

# Idaho Employment

A monthly update of how the economy is performing in your area

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Volume 23.11

C.L. "BUTCH" OTTER, GOVERNOR

November 2011 Issue

ROGER B. MADSEN, DIRECTOR

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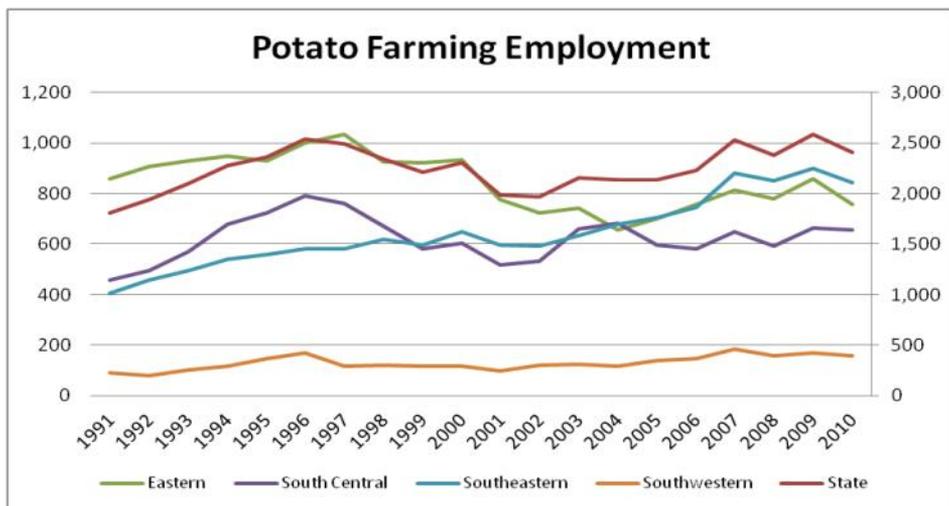
Current data on state, county and selected areas nonfarm jobs: <http://lmi.idaho.gov/IdahoEconomy/IdahoNonfarmEmploymentForecast/tabid/2445/Default.aspx>

Current state, county and selected areas labor force data: <http://lmi.idaho.gov/EmploymentUnemployment/CivilianLaborForceLAUS/tabid/804/Default.aspx>

## IDAHO'S POTATO FARMING LABOR MARKET TRENDS - 1991 TO TODAY

By 2010 there were over 2,400 potato farming jobs covered by unemployment insurance across Idaho, up from 1,800 in 1991. Even with rapid scientific and technological advances that can often replace physical labor, employment has steadily grown in most regions of the state, providing valuable jobs for thousands of Idahoans.

Potato crops are predominantly found in Idaho's southern and eastern counties. The 16 counties that make up eastern and southeastern Idaho account for 66 percent of all potato farming jobs covered by unemployment insurance – almost 1,600. In 1991 eastern Idaho had the highest concentration of potato farming jobs of the four potato regions. Over time growth from other industries caused potato farming employment density in eastern Idaho to decrease, allowing southeastern Idaho to take over.



Of the four potato producing regions, eastern Idaho was the only one to employ fewer people in potato farming today than in 1991 – dropping by 12 percent. Some eastern Idaho growers have found other crops like barley to be more stable sources of income due to contracts with major beer companies like Anheuser-Busch InBev. Southeastern Idaho potato farming jobs experienced the largest increase – 108 percent. For all regions, the number of potato farming employers increased by 42 percent between 1991 and 2010.

| <b>Potato Farming Jobs</b><br>(% of Total Covered Employment) |      |      |
|---|------|------|
| Region  | 1991 | 2010 |
| State   | 0.5% | 0.4% |
| Eastern   | 1.6% | 1.0% |
| South Central   | 0.9% | 0.9% |
| Southeastern  | 0.9% | 1.5% |
| Southwestern  | 0.1% | 0.1% |

| <b>Number of Potato Farming Jobs</b> |       |       |      |
|--------------------------------------|-------|-------|------|
| Region                               | 1991  | 2010  | % Ch |
| State                                | 1,812 | 2,411 | 33%  |
| Eastern                              | 860   | 756   | -12% |
| South Central                        | 456   | 656   | 44%  |
| Southeastern                         | 404   | 842   | 108% |
| Southwestern                         | 92    | 157   | 71%  |

Average wages in potato farming have always ranked below the state average for all wages, possibly because of the large number of seasonal workers especially at harvest time. These temporary hires still contribute to annual employment numbers even though their work is performed for a fraction of the year so average wages overall are reduced by the wages for part-time workers.

The national consumer price index rose 60 percent over the last 20 years, but the average wage for potato farmworkers increased by 82 percent. The smallest increase in average wage was found in eastern Idaho while wages more than doubled in the southeast.

Using 1991 as the base period, today's average wage in potato farming statewide would be about \$25,254 if it had just kept pace with inflation. But the wage is actually \$28,630, 13 percent higher. That statewide average is also reduced somewhat by the fact that the average wage in eastern Idaho has been falling below inflation-adjusted wages over the last two decades while the south central, southeastern and southwestern regions have performed better than inflation.

| <b>Potato Farming Average Wage</b> |          |          |          |
|------------------------------------|----------|----------|----------|
| Region                             | 1991     | 2010     | % Change |
| State                              | \$15,774 | \$28,630 | 82%      |
| Eastern                            | \$17,686 | \$29,316 | 66%      |
| South Central                      | \$13,662 | \$27,847 | 104%     |
| Southeast                          | \$14,433 | \$28,499 | 97%      |
| Southwest                          | \$14,255 | \$29,299 | 106%     |
| State All Industry                 | \$19,690 | \$34,905 | 77%      |
| Consumer Price Index               | 136.20   | 218.06   | 60%      |

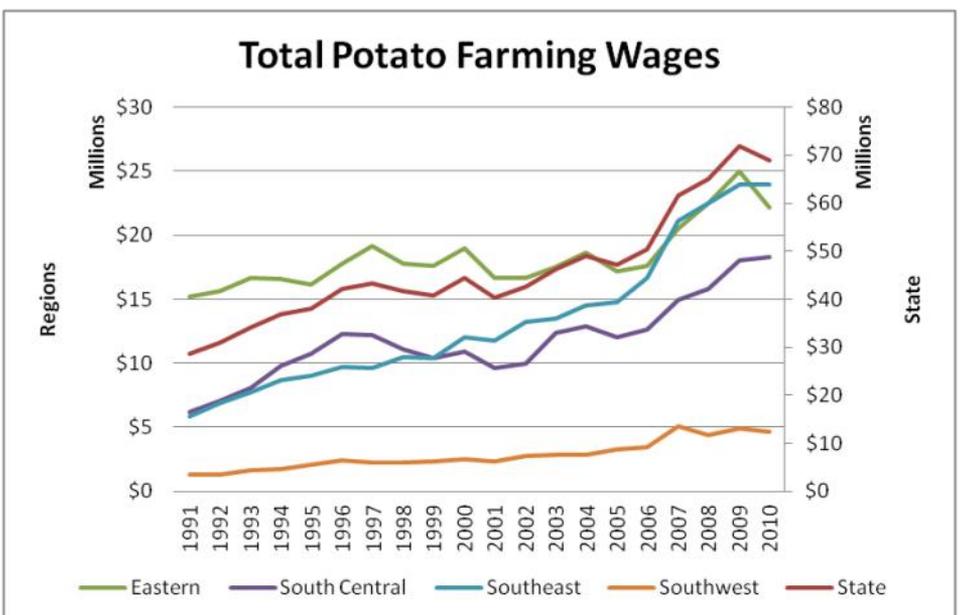
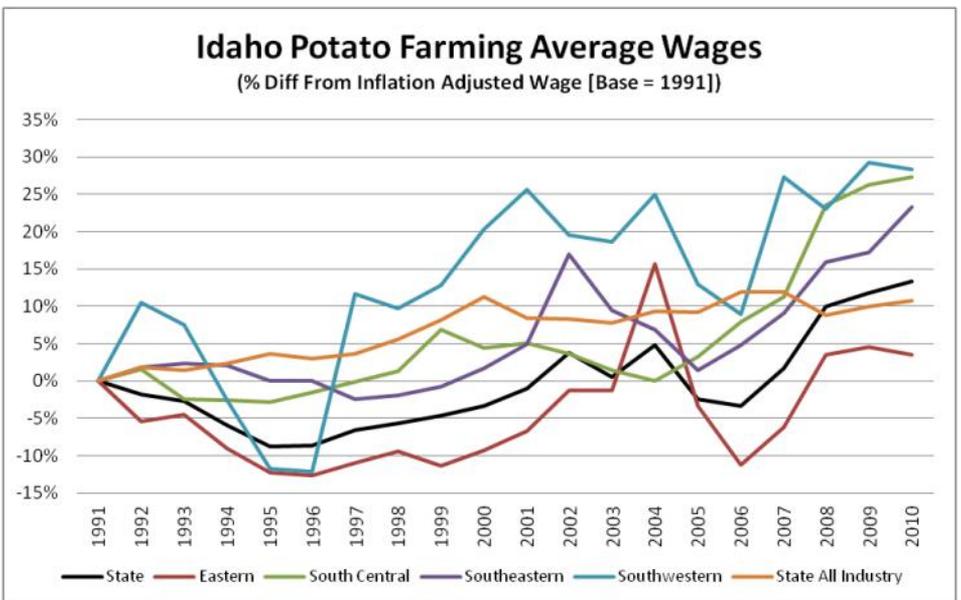
In all, potato farming wages in 2010 accounted for over \$69 million in income, down slightly from the nearly \$72 million all-time high in 2009. These wages make up 0.3 percent of statewide total wages and as much as 1.3 percent in southeastern Idaho.

Even though a difficult recession, the potato industry has remained a valuable piece of Idaho's economy. As the potato industry has grown, it has fueled a vast cluster of suppliers and support jobs that make potato growing even more important to Idaho. This industry



Potato field in Teton Valley. Photo: Idaho Tourism

contributes stability and insulation in the southern and eastern regions of the state that softened the negative impact of the recent recession.



The first two quarters of 2011 show continued potato farming growth in employment, wages and number of employers over 2010. Potato farming average employment in the first two quarters of 2011 was up 5 percent state-wide, and wages increased by 11 percent over the same two quarters in 2010. As harvest ends and 2011 comes to a close, potato farming labor market trends continue to bring promising results.

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## SOYBEANS MAY SOON BE A NEW CASH CROP IN EASTERN IDAHO

Soybeans have become a staple of agriculture in the Midwest and South. In fact, the United States is the world's largest producer of the legume from East Asia that is used to make high-protein animal feed, cooking oils, substitutes for dairy based foods, foods for human consumption and even plastics. Soybean-based foods can lower cholesterol and the risk of colon cancer.

But eastern Idaho farmers have traditionally believed they cannot grow soybeans profitably, and Kevin Anderson of Brigham Young University-Idaho's Department of Agriculture is challenging that view. For the past two years, Anderson has successfully grown soybeans at test plot near the university's Rexburg campus.

While Anderson stresses his results are "early and anecdotal," he has been able to harvest up to 50 bushels an acre. With soybeans currently selling at \$12.70 a bushel, he may have discovered a new cash crop for eastern Idaho farmers.

"Generally, soybeans require little or no nitrogen based fertilizer. This saves money and helps protect the environment," Anderson said. "Area farmers can use their existing equipment to grow and cultivate the crop. They don't need to go out and buy new and expensive machinery to raise soybeans."

The issue, Anderson concedes, is that "right now farmers do not really have a market locally to sell soybeans," but he believes soybeans could be exported to Asia, shipped over the Columbia River.

Bill Bohl with the University of Idaho Extension in Pocatello agrees that if a market can be found, "a new crop like soybeans in southeastern Idaho would be a very good thing for farmers. Any new profitable crop allows farmers to spread financial risk and better rotate the crops they plant."

Anderson plans to continue his research next year. He hopes not only to successfully grow more soybeans but also to study how this crop could be an economic benefit to farmers in the region.

His work is an example of how basic research through the state's universities can benefit the citizens and economy of Idaho. In years to come Idaho's farmers may credit Anderson with being the father of the soybean in Idaho.

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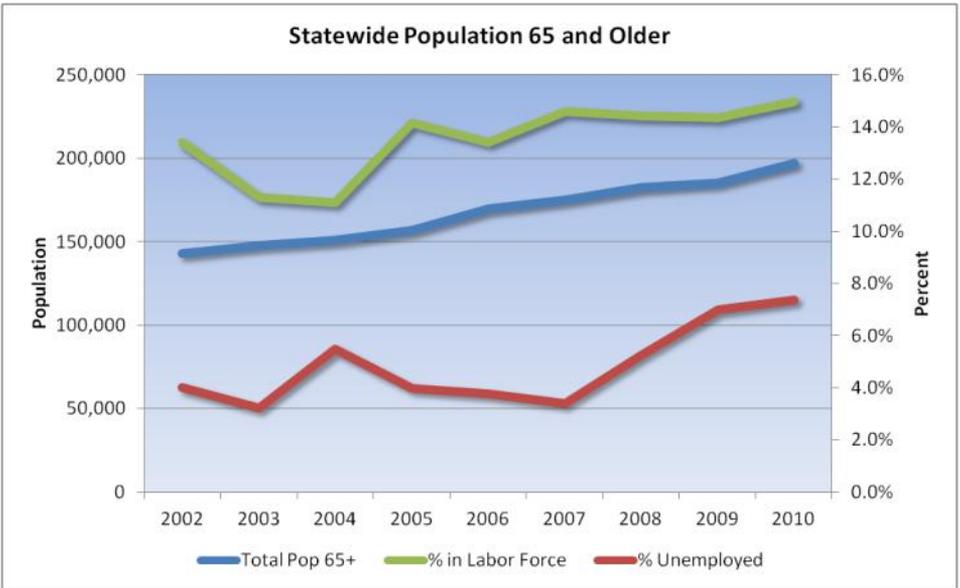
Edamame is a soybean harvested at the peak of ripening and has become a popular healthy snack or side dish in the U.S. in recent years.

## SENIORS HEADING BACK TO WORK IN LARGER NUMBERS

The wave of senior citizens returning to work, joining those holding onto their jobs later in their lives, is prompted by the increase in the Social Security retirement age, longer life spans and the recession that undermined the retirement accounts and savings for many older workers.

Statewide, 8.6 percent of the population age 65 was working in 2000. That jumped to over 11 percent in 2005 and 11.2 percent in 2010. Similar trends are occurring in Kootenai County where 14.7 percent of the population is 65 and older compared to 12.5 percent statewide.

The number of people 65 and above in Kootenai County's labor force rose 53 percent in just five years, from 1,820 in 2005 to 2,800 in 2010. The increase statewide was 33 percent. Of those in the labor force, 30 percent are unemployed in Kootenai County compared to 39 percent statewide.



Older workers tend to be patient, nurturing and hard working, and there are several programs that help older workers get up to speed on the latest skills. Two federally-funded programs, Senior Community Service Employment and the Work Search Program, were authorized by the Older Americans Act of 1965 and funded by the U.S. Labor Department. They provide a wide variety of training, skills enhancement and skills assessment opportunities. Experience Works, a nonprofit organization with offices across the country, offer the same programs at a local level.

Industries where workers 65 years and over are most likely to be employed in Idaho include retail trade, health care and social services and education services.

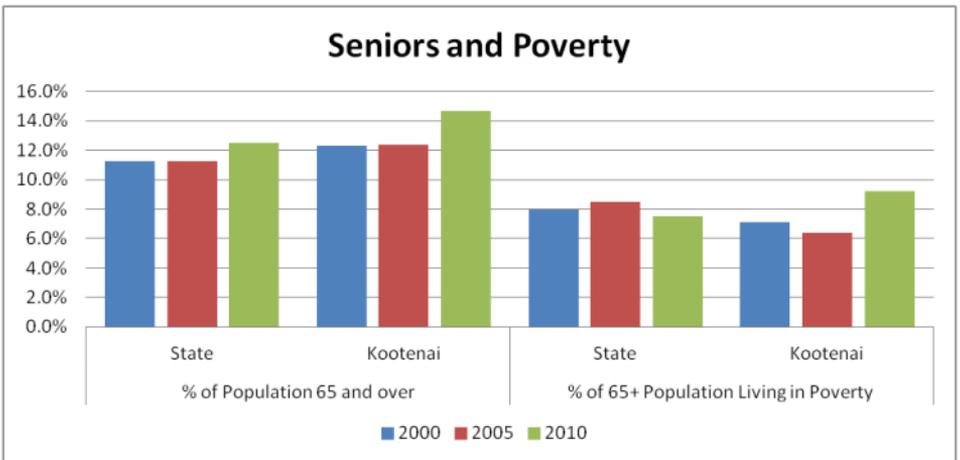
With health care costs and living expenses rising, federal, state and local programs serving older adults continually being cut, even more seniors are likely to struggle to make ends meet.

In Kootenai County alone, 9.2 percent of the senior population lived below the poverty level in 2010 compared to 7.5 percent statewide. This was a reversal from the early part of the last decade when the number of seniors in poverty in Kootenai County was lower than the statewide total by almost two whole percentage points.

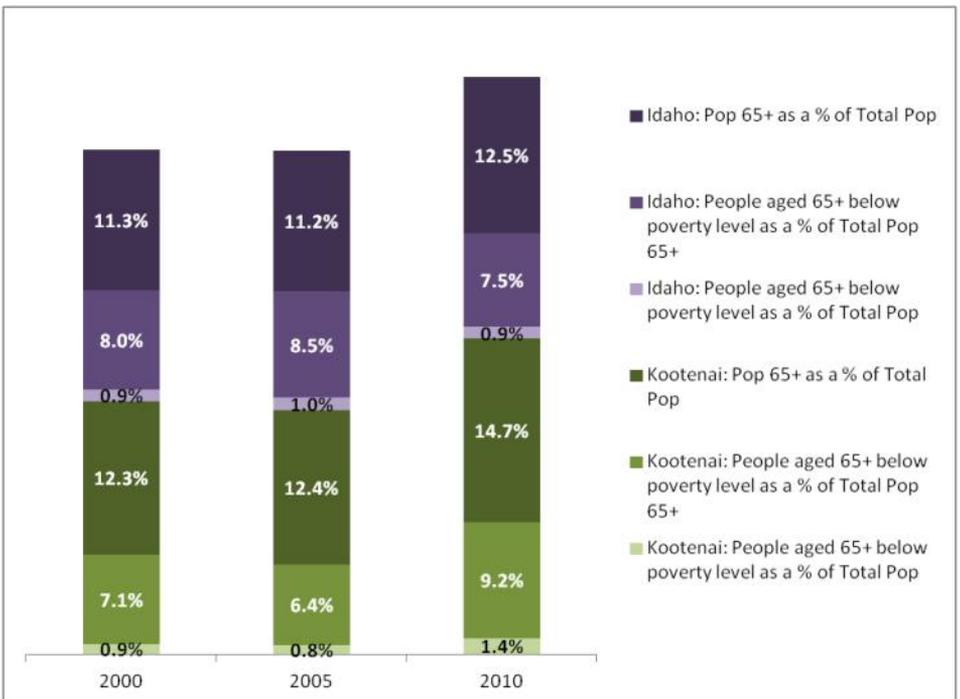
## Top 10 Industries Employing Workers 65 and Older Statewide

| Industry  | Workers 65 and older |
|---|----------------------|
| Retail Trade  | 3,079                |
| Health Care and Social Assistance                                 | 2,723                |
| Education Services  | 2,565                |
| Agriculture, Forestry, Fishing, and Hunting                       | 1,506                |
| Manufacturing   | 1,397                |
| Public Administration   | 1,249                |
| Transportation and Warehousing                                    | 1,230                |
| Accommodation and Food Services                                   | 1,128                |
| Professional, Scientific, and Technical Services                  | 1,061                |
| Administrative and Support and Waste Mgt and Remediation Services | 1,050                |

Source: U.S. Census Bureau, Local Employment Dynamics program, 2010



This explains at least part of the phenomenon. Though most seniors aren't technically poor, many nonetheless struggle to make ends meet because of limited savings, expensive medications or the loss of a spouse.



An astounding trend is the rising number of grandparents raising their grandchildren on fixed incomes. The American Association of Retired Persons estimates nearly 14 percent of grandparents in Kootenai County are raising their grandchildren, living in poverty and relying on Social Security for half or more of their income. Given that the average monthly Social Security benefit in Idaho is \$1,054, most grandparents did not plan for the additional medical, food and clothing expenses.

The association also estimates that 36 percent of Social Security recipients in Idaho would fall into poverty without their monthly checks. Although Social Security recipients will get a 3.6 percent increase in benefits this January – the first raise since 2009 – it will not be enough to alleviate the rising costs they face. The increase will amount to an additional \$38 a month or, \$455 per year. Increasing health care costs will nearly negate the cost of living increase.

In such economic times, seniors – stung by recent stock market losses and stuck with reverse mortgages – face stiffer competition than ever before in returning to the labor market with near record unemployment and many baby boomers planning to work well into their 60s and 70s.

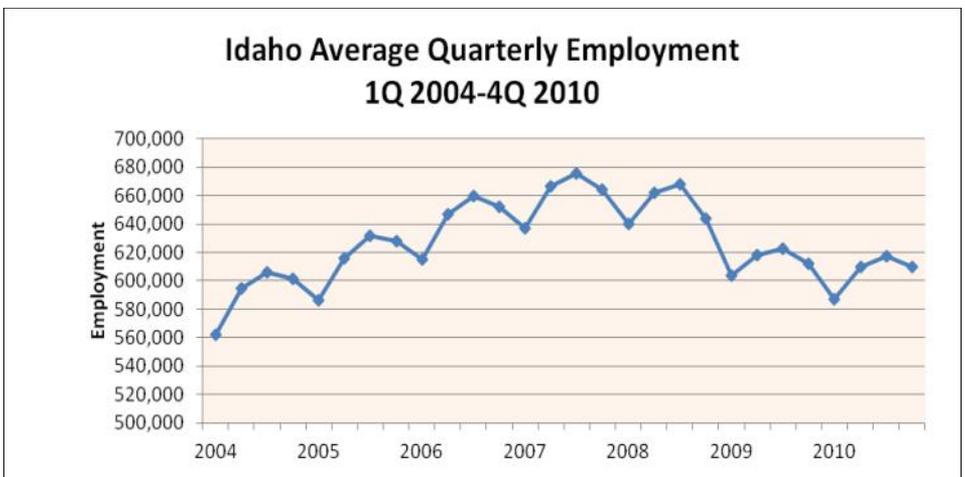
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## YEAR-OVER-YEAR JOB GAPS NARROW—4<sup>TH</sup> QUARTER 2010

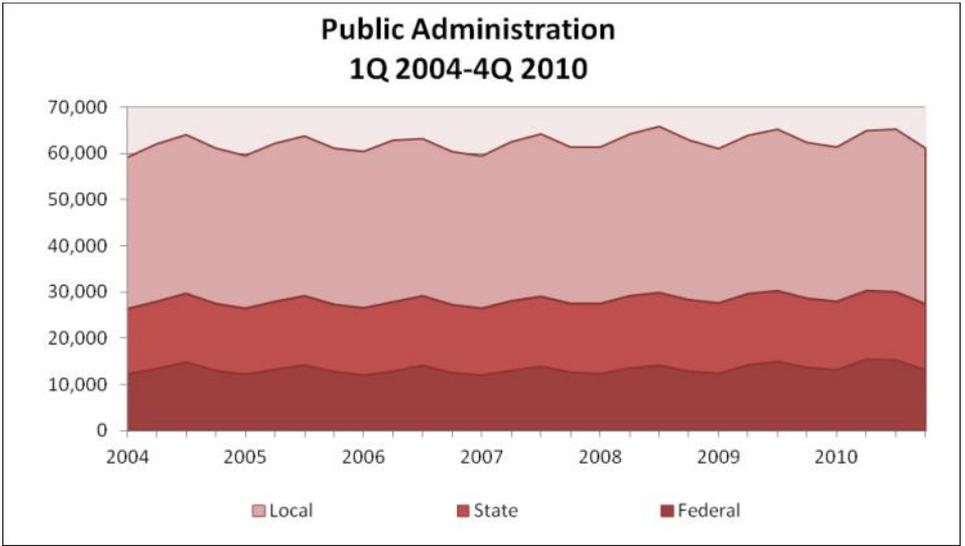
### EMPLOYMENT

The Idaho economy continued to gain strength in the fourth quarter of 2010. The Quarterly Census of Employment and Wages showed employment averaged 609,874 in the October-December quarter, down from 617,541 in the third quarter due to seasonal losses in many sectors. The total was 2,244 jobs below year-earlier levels.

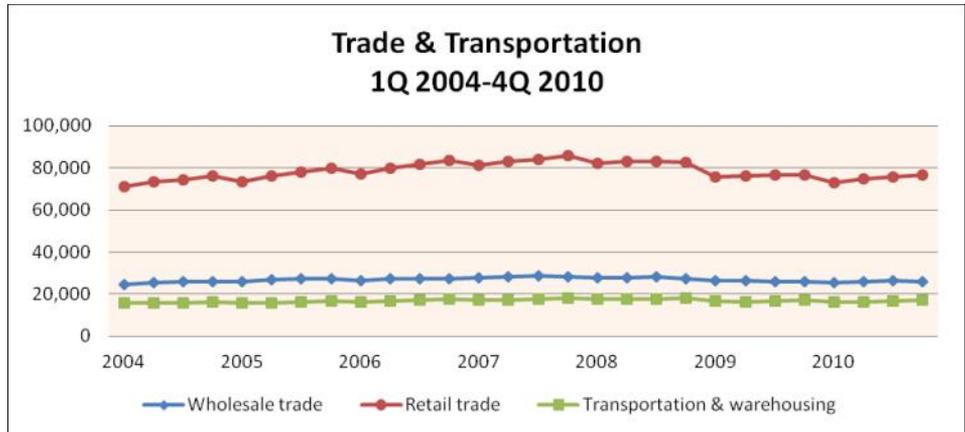
Although the fourth quarter 2010 remained 0.4 percent below the last quarter of 2009, it was less than half the deficit in the prior quarter and the smallest year-to-year deficit since the third quarter of 2008. This was the fifth quarter of decreasing over-the-year job deficits since jobs went negative in the second quarter of 2008. The over-the-year gap shrank from 4.2 percent to 1.9 percent in goods production from 0.03 percent to 0.02 percent in the service sector.



Private-sector jobs totaled 498,441 in the fourth quarter, down over 8,000, or 1.6 percent, from the third quarter. In spite of this seasonal loss, private sector employment edged above the year-earlier level by 760 jobs, or 0.2 percent. Government including education averaged 111,433 jobs in the fourth quarter, an increase of 488, or 0.4 percent, from the third quarter but still 2.6 percent below the fourth quarter 2009. The uptick in government employment from summer to fall could be attributed to a seasonal increase in education, which accounted for a gain of 4,600 jobs. However, fewer education employees went back to work in the fall of 2010 than in past years, as evidenced by public education’s 3.4 percent loss between fourth quarter 2009 and fourth quarter 2010. Meanwhile, state government lost 1,900 jobs, and local government, while gaining 6,000 public school jobs, lost nearly 1,500 jobs in administration.

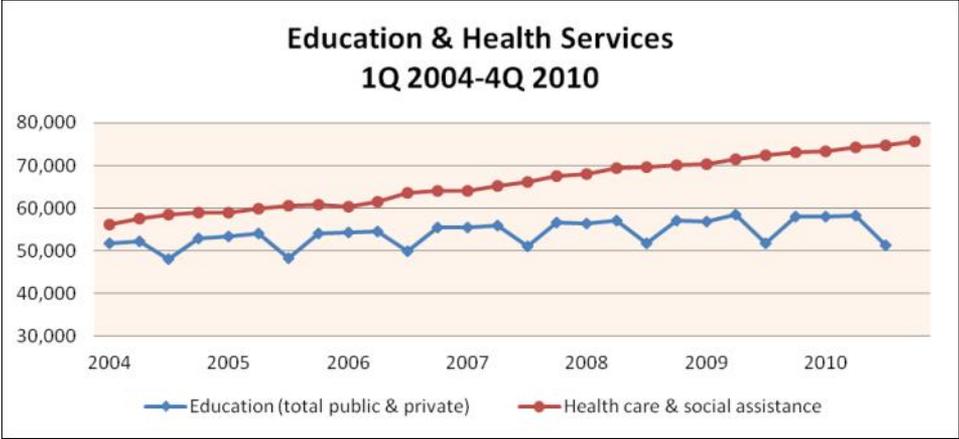


October-December 2010 brought further seasonal gains in retail jobs – over 800 jobs, or 1.1 percent, from the third quarter to 76,438. That was 131 below the final three months of 2009, but that 0.2 percent deficit was a marked improvement over previous year-over-year deficits of 1.4 percent in the third quarter and 2.1 percent in the second. In fact, this was the smallest over-the-year deficit since 2008. The most significant over-the-quarter gains were experienced by health and personal care stores at 6.7 percent, electronics and appliance stores at 6.2 percent and general merchandise stores at 4.3 percent. Eight retail subsectors saw second quarter employment levels higher

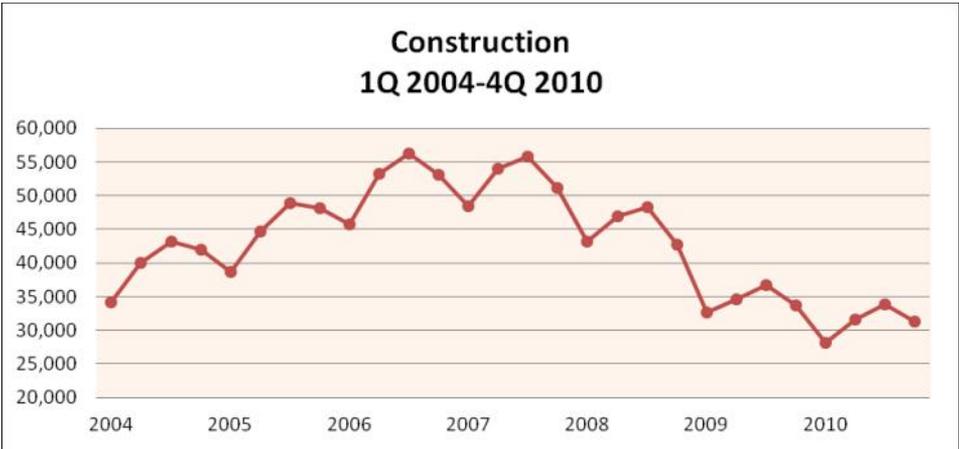


than the year before. Transportation and warehousing experienced a modest quarterly gain of 2.8 percent, and wholesale trade lost 1 percent over the prior quarter.

Health care continued growing, gaining 902 jobs in the fourth quarter of 2010, a 1.2 percent increase from the third quarter and 3.5 percent ahead of the fourth quarter 2009. All health care sub-sectors experienced job gains from both the previous quarter and the previous year.

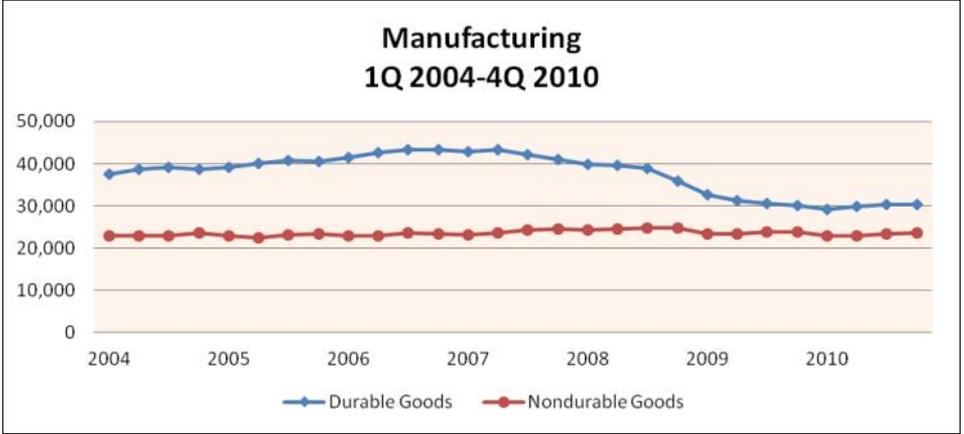


Construction experienced a seasonal fourth quarter loss of nearly 2,500 jobs, or 7.4 percent, from the third quarter. The year-to-year deficit continued to diminish from 7.9 percent in the third quarter to 7.1 percent in the final quarter. Over-the-quarter losses were felt across all construction subsectors, and employment levels in all subsectors remained below year-earlier levels.



Manufacturing employment increased by 170 jobs from the third to the fourth quarters of 2010, a gain of 0.3 percent. Aside from an increase of less than 100 jobs in the second quarter of 2008, this was the third straight over-the-quarter gain experienced in manufacturing since mid-2007. The combination of gains during the spring, summer and fall finally erased over-the-year job loss in the fourth quarter of 2010. The year-over-year job deficit was 1.5 percent in the third quarter. Over the year durable goods was up 0.6 percent in the fourth quarter from being down 1.3 percent in the third while nondurables were still 0.7 percent below the final quarter of 2009. That, however,

was an improvement from being down 1.7 percent in the third quarter. Six manufacturing subsectors experienced over-the-year gains.



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### CLEARWATER PAPER SELLS LEWISTON LUMBER MILL

Clearwater Paper sold its Lewiston lumber operation to Idaho Forest Group for \$30 million in October. The operation, which opened in 1927 and employs 250, is part of Clearwater Paper’s 880-acre complex on the Clearwater River. The company will continue to operate the pulp, tissue and paperboard factories that employ another 1,350 people. The sales agreement includes the sawmill, planer mill, dry kilns and log and lumber inventory. It also guarantees that the pulp factory will continue to receive the lumber mill’s chips and sawdust.

#### LOSING THEIR JOBS

Clearwater Paper issued a 60-day notice to the lumber mill’s 250 employees on Oct. 26. As required by the Worker Adjustment and Retraining Notification Act governing mass layoffs and plant closures, workers will receive pay and benefits for 60 days. Some mill employees remained on the job as the company wound down production. Sawmill employees can apply for other Clearwater Paper positions. Those who lose their jobs will receive severance pay.

The Idaho Department of Labor will assist laid-off workers with job search support and retraining. Finding new jobs can be challenging in the current economic climate. The seasonally adjusted unemployment rate in the Lewiston metropolitan area was 7.7 percent in September. The rate in the other four north central Idaho counties was 9.6 percent. Even in good times, it is difficult for workers displaced from lumber mills to find jobs that offer comparable pay and benefits. The average wood products job in north central Idaho paid \$44,830 in 2010 while the average wage for all jobs was \$32,557.

Idaho Forest Group plans to hire a single shift of 125 workers before it re-opens the mill in January when it adjusts production to meets its customer needs.

#### BUYER AND SELLER

Idaho Forest Group formed in 2008 when Bennett Forest Industries and Riley Creek Lumber merged. Based in Coeur d’Alene, it owns four mills in

Grangeville, Athol, Priest River and Moyie Springs and employs 560 people. Before the acquisition, it was the seventh-largest producer of lumber in the nation.

Clearwater Paper was spun off of Potlatch Corp. in late 2008. Potlatch, the largest private land holder in Idaho, kept its timberlands and all its wood products manufacturing operations except the Lewiston lumber mill. Clearwater Paper took control of the Potlatch paper products operations. Potlatch will continue to provide logs to the Lewiston mill. Idaho Forest Group already is a major customer for logs that Potlatch hires contractors to harvest and transport to mills.

Clearwater Paper spokesman Matt Van Vleet said the deal lets both Clearwater and Idaho Forest Group focus more resources on their strengths – Clearwater on paper and Idaho Forest Group on wood products. The Lewiston operation, the only papermaking plant in Idaho, remains the company’s largest factory complex. It produces supermarket-brand napkins, toilet paper, facial tissue, paper towels and paperboard.

"These very challenging times in the lumber business will continue at least into the foreseeable future," Van Vleet said. "So when this opportunity surfaced, we explored it like we had all the other options and decided it was the best option for the mill, for the company, our shareholders and the community."

"Idaho Forest Group has the business structure and the resources to make the Lewiston sawmill very successful," Van Vleet said.

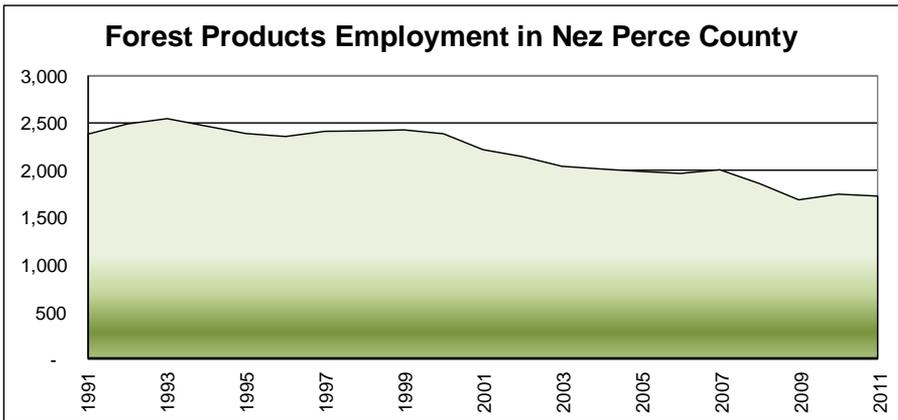
**DECLINING FOREST PRODUCTS EMPLOYMENT**

Large layoffs at mills are not uncommon events in Idaho, which has lost hundreds of wood products jobs in recent decades to technological change, reduced timber availability and foreign competition.

In Nez Perce County, logging and wood products jobs peaked in the early 1960s at 2,100. By 1992, they had fallen to 640. The Washington side of the Snake River lost 150 lumber mill jobs during the summer of 2009 when Bennett Lumber shuttered its mill at the Port of Wilma. That left Asotin County, Wash., with only a couple dozen wood products jobs.

The extremely low levels of U.S. housing starts since 2008 intensified the job loss. Last year, logging and wood products jobs totaled about 400 in Nez Perce County. The long-term decline, exacerbated by the poor market conditions of the last four years, also affected the Clearwater Paper lumber mill that employed half as many people this summer as it did 20 years ago. Overall, industry employment in the county dropped from 2,400 in 1991 to just over 1,700 this past summer.

**B**efore the sale, the Lewiston mill was the largest lumber mill left in the state. After, it will be one of the six lumber mills in Idaho that employ between 100 and 200 people. In 1991, two mills in Idaho employed more than 500 people each, two employed between 250 and 499 people and 15 others employed more than 100 people. Lumber mills employed nearly 5,600 people then; after the sale, they employ about 1,700.



#### **HISTORY OF POTLATCH**

Facing depleted timber resources in the Midwest, lumberman Frederick Weyerhaeuser came to the timberlands of northern Idaho in 1900, working with a group of Midwestern businessmen to secure timber. This was often referred to as the “Weyerhaeuser syndicate.” They bought 900,000 acres of timberland in the Pacific Northwest.

In 1905, Weyerhaeuser’s company Potlatch Lumber began building the world’s largest white pine sawmill along the Palouse River about 15 miles north of Moscow. To provide for workers, it also built a town of 125 houses that it named after the company. The company owned and maintained the town until the 1950s. The mill there closed in the severe recession of the early 1980s.

The Potlatch company built a mill in Elk River that operated from 1910 to 1930. Around 1916, Edward Rutledge built a large mill near Coeur d’Alene. Clearwater Timber’s mill in Lewiston opened in 1927. Four years later, the three affiliated companies – Potlatch Lumber Co., Edward Rutledge Timber Co. and Clearwater Timber Co. – merged to form Potlatch Forests Inc. with headquarters in Lewiston.

Facing bankruptcy during the Great Depression, the company saved itself by introducing a new product – the pres-to-log, a slow-burning, virtually smokeless fuel made of compressed sawdust, wood chips and splinters ideal for fireplaces in homes or railcars.

After the war, Potlatch diversified its product line, acquired mills throughout the United States and continued to purchase timberland.

The company expanded into paper in 1950 when it built the pulp and paper mill in Lewiston. It was the first mill in the United States to produce bleached paperboard from sawmill wood waste. Within the next few years Potlatch introduced laminated decking, cartons for milk and additional paperboard items such as paper plates and meat trays.

In 1965 the corporate headquarters moved to San Francisco, and in 1973 the company’s name changed to Potlatch Corp.

In the early 1980s, Potlatch employed nearly 5,000 people throughout Idaho. That number dropped below 4,000 after the double-dip recessions in the 1980s.

In the early 1990s, Potlatch invested \$550 million in both the paper mills and the sawmill, and log processing center.

In 1997, company officials relocated corporate headquarters to Spokane.

Nine years later, like many other forest product companies, Potlatch became a Real Estate Investment Trust. As the owner of 835,000 acres in Idaho and 749,000 acres in Arkansas, Minnesota and Wisconsin, the company wanted to derive value from those lands in other ways than just by harvesting them to feed logs to its own mills.

In 2008, Potlatch split into two companies, retaining its timber lands and wood products manufacturing and giving its spin-off Clearwater Paper the paper operations.

Like Idaho's forest product industry in general, Potlatch's employment in north central Idaho has declined over time. In 1990, Potlatch Corp. had 2,300 on its Lewiston payroll, 230 at the Jaype mill in Pierce and another 200 in forestry, logging and office operations in Clearwater and Latah counties. The Jaype mill closed at the end of 2000. Many executive and administrative support jobs were moved to corporate headquarters in Spokane or outsourced in recent years. Logging is now performed by contractors, not by Potlatch employees. Today, Potlatch employs only a couple of dozen people in north central Idaho while employment at Clearwater Paper will be 1,350 at the beginning of the year.

#### ***SCHWEITZER ENGINEERING OVERTAKES CLEARWATER PAPER***

For 100 years, Potlatch – then Clearwater Paper – was the largest private-sector employer in the nine-county region that includes southeast Washington and north central Idaho. Earlier this year, employment at Schweitzer Engineering Laboratories in Pullman, Wash., surpassed Clearwater Paper's 1,600. Schweitzer, which develops and manufactures technology for the transmission and distribution of electricity, employed only 11 people in 1985. By 1997, the payroll was 240, then 535 in 2005 and 1,100 in 2007. The September edition of Inc. magazine ranked Schweitzer Engineering Laboratories 50th in the United States for job growth for adding 915 employees in three years through 2010. Schweitzer hired 300 more this year. Today, it employs about 1,800 in Pullman and another 1,000 worldwide. After the lumber mill's sale, continued expansion at Schweitzer's Pullman campus and the upcoming opening of Schweitzer's Lewiston plant, the change will be reinforced.

Clearwater Paper will remain the largest private-sector employer in north central Idaho, with ATK, the Lewiston ammunition maker, the runner-up at 1,100. The next largest employer is Regence BlueShield in Lewiston with a payroll about half that of Clearwater Paper.

#### ***SUPPLY CHAINS AND MULTIPLIER EFFECTS***

How will the mill's sales impact the community? The largest impact is likely to be the difference between the mill's current employment and its employment after the sale. The loss of 125 high-paying jobs will reduce the income and spending of the families affected, which in turn will reduce the income and spending of others, who then also will reduce their spending, and so on. Significant changes in purchases from local suppliers also could lead to income and spending reductions in the community. The largest group of suppliers are logging contractors throughout north central Idaho. Reductions in spending and income would lead to declines in revenues for local government, which could lead to job losses and spending reductions by government

workers. Among the sectors most likely to be impacted are retail, logging, restaurants, government, transportation and finance, insurance and real estate.

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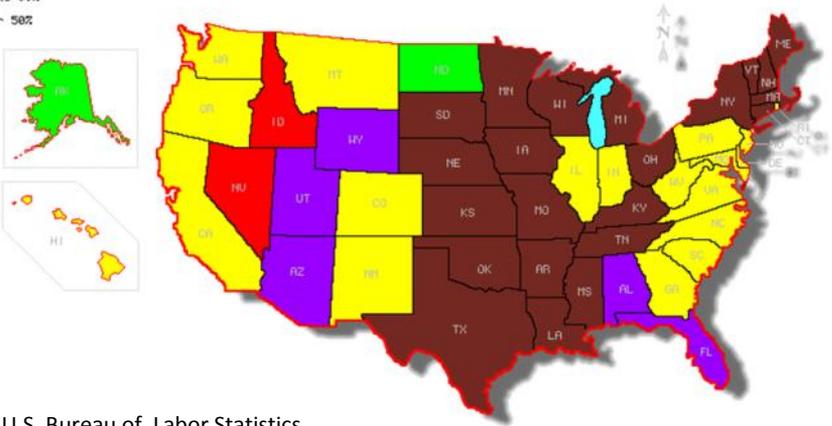
## FRUSTRATION, PART-TIME WORK AGGRAVATE UNEMPLOYMENT RATE

Idaho's skyrocketing unemployment rate since 2007 only reflects part of the impact this recession has had on the state's workers.

The unemployment rate jumped from 2.9 percent in 2007 to 9.3 percent in 2010, a 220 percent increase bettered only by Nevada's 223 percent rise. Official unemployment jumped from an average of 21,700 in 2007 to over 70,000 three years later.

Annual Unemployment Rate Increase 2007-2010

- - Over 200%
- - 150% to 200%
- - 100% to 149%
- - 50% to 99%
- - Under 50%

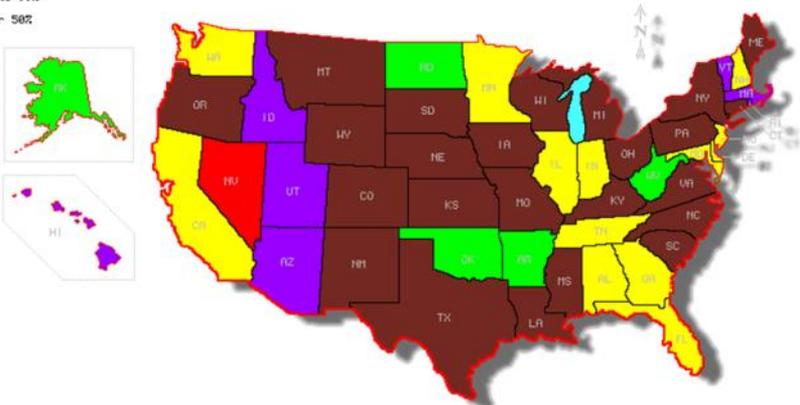


Source: U.S. Bureau of Labor Statistics

The number of Idaho's long-term unemployed – workers who were without jobs for at least 15 weeks – jumped from 4,500 in 2007 to over 31,000 in 2010.

Percentage Increase in Part-Time Workers Wanting Full-Time Jobs

- - Over 200%
- - 150% to 200%
- - 100% to 149%
- - 50% to 99%
- - Under 50%



Source: U.S. Bureau of Labor Statistics

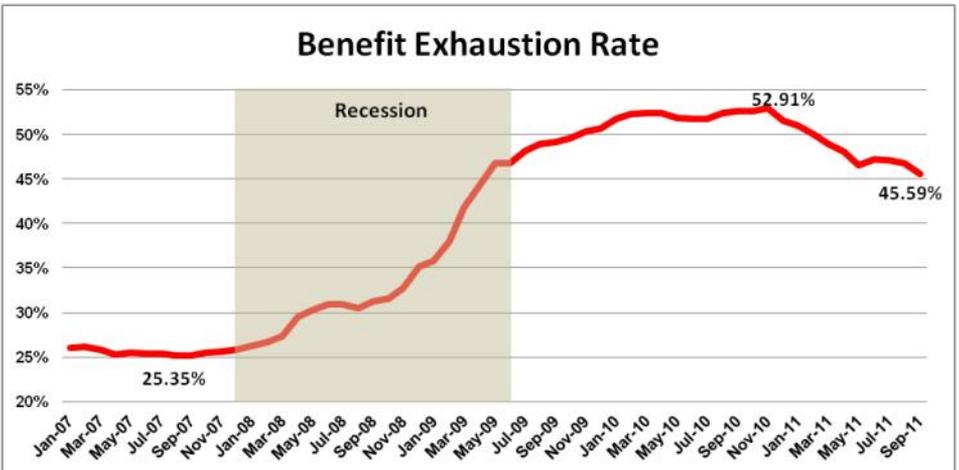
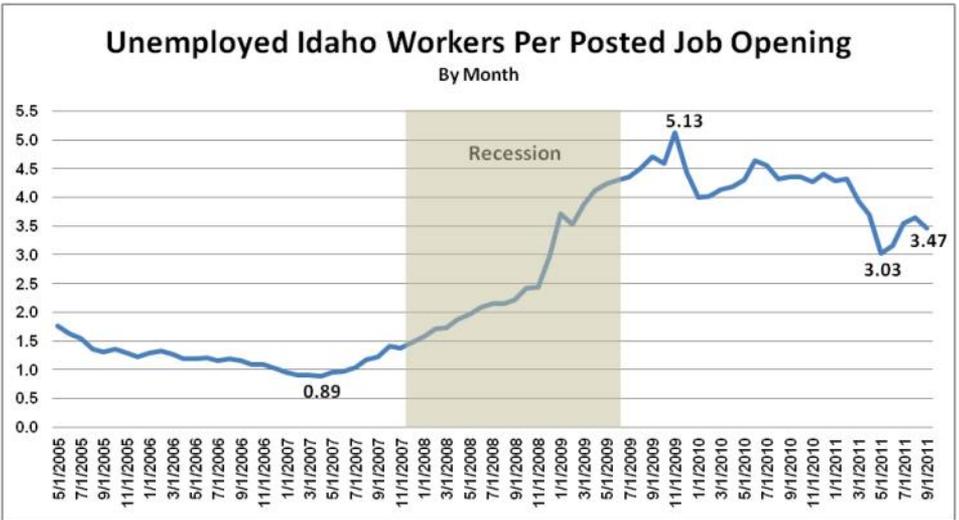
But that only covers just over half the recession’s impact. The number of unemployed workers who became so frustrated over dwindling prospects of finding a job doubled from 3,400 in 2007 to 6,800 in 2010.

And the number of workers who had to settle for part-time paychecks because they could not find full-time jobs more than doubled from 20,300 to over 48,500. That nearly 140 percent increase was the seventh highest in the nation for a state that had posted the third largest percentage decline in workers stuck in part-time jobs during the expansion from 2003 to 2007.

Overall, Idaho went from 46,000 people who were either unemployed, had given up looking or involuntary part-timers to 124,000 – nearly tripling in just three years when the labor force across Idaho rose just 1 percent.

| <b>The Idaho Labor Force</b> |                |                |                 |
|------------------------------|----------------|----------------|-----------------|
|                              | <b>2007</b>    | <b>2010</b>    | <b>% Change</b> |
| Employment                   | 731,400        | 687,300        | -6.0%           |
| Unemployment                 | 21,700         | 70,600         | 225.3%          |
| Long-term Unemployment       | 4,500          | 31,100         | 591.1%          |
| Frustrated Workers           | 3,000          | 6,800          | 126.7%          |
| Involuntary Part-Timers      | 20,300         | 48,500         | 138.9%          |
| <b>Total Labor Force</b>     | <b>756,100</b> | <b>764,700</b> | <b>1.1%</b>     |

Source: U.S. Bureau of Labor Statistics



Although the recession officially ended in June 2009, the recovery has been extremely limited in Idaho. There still remains over three unemployed workers for every posted job opening in Idaho, according to the Conference Board, a business think tank, and nearly half of regular unemployment benefit recipients exhaust their regular benefits without finding a job, forcing them onto federal extended benefits while their job search continues.

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**PUBLIC LAND OWNERSHIP AFFECTS RURAL IDAHO**

Public lands play an important and often controversial role in Idaho’s economy.

In some counties, that role is all but overwhelming. In Custer County, the federal government manages 93.2 percent of the land, in Lemhi 90.7 percent, in Valley 87.6 percent, in Butte 86.1 percent and in Idaho 83.3 percent.

The U.S. Forest Service by itself owns 20.4 million acres, nearly 39 percent of Idaho’s land. That’s a greater percentage of land than any other state in the lower 48. Oregon ranks a distant second at 25 percent.

The five counties where the Forest Service manages the most land are

| <b>County</b> | <b>Forest Service Land</b> |
|---------------|----------------------------|
| Idaho         | 4,430,154 acres            |
| Custer        | 2,123,710 acres            |
| Lemhi         | 2,073,315 acres            |
| Valley        | 2,030,789 acres            |
| Shoshone      | 1,199,012 acres            |

Four of every five acres of forest in Idaho is federally managed, but only three of those five acres could be open to timber harvesting or other activities between the rest is specially designated as wilderness, recreational and wild and scenic river areas.

| <b>National Forest Land Designations In Idaho</b> |              |                   |
|---|--------------|-------------------|
|   | <b>Acres</b> | <b>% of Total</b> |
| National Forest Wilderness Areas                  | 3,961,709    | 19                |
| National Wild & Scenic River Areas                | 159,586      | <1                |
| National Recreation Areas                         | 866,213      | 4                 |
| Undesignated lands                                | 15,428,778   | 76                |

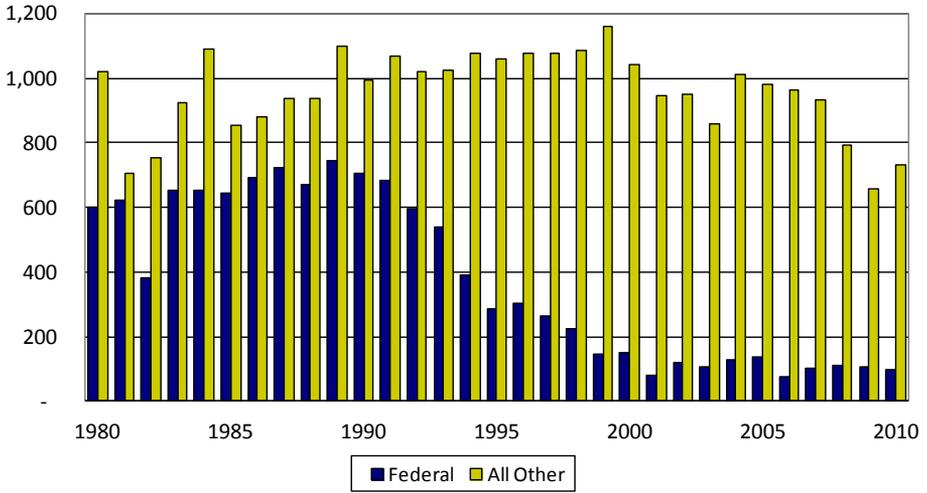
Timber harvests on Idaho public lands declined 87 percent from their peak in 1987 to 2010. Federal lands now provide less timber than they did in 1947 when records began.

While 41 percent of Idaho’s timber harvest came from public lands in the 1980s, about 11 percent does today, and the total timber harvest in Idaho is one half what it was at its peak in the late 1980s. The decline in timber availability from public lands, technological changes that reduce the manpower needed to produce the same number of board feet and the current low level of U.S. housing starts explain the 57 percent decline in Idaho employment in logging and wood products from 13,298 in 1991 to 5,769 in 2010.

The Bureau of Land Management administers another 11.8 million acres, 22 percent of Idaho’s land.

## Timber Harvests in Idaho

(in million board feet)



The five counties where the Bureau of Land Management manages the most land are:

| County  | BLM Land        |
|---------|-----------------|
| Owyhee  | 3,612,027 acres |
| Custer  | 813,965 acres   |
| Blaine  | 802,694 acres   |
| Lincoln | 582,912 acres   |
| Butte   | 577,149 acres   |

The average monthly employment in 2010 at the Forest Service and Bureau of Land Management in Idaho was 4,696. Their payrolls made up 1.3 percent of the total payrolls in the state. The average annual pay for Forest Service and Bureau personnel in Idaho last year was \$60,079 compared to average pay for all Idaho workers of \$34,905.

The five counties with the higher percentage of total payroll coming from the Forest Service and Bureau of Land Management were:

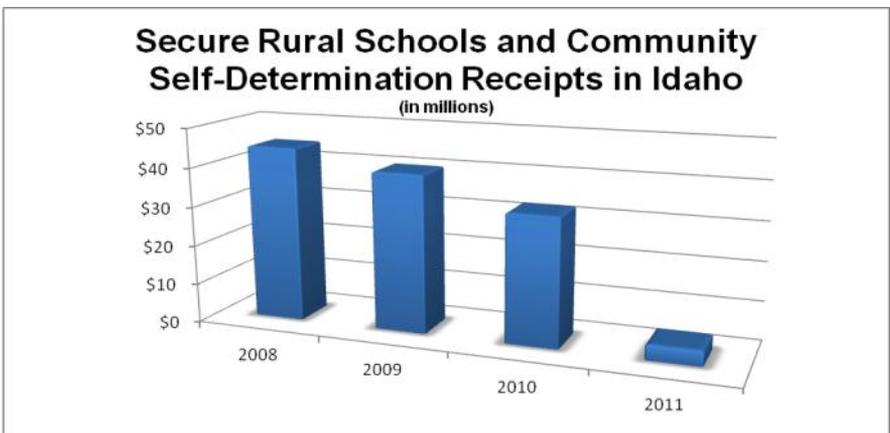
| County | % Payroll    |
|--------|--------------|
| Boise  | 21.5 percent |
| Adams  | 17 percent   |
| Lemhi  | 16.8 percent |
| Idaho  | 14 percent   |
| Valley | 12.8 percent |

Public land is tax exempt so it reduces the local property tax base even though it receives benefits from the local government in road building and maintenance, search and rescue services and education for the children of land-based federal workers. Over time, the Forest Service and Bureau of Land Management have adopted programs to provide some compensation to affected counties and schools.

As President Theodore Roosevelt developed the national forests in 1908, he signed legislation that gave 25 percent of the timber revenues to communities in those forests for roads, schools and county services. After the Forest

Service changed its forest management practices in the late 1980s, a steep decline in timber sales decreased the revenues that rural communities and school districts received. Between its peak 1987 and 2000, annual harvest volume and value in Idaho fell 80 percent. In response, Congress passed the Secure Rural Schools and Community Self-Determination Act in 2000 to continue the timber sale-sharing arrangement but also to provide stable payments to counties and schools. In Idaho, the payments, also known as Craig-Weyden funding, are distributed to counties based on the amount of federal land within their borders and the amount of money they traditionally received from timber receipts. The law doles out the money in three ways. The amount allocated for county compensation is split 70 percent for county roads and 30 percent for schools. Resource Advisory committees that provide local collaboration approve money for projects to improve not only public forests but also adjacent public and private lands. In 2010, the resource advisory committees in Idaho allocated \$4.9 million for forest health projects including trail and road maintenance, road decommissioning, weed control, stream restoration and improvements of wildlife and fish habitat. Finally, funds are provided for special county projects such as emergency services including search and rescue and community fire planning and prevention.

When the act expired in September 2007, Congress extended the program four more years. Over those four years, rural Idaho communities received a total of \$72.9 million. The fourth year ended Sept. 30, and the 729 counties with national forests will receive their final payments in December and January. When the bill was reauthorized in 2008, funding was set to decline each year. In fiscal year 2010, the payment was \$36.3 million. The last year's payments will total \$3.9 million. After the final payment, if no new legislation is enacted, communities containing national forests will only receive timber revenues. The Forest Service is working closely with stakeholders to increase revenue in these communities while acting in a way that is consistent with environmental protection and multiple-use values.



The Bureau of Land Management is authorized to run its Payment in Lieu of Taxes program for one more year. Established in 1976, the program compensates counties for foregone tax revenues from bureau-managed land. In the fiscal year that ended Sept. 30, the program paid \$25.6 million to Idaho communities.

Although Western members of Congress are attempting to extend the Secure Rural Schools Act and the Payment In Lieu Of Taxes program for five more years, current fiscal austerity makes it an uphill battle.

The loss of Secure Rural School funding will have dire consequences for many county road departments and school districts in Idaho. The loss comes at a time when local tax revenues are down and other federal and state funding has fallen sharply and is expected to decline further.

Statewide, 137,000 schoolchildren live in counties that receive Secure Rural Schools payments. For many rural school districts, the payments make up more than 4 percent of their budgets. With districts already under pressure because of cuts in contributions and reduced property tax collections, the loss of these federal payments will lead to job losses. Because one of the most common uses of the money is maintenance, school infrastructure may deteriorate.

The end of this funding will make it harder for counties to maintain and repair roads that are the economic and social lifelines for rural communities. In a state with more than five times the miles of improved roads per capita than the rest of the country, the loss of the federal funding will intensify the deterioration of infrastructure.

**IDAHO COUNTY**

Idaho County will be most severely affected by the loss of Secure Rural School funding. Geographically, it is the largest county in the state - more than five times larger than the average county. Of that immense land base, 85 percent is managed by the federal government. There are more than 4.4 million acres of national forest within the county, more than in any county or borough outside of Alaska. Last year, it was largest beneficiary of Secure Rural Schools funding in Idaho and the fourth largest in the country.

Idaho's five largest counties:

| <b>County</b> | <b>Area</b>     |
|---------------|-----------------|
| Idaho         | 5,430,528 acres |
| Owyhee        | 4,914,176 acres |
| Custer        | 3,152,384 acres |
| Lemhi         | 2,921,152 acres |
| Valley        | 2,354,048 acres |

Idaho County received more than \$11 million in 2009 and \$10.5 million in 2010 under the Secure Rural Schools Act. Last year, Mountain View School District, based in Grangeville, received \$1.6 million, 15 percent of its budget. In the Cottonwood district, the funding was about 10 percent of the \$4.8 million budget. It was 8 percent of Kamiah's \$3.9 million budget. Secure Rural Schools accounted for 73 percent of Idaho County's road and bridge budget in 2010, playing a vital role in maintaining nearly 500 miles of rural roads. Last year, the county used special funding to revitalize the Grangeville airport, which will allow the expansion of Anderson Aeromotive and help the county make the transition from a timber-based economy to a larger, more diversified economy.

The Bureau of Land Management's Payment in Lieu of Taxes program paid more than \$1.5 million to Idaho County in the fiscal year that ended Sept. 30.

The end of federal land payments is likely to result in job losses for county government and local school districts already forced to cut services. It also will hurt communities already struggling because of high levels of unemployment and poverty. Idaho's County's poverty rate reached 21 percent in 2009,

when the nation's rate was 14.3 percent and the state's 14.1 percent. Given the increase in unemployment from an average of 10.2 percent in 2009 to 12 percent this September, the county's poverty rate is likely even higher now.

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## EDUCATION, LOCATION ELEMENTS OF TROUBLING SKILLS GAP

Continuing high unemployment has intensified discussions about apparent mismatches between the skills of unemployed workers and the skills required for job vacancies as the economy begins to recover from the worst recession in generations.

But the magnitude of this mismatch, which constitutes structural unemployment, is difficult to calculate.

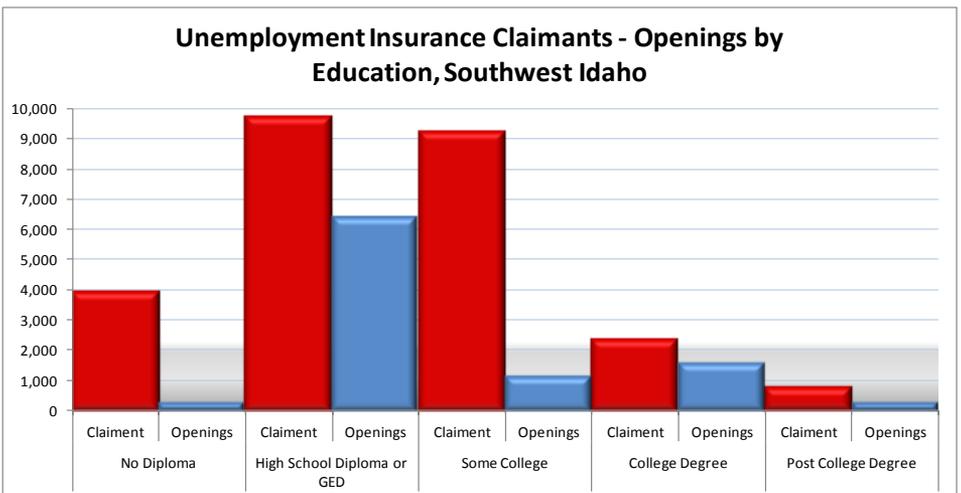
### EDUCATION

In southwestern Idaho there are some large gaps between the education of unemployment claimants and job openings, based on data from the Department of Labor's unemployment insurance records and job postings through the IdahoWorks system. This difference is clearly apparent for those without a diploma and some who have less than a bachelor's degree, which includes those with associate degrees.

Assuming that claimants are only applying for jobs that require the education they have, there are 14 unemployed persons for every job opening requiring less than a high school diploma and eight for every job requiring some college but no bachelor's degree. If that assumption is relaxed and claimants with more education than required are applying for all openings up to their education level, there are 94 workers for every job requiring less than a high school diploma and 11 for every job requiring less than a bachelor's degree.

Those with high school diplomas or more education are much better off. There are 1.5 unemployment claimants who have a high school diploma or the equivalent per job opening requiring a high school diploma. That jumps to 3.5 per opening if individuals with more than a diploma apply.

The same is true for college graduates. There are 1.5 claimants with degrees for each opening requiring a college degree and 2.7 for each opening requiring an advanced degree.



## OCCUPATIONS

Another way to look at claimant-job opening mismatches is by occupation. Based on the three-digit groups under the Standard Occupation Code, 30 occupational groups had more than 10 claimants per opening. Some groups, like agriculture workers and forest, conservation and logging workers are highly seasonal. Others, though, identify workers whose former occupational skills are in waning demand and who could benefit from additional training or education in occupations that are in greater demand.

### Top Ten Occupations With Most Claimants per Opening

| Code    | Title   | Claimants | Openings | Claimants per Opening |
|---------|---|-----------|----------|-----------------------|
| 21-2000 | Religious Workers                               | 4         | 0        | *                     |
| 27-4000 | Media and Communication Equipment Workers       | 34        | 0        | *                     |
| 53-3000 | Motor Vehicle Operators                         | 1,260     | 1        | 1,260.0               |
| 51-9000 | Other Production Occupations                    | 345       | 1        | 345.0                 |
| 43-9000 | Other Office and Administrative Support Workers | 470       | 2        | 235.0                 |
| 45-2000 | Agricultural Workers                            | 1,165     | 7        | 166.4                 |
| 53-7000 | Material Moving Workers                         | 708       | 6        | 118.0                 |
| 45-4000 | Forest, Conservation, and Logging Workers       | 232       | 3        | 77.3                  |
| 47-2000 | Construction Trades Workers                     | 3,337     | 48       | 69.5                  |
| 51-2000 | Assemblers and Fabricators                      | 681       | 12       | 56.8                  |

Source: Unemployment insurance recipients January to October 2011, IdahoWorks Job Postings January to October 2011

Those occupations are identified in part by the groups that have the fewest claimants per opening. Twenty occupations have more openings than unemployment claimants and eight have at least 50 more openings than there are claimants qualified to fill them. These occupations represent areas for retraining jobless workers although information such as wages, working conditions and projected outlook need to be considered.

### Top Ten Occupations With Least Claimants per Opening

| Code    | Title  | Claimants | Openings | Claimants per Opening |
|---------|--|-----------|----------|-----------------------|
| 39-4000 | Funeral Service Workers                            | 0         | 6        | 0.0                   |
| 53-5000 | Water Transportation Workers                       | 2         | 65       | 0.0                   |
| 45-3000 | Fishing and Hunting Workers                        | 15        | 351      | 0.0                   |
| 39-3000 | Entertainment Attendants and Related Workers       | 28        | 403      | 0.1                   |
| 53-2000 | Air Transportation Workers                         | 13        | 104      | 0.1                   |
| 43-2000 | Communications Equipment Operators                 | 24        | 98       | 0.2                   |
| 41-1000 | Supervisors of Sales Workers                       | 94        | 260      | 0.4                   |
| 51-6000 | Textile, Apparel, and Furnishings Workers          | 46        | 97       | 0.5                   |
| 41-4000 | Sales Representatives, Wholesale and Manufacturing | 134       | 253      | 0.5                   |
| 25-4000 | Librarians, Curators, and Archivists               | 10        | 17       | 0.6                   |

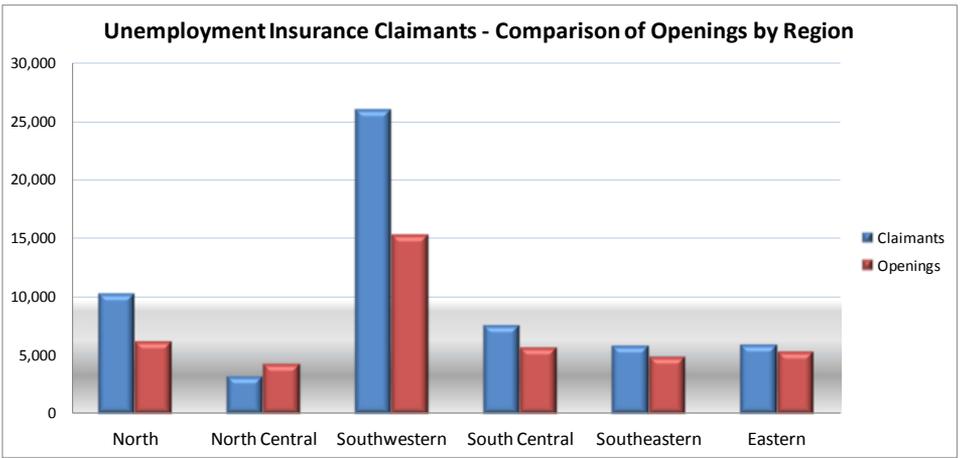
Source: Unemployment insurance recipients January to October 2011, IdahoWorks Job Postings January to October 2011

\*A complete list of SOC codes can be found on the U.S. Bureau of Labor Statistics Web page at [http://www.bls.gov/soc/major\\_groups.htm](http://www.bls.gov/soc/major_groups.htm).

## GEOGRAPHY

The location of a job opening in relation to the claimant can also be a mismatch when claimants cannot or will not relocate.

Looking at Idaho claimants and openings by region, northern and south-western Idaho have the highest ratios at 1.7 claimants per opening. South central, southeastern and eastern Idaho have ratios from 1.1 to 1.3 unemployment claimants per opening. The north central region stands out by having only 0.8 claimants per posted opening.



Since data on areas of educational concentration, skills and years of experience are not collected, analyzing the data much further becomes difficult because confidentiality begins to inhibit the use of the data. The fact that not every job in Idaho is posted through the IdahoWorks system only makes analyzing claimant-opening mismatches more difficult. But even the basic assessment of education attainment, occupation and geography provides a quick look at possible mismatches in Idaho job markets.

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## HIGH SCHOOL STUDENTS WITH DISABILITIES EXPERIENCE COLLEGE FOR A DAY AT ISU

Getting ready to head to college can be a scary experience, and it is magnified for individuals with disabilities.

Idaho State University’s Office of Disability Services along with the Idaho Department of Labor and several local school districts sponsored a daylong seminar this fall for high school juniors and seniors with disabilities who are considering college. The 140 students had a wide range of disabilities from deafness to visual impairments and various learning disabilities.

The keynote speaker was Patricia Terrell, Idaho State’s vice president for student affairs. Terrell congratulated the students for taking the step to consider college. Her message was clear: You can succeed.

“One’s quality of life improves with a college education,” Terrell said. “You can better appreciate art, history and culture.”

Terrell maintained that people with college degrees make over a million dollars more in a lifetime than those who don’t go on to college.

“Do you want to walk away from a million dollars?” she asked the students.

“No!” they shouted back in a loud and unified voice.



Vice President of Student Affairs at Idaho State College. Patricia Terrell encouraged high school students with disabilities to pursue higher education.

Event organizer Todd DeVries, director of Disabilities Services at ISU, said the goal was not to convince the students to attend Idaho State.

“The goal is to get them to understand that they have the opportunity and ability to pursue a college degree,” DeVries said. “If they get that degree from BYU-Idaho, Boise State or somewhere else other than ISU, that’s OK. We just want them to succeed.”

The event included workshops on paying for college, adjusting to campus life and a final workshop explaining the help the Disabilities Services Office at Idaho State offers its students and introducing students to some of the assistive technology available to aid in their studies.

Almost every student participating in the seminar intends to go to college. Twenty years ago the number would have been lower because until recent years students with disabilities were often discouraged from seeking higher education.

According to a study by SRI International, an international nonprofit research institute, only 26 percent of students with disabilities went on to post-secondary education in 1990. That study found 46 percent attended college in 2005.

The Bureau of Labor Statistics estimated the unemployment rate in 2010 for people with disabilities was 14.8 percent compared to 9.1 percent for the workforce overall. Many of the jobs held by people with disabilities are low paying and part time. Those with severe disabilities such as blindness suffer a much higher unemployment rate. The National Federation of the Blind estimates 70 percent of those who are blind or vision impaired are unemployed.

Idaho State’s efforts to encourage students with disabilities to pursue education are important. They will have a positive effect on the economy and workforce of southeastern Idaho for years to come.

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## CHOBANI IS ‘NOTHING BUT GOOD’

The dairy products sector continues to grow in south central Idaho with the recent announcement that Agro Farma will build a \$128 million yogurt plant that will begin operating in 2012. The plant will create 400 jobs producing Agro Farma’s signature Chobani Greek yogurt, and the workforce could triple in a matter of years. Chief Executive Hamdi Ulukaya hinted that there would be new products introduced to the market that would be manufactured at the Twin Falls plant.

Chobani is Greek for shepherd and is symbolic for safety and good. The company uses only milk produced without a controversial synthetic growth hormone – recombinant bovine somatotropin – and natural ingredients for its yogurt, which is high in protein and probiotics, or live active cultures. Agro Farma claims to have the largest share of the nation’s strained Greek yogurt market.

Twin Falls will be the company’s second plant. The first is in a former Kraft Foods plant in New York. Agro Farma recently acquired Australia-based Bead Foods, which makes ice cream and yogurt.

The Idaho Department of Labor has committed \$8.5 million toward training for up to 1,500 plant workers, the largest commitment ever from the state's 15-year-old Workforce Development Training Fund. This will



Chobani team with Governor C.L. "Butch" Otter overlooking the Snake River Canyon.

positively impact the College of Southern Idaho, which offers customized training and development programs for employers.

In addition to the sizeable corporate investment, the city of Twin Falls and its Urban Renewal Agency will be providing \$25 million for ground acquisition and power, water and sewer infrastructure needed for the plant. This cost is mitigated by the economic boost to the area from not just the direct jobs at the plant but the additional 2,500 or more jobs in the rest of the local economy – all with an annual payroll of over \$135 million. Building trades benefit from construction of the plant, but a third of the indirect jobs are in agriculture. Health care, restaurants, real estate and transportation will also see growth.

Among Twin Falls' assets that could be responsible for attracting Argo Farma is the huge supply of milk in the dairy center of the nation's third largest milk-producing state, easy access to U.S. Highway 93 heading to the southwest and Interstate 84 into Oregon, Washington and northern California and the rail spur that abuts the plant site.

But Ulukaya, Agro Farma's CEO, said he had a gut feeling after the first visit to the area – a feeling that was shared by his team members, who simply said "wow" as they left.

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## GREEK YOGURT—WHAT'S THE DIFFERENCE?

All yogurts are made by fermenting milk with live bacteria cultures. Greek style yogurt differs in that the mixture is strained — sometimes up to three times — to remove the liquid portion of the whey, resulting in a more concentrated, thick mixture. Both are considered nutritional as good sources for calcium and protein, and most are low in calories if they do not include a lot of extras. However, Greek yogurt contains more protein, as much as 14 to 18 grams per six ounces, compared to 10 grams of other yogurts, but can be lower in calcium. Greek yogurt requires more milk to make. Traditional yogurt has a 1:1 ratio of milk to final product while Greek yogurt is often as high as 4:1. (Source: *Ohio State University Extension.*)

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## **NORTHERN IDAHO**

**Benewah, Bonner, Boundary, Kootenai & Shoshone counties**

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### **REGIONAL DEVELOPMENTS**

- Spokane Valley-based Revett Minerals Inc. has announced record third-quarter production at its Troy Mine near Troy, Mont. The company reported mining almost 403,000 ounces of silver and more than 3.28 million pounds of copper in the quarter ending Sept. 30, 45 percent more silver and 39 percent more copper than a year earlier. The company plans to resume exploration around the Troy Mine as early as next summer, pending state and federal approval.
- Fatbeam LLC, a new broadband Internet service provider based in Post Falls, recently signed contracts for more than \$2 million with local school districts – a 10-year deal with Post Falls and five years with Coeur d’Alene—to provide high-speed Internet access. The 15-month-old company now has signed \$7 million in contracts to provide high-speed, fiber-optic Internet connectivity to customers across the Inland Northwest. The company has five employees.
- North Idaho College announced a new vice president for community relations, Mark Browning, who is the current chief communications and legislative officer for the Idaho State Board of Education. Browning replaces John Martin, who retires at the end of this year.

### **COUNTY DEVELOPMENTS**

#### ***BONNER COUNTY***

- Laughing Dog is expanding its brewing capacity beyond the its current 15 fermenters each brewing a thousand gallons of beer at a time, to include four more fermenting tanks. The tanks, standing from floor to ceiling, each have a 2,000-gallon brewing capacity. With the expansion, the brewery will have invested about \$200,000 this year. Production increased 91 percent from last year, and the payroll has jumped from three to seven. By next year, the business could get extremely close to brewing 15,000 barrels, which would move it from a craft brewery to a microbrewery. The owner of Laughing Dog has also been involved in starting Selkirk Abbey Brewing Co., which opens early next year in Post Falls.
- Air Idaho Charters LLC, a Sandpoint-based charter flight service, has landed a contract with the U.S. Forest Service. The small company at the Sandpoint Airport will have a one-year contract with options for an additional four years. Through the term of the contract, the service can also be used by other government agencies. With currently only one twin-engine Beechcraft Baron aircraft, the service is doing enough business

that it plans to purchase a larger aircraft that can travel longer distances. The company employs a pilot and contracts out its maintenance.

- Coldwater Creek reported a loss of up to 36 cents per share for the quarter ending Oct. 29. A year ago, it lost 12 cents per share. The company reported third-quarter sales at \$180 million to \$190 million, depressed by a drop of 17 percent to 21 percent in comparable premium store sales. The company has discussed selling common stock in an underwritten public offering.

#### **KOOTENAI COUNTY**

- Command Center Inc., a Post Falls-based temporary staffing company with 54 offices in 24 states, has opened another office in North Dakota. Doing business as Bakken Staffing, the company will provide manpower for manual labor, light-industrial jobs and skilled-trade positions for the oil boom.
- Over the past several years, Buck Knives has been taking the initiative of bringing jobs from abroad back to the United States – in this case from China. Previously, 30 percent of the hunting knife output came from China and 20 percent from other countries. Today, that 50 percent of production overseas has been cut to 25 percent. Buck Knives began moving jobs overseas partly in response to demand from big-box retailers for lower prices. Since then, China's cheap labor and its artificially cheap currency – intended to foster industrial growth – are being offset in the U.S. by more automation, increasing freight costs, the need to be closer to resources and customers and a surging interest in products with the label "Made in the U.S.A." Buck Knives brought 240 jobs to Idaho from California in 2005. During the recession, its employment dropped to about 200. It has rebounded to 265. Most of the growth comes from the reshoring of China jobs and development of new products.
- Washington Water Sports LLC, a Liberty Lake boat dealership, has closed its doors after building a \$2.7 million facility in 2007. As a result, Stan-Craft Marine Center Inc., in Post Falls, will become the new MasterCraft dealer in the Inland Northwest. Stan-Craft currently employs 30 people and plans to hire most of the five people that were employed at Washington Water Sports.
- Unitech Composites and Structures Inc., an AGC Aerospace and Defense company based in Hayden, has been awarded a U.S. Army contract to design and produce what it called the "next generation" composite over-wrapped pressure vessel, or COPV. The Unitech proprietary design is a container, with a thin and non-structural liner wrapped with structural fiber composite, used to hold gasses or liquids under pressure. The COPV, designed and produced by Unitech, will be for a portable helicopter oxygen delivery system to help provide U.S. soldiers with longer oxygen delivery duration.

#### **SHOSHONE COUNTY**

- Formation Metals, the Idaho Cobalt Project's parent company, announced in early November it will not get a \$79.5 million in funding from a major French bank because of the debt crisis in Europe. The Idaho Co-

balt Project consists of America's first primary cobalt mine, located in Salmon, and a cobalt refinery, which is being build adjacent to Sunshine Precious Metals Refinery in the Silver Valley. Despite the funding issue, construction can continue at both sites to get critical work done before snowfall.

- New Jersey Mining Co.'s mill, which treats ore from the Crescent and Golden Chest mines, has started a \$2.5 million expansion project that includes rebuilding the crushing plant and adding a ball mill to quadruple capacity to 400 tons per day. Mine Fabrication and Machine, a United Silver-owned company, is doing much of the work for the project, which is expected to be completed by the end of the year but will not run at full capacity until mid-2012.
- The Shoshone County Even Start Program, a family literacy program that helps strengthen low-income Silver Valley families, was forced to close for lack of federal funding. The program helped parents earn their high school diploma or GED while also offering child care, transportation and other assistance without charge.

#### **OPENINGS**

- Advanced Dermatology and Skin Surgery in Coeur d'Alene
- Ink Cartridge World in Coeur d'Alene
- Susie's Home Kitchen in Coeur d'Alene with a payroll of 12

#### **EXPANSIONS**

- Snap Fitness into Hayden

#### **CLOSURES**

- Even Start Program in Kellogg
- ABCO Wood Recycling in Post Falls

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## **NORTH CENTRAL IDAHO**

Clearwater, Idaho, Latah, Lewis and Nez Perce counties

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### **REGIONAL DEVELOPMENTS**

- Lewis-Clark State College recently received a grant to continue its Clearwater Valley Educational Talent Search for five more years. The program helps middle and high school students in Lapwai, Kamiah, Kooskia and Orofino prepare for college. It identifies middle-schoolers from disadvantaged backgrounds who would likely succeed in college and then provides academic, career and financial counseling to encourage them to prepare for college throughout middle and high school. It also helps students with studying skills, tutoring, career development activities, funding for field trips, ACT/SAT preparation, college campus visits, time management and organization skills. Since it began in 2006, the program has served more than 600 students, helping nearly 100 high school graduates a year register for college.

#### **CLEARWATER COUNTY**

- Clearwater County quietly reached an economic diversification milestone during the last year when Nightforce Optics became its largest manufac-

turing operation. For decades, lumber and plywood mills were by far the largest manufacturers, but Nightforce has emerged as they declined. In 1991, the county had 12 wood products manufacturers employing 366 people and eight other manufacturers employing 35 people. Today, it has five wood products manufacturers with combined payrolls under 60 people while 17 other manufacturers employ more than 130 people. Nightforce Optics makes rifle scopes. When it moved to Orofino in 2000, it employed three. As its reputation grew for high-quality products subjected to rigorous testing, Nightforce's employment has soared. Three years ago, 30 people worked there. Today, about 70 are on the payroll, and the company expects to begin a second shift in early 2012.

- An SJX jet boat helped rescue 1,200 victims of the typhoon that hit the Philippines in September. The boat was one of several Muscle Jons sent to the Philippines in 2010. Because it has no propeller, the Muscle Jon can run in debris-strewn waters in depths as shallow as four inches, making it suitable for the Philippines' rivers. Capable of carrying up to 2,200 pounds, the boat could transport up to 15 people and their possessions as well as the boat crew. SJX, which opened in the Orofino business park in 2008, employs eight people.
- Orofino recently saw some creation of commercial space that will allow business expansion. Paul Pippenger of Valley Rentals recently opened a 10,000-square-foot business center, which already has leased seven of its 10 units. At Commercial Park, each unit offers combined space for an office and industrial shop and is Internet-ready. Chuck Ruland, who has run Freeman Creek Transmission in a small facility for seven years, recently moved into a much larger building construction by Preferred Carpet Cleaning and Construction on U.S. Highway 12. The move allowed the business to become a full-service auto shop that employs four people.
- The Idaho National Guard Youth Challenge recently was certified to accept tax-deductible donations towards the \$200,000 match required to open the program. The lack of match has delayed the start of the boot-camp-style program for teens in danger of dropping out of school. Originally slated to open next July, it now is expected to open a few months later. Renovation of the old school in Pierce to dormitory accommodations for 100 students began in May and is nearly complete. When the school opens, it will take teens from throughout the state who volunteer for the program, which stresses discipline, teamwork, physical fitness and leadership. Each year, the school will hold two classes lasting 22 weeks each. About 55 people will work there. The Pierce area has never recovered from the loss of its largest employer — Potlatch Corp.'s Jaype mill that closed at the end of 2000 idling 220. Since then, local businesses and the population have declined. The National Guard Youth Challenge is expected to staunch the population outflow and inject confidence into the business community by providing jobs for local residents. The economic impact of the program is estimated at \$2.7 million a year — \$1.6 million from the program's own payroll and the rest from its effect on suppliers and the spending of its employees.

## IDAHO & LEWIS COUNTIES

- Hillco Technologies, which has specialized in combine leveling systems since Case IH stopped making them in 1992, is expanding its opportunities in Nezperce. It began getting even more orders in 2005 when John Deere discontinued its line of walker-model hillside combines. With grain prices so high and more acreage in production these days, more farmers are interested in – and able to pay for – the levelers that allow combines to traverse hilly country without losing grain yield. Now Hillco is working with the John Deere Co. on technology to gather the residue from crops so it can be converted into biomass fuel. Regular combines push residue out the back, leaving it on fields. The new technology would collect residue. In addition to biofuels it can be used for cattle feed or bedding. Using crop residues rather than the crops themselves would save money and keep feed costs for livestock producers and food manufacturers from rising sharply. About half of Hillco's 40-plus employees work in production. The other half includes engineers, salespersons and business professionals.
- The new lost-foam foundry in Craigmont is helping Hillco save money. After Hillco's plasma cutting systems carves steel plates into parts, up to 40 percent of the steel is left unused. Ende Machine Foundry melts it down with other discarded metal, transforming it into valuable metal. Now, Hillco and other local companies do not have to pay to ship the metal away for recycling. One reason Ende chose the old Channel Lumber mill site in Craigmont, where the Clearwater Economic Development Association started a business park, is that Hillco and its ready source of scrap is only 15 miles away.
- The Kamiah City Council agreed in October to continue studying the possibility of developing a business park for business startups and expansions and as a recruiting tool to attract new businesses. Following a market analysis, a survey of local business owners and feasibility study, The Hingston Roach Group consulting firm recommended a five-acre park divided into five lots. The first lot would contain two 5,600-square-foot multi-tenant buildings. The remaining four lots would be available for future build-to-suit facilities or larger tenants. According to the analysis, the park has the potential to eventually provide 70,000 square feet of space and create up to 175 jobs. Kamiah shows the greatest growth in the three counties of Lewis, Idaho and Clearwater. Kamiah's population grew 11.6 percent from 1,160 in 2000 and 1,295 in 2010. Only three – Ferdinand, Riggins and Weippe – of the other 13 cities in the three counties grew. The Hingston Roach analysis found that the growth in Kamiah “indicates increased demand for all types of land for residential, commercial, industrial and community facilities.” The city, Nez Perce Tribe, private property owners or a nonprofit economic development agency could develop the park.
- High gold prices have increased interest in past gold mining areas in north central Idaho. Premium Exploration – a British Columbia metals exploration company – announced the strategic acquisition of two more high-quality exploration targets in the Elk City area. The company's newest acquisitions were 220 acres in the Deadwood Zone including the former

mill site along Idaho Highway 14 and 640 acres in the Buffalo Gulch Zone. About a dozen people are working on the exploration projects. In 2010, the company doubled the size of its exploration site in the Orogrande zone near Elk City. Pioneers began mining there in the 1860s. At various times between 1895 and 1939, at least 10 gold mines operated there.

- Kooskia recently received a \$77,300 Rural Development grant for renovation of its community hall. The city of 670 residents will contribute \$28,000 toward the project to be designed by Progressive Engineering in Lewiston.
- Nezperce recently opened a community food pantry that will help families that do not have the resources to travel to food banks in Craigmont or other communities. Distribution is limited to people living in the Nezperce School District. "It's a retirement area, however, we also have a growing younger population," food bank Director Jamie Johnson said. "And one of the issues that we have around here is it's hard to find a job, and the people that do find jobs, they have to work multiple minimum-wage jobs to pay their bills." In addition to food, the bank offers cleaners, toiletries and personal items.
- The U.S. Department of Agriculture recently awarded a \$32,050 grant to Idaho Sewing for Sports near Grangeville. The Rural Energy for America Program offers funds for farmers, ranchers and rural small businesses to purchase and install renewable energy systems and improve energy efficiency. Idaho Sewing for Sports' grant was specifically awarded for geothermal energy. The company makes custom padding and covers for ski areas, athletic arenas and other applications. Currently it employs nearly 20 people. It is preparing to double production and employment. The expansion, which will include an upgrade of the heating and air systems, is expected to begin next spring. After pricing several heating options, Chief Executive Gunther Williams found geothermal the most economical. The grant, which can be used any time in the next two years, will pay for the geothermal heating system. The contractor will be Quality Heating and Air. The Clearwater Economic Development Association made the company aware of the grant.

#### **LATAH COUNTY**

- An ammunition maker is moving from western Washington to the Potlatch area. Two-year-old PNW Arms acquired a 14,500-square-foot building and 63 acres from D8, which closed in October when owner Barry Ramsay took a new job in Maryland. Since the recession began, the company, which manufactured precision molds for everything from bicycle helmets to airline parts, had experienced challenges. Its employment fell from a peak of nearly 40 to below 20. PNW Arms originally made pistol ammunition and then expanded to rifle ammunition. The company plans to diversify further. It has rifles in the prototype stage, and that plan to grow brought PNW Arms from Issaquah to Potlatch because of Idaho's better business climate. Ammunition make ATK in nearby Lewiston also helped make north central Idaho a good fit. The Latah Economic Development Council let PNW Arms know that the D8 property including production machinery it could use was coming on the market. The company

gave its dozen employees in Issaquah the opportunity to move, and it is still not certain how many will. PNW already has hired another six people in Idaho and expects to hire more in the next month depending on its success pursuing new contracts.

- Walmart is preparing to reopen its Moscow store, which closed in September 2010 when the Pullman, Wash., store opened. The addition of 28,000 square feet will allow the original 94,000-square-foot store to become a supercenter, selling groceries as well as other items. With the \$7 million renovation almost complete, Walmart began accepting job applications for 200 positions in early November. In December, the new employees will begin preparing the remodeled store for the opening in late January.
- Potlatch presented a draft plan for River Ridge Redevelopment to city residents Nov. 7. In 2010, Potlatch Corp. offered to give the city the 110-acre site for a light industrial park. The site is along the Palouse River just outside the western city limit and near U.S. Highway 95 and originally contained a Potlatch lumber mill that closed in 1981 after 75 years of operation. It offers established water and sewer infrastructure, a rail line and highway access. Partners with the city and the company in efforts to create and fund the park include the Clearwater Economic Development Association, the Latah Economic Development Council and Avista Corp. Nearly 68 percent of city residents surveyed in June listed redevelopment of the old mill site as a high priority, and 81 percent ranked new jobs and economic development highly important. At the November meeting, Welch Comer Engineers presented a mixed-use plan for light industrial, commercial, residential and recreational areas including a ball field. Wetlands on the site would be kept to preserve a natural setting. The new plan details ideas for cost, phasing and implementation.



MaryJane Butters, a Moscow farmer nationally known for her organic foods and her celebration of the rural lifestyle, was recognized in October by *More* magazine as an innovator leading job creation for women. From her 80-acre farm near Moscow, Butters runs a bed and breakfast, produces a line of packaged organic foods, sells down-home goods including organic linens, owns two retail stores and writes about country life in her own magazine with a circulation of 135,000. She recently discontinued a syndicated newspaper column. She helped create the Palouse Clearwater Environmental Institute in 1986. The institute's mission is to increase citizen involvement in decisions that affect the region's environment. Its dozen employees work on water protection, ecosystem restoration, educational programs and the McCall Outdoor Science School, which it operates in collaboration with the University of Idaho. The institute also provides an artist's studio. After four years as the institute's director, she resigned to develop new products for locally grown organic beans that would provide a secure market for farmers transitioning to sustainable production. In 1993, she founded Paradise Farm Organics, a Moscow company that makes dried foods for backpackers and others, employing more than a dozen people. Seven years ago, Butters founded Project FARM – First-class American Rural Made – in Moscow to market crafts and food products created by rural artisans.

More than 50 women, and a few men, have benefited from Project FARM. One beneficiary is Joyce Saunders, a Moscow resident who helps support eight kids on 30 hours of needlework a week. Others include Orchard Farm, which makes soap in Moscow; crafters working at the Framing Our Community incubator in Elk City; Homestead Drying Racks in Blanchard; and Black Canyon Restorations, which makes tin ceiling panels, windows, doors and other “functional art” for homes in Emmett.



The Moscow School District is making its schools more energy efficient with a \$200,000 grant from the Idaho State Department of Education. An energy audit found the district’s outdated fluorescent lighting fixtures were wasting energy. Work crews have been replacing the old fixtures and installing new switches that are motion activated and shut off automatically after 20 minutes. After the project is complete in December, the district expects to save around \$40,000 a year.

- Moscow is gathering public input on a draft plan for the 30-acre former industrial area along the rail tracks that run between downtown Moscow and the University of Idaho. Legacy Crossing will support everything from light industry to residential space, and connect the downtown core to the university campus. University architecture students presented design models in early November. Next year the city plans to start reconstructing College Street, which intersects the urban renewal area.

#### **NEZ PERCE & ASTON COUNTIES**

- Schweitzer Engineering Laboratories will soon occupy its new factory on a 25-acre site in the Lewiston Business and Technology Park. Vandervert Construction of Spokane is completing the 105,800-square-foot building that cost \$10 million. The company intends to begin production with 45 workers in December. Initially, the new plant will make precision plastic parts, molds for plastic parts and data cables. Of the approximately 1,900 employees in Pullman, around 130 commute from Lewiston and Clarkston. Inc. magazine ranked Schweitzer as the 50<sup>th</sup> fastest growing company in the United States based on job growth. The company added 915 employees in a three-year period that ended in 2010, and it has added at least 400 more this year. Given Schweitzer’s fast expansion, employment in Lewiston is expected to rise rapidly, reaching 130 by February and at least 250 by summer. The building can hold about 300. By the end of next year the company expects to need another 15,000 square feet – either in Lewiston or elsewhere.
- Riverport Brewing, a Clarkston, Wash., microbrewery near the confluence of the Clearwater and Snake rivers, is expanding. In the next few months, it will more than double its space. Its landlord, the Port of Clarkston, is building the 3,800-square-foot addition at a cost of about \$120,000. With the port acting as general contractor, construction started in mid-November. The additional room will allow the brewery to increase production. In the last two years, it has expanded its sales to restaurants in Spokane and Coeur d’Alene. It also is entering the retail market for beer, ale and stout. Last year, the port added a day-use dock that allows recreational boaters to visit the brewing company and its neighbors including Rooster’s Landing, Walmart, Costco and antique stores.

- TJ Maxx has taken out a \$1.7 million building permit with the city of Lewiston for a discount department store at the Nez Perce Plaza. The average TJ Maxx store employs about 40 people. Founded in 1976, the chain has more than 900 stores nationwide.
- The southside industrial park south of the airport in Lewiston is starting to take shape. The project, which began in May, includes installation of water, sewer, gas and electricity on the 20-acre site. It is the culmination of work made possible by a \$3.2 million funding package put together by the Clearwater Economic Development Association that included a \$1.94 million Economic Development Administration grant and a \$500,000 Rural Community Block Grant. ML Albright Construction of Lewiston is the primary contractor. When in full use, the park is expected to create about 250 jobs. With earthwork done and underground utilities in place at the airport, the ground is ready for construction next spring on taxiways and aprons. The Riedesel & Associates engineering office in Lewiston was retained to do the design of a parallel taxiway, apron areas and taxiway lights. Another project begun this year is a booster pump station that will augment the water supply to the airpark and private development south of the airport.
- The new Lapwai High School gymnasium hosted its first basketball game in late October. The old gym was condemned in 2007 and demolished. Arnzen Building Construction of Cottonwood began work a year ago on the \$4.2 million, 27,127-square-foot gym designed by Castellaw Kom Architects of Lewiston.

**OPENINGS**

- The RV Parts Store next to the Lewiston Morning Tribune building in downtown Lewiston, offering parts for everything from small tent trailers to luxury coaches
- Verde, a gift and home decor store, in the Palouse Mall in Moscow

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**SOUTHWESTERN IDAHO**

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

**COUNTY DEVELOPMENTS**

**ADA COUNTY**

- Boise Inc. announced the purchase of a second packaging company, Hexacomb, from Pregis Corp. as it continues to expand its packaging business. The Deerfield Park, Ill.,-based company manufactures honeycomb protective packaging in 12 locations around the globe. The \$125 million deal is expected to close early 2012. Earlier this year, Boise Inc. acquired Tharco Packaging Inc.
- St. Luke’s Health System’s board approved the integration of St. Benedicts Family Medical Center in Jerome. The new hospital will be a subsidiary called St. Luke’s Jerome. No layoffs are expected.



Of at least 40 buildings in Idaho to receive LEED certification, Ada County has just over half. According to the U.S. Green Building Council, Boise has the most followed by Meridian and Caldwell. LEED certifications are recognized worldwide, and both new construction and remodeled buildings can earn the certificates by achieving efficiencies in several areas.

- Micron is partnering with Samsung Electronics in a consortium to develop a new memory technology called the hybrid memory cube. Micron says the new technology will considerably outperform the current synchronous double-data-rate DRAM with additional savings in power consumption and size. One of the goals of the consortium is to drive rapid adoption of the new technology. Other consortium members are Altera Corp., Open Silicon Inc. and Xilinx Inc.
- PKG user Interface Solutions opened its new 36,000-square-foot building in Meridian last month – the first of many on the 13-acre campus. The company designs, develops and manufacturers high-tech interface solutions for the health care, aviation and instrumentation industries. PKG also expects to add 40 employees, bringing its payroll to 126 next year.

#### **PAYETTE COUNTY**

- The Fruitland School District approved an emergency levy this month to help with the unexpected increase in students. The tax, which goes into effect next January, can be used to purchase supplies or hire staff to meet the needs of the extra students. The cost to a tax payer with home valued at \$50,000 will be approximately \$12.
- ROSE advocates broke grounds on a new 6,700-square-foot shelter to provide a refuge for victims of domestic violence and a place to meet with law enforcement, councilors and health and welfare. The new shelter will add 12 jobs.
- Scott Moscrip, owner of Internet Truckstop in New Plymouth, donated money to upgrade computers at the elementary school's laboratory and buy 30 computers for a mobile computer lab at the middle school. The computers are mostly used for third- through fifth-grade students. The lab is also used for standardized assessment testing.

#### **OWYHEE COUNTY**

- Students who participate in the afterschool program at Marsing Middle School have completed an outdoor classroom. Using a \$5,000 grant from the Lowe's Toolbox for Education program, students designed, selected the site and built the new classroom behind the high school agriculture shop. Along with providing an opportunity to teach some 45 students various life skills, the classroom will give classes a place to meet and enjoy some fresh air.



The Idaho Public Utilities Commission approved a 25-year sales agreement between Interconnect Solar Development LLC and Idaho Power Co. The 20-megawatt solar energy project near Murphy is scheduled to come online in July 2012.

- Silver Falcon Mining Inc. has signed its first contract to sell gold and silver from an old mine near Murphy. Silver Falcon started operations in the old

War Eagle Mountain mines in 2007. So far operations have only included mining tailings and wastes of older mines. Money gained from the contract will allow Silver Falcon to begin exploring a number of other mines, which include about 2,000 acres on War Eagle Mountain. The mine employs 35 people.

#### **OPENINGS**

- Kings department store in Payette
- Rumbi Island Grill, a fast-casual-tropical restaurant, in Meridian
- Lee Gallery, an art gallery featuring work by emerging artists, in Boise

#### **EXPANSIONS**

- Boise Fry Co. opening a second location in east Boise, adding about 10 workers

#### **CLOSINGS**

- Donnie Mac's Trailer Park Cuisine in Boise

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## **SOUTH CENTRAL IDAHO**

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

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### **COUNTY DEVELOPMENTS**

#### **BLAINE COUNTY**

- The Minnie Moore Mine near Bellevue has been leased by Atlanta-based Dutch Gold Resources. The mine was productive in its day, and the company believes it still has untapped resources. Tests at the mine, which is owned by Carl Johnson, reportedly showed the ore was 75 percent lead with 74.4 ounces per ton of silver and 0.112 ounce per ton of gold. Zinc and copper made up the residual.
- Amidst the annual Trailing of the Sheep festival in Blaine County, Idaho's sheep and lamb growers celebrated their best year since 1984. Sales in 2010 totaled \$22.7 million, up 38 percent from 2009. Although sheep and lamb numbers rose 6 percent from 2009, there have been tight supplies nationally, pushing prices higher. The American Sheep Industry Association is encouraging each rancher to increase bands by two ewes per 100 head by April 2014, but Idaho is already addressing this issue with its current growth. The industry remains anxious about range availability in the face of environmental concerns and the continued availability of traditional foreign workers from Peru and Chile in light of the immigration debate. Shepherding pay is low and the life is solitary, making it unacceptable to most local workers.
- Sustain Blaine is coordinating efforts to identify the economic impact of various recreational activities in Blaine County. Nordic skiing has been the initial focus because of efforts to make the county a center for the U.S. Nordic and paralympic training. Based on surveys and interviews, the sport is estimated to contribute \$6.5 million to the local economy. Sustain Blaine hopes to eventually have impact estimates on alpine skiing, cycling, golf, snowboarding, fishing, hiking and running.
- The U.S. Highway 75 repaving project has experienced repeated delays. The Idaho Transportation Department has acknowledged that the con-

tractor, Knife River Co., has run out of time to apply a seal coat before cold temperatures hit on the entire 10-mile stretch between Hailey and Ketchum. Drivers have been diverted to Buttercup Road at times, and the delays have been blamed on mechanical issues at the batch plants.

- The Sun Valley Marketing Alliance has teamed with California-based advertiser Eleven to produce folksy, unscripted videos of residents talking about their mountain town. The videos are short – anywhere from 90 seconds to 2½ minutes. They are primarily online but will appear in select theatres. The appeal is to 25 to 50 year olds, which the Alliance and Sun Valley Co. have acknowledged the affluent resort has missed over the years. In another deviation from traditional marketing, select individuals in the skiing and resort industry are being sent wooden boxes filled with small gifts representing the area.
- The votes are in. Ketchum has authorized its local option tax for another 15 years by a 76 percent majority but rejected shifting to a city manager form of government from the current mayor and council. A \$14 million bond for infrastructure improvements failed to get the two-thirds majority required.
- The Community School saw enrollment jump 10 percent from the 2010-2011 school year to 327. The payroll of 65 is down from previous years. The low student teacher ratio of nine to one is a major selling point for the private school that was founded in 1975.

#### **CAMAS COUNTY**



A century-old farm house in the Soldier Township just miles from Fairfield will be the first in the state with passive energy. Owner Vic Weber, the top consultant with the Zeph-ER Group, which designs passive-energy homes, defines passive energy by saying, "We're energy misers. ... We're stingy, we're cheap so where can we get free energy?" Solar-powered radiant heating in bedrooms and a solar hot-water heater comprise the alternative energy component without photovoltaic cells. The walls of the home are densely insulated, and windows are filled with a krypton gas to provide additional insulation. The home is so airtight that the air is replaced every three hours – unheard of in typical homes that allow air to creep in around doors, windows and from the crawl space. The home will be finished in 2012 when Weber will host an open house to show off the 80 percent decrease in energy costs.

#### **JEROME COUNTY**

- Hilex Poly came out the winner in the ballot initiative to ban plastic bags in Hailey. The company's advertising campaign was aimed at saving the 125 jobs at its plastic bag manufacturing plant, but the ads also educated the public on the recycling operation that Hilex Poly has developed in Jerome and the reusable nature of its plastic bags. The organization agreed that littering needs to be eradicated. The initiative failed on a vote of 864 to 620.



Jerome city voters rejected a \$13 million jail bond issue on Nov. 8 along with a recycling proposal. But only about half those who voted in the city council elections voted on the bond issue, which claimed a majority but not the two-thirds required for passage.

- After enduring furloughs and layoffs, the Jerome School District voted to provide teachers a 1 percent bonus.

**LINCOLN COUNTY**



Scott Uhrig, supervisor of the Emergency Stabilization and Rehabilitation Program for the Bureau of Land Management's Twin Falls District, has received the agency's Director's Spirit of Service Award. Uhrig worked on land rehabilitation after the Murphy Complex fire, drilling and seeding 132,000 acres. His district covers 4.2 million acres. Uhrig anticipates 2012 will be a big wildfire year because of fuel built up in the undergrowth during increasingly hot, dry conditions.

**MINIDOKA-CASSIA COUNTIES AREA**



Three wind energy developers are considering their options in court after failing to meet a 2010 deadline to secure utility company contracts for nine projects targeted for Cassia County. The developers contend the utility companies delayed negotiations on the contracts after the deadline was set, foiling their attempts to proceed. The companies could sell 100 kilowatts or less to the utility but would dramatically reduce profitability of the projects.

- Minico High School in Rupert has offered dual credits with the College of Southern Idaho for its students and now has contracted with Northwest Nazarene University for mathematics and science classes. Students can choose from 28 different dual credit classes that provide a potential to earn 89 credits. School officials say student participation is high.

**TWIN FALLS**

- A homecoming celebration for the 116th Cavalry Brigade Combat Team was held at the College of Southern Idaho's Eldon Evans Expo Center featuring Gen. Gary Saylor, Brig. Gen. Alan Gayhart and Gov. C.L. "Butch" Otter. The Missing Man remembrance was carried out, a tradition that acknowledges those either missing in action or killed in combat. The Twin Falls Municipal Band along with two rock bands, Renegade and Rezilient, performed for the daylong event.
- The Twin Falls School District was honored by the College Board with a place on the Advanced Placement Honor Roll. Fewer than 400 districts nationwide are recognized. During the 2009-2010 School Year, 72 Twin Falls students took advanced placement classes, up from 56 in 2009. Over a three-year period, the district maintained a 75 percent rate of students

| <b>Students Participating in Advanced Placement Classes</b> |     |
|---|-----|
| Twin Falls High School                                      | 360 |
| Canyon Ridge High School                                    | 211 |
| Burley High School  | 126 |
| Kimberly High School  | 113 |
| Jerome High School  | 106 |
| Filer High School   | 52  |
| Gooding High School   | 42  |
| Wendell High School   | 12  |

earning a three or above on the five-point scale used for advanced placement course examinations. The district's participation has increased by 22 percent over the last three years. John Miller, the College of Southern Idaho's instructional dean, said up to 500 more students enrolled for dual-credit classes this year at a cost of \$65 a credit hour. Enrollment in dual-credit classes - where students can earn high school and college credit simultaneously - is outpacing advanced placement classes.

- Kimberly voters rejected a recycling plan 378 to 360, a 48 percent turnout.
- The Kimberly School Board awarded a bonus of 1.5 percent to its 185 employees after two years of pay cuts. The total estimated cost of the bonuses is \$80,000, financed in part by \$43,000 from the state that was not anticipated. The board said fewer teachers are taking on more responsibilities and working longer school days.

#### **OPENINGS**

- Ray Jay's restaurant at Kimberly's Red Cap Center
- High Country Bakehouse in downtown Twin Falls, replacing the former Crowley's Soda Fountain
- Crosspointe Mental Health and LifeSpan in a new office building in Twin Falls

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## **SOUTHEASTERN IDAHO**

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

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### **COUNTY DEVELOPMENTS**

#### **BANNOCK COUNTY**

- Allstate officially opened its new Chubbuck Customer Information Center on Oct. 18, marking an important economic development milestone for Bannock County. Gov. C.L. "Butch" Otter thanked everyone who helped bring Allstate to Chubbuck. "These things don't just happen by accident," Otter said. "It takes a lot of cooperation between the communities involved and the businesses as well to make it happen." Allstate Vice President Mark Pitchford said it "took a lot of cooperation between Chubbuck, Pocatello, Bannock Development and Allstate to bring this to Chubbuck." The first wave of employees for the center all passed their insurance examinations, a first for the company. Allstate expects to employ about 550 at the center.



It was a fine day in Chubbuck as Mayor Steven England welcomed Allstate to the city at the ribbon cutting ceremony Oct. 18.

#### **BINGHAM COUNTY**

- Bingham Economic Development Corp. was revived this fall after being inactive for several months. Former Pocatello Mayor Roger Chase was

hired as executive director six months ago to get the organization back in action. At the group's first meeting earlier this month, Chase said that because of the teamwork among the area's economic development professionals "Blackfoot is well positioned to grow in the coming years." Gary Rhoads, a professor of marketing at Brigham Young University, discussed how small businesses could differentiate themselves to expand their customer bases and about how local culture supports entrepreneurship and can help the economy grow.

#### **CARIBOU COUNTY**

- Trent Clark, government relations manager for Monsanto Corp. in Soda Springs, received the Industry and Technology Award for 2011 during the Idaho State Journal Business and Achievement Awards Oct. 20 in Pocatello. Clark and Monsanto were not only recognized for the company's business success but also for its efforts to promote volunteer service and the company's extensive charitable contributions to organizations and schools in the region. Clark and Monsanto were nominated by staff from the Idaho Department of Labor and the Idaho Farm Bureau.

#### **FRANKLIN COUNTY**

- Late blight, best known in history for causing the Irish Potato Famine of the 1840s, has been found in tomato plants in Franklin County. The disease mainly affects potatoes and tomatoes. If left unchecked the fungus can destroy entire crops. To help combat the disease, gardeners are urged to buy their tomato plants from commercial growers next spring. Additionally local residents are urged to destroy volunteer tomato and potato plants next spring.

#### **POWER COUNTY**

- Power County's emergency radio system will soon have a much needed addition. The Power County Commission reported that a new repeater and 180-foot antenna came online in mid-November, significantly improving emergency radio communications in rural parts of Power County.

#### **ONEIDA COUNTY**

- The Oneida Crisis Center in Malad opened a new 1,600-foot addition. The center currently provides counseling services and shelter to victims of domestic violence. Because the center houses individuals who find themselves in a crisis, it tries to provide a homelike atmosphere with books, television, furnished bedrooms, homemade quilts and other comforts. The center's expansion was financed with local donations and several grants.

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## EASTERN IDAHO

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

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### COUNTY DEVELOPMENTS

#### LEMHI COUNTY

- French bank BNP Paribas will not proceed with its commitment to provide the Idaho Cobalt Project with \$79.5 million in financing. Mari-Ann Green, chief executive of Formation Metals, was disappointed with the news but said the company will consider alternative financing options. According to Formation Metals, the BNP decision to pull funding was caused by the banks ties “with the Eurozone sovereign debt.” Recent financial reports from Formation Metals still show more than \$50 million in cash on hand. Construction at the mine site near Salmon continues so critical work can be finished before winter weather sets in.
- A federal judge ordered six Salmon-Challis off-road trails temporarily closed pending a review of the forest service travel plan. Off-road trails bring large numbers of ATV users to the region. Environmental groups have pressed action to protect valuable public resources.

#### CUSTER COUNTY

- Gov. C.L. “Butch” Otter and 15 state agency officials made Challis the Capital for a Day on Oct. 19. Several hundred people – including Challis students – participated in what was the 49<sup>th</sup> time Otter has made one of Idaho’s towns Capital for a Day.

#### BONNEVILLE COUNTY

- The Southeast Idaho College Fair drew over 50 vendors from throughout the West to meet with hundreds of high school students from the region at Bonneville High School. Many students had questions about financial aid and possible scholarship opportunities for education institution representatives from Idaho, Utah, Wyoming, Montana, Washington and Oregon.
- Eastern Idaho Community Action Partners has received its largest donation ever. An anonymous donor established the Angela Magnani-Wood EICAP Memorial Fund, which will provide the agency with \$150,000 a year for the next 20 years. Many programs rely on federal funded, which creates uncertainty during periods of budget cutting. The agency’s budget for fiscal year 2010 was about \$9 million. It provides assistance for low-income housing, Head Start, the Area Agency on Aging and the Haven women’s shelter.

#### TETON COUNTY



Grand Targhee Resort will begin a shuttle service seven days a week to and from Driggs. The shuttle will have a fixed schedule with four morning and five afternoon trips. The shuttle will improve transportation for commuting employees and public that travel to the mountain, which sits just across the Wyoming boarder. A single ride will cost \$2 with season passes available for \$99.

**MADISON COUNTY**

- Brigham Young University-Idaho will be adding a bachelor's degree in civil engineering in the fall semester of 2012. The degree program has been requested by students from all 50 states and a number of foreign countries. They can use the knowledge to benefit other parts of the world. An associate degree in civil engineering has been available for many years.
- Rexburg City Council members have voted to allow livestock on the Brigham Young University-Idaho campus. Animals housed on campus would be specifically used for scientific study or demonstration purposes. The addition of livestock on campus would reduce the need for students in the Agriculture and Life Sciences programs to travel between campus and the school's livestock center several miles away. Long-term animal habitation will remain at the livestock center. Final plans for the addition will be presented to the school board of trustees in 2012 with construction beginning in 2013.

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**HIRE ONE ENCOURAGES JOB CREATION**



Hire One is a tax credit program that employers qualify for when they hire new employees who fill newly created positions and make at least \$12 an hour plus benefits in counties with unemployment rates of 10 percent or higher and \$15 an hour plus benefits in counties with unemployment rates under 10 percent.

The new employee must work for nine consecutive months before the employer can claim the tax credit. The credit is claimed in the tax year when the new hire became qualified.

The Hire One Tax Credit was approved by the 2011 Legislature.

More details are available online at <http://business.idaho.gov/TaxCredits.aspx>.

## State of Idaho Data – State Economic Indicators

|   | Oct<br>2011** | Sep<br>2011* | Oct<br>2010 | % Change<br>From |              |
|---|---------------|--------------|-------------|------------------|--------------|
|   |               |              |             | Last<br>Month    | Last<br>Year |
| <b>IDAHO LABOR FORCE</b> <sup>(1)</sup> |               |              |             |                  |              |
| <i>Seasonally Adjusted</i>              |               |              |             |                  |              |
| Civilian Labor Force                    | 759,100       | 758,500      | 759,400     | 0.1              | 0.0          |
| Unemployment                            | 66,400        | 68,100       | 73,600      | -2.5             | -9.8         |
| Percent of Labor<br>Force Unemployed    | 8.8           | 9.0          | 9.6         |                  |              |
| Total Employment                        | 692,700       | 690,400      | 685,800     | 0.3              | 1.0          |
| <i>Unadjusted</i>                       |               |              |             |                  |              |
| Civilian Labor Force                    | 763,500       | 760,100      | 760,100     | 0.4              | 0.4          |
| Unemployment                            | 61,300        | 61,600       | 67,300      | -0.5             | -8.9         |
| Percent of Labor<br>Force Unemployed    | 8.0           | 8.1          | 8.9         |                  |              |
| Total Employment                        | 702,200       | 698,500      | 692,800     | 0.5              | 1.4          |

### U. S. UNEMPLOYMENT RATE<sup>(2)</sup>

|  | Oct<br>2011 | Sep<br>2011 | Oct<br>2010 |
|--|-------------|-------------|-------------|
|  | 9.0         | 9.1         | 9.6         |

### UNEMPLOYMENT INSURANCE

#### Claims Activities

|                               |        |        |        |      |       |
|-------------------------------|--------|--------|--------|------|-------|
| Initial Claims <sup>(3)</sup> | 11,323 | 8,092  | 12,904 | 39.9 | -12.3 |
| Weeks Claimed <sup>(4)</sup>  | 68,386 | 55,529 | 69,090 | 23.2 | -1.0  |

#### Benefit Payment Activities<sup>(5)</sup>

|  |                 |                 |               |      |       |
|--|-----------------|-----------------|---------------|------|-------|
| Weeks Compensated  | 45,405          | 45,119          | 57,358        | 0.6  | -20.8 |
| Total Benefit \$ Paid  | \$10,497,902.00 | \$10,353,456.30 | 13,203,335    | 1.4  | -20.5 |
| Average Weekly<br>Benefit Amount                                 | \$231.21        | \$229.47        | 230           | 0.8  | 0.4   |
| Covered Employers  | 47,668          | 47,607          | 48,299        | 0.1  | -1.3  |
| Total Benefit \$ Paid<br>During Last 12<br>Months <sup>(4)</sup> | \$231,731,769   | \$234,437,203   | \$299,490,087 | -1.2 | -22.6 |

### U.S. CONSUMER PRICE INDEX<sup>(2)</sup>

|   | Oct<br>2011 | Sep<br>2011 | Oct<br>2010 | %<br>Change<br>Month | %<br>Change<br>Year |
|---|-------------|-------------|-------------|----------------------|---------------------|
| Urban Wage Earners &<br>Clerical Workers<br>(CPI-W) | 223.0       | 223.7       | 214.6       | -0.3                 | 3.9                 |
| All Urban Consumer<br>(CPI-U)                       | 226.4       | 226.9       | 218.7       | -0.2                 | 3.5                 |

\*\*Forecast data

\* Preliminary estimate

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

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

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

(5) Includes all entitlements, total liable activities.

# Glossary of Labor Market Terms

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

**Average Hourly Earnings/Average Weekly Hours:** The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 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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*The source for all data tables and graphs is the Idaho Department of Labor, Communications & Research, except where noted.*

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

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