a variety of tasks and skills from plant and tree identification, soil analysis and compass navigation and pacing, to timber cruising and log scaling.

### *KOOTENAI COUNTY*



Kootenai County and the Kootenai Electric Cooperative partnered on a new \$6.5 million waste-to-energy plant at the Fighting Creek Landfill in Worley. The plant has the capacity to power 1,800 homes once the second engine starts running at the plant. The county expects to bring in \$4.5 million over the next 20 years by selling the gas, and the county and cooperative plan to bring in dollars by selling renewable energy credits. The project was funded through Clean Renewable Energy Bonds.

- Assessed values in Kootenai County dropped by \$859 million to \$11.27 billion this year. The amount is still an estimate, but it marks the fifth consecutive year of declining values. Approximately 2,950 properties in 659 neighborhoods were assessed. The amount of foreclosures and short sales jumped from comprising 25 percent of the market to 41 percent in 2011.

### *SHOSHONE COUNTY*



Nineteen Silver Valley residents graduated from the EPA Superfund Job Training Initiative – an environmental remediation job readiness program – supported by the Technical Assistance Services for Communities program. Students graduated with certificates in 40-hour Hazmat, CPR and Flagging; got experience in soil sampling and skid steer operation and attended an employment readiness class. With sheer determination, citizens continuing in the program have made noticeable strides toward becoming empowered, ready to work and gainfully employed. This program can be repeated if local need and interest is shown.

- Nine Lucky Friday miners were awarded certifications from North Idaho College's Workforce Training Center for completing a 160-hour, 10-week welding course. The accelerated course typically takes two years. But as part of Idaho Department of Labor's rapid response to the closure of the Lucky Friday mine, the college modified the course so these miners could get back to work faster.

- Silver Streak Zipline Tours opened its lines just outside of Wallace in June. The course with three miles of cable is the only one of its kind along Interstate-90 from Seattle to Boston.
- A quarter of the workers laid off as a result of the closure at the Lucky Friday mine will be returning to work in July according to Hecla Chief Executive Phil Baker. About 40 percent of the shaft has been cleaned and repaired, and the remainder of the work is still expected to be completed by the end of the year. Once completed, the \$200 million expansion project will resume, bringing back 120 contract workers.

### OPENINGS

- Common Sense Chiropractic of Hayden in St. Maries
- Fu-Ki Japanese Steak House in Post Falls
- A new StanCraft showroom at the Marine Center in Coeur d’Alene
- Moose Creek Neighborhood Pub & Grill in Hayden with 25 employees
- Meltz Extreme Grilled Cheese in Coeur d’Alene with 12 employees
- Coeur d’Alene Exchange Thrift Store in Coeur d’Alene
- Shenanigan’s Toy Emporium in Coeur d’Alene

### EXPANSIONS

- Accurate CNC Services of Hayden is doubled its size and added one employee with plans for two more
- Benewah Community Hospital in St. Maries

### CLOSURES

- Curves in Post Falls
- MacXperts in Post Falls
- Butterfly Gardens in Post Falls

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## NORTH CENTRAL IDAHO

Clearwater, Idaho, Latah, Lewis and Nez Perce counties

### REGIONAL DEVELOPMENTS

- The Harvard, Ashahka and University of Idaho post offices will not be closed along with 3,700 other post offices across the United States. The U.S. Senate passed legislation prohibiting any closures proposed by the postal service for at least a year. In announcing the offices would remain open, however, the postal service said they would operate with limited hours.

### COUNTY DEVELOPMENTS

#### CLEARWATER COUNTY

- Governor C.L. “Butch” Otter ceremoniously kicked off the Idaho National Guard’s Youth ChalleNGe Program in Pierce in May. The old school in Pierce will be converted to run a bootcamp-style program for teens in danger of dropping out of school. The federal government will cover three-quarters of the annual operating cost of \$4 million, and the state will pay the rest with money from state public school support and corporate donations. A director and some other key personnel will be hired this

summer followed by 50 teachers, counselors, office staff, cooks and janitors. The first class of 100 to 120 students is scheduled for July 2013. It was delayed six months because of a shortage of modular housing units resulting from huge demand in the North Dakota oil fields. All program jobs will be listed on the Idaho Department of Labor website at [labor.idaho.gov](http://labor.idaho.gov). The program probably also will hold a job fair this fall.

- The Farm Service Agency office in Orofino is one of four Idaho offices being closed. It employs three. The others are in Marsing, Payette and Shoshone.
- Voters passed a \$1.9 million supplemental levy for the Orofino School District in mid-May. The school district serves all of Clearwater County and the Peck area in Nez Perce County.

### *IDAHO AND LEWIS COUNTIES*

- The Grangeville City Council is taking a lead in opposing a Forest Service plan to close the Nez Perce National Forest headquarters there. As part of its plan to consolidate the Nez Perce and Clearwater national forests, the government said it would close headquarters in Grangeville and Orofino and combine them in Kamiah with 73 employees. Employees would continue to work until the leases expire at Orofino in April 2014 and Orofino in October 2022. After the consolidation, fire dispatch center and smoke-jumper base would still employ about 45 people in Grangeville, and the headquarters of the North Fork Ranger District would still employ about 27 people in Orofino. The city council sent letters to the Idaho Congressional delegation and the forest supervisor asking for a 180-day moratorium on the move. It questioned the assumptions behind the value-analysis conducted by Forest Service employees that was the basis for the Kamiah decision and asked for an impartial and more complete analysis of the proposed move's impacts on the two communities. Grangeville residents are concerned about the job loss and resulting population loss, especially as it affects the hospital and school district. But Rick Brazell, supervisor for the two forests, pointed out that the Grangeville lease extends through 2022, meaning a significant number of staff will remain in Grangeville for another decade, giving the city and the employees time to transition.
- Winchester, a city of 303 residents 35 miles south of Lewiston, received a \$150,000 Idaho Community Development Block Grant to renovate its community center. The former high school gym built in 1954 needs extensive electrical work. Renovations also will improve accessibility.



Three community drinking water and wastewater systems in Idaho County are getting grants and loans through Idaho Department of Environmental Quality. The city of Stites was awarded a \$20,000 grant as part of an overall \$40,000 project to evaluate excessive infiltration and inflow so it can comply with its wastewater treatment contract with the city of Kooskia. The city of White Bird will receive a grant to cover half of a \$30,000 project to develop a facility plan to improve the quality of wastewater discharge. The Harpster Community System will receive a loan of \$150,000 to replace an old, leaking tank for its drinking water system.



The Idaho Community Development Block Grant program awarded \$150,000 to Riggins to convert the former Odd Fellows Hall into the Riggins Community Center. Work includes a handicapped-accessible bathroom, new access to the building, new wiring and insulation and a kitchen renovation. When declining membership of the Rebekah and Odd Fellow lodges forced them to close last fall, the city accepted ownership of the hall, which has been a centerpiece of the community since 1953. The building needs handicap access as well as upgrades to the electrical and plumbing systems. The renovations also will make the building more energy efficient.

- Kamiah Joint School District voters rejected a two-year, \$201,420 plant facilities levy on May 15. The money would have financed repair of the middle school roof and purchase of additional computer equipment. Voters also rejected a levy in 2011. The district faces a \$500,000 budget shortfall next year.
- Four other school levies passed in May. Mountain View School District, based in Grangeville, approved a one-year, \$2.3 million supplemental levy. Cottonwood School District voters approved a \$387,000 maintenance and operations levy, and Nezperce approved a \$445,000 one-year supplemental levy. Even though the Salmon River Joint School District's \$545,000 levy passed, the Riggins district will cut two teaching positions and is looking at consolidating its buildings.

#### *LATAH AND WHITMAN COUNTIES*

- When Gov. C.L. "Butch" Otter led a trade mission to China in April, a Moscow biotech company signed an agreement to sell pregnancy tests to China's third-largest dairy. BioTracking's tests, which require only a blood sample rather than manual testing, predict with 99 percent accuracy when a cow is pregnant. Knowing when a cow is pregnant can increase milk productivity. The technology transfer company employs more than a dozen people.
- Latah County commissioners signed a 50-year lease agreement in May to build an ice skating pavilion at the Latah County Fairgrounds in Moscow. The lease amount is graduated based on the rink's annual gross revenue. The pavilion will replace the small rink used for hockey, figure skating, curling and public skating.
- Potlatch school district residents voted down a \$1.35 million supplemental maintenance and operations levy in the May 15 election. The school board decided to cut \$50,000 from the proposed levy and seek another vote this August. Even if the new levy passes, schools will face cuts. The district probably will not replace the retiring librarian and cut staff by half a full-time position. If the levy fails, deeper cuts will be required.

#### *NEZ PERCE AND ASOTIN COUNTIES*

- Clearwater Paper plans to move one of its six toilet paper converting lines from Lewiston to Las Vegas by early next year. The move affects eight people, who will be reassigned to other jobs at the mill. The converting lines cut and package paper from huge parent rolls into the sizes and

quantities customers buy in store. Clearwater Paper, which employs 1,350 in Lewiston, has no additional plans to relocate equipment.

- Asotin County commissioners approved a Port of Clarkston proposal to use county land for a fiber-optics project that would bring high-speed Internet to the port district and the business park it plans to build. The \$1.5 million infrastructure project will connect businesses to a fiber optic cable. Reliable, high-speed connectivity will be essential to attracting companies to the port's business park, port manager Wanda Keefer said.



A grant of nearly \$1 million from the U.S. Department of Labor will help about 125 workers who lost their jobs when Clearwater Paper Corp. sold its Lewiston sawmill to Idaho Forest Products last year. Idaho Forest Products reopened the mill before year's end but has hired back fewer than half the 250 workers employed before the sale. The National Emergency Grant of \$947,841 being administered by the Idaho Department of Labor will provide services to the workers who were not rehired and have not found other jobs. Unlike some other assistance programs, this grant specifically allows the department to assist workers regardless of their residency, a significant aspect since the mill drew workers from Washington as well as Idaho. The grant will provide workers with extensive services to prepare them for jobs in advanced manufacturing, green energy, health care, technology and transportation among other expanding industries.

- Lewiston hosted the Avista-NAIA College World Series for the 13th year in a row. Ten of the best small-college baseball teams in the nation played in the double-elimination tournament on Harris Field on the Lewis-Clark State College campus from May 25 through June 1. The series is one of Lewiston's biggest tourist draws. The tournament also will be held in Lewiston next year, but in January, the National Association of Intercollegiate Athletics informed the college that it would accept bids through November to host the series in 2014 and 2015. "We're absolutely confident that we will secure this bid for the World Series again," Lewis-Clark President Tony Fernandez said. "And I'd like to say that this World Series that's coming up this year and the next one, we're committed at LCSC to make it the two best World Series that we've ever put on. We're going to make it so difficult for anybody that wants to compete for the World Series to win that contract." School officials say Lewiston has several advantages – good weather and a title sponsor, Avista, and a history of successful, well-attended tournaments. The series was held at Lewiston from 1984 to 1991, and then bounced around to four sites that didn't draw many spectators before returning to Lewiston in 2000.
- The Hells Canyon Visitor Bureau opened a visitors' information center in downtown Lewiston in May. The organization, which serves both Asotin and Nez Perce counties, has its main office in Clarkston. Given the funding it receives from both Idaho and Washington, it wanted to have a presence on both sides of the river. The Idaho Travel Council recently presented the bureau an award for a marketing campaign. The magazine ad features a jet boat ride, helicopter tour, fishing and golf and was titled "One Hot Place ... So Many Adventures." It appeared in publications such as

Horizon Air Magazine, Sunset Magazine and National Geographic Traveler. Northwest Media Productions in Lewiston did the project.

### OPENINGS

- Clarkston Garden Supply in Clarkston
- JAMMS Frozen Yogurt in Moscow
- Yummyz Ice Cream Shop 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

- St. Luke's Health System has purchased the Falcon Office building in Boise. The three-story building on the east end of downtown will house some of the company's nonclinical staff. Details of the purchase were not released, but the 2011 assessed value was almost \$3.7 million.
- Boise-based US Ecology is acquiring Dynecol Inc. of Detroit for \$11.25 million. Dynecol owns and operates a permitted treatment, storage and disposal plant in Detroit that employs 35.
- Bed Bath & Beyond has acquired Cost Plus Inc. for \$495 million. Cost Plus has stores in both Nampa and Boise. No immediate announcement of employment changes was made.
- Ground has been broken for the first stage of the Idaho 16 extension. The long-awaited project west of Meridian includes bridges over the Boise River and the Phyllis Canal. Construction is slated for completion in 2014.
- Hewlett-Packard Co. has announced companywide job cuts that will affect Boise. No numbers have been released, but the company announced that it will try to avoid as many layoffs as possible by offering early retirement packages. The company expects to save as much as \$3.5 billion dollars from these and other cost cutting measures.
- Peterson Auto Group broke ground on a new dealership in Boise last month. The company expects to move about 80 employees and hire an additional 20 to staff the new dealership. The \$10 million-dollar venture is scheduled to open next March.
- Hostess mailed notices to its over 18,000 employees in the United States, warning that a sale or wind down of the company is possible. The company filed for bankruptcy earlier this year, citing debts of over \$1 billion. Hostess has nine Idaho locations in Boise, Nampa, Caldwell, Mountain Home and Twin Falls.

#### BOISE COUNTY

- Boise County voters approved a measure that will allow the county to sell bonds to pay a \$3.1 million debt incurred from a judgment levied against the county in 2010. County officials argued that the bond would help save

money in interest and preserve services. The purposed tax increases to pay for the bonds will last seven years.

### CANYON COUNTY

- Terry Reilly Health Services was awarded a \$5.5 million grant for construction and improvements. The community health care center is planning on building a new, larger facility in Nampa and renovating its Caldwell office.
- Caldwell's new Foreign Trade Zone has been approved. The 760-acre area in Caldwell will be considered outside the U.S Customs Territory, allowing Idaho manufactures to defer, reduce or even eliminate customs tariffs on imported parts and materials.
- Transform Solar announced it will close its Idaho-based operation over the next three months. The joint effort between Micron and Origin Energy cited the challenging global economic environment as the main factor in its decision. The company said it will offer severance packages, and employees will be able to apply for positions at other Micron locations.

### GEM COUNTY



Emerald Forest Products in Emmett has reopened, offering over 40 people their jobs back. The mill stopped operation last year due to financing problems and fire suppression issues.

- Gem County broke ground on a new building that will house both its Sherriff's and Assessor's offices. The new building will allow the county to consolidate services into one area. Construction is planned to begin this summer.

### VALLEY COUNTY

- The Tamarack ski area reported a loss off almost \$300,000 for the 2011-2012 ski season. Operators attribute the lost to a combination of weather, which included rain and even some lightning storms, and increased maintenance expenses before the season began. The previous season saw the resort make a profit of \$1,119. The bankrupt resort has been operated by the Tamarack Municipality Association. In order to recoup losses and to provide capital for the Osprey Meadows golf course, which will also be operated by the association this year, the home owners will be asked to pay a special assessment of \$1,000 per year.



Cascade received a \$2.3 million loan from the Idaho Department of Environmental Quality to fund its sewer system upgrade. The loan is being financed at a .25 percent interest rate over 30 years. To pay for the loans, higher sewer bills will be phased in over three years. The project will begin this summer.

- The City of McCall received a \$500,000 Community Block Grant to extend streetscapes along Idaho 55. The \$1 million project will add sidewalks, gutters, trees and streetlights. Planning will begin this summer with construction starting in mid-2013.

### OPENINGS

- Mixing Bowl, a culinary store in Boise
- Smart Art Crafts for Kids in Boise

- Taco Bell on Eagle Road in Boise
- IdaPro Indoor Golf Center in Boise
- Syringa Flowers and Gifts in Garden Valley
- Idaho Lifestyle Excursions in Nampa
- Pandora, a jewelry store in Boise
- BrowSpa in Boise

#### CLOSINGS

- Williams Jewelers in Nampa
- La Bell Vie, a restaurant in Nampa

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## SOUTH CENTRAL IDAHO

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

### REGIONAL DEVELOPMENTS

- Idaho Department of Commerce Community Block Grants, which play a major role in economic development and meeting needs in small communities with limited resources, have been awarded to several communities including these projects in south central Idaho:
  - Jerome County for the Senior Citizens Center in Eden, \$46,000
  - Fairfield water system improvements, \$500,000
  - Hansen community center renovation, \$150,000
  - Twin Falls municipal water system upgrades for Chobani, \$500,000
  - Jerome County for handicapped access, \$61,824
  - Blaine County senior center improvements and expansion, \$150,000
  - Shoshone for a new roof, flooring, safety lighting and emergency signage, \$70,715

### COUNTY DEVELOPMENTS

#### BLAINE COUNTY

- Construction on a new motocross track near Carey was approved by Blaine County's Planning and Zoning Commission. Work will start in June and be completed by the end of summer. The concept was supported by the city of Carey and Blaine County. About 120 motocross racers are expected to use the course during the April-August season. The Idaho Department of Lands was concerned about potential riders on Craters of the Moon National Monument grounds, but riders assured the state the track will be the only place the bikes will be allowed.



The Sawtooth Botanical Garden offers more than its name would indicate. Activities include ongoing research and education for students and adults, cooking classes, arborist certification, an annual Bug Zoo where spiders and beneficial insects are sold to children, raised beds for community garden plots and a publication of recommendations for zone-hardy plants. The organization operates on a \$275,000 annual budget and is open year round from dawn to dusk.

- The city of Ketchum continues to spar with the Firefighters Union after charges were leveled against it in April 2011 when changes were made to employment terms without collective bargaining. A judge urged the city and the firefighters to discuss the contracts, but the union claims the city refuses, demanding the workers accept a period of at-will employment. The union has filed contempt charges and is requesting penalties until the city resumes negotiations.
- After four years of negotiations, the city of Hailey denied the annexation request of Quigley Canyon developer David Hennessey who wanted to add a 444-house subdivision. The city did not believe the project fit its comprehensive plan requiring that annexations must cover expenses, have no negative fiscal impacts and be deemed in the best interest of Hailey citizens. Immediately after the city decision, trailheads in Quigley Canyon carried signage indicating private property and denying public use. The trails have been a popular hiking and Nordic skiing area for some 50 years.
- Blaine County teachers have ratified a new contract that allows for a permanent 1 percent pay increase and another one-time 1 percent Christmas bonus. Health benefit payments will also increase by 2.7 percent. A new salary structure for new teachers was approved reducing the starting pay for a teacher with only a bachelor's degree and no teaching experience from \$39,913 to \$35,000. At the high end of the pay scale, a new teacher with a master's degree and nine years of teaching experience would be paid an annual salary of \$73,766, instead of \$84,121.
- The Blaine County School District is refusing to pay a Seattle-based company, McKinstry Essention, an additional \$8 million on a \$15.1 million contract for geothermal resource development and retrofitting of the HVAC systems along with other improvements. Both sides have sued in 5<sup>th</sup> District Court. The school district claims local subcontractors were not provided the opportunity to bid on projects, which was one of the reasons voters approved the \$59.8 million plant facilities levy to finance the work. The project was also supported by a \$5 million energy conservation grant from the U.S. Department of Energy.
- Sun Valley Resort will have a new laundry – perhaps the most attractive laundry facility in the state – after a fire destroyed the Quonset hut housing for resort laundry earlier this year. The 20,290-square-foot-building will be used for the laundry and its high-efficiency machines and provide locker rooms, offices and staging areas for housekeeping personnel and supplies.
- Tenants are moving into the River Street Apartments in Hailey. There are 24 one- and two-bedroom units with half currently leased. The 55-and-older affordable housing complex will have an exercise room with flat screen televisions, a gazebo, bocce and shuffleboard courts, Wi-Fi and great views of Carbonate Mountain. Financing was provided by the Idaho Housing and Finance Association and the Federal HOME Program. To qualify for the affordable housing, income levels must be 60 percent or less of median income. Construction and property management needs

were being met by Boise businesses due to the requirements of the program. ARCH Community Housing Trust spearheaded the project.

### *CAMAS AND GOODING COUNTIES*

- Fairfield hosted the Camas Lily Days Festival, billed as a reconciliation of cultures with the Shoshone-Bannock Tribes, providing traditional dancing and roasting of Camas bulbs. Naturalists provided information and there was a fun run and community breakfast.
- For the fourth year in a row, the Gooding School District has placed in the national Digital School District Survey. This year it was second in the small schools group for its push to put technology in the classroom. The schools have access to iPads, iPods and computer notebooks although there are not enough for every student. The district relies on grants and donations from farmers and businesses to purchase the electronics. All classrooms have an interactive projector and an ELMO document camera.

### *JEROME COUNTY*

- Jerome County voiced another resounding “no” to a new jail in May. The \$10.7 million bond received 63 percent of the vote, short of the 66.7 percent supermajority required. Options include privatizing the jail, getting a judicial confirmation for the bonding or converting the current jail to holding areas while buying space for inmates in another county.
- Jerome is losing its long-time strawberry operation, which the Raugust family began in 1938. Many residents can remember when they finally turned 12 and were old enough to go into the fields and pick berries. The work is back breaking and there are other crops that return a stronger financial return. The strawberry patch will be converted to a hay field. The family is nostalgic but looking forward to activities other than picking strawberries each evening during June.

### *MINI-CASSIA AREA*

- The Idaho Regatta has 60 competitive jet boats – and teams of up to six – lined up for its three-day weekend event on the Snake River in Burley. Last year’s event was canceled due to high water. All but five boats are from out of state so the economic impact and publicity to the area will be significant. The crowds are expected to reach 5,000 over the three-day event.
- Voters rejected a proposed \$3.2 million library bond in Burley.

### *TWIN FALLS COUNTY*

- The city of Twin Falls lost power to its Blue Lakes well when a tree fell on a power line during a violent wind storm. The city asked that industrial users halt operations and residential users stop all irrigation activities. But power was restored and the water storage caught up within a day of the emergency alert. City officials were impressed by the immediate response of large water users and also the dedication of city workers who worked through the night to return operations to normal.
- College of Southern Idaho’s newest apartment complex will be built by Starr Corp. and completed in time for the 2013-2014 academic year.

There will be 40 two-bedroom apartments on an 8.5-acre site with a price tag of \$6.18 million.



Trustees at the College of Southern Idaho approved the design and funding of a larger Applied Technology Innovation Building that would provide space for programs that may become relevant in the future. The plan includes a \$2 million contingency for potential problems with utility lines placement if expansions are required along with the parking lot and sidewalks. The building will house the wind program, manufacturing technology, environmental technology, drafting, and air conditioning, refrigeration and heating technology. The \$8.5 million building will be 41,630 square feet with half the funding from the college's plant facilities fund and the other half from an Economic Development Administration grant.

- The Urban Renewal Agency approved an extension of its line of credit with Agro Farma, parent company to Chobani, by 60 days from June 1 to July 30 and also to increase the line of credit by \$6 million to \$23 million. The extension was needed because the bond proceeds did not come in as soon as expected, and the Urban Renewal Agency intends to pay off the line of credit in full even though the interest rate is just 3 percent. The increase is due to unexpected costs associated with the expanded water and sewerage lines and system. Early on, Chobani announced its intention of making Greek yogurt in July and has not backed down on its tight construction schedule. The plant is 900,000 square feet.



Three years ago, Kimberly High School started offering an Agricultural Food Science course and began with 14 students growing to 46 this year. This year, the kids made cheese curds, earned food handling permits and toured Cloverleaf Creamery and Idaho Milk Products. A quarter of the enrollment at Kimberly participates in Future Farmers of America. Each year Idaho sends one four-person team to the FFA Nationals, and Kimberly has attended the Nationals three out of the last five years, placing fourth in 2010.

#### **OPENINGS**

- Twin Falls Sandwich Company in Twin Falls

#### **EXPANSIONS**

- Wood River Chapel Mortuary in Hailey is expanding 2,000 square feet, adding two apartments and a three-bay garage for hearses and employee parking.

#### **CLOSURES**

- Cedar Lanes Bowling Alley in Filer

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## SOUTHEASTERN IDAHO

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

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### COUNTY DEVELOPMENTS

#### BANNOCK COUNTY



Hoku Corp. in Pocatello is making major reductions to its workforce. The maker of polysilicon, a material used in solar panels and semiconductors, laid off about 90 workers, or about three-fourths of its Pocatello workforce. Officials said the layoffs were necessary as the company restructured and sought additional financing. Hoku officials hope at some point to resume construction in Pocatello. The company has never reached its expected employment of 250.

#### BINGHAM COUNTY

- Veteran Blackfoot City Councilman Farrell Cammack died of cancer May 29. Cammack served for 17 years. Blackfoot's Mayor Mike Virtue called Cammack a great man who provided the council with a historic perspective.

#### FRANKLIN COUNTY

- The Wyatt Foundation is trying to make a difference in the lives of children and young adults with special needs. The organization is trying to establish a therapeutic ranch and indoor horse arena in Thatcher where it will hold year-round activities for youth. To help pay for the new facility, the Wyatt Foundation is holding scrap metal drive that includes cars, trucks, tractors and other large items. Free pick up of metal items can be arranged by calling the foundation at (208) 427-6618. Donations of track, saddles, and tools are also being accepted. Cash donations to the foundation can also be made at: [www.wyattfoundation.org](http://www.wyattfoundation.org).

#### POWER COUNTY

- CenturyLink, a major telecommunications provider, and 14 students at William Thomas Middle School in American Falls formed a unique alliance. CenturyLink worked with the students to teach them about community service. The students were asked to research local non-profit organizations in the community and then decide which should receive a portion of a \$3,000 grant from CenturyLink. The students awarded \$1,200 to AF Impact, a group working to build a skate park, and \$1,200 to the Little Theater in American Falls for a new marquee. The students also awarded \$300 to the Gerald Fehringer Youth Center and \$300 to the Southeastern Idaho Community Action Agency.

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## EASTERN IDAHO

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

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### REGIONAL DEVELOPMENTS

- The National Park Service is seeking bids for \$134 million in improvements to lodging and other services in Yellowstone National Park. The new contract would be for 20 years. The current contract with Xanterra Parks and Resorts expires in November 2013.

### COUNTY DEVELOPMENTS

#### MADISON COUNTY

- Spring 2012 online enrollment at Brigham Young University-Idaho increased 28 percent over spring 2011. The total number of online students was 3,799 in 2012.

#### CUSTER COUNTY

- Thompson Creek Metals reported a wall slough, or slippage of material on a wall of its open pit Thompson Creek molybdenum mine outside of Challis. The company believes the slough resulted from water pressure from seasonal run-off. There were no injuries or equipment damage.

#### BONNEVILLE COUNTY

- Eastern Idaho's 18<sup>th</sup> annual Beer Festival attracted around 7,000 people, who sampled over 300 different types of beer during the weekend. All proceeds of the festival go to local charities.



After two years of engineering, waste retrieval efforts are again under way at the Advanced Mixed Waste Treatment Project. Work was originally halted in 2010 after a deteriorated box of radioactive contaminated material broke apart. The hazardous waste was initially stored west of Idaho Falls at the U.S. Department of Energy's Idaho National Laboratory. In three weeks six of the 700 boxes have been moved.

- Stevens-Henager College held a grand opening for its new Idaho Falls campus at Snake River Landing. The new office has eight classrooms including four medical laboratories. The Idaho Falls campus currently has 18 instructors.
- The newly created Leadership in Nuclear Energy Commission made another stop in eastern Idaho to tour Idaho National Laboratory facilities. Commission members were given the opportunity to understand the whole scope of work performed at the site.

#### LEMHI COUNTY

- The new Veterans Affairs Medical Center in Salmon was officially opened on May 24. Letters from Gov. C.L. "Butch" Otter and U.S. Sen. Jim Risch were read at the event. Boise Veterans Administration Director David Wood also addressed the audience.

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See [mi.idaho.gov](http://mi.idaho.gov) for most current economic data from the Idaho Department of Labor.

## State of Idaho Data – State Economic Indicators

	May 2012**	Apr 2012*	May 2011	% Change From	
				Last Month	Last Year
<b>IDAHO LABOR FORCE</b> <sup>(1)</sup>					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	782,000	779,100	769,200	0.4	1.7
Unemployment	60,600	60,200	67,500	0.7	-10.2
Percent of Labor Force Unemployed	7.8	7.7	8.8		
Total Employment	721,400	718,900	701,700	0.3	2.8
<i>Unadjusted</i>					
Civilian Labor Force	783,700	772,200	768,900	0.4	1.7
Unemployment	58,200	60,000	62,600	0.7	-10.2
Percent of Labor Force Unemployed	7.4	7.8	8.1		
Total Employment	725,500	712,200	706,300	0.3	2.8
<b>U. S. UNEMPLOYMENT RATE</b> <sup>(2)</sup>					
	May 2012	Apr 2012	May 2011		
	8.2	8.1	9.0		
<b>UNEMPLOYMENT INSURANCE</b>					
	May 2012**	Apr 2012*	May 2011		
<i>Claims Activities</i>					
Initial Claims <sup>(3)</sup>	8,329	9,942	10,748	-16.2	-22.5
Weeks Claimed <sup>(4)</sup>	65,923	95,003	97,001	-30.6	-32.0
<i>Benefit Payment Activities</i> <sup>(5)</sup>					
Weeks Compensated	65,189	68,018	69,265	-4.2	-5.9
Total Benefit \$ Paid	\$15,482,585.03	\$15,986,797.04	\$16,218,588.37	-3.2	-4.5
Average Weekly Benefit Amount	\$237.50	\$235.04	\$234.15	1.0	1.4
Covered Employers	47,173	47,074	47,887	0.2	-1.5
Total Benefit \$ Paid During Last 12 Months <sup>(4)</sup>	\$204,494,543	\$205,230,546	\$248,154,040	-0.4	-17.6
<b>U.S. CONSUMER PRICE INDEX</b> <sup>(2)</sup>					
	May 2012	Apr 2012	May 2011	% Change Month	% Change Year
Urban Wage Earners & Clerical Workers (CPI-W)	226.6	227.0	222.9	-0.2	1.6
All Urban Consumer (CPI-U)	229.8	230.0	226.9	-0.1	1.7

\*\*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 12<sup>th</sup> 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 12<sup>th</sup> 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 12<sup>th</sup> 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 12<sup>th</sup> 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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