

Idaho Employment

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

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DEPARTMENT OF LABOR

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ROGER B. MADSEN, DIRECTOR

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GOODS PASSING THROUGH IDAHO PORTS ON UPSWING

Idaho has two ports of entry along the Canadian border – Eastport and Porthill – and billions of dollars in goods are moving through them every year between Canada and the United States. Manned by U.S. Customs and Border Protection agents, the two ports processed \$7.38 billion in U.S. and Canadian goods in 2011, up 27 percent from 2009.

Trade Through Northern Idaho's Two Ports of Entry			
	2009	2011	% change
Imports	4,231,768,000	5,249,925,000	24.1%
Exports	1,560,287,000	2,132,764,000	36.7%
Total Trade	5,792,054,000	7,382,689,000	27.5%
Trade Balance	-2,671,481,000	-3,117,161,000	16.7%

Much of the growth since 2009 has been through Eastport where import volume increased 61.6 percent through 2011. The number of trucks alone was up 16.6 percent. The value of commodities moving from Canada south through Eastport rose 24 percent in those two years while the value through Porthill fell nearly 3 percent.

But the value of goods moving from the United States to Canada through both ports is up dramatically – 62 percent through Porthill from less than \$2 million in 2009 to over \$3 million in 2011 and nearly 37 percent through Eastport from almost \$1.6 billion to more than \$2.1 billion. A good portion of the freight moving into Canada comes from outside Idaho since the export of all Idaho goods and services to Canada, not just those trucked across the northern border, totaled under \$1.7 billion in 2011. Canada bought \$280 billion in goods from all states in 2011.

Trade with Canada

Port of Entry	Value (US \$)		Volume (lbs)		% change	
	2009	2011	2009	2011	Value	Volume
Eastport						
Imports	4,220,920,000	5,239,382,000	9,037,967,000	14,608,051,000	24.1%	61.6%
Exports	1,558,386,000	2,129,679,000			36.7%	
Total Trade	5,779,305,000	7,369,061,000			27.5%	
Porthill						
Imports	10,848,000	10,543,000	49,020,000	43,038,000	-2.8%	-12.2%
Exports	1,901,000	3,085,000			62.3%	
Total Trade	12,749,000	13,628,000			6.9%	
Idaho						
Imports	569,443,000	882,548,000	2,881,116,000	3,458,784,000	55.0%	20.1%
Exports	747,386,000	1,648,898,000			120.6%	
Total Trade	1,316,830,000	2,531,446,000			92.2%	

Detailed data on export weights through the northern Idaho ports of entry are limited. But the Canadian government listed as the top commodities imported from Idaho in 2011 as:

- Fertilizer
- Silver and lead ore
- Fungicides and other chemicals
- Canola

Proving even more valuable to Idaho, silver has continued to be a leading export commodity. Although the overall quantity sold to Canada has slowed since 2009, the value has jumped – nearly quadrupling as the price of silver remains above pre-2009 levels.

Phosphate fertilizer has been another major export to Canada and its agriculture-dependent economy. Ninety-five percent of Idaho’s fertilizer industry exports to Canada. Over 15 percent of the nation’s fertilizer exported to Canada comes from southeastern Idaho.

Depending on the year, canola is Canada’s first or second most valuable crop. The other is wheat. According to Soyatech, the canola industry’s largest resource group, Canada produces 20 percent of the world’s canola and is by far the largest exporter, accounting for 74 percent of export trade. To maintain that dominance, Canada buys both mature canola and seed to grow its annual crop from elsewhere – about 50 million pounds a year, and 17.5 percent of that came from Idaho in 2011.

Top Commodities Exported to Canada through Idaho Ports

	Volume		Value (US\$)		% share of total		% change	
	2009	2011	2009	2011	2009	2011	Volume	Value
Fertilizer	211,881,000	368,223,000	50,989,000	137,594,000	6.8%	8.3%	73.8%	169.9%
Silver	895,000	776,000	126,935,000	440,248,000	17.0%	26.7%	-13.3%	246.8%
Lead ore	62,800,000	52,392,000	88,757,000	163,197,000	11.9%	9.9%	-16.6%	83.9%
Misc. chemical products	677,000	4,315,000	19,097,000	69,306,000	2.6%	4.2%	537.4%	262.9%
Canola	7,921,000	23,675,000	12,904,000	18,082,000	1.7%	1.1%	198.9%	40.1%

The weak U.S. dollar boded well for American manufacturers in recent years, making their products more competitive globally. The U.S.-Canada exchange rate continues to be volatile. For the second half of 2007 and first half of 2008, the rate held steady around parity but rose swiftly in October 2008 to 1.17 U.S. dollars for each Canadian dollar and stayed at peak levels until August 2008. The exchange rate was most beneficial for Canadian businesses during that peak time when the loonie ran strong. Unfortunately, strong commodity prices kept trade at a minimum until things started

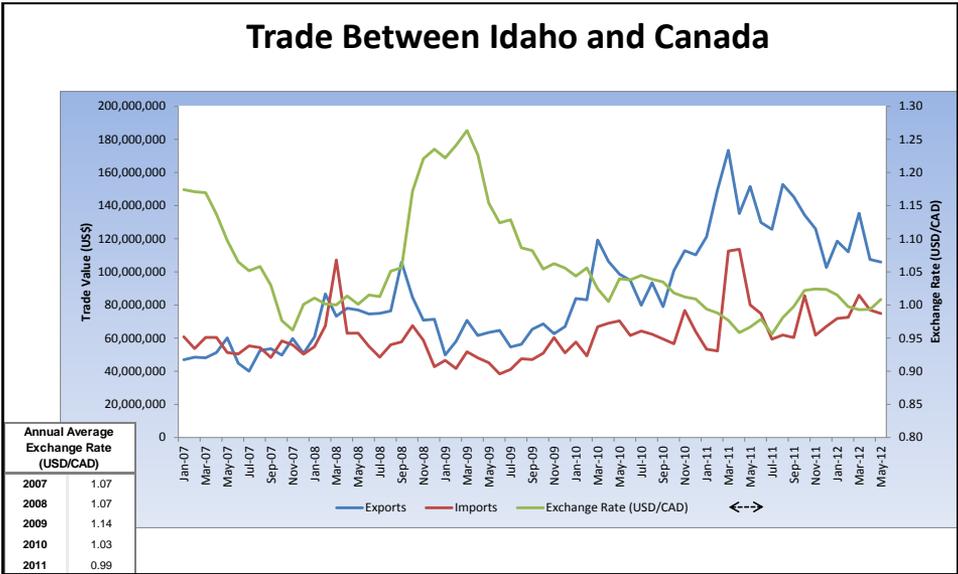
bouncing back in 2011. Despite the near parity U.S.-Canada exchange rate, Idaho manufacturers exported more in 2011 than the two years prior creating a trade surplus over \$766 million, up from \$178 million in 2009.

Output has increased over the past couple years, but employment has not. Small businesses are exporting more than ever before. A favorable exchange rate coupled with narrower profit margins – because smaller businesses can afford to sell at lower prices – has allowed exports to contribute to a strong showing in this anemic economic recovery, giving Idaho a trade surplus through the recession and its aftermath, according to the U.S. Census Bureau.

Idaho Trade Surplus - Value of Exports Over Imports

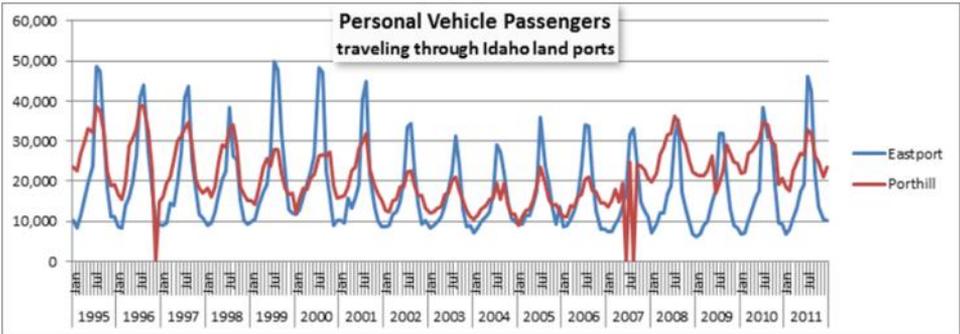
	2009	2011	% change
With Canada	177,943,000	766,350,000	330.7%
Worldwide	\$682,000,000	\$1,045,000,000	53.2%

Trade Between Idaho and Canada



The soaring loonie encouraged international travel, tempting Canadians to seek bargains south of the border but causing Americans to curtail north-bound trips.

Personal vehicles with passengers increased 25 percent at Eastport and 7 percent at Porthill while personal vehicles alone increased nearly 27 percent at Porthill and only 8 percent at Eastport.



Source: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics

The Canadian economy has boomed in recent years, the result of substantial population growth through international migration that has led to more home construction.

Canadian municipalities issued \$6.8 billion – in U.S. dollars – in building permits in May, a 7.4 percent increase from April and the highest level since May 2007. The value of residential permits increased 8.5 percent to nearly \$4 billion. Meanwhile, total housing starts in Canada were up 2.4 percent from 217,400 in May to 222,700 in June. British Columbia was the province with most growth— primarily in multifamily dwellings.



Source: Statistics Canada

The northern Idaho ports of entry play pivotal roles of the economy, having significant impacts on business revenues, jobs and taxes while linking other parts of the economy and providing a significant gateway for local, regional and national shippers.

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GOVERNMENT TRANSFERS RISE AS PERCENTAGE OF PERSONAL INCOME IN IDAHO

Since 2006, the year before the recession began, Idahoans have become more financially dependent on the government than at any other time in history.

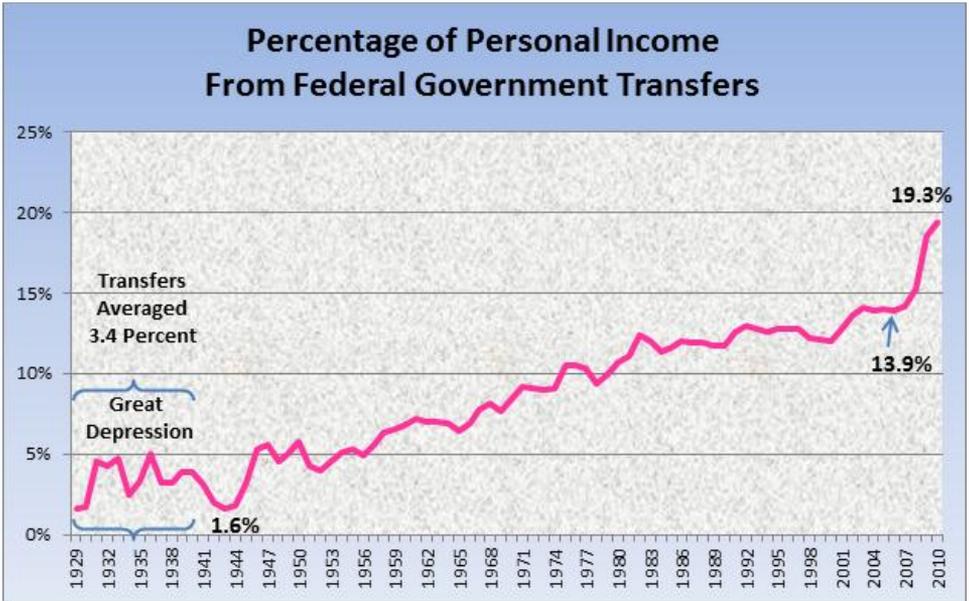
In 2010 nearly one of every five dollars in personal income came in the form of transfers from the federal government – payments like Social Security, unemployment insurance, Medicare, Medicaid and food stamps to individuals for which no services or work are performed.

Government transfers totaled \$9.7 billion in 2010, 19.3 percent of the \$50.1 billion in estimated personal income. Another \$302 million, or 0.6 percent, came in transfers from nonprofit organizations and businesses like pensions and insurance settlements.

That was an increase of over 8 percent from 2009 and more than 50 percent from 2006, the peak of the last economic expansion when government transfer payments accounted for 13.9 percent of total personal income. That was also the only year since the 1990s that government payments in

Idaho have accounted for a smaller portion of personal income than they have nationally.

Government transfer payments nationally rose 42 percent between 2006 and 2010.



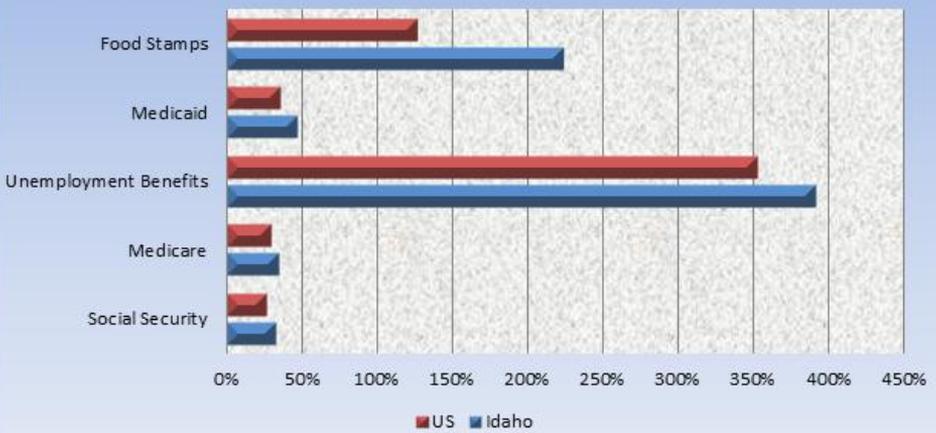
From 1982 to 2000 – a period that encompassed the severe economic slowdown of the mid-1980s and then an extended expansion through the 1990s – the percentage of personal income coming from government transfers was relatively stable, ranging from a low of 11.4 percent in 1984 to a high of 12.8 percent in 1995 through 1997. But with the onset of the 2001 recession, government transfer income has been steadily climbing.

The 2007-2009 recession brought on dramatic increases in government payments. Social Security payments jumped 33 percent as older workers were forced to take the benefits earlier than anticipated after being laid off. Medicare payments rose 35 percent. Benefits through Medicaid, the federal-state health care program for the poor, were up 47 percent while food stamps rose 224 percent and unemployment insurance benefits 391 percent. The number of officially unemployed skyrocketed from just over 20,000 in December 2006 to 68,500 in November 2010. Another 7,000 had become so discouraged they gave up looking for work, and nearly 50,000 workers were stuck in part-time jobs because they could not find full-time work.

The increases were also significant nationwide but not as steep as in Idaho, another indication that the state was hit harder by the recession than most. Nationally, Social Security was up 27 percent, Medicare 30 percent, Medicaid 36 percent, food stamps 126 percent and unemployment insurance benefits 351 percent.

Idaho's 5.4 percentage point increase in the share of personal income made up by transfer payments between 2006 and 2010 was the fifth highest in the nation but lower than the two bordering states of Nevada and Oregon, which were third at 5.6 percentage points each. Michigan led the nation with an increase of 6.8 percentage points and Arizona was second at 6.2 percentage points.

Percentage Increase in Major Transfer Payments 2006-2010



Despite that increase, 23 states got a higher percentage of 2010 personal income from government transfers than Idaho and in 20 states, government transfers accounted for 20 percent or more of personal income.

Within Idaho, Lewis was the only county to get over 30 percent of its personal income from government transfers, but there were 34 more that also exceeded the state average of 13.9 percent in government transfers.

Nearly half of the \$32 million in government transfers in Lewis County were for Medicare and Medicaid and 40 percent was in Social Security. Lewis County has the second highest median age in the state at nearly 48.

But by 2010, Clearwater and Shoshone counties joined Lewis at over 30 percent, while the number of counties with shares of government transfers higher than the statewide average of 19.3 percent shrank to 27.

Seventy-eight percent of the government transfers were Social Security and medical care in Clearwater County, which has the highest median age in the state, just slightly above Lewis County. Shoshone saw unemployment payments more than quintuple from \$2.7 million in 2006 to \$15.3 million in 2010, when the unemployment rate hit 15.1 percent.

Blaine County, Idaho’s wealthiest and home to the Sun Valley Resort, was the only county to hold government transfers below 10 percent in both 2006 and 2010.

The largest percentage-point increase in the share of personal income coming from government transfers was in Canyon County, the second most populous county. Government transfers jumped from less than \$750 million to \$1.2 billion, nearly nine percentage points to over 27 percent of total personal income.

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See Tables accompanying this article on pages 7-8

Percent of Personal Income From Government Transfers, 2006-2010, and Change in Major Components by County

					% change		
	2006	2010	Social Security	Medicare	Unemployment Benefits	Medicaid	Food Stamps and Other Aid
State	13.9%	19.3%	32.6%	35.0%	390.9%	47.1%	110.7%
Ada	8.5%	14.0%	42.1%	38.2%	644.5%	74.4%	114.0%
Adams	18.8%	26.6%	31.3%	33.9%	256.7%	13.5%	103.2%
Bannock	17.4%	23.4%	31.6%	36.1%	327.8%	31.6%	119.3%
Bear Lake	22.3%	24.7%	25.0%	29.4%	154.5%	48.4%	82.7%
Benewah	23.9%	28.8%	26.7%	33.3%	130.4%	16.1%	91.5%
Bingham	18.3%	21.7%	25.1%	32.5%	173.4%	18.0%	110.4%
Blaine	4.7%	7.4%	45.2%	41.4%	404.7%	82.4%	102.9%
Boise	14.0%	18.0%	47.7%	38.0%	217.3%	25.3%	74.8%
Bonner	16.6%	23.8%	32.9%	34.1%	339.8%	53.7%	103.2%
Bonneville	13.6%	17.1%	28.9%	34.9%	305.3%	32.8%	116.3%
Boundary	22.6%	27.8%	35.8%	35.0%	222.0%	51.6%	78.0%
Butte	21.4%	22.1%	12.3%	25.9%	150.2%	3.4%	80.9%
Camas	10.6%	14.4%	28.2%	22.9%	909.9%	56.2%	68.0%
Canyon	18.7%	27.4%	38.2%	37.1%	466.8%	53.1%	121.9%
Caribou	15.8%	19.9%	17.0%	27.2%	225.5%	84.8%	110.6%
Cassia	17.1%	20.1%	23.7%	30.5%	116.4%	62.1%	98.6%
Clark	13.2%	11.8%	17.0%	40.8%	255.7%	-1.7%	111.2%
Clearwater	25.4%	31.6%	28.3%	31.5%	99.8%	29.8%	79.1%
Custer	18.3%	19.9%	33.2%	33.9%	164.9%	-15.6%	89.1%
Elmore	12.4%	16.3%	31.0%	34.7%	293.5%	49.2%	110.8%
Franklin	14.7%	19.0%	26.0%	34.8%	367.4%	91.8%	103.6%
Fremont	20.3%	24.2%	24.9%	33.4%	311.4%	10.3%	99.7%
Gem	21.4%	28.5%	27.2%	34.5%	359.8%	81.6%	112.0%
Gooding	15.9%	16.7%	22.0%	28.9%	378.0%	17.2%	96.3%
Idaho	23.5%	25.0%	9.9%	17.2%	176.7%	31.8%	73.9%
Jefferson	16.5%	17.8%	32.3%	34.3%	235.8%	29.7%	99.0%
Jerome	14.5%	18.3%	27.2%	31.3%	314.7%	25.0%	117.6%
Kootenai	16.0%	21.8%	35.1%	37.8%	450.0%	50.0%	107.5%
Latah	12.9%	16.7%	29.5%	35.3%	391.2%	25.0%	112.8%
Lemhi	24.5%	29.5%	28.4%	35.7%	153.8%	65.5%	86.7%
Lewis	31.3%	34.4%	75.8%	75.5%	78.0%	18.1%	125.3%
Lincoln	17.5%	21.0%	26.4%	28.4%	557.0%	56.4%	95.6%
Madison	17.2%	22.9%	23.4%	32.9%	431.9%	13.3%	140.6%
Minidoka	19.3%	21.5%	20.3%	31.9%	78.7%	49.1%	99.4%
Nez Perce	19.9%	23.2%	23.7%	30.2%	191.4%	42.9%	102.4%
Oneida	23.0%	24.5%	24.4%	35.3%	217.9%	67.9%	49.6%
Owyhee	15.7%	19.5%	27.8%	30.8%	108.0%	76.3%	102.8%
Payette	17.9%	25.4%	31.0%	34.0%	530.5%	30.3%	116.2%
Power	19.3%	23.3%	17.8%	26.3%	115.8%	30.8%	124.7%
Shoshone	27.0%	33.5%	15.0%	24.7%	459.3%	58.3%	93.8%
Teton	10.9%	13.6%	41.4%	28.9%	795.1%	7.9%	75.9%
Twin Falls	16.8%	22.1%	26.4%	33.4%	408.0%	49.2%	110.0%
Valley	13.1%	18.8%	26.8%	28.7%	341.6%	29.7%	86.5%
Washington	23.0%	29.8%	25.2%	29.7%	484.0%	50.8%	106.4%

Source: U.S. Bureau of Economic Analysis

Percent of Personal Income from Government Transfers by State

	Percent of Total		% Point Change
	2006	2010	2006-2010
US	13.9%	18.0%	4.1
Alabama	18.1%	23.0%	4.9
Alaska	13.4%	15.5%	2.1
Arizona	14.5%	20.7%	6.2
Arkansas	19.8%	23.8%	4
California	11.8%	15.9%	4.1
Colorado	9.2%	12.9%	3.7
Connecticut	10.7%	14.5%	3.8
Delaware	14.4%	19.0%	4.6
DC	10.4%	12.4%	2
Florida	14.8%	20.2%	5.4
Georgia	12.7%	17.3%	4.6
Hawaii	11.9%	15.6%	3.7
Idaho	13.9%	19.3%	5.4
Illinois	12.0%	16.5%	4.5
Indiana	15.5%	20.2%	4.7
Iowa	15.0%	17.9%	2.9
Kansas	13.4%	16.4%	3
Kentucky	19.2%	24.2%	5.1
Louisiana	17.6%	20.0%	2.4
Maine	18.3%	22.0%	3.7
Maryland	10.4%	13.2%	2.8
Massachusetts	13.1%	16.2%	3.1
Michigan	16.3%	23.1%	6.8
Minnesota	12.5%	16.2%	3.8
Mississippi	21.3%	25.4%	4.1
Missouri	16.1%	19.9%	3.8
Montana	15.7%	19.5%	3.8
Nebraska	13.7%	15.5%	1.8
Nevada	10.2%	15.9%	5.6
New Hampshire	11.3%	14.6%	3.2
New Jersey	11.8%	15.0%	3.2
New Mexico	17.3%	22.0%	4.8
New York	15.8%	18.8%	3
North Carolina	15.6%	19.9%	4.3
North Dakota	14.9%	15.0%	0
Ohio	16.5%	21.0%	4.5
Oklahoma	16.3%	20.1%	3.8
Oregon	14.5%	20.1%	5.6
Pennsylvania	16.9%	20.8%	3.9
Rhode Island	16.3%	20.7%	4.4
South Carolina	17.8%	23.1%	5.3
South Dakota	14.0%	15.6%	1.6
Tennessee	16.6%	21.7%	5.1
Texas	12.1%	15.7%	3.5
Utah	10.6%	13.8%	3.2
Vermont	16.4%	20.4%	4
Virginia	10.5%	13.1%	2.7
Washington	12.4%	16.6%	4.2
West Virginia	24.3%	27.4%	3.1
Wisconsin	13.6%	18.4%	4.8
Wyoming	10.7%	13.5%	2.8
New England	12.9%	16.4%	3.5
Mideast	14.5%	17.7%	3.2
Great Lakes	14.6%	19.6%	5
Plains	14.2%	17.4%	3.1
Southeast	15.5%	20.0%	4.5
Southwest	13.2%	17.2%	4
Rocky Mountain	10.7%	14.5%	3.8
Far West	12.0%	16.3%	4.3

Source: U.S. Bureau of Economic Analysis

CORRELATION BETWEEN EDUCATION, POVERTY

The ability of people to move out of poverty is linked to education, according to Census Bureau statistics on individuals aged 25 and older who live in poverty.

The 2006-2010 American Community Survey found that in Idaho, Owyhee County had the highest poverty rate for those 25 and older at 17.1 percent while Clark County had the lowest at only 5.1 percent – less than half the national average of 10.5 percent.

A major common factor is education, at least for most counties. On average, just over 10 percent of those 25 and older in Idaho lived in poverty. Poverty rates increased to 22.1 percent for those who have not graduated high school. The rate dropped to 4.4 percent for those who have a bachelor's degree or higher.

The spread in the percentage of those living in poverty based on education fluctuated greatly across Idaho's counties. Statewide the average spread was nearly 18 percentage points between those without a high school diploma and those with a college degree. In Blaine County the spread between those two groups was just three-tenths of a point. In Oneida County the spread was 34.2 percentage points.

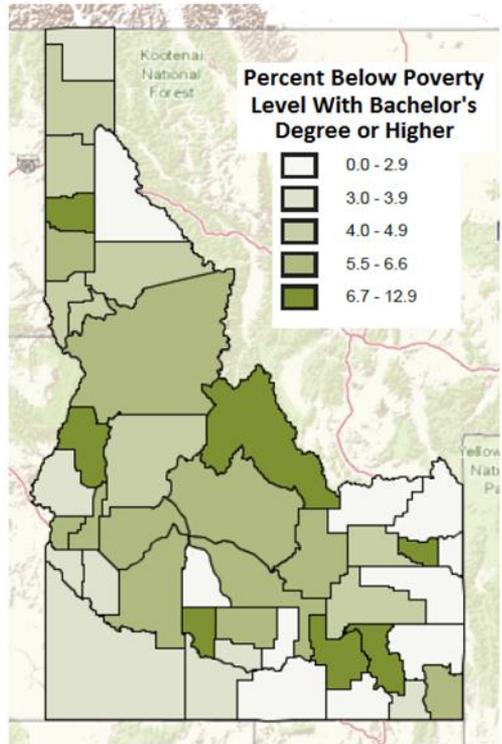
NO HIGH SCHOOL DIPLOMA

But there appears to be a better chance of avoiding poverty for Idahoans without a high school diploma than nationally. While only 22.1 percent of Idahoans without a diploma fall below poverty lines, 24.7 percent live in poverty nationwide. Blaine County was the most accommodating county in the state with only 6 percent below the poverty line while Butte County – where Idaho National Laboratory is located – had 37.7 percent of non-high school graduates living in poverty.

HIGH SCHOOL DIPLOMA OR EQUIVALENT

Clark County's low overall poverty rate carries over to those who have obtained a high school diploma or its equivalent. The poverty rate in Clark County was a mere 1.9 percent for those with a diploma – far below the national rate of 12 percent and the statewide rate of 11.7 percent. Clark County has the smallest labor force in the state – only 560 in 2011.

Neighboring Lemhi County had the highest poverty rate for high school graduates at 21.2 percent.



SOME COLLEGE OR ASSOCIATE DEGREE

Clark County also leads the state with the lowest poverty rate for those with some college or an associate degree. In fact the rate cannot get any lower. The Census Bureau survey showed no one in the county with at least some education beyond high school lived in poverty although the county’s small population and labor force may have skewed the survey results.

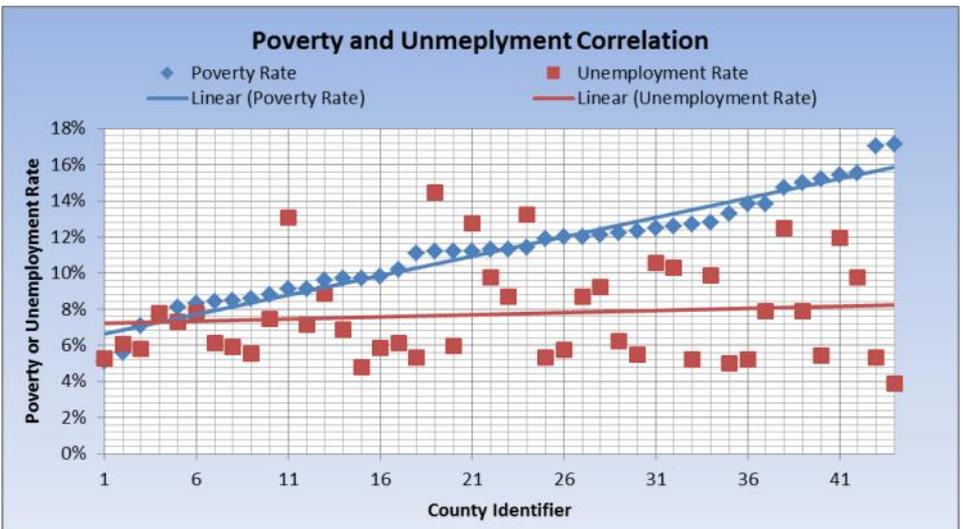
The state’s highest poverty rate for those with some college was in Madison County to the south. At 22.7 percent, Madison County’s poverty rate is far above the 8.9 percent state average and 8.4 percent national average. No doubt the more than 15,000 college students attending Brigham Young University-Idaho contribute significantly to the high poverty rate.

BACHELOR’S DEGREE OR HIGHER

But in some counties a bachelor’s degree does not guarantee a life above the poverty line. Adams County is a case in point. Where most counties show an inverse relationship between education attainment and poverty rates, Adams County poverty rates actually increase as education levels move beyond a high school diploma. The county’s 12.9 percent poverty rate for those with bachelor’s degrees or higher is much higher than the 3.8 percent national average and 4.4 percent Idaho average. Clark County – for many of the same reasons cited earlier – posted a zero percent poverty rate for those with bachelor’s degrees or higher.

UNEMPLOYMENT AND POVERTY RATES

Owyhee County has maintained historically low unemployment rates but, ironically, has the highest poverty rate for those 25 and older at 17.1 percent. Madison County follows close behind at 17 percent. Madison’s high poverty



County	Identifier	County	Identifier	County	Identifier	County	Identifier
Clark	1	Power	12	Payette	23	Canyon	34
Teton	2	Kootenai	13	Benewah	24	Butte	35
Caribou	3	Bannock	14	Custer	25	Bear Lake	36
Ada	4	Franklin	15	Bingham	26	Boise	37
Blaine	5	Minidoka	16	Washington	27	Shoshone	38
Fremont	6	Twin Falls	17	Camas	28	Lemhi	39
Jefferson	7	Lewis	18	Jerome	29	Gooding	40
Nez Perce	8	Adams	19	Oneida	30	Boundary	41
Bonneville	9	Latah	20	Lincoln	31	Idaho	42
Elmore	10	Valley	21	Gem	32	Madison	43
Clearwater	11	Bonner	22	Cassia	33	Owyhee	44

Percentage Living in Poverty and Education Attainment

2006-2010 American Community Survey 5-Year Estimates	Population 25 years and over	Less than high school graduate	High school diploma or equivalent	Some college, associate's degree	Bachelor's degree or higher
United States	10.5%	24.7%	12.0%	8.4%	3.8%
State of Idaho	10.1%	22.1%	11.7%	8.9%	4.4%
Owyhee	17.1%	34.1%	16.4%	8.1%	3.3%
Madison	17.0%	32.0%	12.7%	22.7%	9.0%
Idaho	15.5%	31.2%	14.9%	13.1%	6.6%
Boundary	15.4%	18.5%	16.0%	18.1%	3.6%
Gooding	15.2%	28.5%	14.7%	6.9%	10.7%
Lemhi	15.0%	21.8%	21.2%	13.2%	7.4%
Shoshone	14.7%	25.0%	16.8%	11.2%	2.9%
Bear Lake	13.8%	31.0%	14.2%	12.2%	6.5%
Boise	13.8%	27.5%	12.2%	15.2%	6.6%
Butte	13.3%	37.7%	12.5%	11.2%	5.9%
Canyon	12.8%	27.8%	13.6%	8.9%	3.6%
Cassia	12.7%	28.7%	14.0%	7.3%	2.1%
Gem	12.6%	26.2%	10.7%	10.9%	5.8%
Lincoln	12.5%	18.2%	14.5%	8.3%	6.6%
Oneida	12.3%	36.9%	13.2%	10.5%	2.7%
Jerome	12.2%	17.4%	13.3%	9.7%	3.7%
Camas	12.1%	22.9%	13.7%	11.6%	2.3%
Bingham	12.0%	26.4%	12.3%	8.8%	4.4%
Washington	12.0%	18.7%	12.3%	12.1%	3.7%
Custer	11.9%	30.0%	15.1%	7.9%	6.2%
Benewah	11.4%	18.7%	10.6%	11.1%	7.3%
Bonner	11.3%	25.0%	12.8%	10.7%	4.8%
Payette	11.3%	22.9%	9.2%	10.4%	5.5%
Adams	11.2%	15.4%	9.2%	11.0%	12.9%
Latah	11.2%	18.4%	11.8%	16.1%	6.4%
Valley	11.2%	35.6%	13.9%	11.0%	4.6%
Lewis	11.1%	12.3%	16.1%	8.8%	4.3%
Twin Falls	10.2%	20.9%	10.6%	8.4%	3.1%
Minidoka	9.8%	18.9%	9.7%	5.2%	2.3%
Bannock	9.7%	22.3%	10.3%	8.5%	6.9%
Franklin	9.7%	15.8%	11.6%	9.2%	3.5%
Kootenai	9.6%	19.1%	11.3%	9.6%	4.1%
Clearwater	9.1%	14.0%	9.4%	8.5%	4.7%
Power	9.1%	18.2%	11.3%	3.3%	6.7%
Elmore	8.8%	12.5%	12.6%	6.0%	6.1%
Bonneville	8.6%	20.9%	12.0%	7.0%	2.9%
Nez Perce	8.5%	17.5%	9.0%	7.9%	4.0%
Jefferson	8.4%	18.9%	10.5%	4.7%	4.9%
Fremont	8.3%	19.7%	9.1%	6.3%	2.3%
Blaine	8.1%	6.0%	10.0%	9.9%	6.3%
Ada	7.6%	18.4%	10.4%	7.7%	3.9%
Caribou	7.1%	12.5%	8.0%	6.7%	2.1%
Teton	5.6%	14.0%	8.2%	4.8%	1.6%
Clark	5.1%	14.1%	1.9%	0.0%	0.0%

rate is correlated with its young population attending Brigham Young University-Idaho in Rexburg.

Both Madison and Owyhee counties typically have unemployment rates well below the state and national rates. In fact there appears to be very little correlation between unemployment rates and poverty rates. A correlation coefficient of 0.11 reveals a slightly positive but very insignificant relationship between 2006-2010 poverty rates and 2009 annual unemployment rates. Annual unemployment rates for 2009 were used to fit the nature of Census Bureau data and the impact of the recession on poverty.

See accompanying table on page 11.

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STEM TRAINING INTENDED TO CLOSE SKILLS GAP

Many groups are invested in forecasting the level of training employers will want over the next 10 years. It starts with the much-discussed skill gaps and widens to include changing industry norms involving higher levels of technology, professionalism and efficiency. The complexity increases with the regional mix of industries. Local college and university programs are evaluated to determine whether their cost – in time and money – is worth it.

Amid all the strategies to boost completion of postsecondary training or education as the evolution of the American workplace is charted, one area of certainty appears to be that the nation is falling behind its competitors in the global marketplace in the areas of science, technology, engineering and mathematics – what are known as the STEM courses.

Educational institutions in the United States remain the focal point for international students. But after receiving their degrees, these fast-track studious learners all too often pack up their bundle of skills and talents and return to their homelands. Many Americans would not have it any other way. They want American jobs for Americans. But the apparent skills gap has increased demand among U.S. businesses for temporary high-skilled foreign workers under the federal H2B program.

South central Idaho's agricultural base is reflected in the top jobs in the region – the occupations that are more concentrated in the region than in the state and provide the largest number of jobs. Just over a third of these jobs require postsecondary training, and they provide higher wages or higher growth rates over the next decade.

The Go On initiative by the J.A. and Kathryn Albertson Foundation encourages students to continue their studies after high school. The foundation's 21st Century Data Snapshot released last January indicates that by 2018, two of every three jobs will require postsecondary education. Idaho ranks third in the nation in need for more workers with at least some college education. Idaho also has a comparatively high college dropout rate. The foundation believes there are three ways to increase students' chances to succeed in college and in 21st Century careers:

- Taking upper-level mathematics and science classes;
- Taking college entrance exams; and
- Taking advanced opportunities courses such as advanced placement, dual credit or TechPrep classes.

South Central Idaho's 20 Largest Occupations

	Total Jobs*		Jobs Requiring Postsecondary Training		Projected Growth	Median Wage
	2010	2020	2010	2020		
Farmworkers and crop, nursery and greenhouse workers	4,740	6,331	None	None	33.6%	\$8.78
Farmers and ranchers	3,717	2,585	None	None	-30.5%	\$9.93
Heavy truck and tractor- trailer drivers	3,421	4,140	3,421	4,140	21.0%	\$15.20
Retail salesperson	3,229	3,662	None	None	13.4%	\$10.36
Real estate sales agents	2,749	3,820	2,749	3,820	39.0%	\$16.22
Combined food preparation and serving workers including fast food	1,697	2,016	None	None	18.8%	\$7.69
Labors and hand movers of freight, stock and material	1,337	1,482	None	None	10.8%	\$10.23
Elementary school teachers except special education	1,294	1,532	1,294	1,532	18.4%	\$25.64
Nursing aides, orderlies and attendants	1,065	1,427	1,065	1,427	34.0%	\$10.71
Teacher assistants	896	1,056	896	1,056	17.9%	\$13.06
Receptionist and information clerks	893	983	None	None	10.1%	\$10.30
Landscaping and groundskeeping workers	888	802	None	None	-9.7%	\$11.61
Secondary school teachers except special and vocational education	873	975	873	975	11.7%	\$30.64
Packaging and filling machine operators and tenders	800	824	None	None	3.0%	\$12.23
Farm, ranch and other agricultural managers	759	1,148	759	1,148	51.3%	\$22.58
Nonfarm animal caretakers	759	929	None	None	22.4%	\$11.05
Food batchmakers	746	826	None	None	10.7%	\$11.39
Nonspecialized building cleaning workers	650	809	None	None	24.5%	\$10.79
Food preparation workers	645	713	None	None	10.5%	\$10.64
Automotive service technicians and mechanics	643	633	643	633	-1.6%	\$15.06
Fast food cooks	638	698	None	None	9.4%	\$7.43
Total	32,439	37,391	11,700	14,731	15.3%	
Percentage requiring postsecondary training			36.1%	39.4%	25.9%	

Source: EMSI, Inc.

*Includes self-employed, extended proprietors and those covered and not covered by unemployment insurance.

The Bureau of Labor Statistics' nationwide report on occupations shows that 10 of the top 30 – 33 percent – require postsecondary training or education. The Workforce Development Council, which oversees the Idaho Department of Labor's workforce development programs, wants 60 percent of Idaho workers to hold a postsecondary credential, certificate or degree by 2020.

Nationwide, there is a movement to provide apprenticeships in sectors such as manufacturing with relatively high wages that can convince workers to commit four years to learning a trade while earning an associate degree.

This is the case in North Carolina where German-based turbine maker Siemens is recruiting high school graduates with an apprenticeship and education program called Apprenticeship 2000 that can eliminate their concerns about finding a way to afford college. One example is a straight A advanced mathematics student who intended to go into international relations but found getting her foot in the door at Siemens could lead to many other advancement opportunities.

Making a product with quality materials and making it well had not until recently been considered a desirable occupation, but with the escalation in college tuition and cutbacks in government support for education, apprenticeships for this type of work are on the rise. The United States has fallen behind in providing cheap goods, but many companies elsewhere are successfully basing their reputations on quality and finding a market for it. Some examples include shoes and fashion in Italy and France where there is no outsourcing to China.

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STUDY MEASURES UPWARD MOBILITY

The vast majority of Americans today have higher family incomes than the generation before them, but while many are improving their lots in life, they are not changing their financial position relative to those around them, according to the Pew Charitable Trust’s Economic Mobility Project, which looked at economic mobility across generations.

The project measured absolute, relative upward and relative downward mobility, focusing on the prime earning years of age 35 to 39 and 45 to 49. It compared states both nationally and regionally. But because of the small sample size, Idaho was combined with Montana, Wyoming and Alaska.

The report found 84 percent of Americans had higher family incomes than the previous generation at the same age. But the gains were greatest among those who began in the bottom 20 percent of families. Ninety-three percent of them had higher incomes than the previous generation. The same trend was true for accumulated wealth.

Percent with Family Income Above their Parents, by Parents’ Quintile	
All Adult Children	84%
Raised in Top Quintile	70%
Raised in Fourth Quintile	85%
Raised in Middle Quintile	88%
Raised in Second Quintile	86%
Raised in Bottom Quintile	93%
Source: Pursuing the American Dream: Economic Mobility Across Generations, The Pew Charitable Trusts, July 2012	

The authors also found that a four-year college degree increased the chances of relative upward mobility from the bottom rung of the income ladder and decreased the likelihood of falling from the middle rungs. Only 10 percent of those with college degrees were stuck on the bottom rung of the income ladder compared to 47 percent of those without. By the same token, 39 percent who did not get a college degree fell from the middle income rungs compared to only 22 percent with a degree.

But the study also found what it termed “stickiness at the ends.” While the majority of people were making more money than their parents, those who were raised in the bottom most and top most rungs of the ladder tended to stay there as adults. Just under half of those raised in the bottom 20 percent were in the same quintile as adults. On the other side, 40 percent of those raised in the top 20 percent stayed at the top.

In its combination with Alaska, Montana and Wyoming, Idaho did not fare very well. Compared to the nation, the group didn't have statically different earnings mobility in terms of both absolute and relative upward movement. However, Idahoans were more likely than the nation to have downward earnings mobility. Forty percent of the people in the four states who started in the top half of national earnings distribution dropped at least 10 percentage points over 10 years.

Economic Mobility of the States					
	National Earnings			Regional Earnings	
	Absolute	Relative Upward	Relative Downward	Relative Upward	Relative Downward
U.S.	17%	34%	28%	36%	30%
Rocky Mountain Region	19%	39%	34%	38%	33%
Alaska, Idaho, Montana, Wyoming	16%	32%	40%	31%	38%
Colorado	19%	43%	31%	42%	31%
Utah	23%	44%	28%	45%	28%
Better than the average	Worse than average		Not statistically different from average		

Source: Economic Mobility of the States: Data Table, The Pew Charitable Trusts, July 2012

When compared regionally, Idaho's group fared a little worse, having fewer residents who were upwardly mobile and more downwardly mobile. This has a lot to do with the strong showing of Colorado and Utah, which scored higher than the national average in most of the categories.

The comparative lack of relative upward mobility combined with more downward mobility is a concern. But an average earnings growth of 16 percent over 10 years is significant. The full report and an interactive data tool and video describing the difference between absolute and relative mobility is on the Internet at Pew Charitable Trusts, Pew Center on the States at <http://www.pewstates.org/>.

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TOURISM IN BEAR LAKE COUNTY HAS ROOM FOR GROWTH

Bear Lake County is poised for growth in tourism because of the increasing use of its chief economic asset – Bear Lake. In recent years the area surrounding the lake has become home to resorts, time-share properties, restaurants, vacation homes and other attractions. Recently, developers announced plans for a large resort along the Idaho shore.

The hotel, motel and campground business has grown dramatically in the county over the past decade, based on location quotients that measure the concentration of specific types of businesses in a county in relation to the state overall. Bear Lake County has typically had a location quotient well over one for accommodations, which means those kinds of businesses make up a greater share of the county's business activity than they do statewide.



Bear Lake, Idaho. Photo: Idaho Parks and Recreation.

Accommodation-related businesses have grown much faster in Bear Lake County than in Blaine County, the home of the Sun Valley resort, or Kootenai County, the Panhandle’s centerpiece with Lake Coeur d’Alene. But both Blaine and Kootenai counties have large sectors of their local economies devoted to tourism – 14 percent in Kootenai and 25 percent in Blaine compared to 12 percent in Bear Lake.

Location Quotient for Accommodations in Bear Lake, Blaine, Kootenai Counties			
Year	Bear Lake County	Blaine County	Kootenai County
2001	2.93	6.36	1.96
2005	4.2	5.32	2.03
2006	4.35	5.52	1.94
2007	*	5.78	1.98
2008	3.07	5.93	2.17
2009	4.52	6.53	1.93
2010	6.44	7.14	1.94
2011	6.04	7.34	1.95

Source: U.S. Bureau of Labor Statistics

*No data were reported by the U.S. Bureau of Labor Statistics

Unlike accommodations, food services, which include bars, have not shown significant growth in Bear Lake County. In fact since 2005 that sector has been in general decline. One possible explanation for the low location quotient is that many hotels, which are included under the accommodations sector, have restaurants and bars, and they are not listed separately by the U.S. Bureau of Labor Statistics when they are inside hotels.

Location Quotient for Food Services in Bear Lake, Blaine, Kootenai Counties			
Year	Bear Lake County	Blaine County	Kootenai County
2001	1.8	1.55	1.3
2005	2.11	1.5	1.22
2006	1.88	1.44	1.21
2007	1.69	1.41	1.24
2008	1.18	1.33	1.23
2009	1.12	1.36	1.11
2010	0.81	1.49	1.1
2011	1.04	1.52	1.14

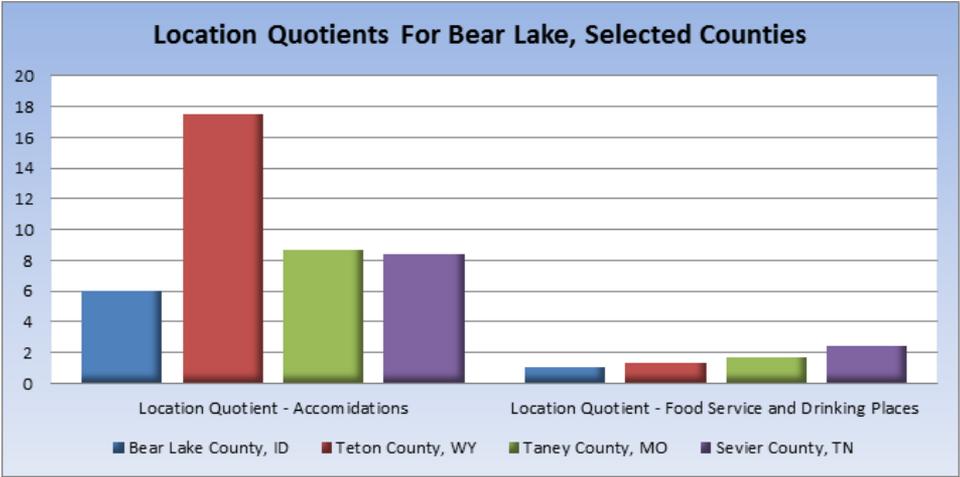
Source: U.S. Bureau of Labor Statistics

The data from Bear Lake County may represent an opportunity for potential entrepreneurs. The low location quotient for food services may also indicate that Bear Lake County’s tourism industry may be ready to support more restaurants and bars.

Bear Lake County has a promising future when compared to other rural counties in the country with thriving tourist trade, like Teton County, Wyo., home to the Jackson Hole area; Taney County, Mo., home of the resort and

entertainment community of Branson; and Sevier County, Tenn., which includes Gatlinburg, a resort community near the Great Smoky Mountains.

If Bear Lake County’s popularity with tourists can grow, the county will likely see significant growth in its accommodation sector and sizable growth in food services.



In addition to its natural beauty, Bear Lake could become an important economic engine in southeastern Idaho, where tourism is becoming an important industry. Tourism now and in the coming years may provide the Bear Lake region important economic development opportunities.

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ECONOMY OF NORTH CENTRAL IDAHO IN AN AGE OF ANXIETY

For the third year in a row, the U.S. economy showed signs of recovering more quickly in the early months of the year only to have hopes dashed by late spring. This year’s economic news is more foreboding than the temporary disruptions caused last year by events like the earthquake in Japan. This year, problems are just heating up. Europe’s financial crisis has put most of Western Europe back in recession. In the U.S., concerns are growing about the “fiscal cliff” looming in January when tax cuts expire and spending cuts are scheduled to start. Even if the U.S. avoids entering a recession, the pace of hiring has slowed and is likely to slow further. All in all, the weakest recovery since the Great Depression is likely to suffer more delays.

Despite the looming problems, many of the industries that drive north central Idaho’s economy are likely to perform fairly well this year.

FARMS AND RANCHES

Despite hail and wind damage to fields throughout north central Idaho, most farmers expect better-than-average yields. Harvest began in the Lewiston area at its normal time in late July and began in August – a couple of weeks earlier than normal – on the Camas and Weippe prairies and the Palouse because of the hot weather.

Farmers in Nez Perce County became eligible for federal emergency loans and disaster assistance after hailstorms in late July caused a 34 percent crop loss. Even though hail flattened fields in neighboring counties, only Nez Perce County reached the 30 percent threshold required for federal assistance.

About 8,100 acres of spring green peas were planted this year, and 34 percent of them were damaged.

Killgore's Fruit Ranch near White Bird did not suffer damage from hail. It lost many limbs from peach trees. The ranch will still harvest peaches, plums, nectarines, cherries and apples this year – but in reduced amounts.

The growing popularity of hummus and demand for gluten-free products has increased demand for garbanzo beans. A large share of the beans is sold to companies that manufacture non-gluten flour for people who cannot tolerate wheat products. Like peas and lentils, garbanzos are well suited to local farming conditions. They also are a great crop to use in rotation since they fix nitrogen in the soil. About 142,000 acres of garbanzo beans are expected to be grown around the Palouse this year, up from 124,705 acres last year when garbanzo prices hit record highs. This year, they are only slightly lower.

Pacific Northwest Farmers Co-op, based in Genesee, recently passed a U.S. Food Alliance inspection as a sustainable agriculture food handler for its line of specialty legumes sold in Washington, Idaho, Montana and Oregon. They are grown on farms that also have the sustainable agriculture certification for practices that reduce use of chemicals, protect habitat and conserve energy, soil and water. Additionally, large food companies that buy commodities are taking greater interest in sustainable farming. The foods sold in bulk and in bags include Sunrise red lentils, Shasta yellow lentils, Spanish Pardina brown lentils, York white garbanzo beans, Pedro-sillano garbanzo beans and green split peas. Ten years ago the cooperative sold 90 percent of its legume commodities overseas. Today the split between export and domestic sales is about 50-50, partly because of the growing demand for hummus.

Hay prices have risen close to the record highs of 2008 because of low hay inventories. Cool, rainy weather into June affected the quality of hay, reducing the price for many farmers \$50 to \$110 per ton. Prices for premium alfalfa and timothy range between \$230 and \$260 per ton this summer. The drought in the Southwest, which has made some pasture unusable and reduced hay production there, is causing cattle growers to bid up hay prices there and indirectly buoy prices in the Northwest.

DROUGHT CAUSING HAVOC

The higher prices hurt livestock growers, but relatively strong cattle prices make it easier to afford. The drought caused ranchers in Texas and neighboring states to dramatically cull their herds. The U.S. now has the smallest cattle herd since the 1950s. With the drought spreading, ranchers across the nation are selling off their herds early, unable to feed or water them. With the rush of supply, cow traders and slaughterhouses are paying less, and prices have dropped from the record highs of this spring to last summer's level. The culling temporarily will bring prices down but in the long run will mean higher prices. And it may take many years before cattle herds return to normal levels.

While U.S. demand for beef remains relatively low because of economic conditions, exports to developing countries have risen sharply in recent years. A weak U.S. dollar has made American beef more affordable, and newly minted middle class consumers in rapidly developing countries have been adding beef to their market baskets.

The drought has raised the price for wheat and other agricultural commodities. The failure of the Midwest corn crop means a switch from corn to wheat as a feed grain. With wheat producers around the world including Russia, the Ukraine, Argentina and Australia looking at average crops, prices are being pushed even higher. Prices for soft white wheat have risen from \$6.80 a bushel in April to \$8.80 in August.

More regional farmers planted canola this year than ever. Greater demand for canola oil has pushed up prices, and finding new uses for the end products – livestock feed from the meal remaining after the oil is processed and silage from the plant stalk – added value. In addition, regional farmers have developed techniques that give them larger yields. Many on the Camas Prairie tried canola after failing to plant their spring wheat during last year's long, cold spring. Many of those fields that lay fallow last summer were planted to canola in the fall.

In the last two years, the depreciation of the dollar has helped U.S. farmers find markets abroad. When the dollar weakens, it makes American crops less expensive for foreigners and foreign crops more expensive for Americans. Now, the crisis in the Euro zone and other factors are making the dollar appreciate against the Euro and some other major currencies.

Falling gas prices are providing relief to farmers. The national average for gasoline fell to \$3.25 in in early August from a peak of \$3.94 in early April.

TIMBER INDUSTRY

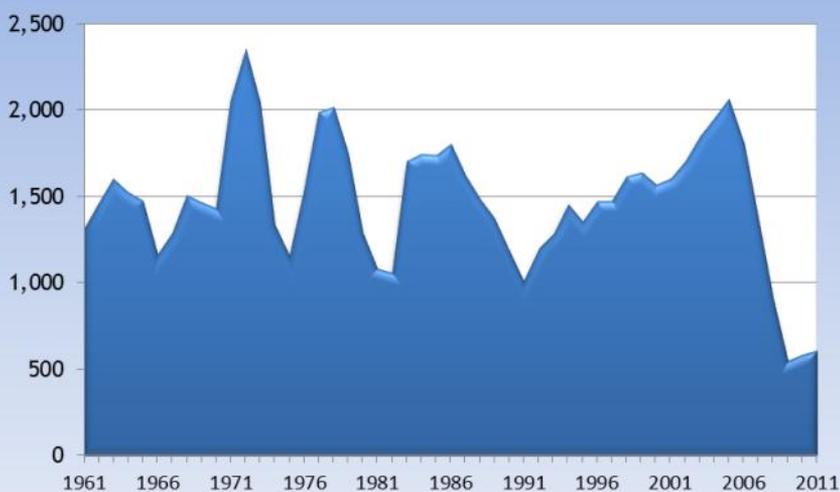
The U.S. housing market is the prime driver of Idaho's timber industry. When many new houses are being built, lumber is in demand, and sawmills and loggers are busy. When the housing bubble burst, there were massive job losses in the timber industry – about 400, more than one-third of wood product manufacturing's jobs – between 2007 and the market's bottom in early 2010. Only 100 of those jobs have been recovered.

The U.S. housing market finally seems to be starting to recover – nearly five years after the bubble burst. It looks like prices hit bottom and now are starting to rise. Home sales are increasing in most markets. Home builders started work on more single-family homes in May. U.S. homebuilder confidence rose to its highest level since May of 2007, as measured by a monthly index of the National Association of Home Builders. Reflecting that optimism, they requested more permits to build homes, a gauge of future construction. Permits increased to a seasonally adjusted rate of 780,000 – the most since September 2008.

More buyers are likely to take advantage of today's low prices and interest rates. The average 30-year fixed-rate mortgage rate is 3.6 percent, and the S&P/Case-Shiller home price index shows home prices are at the level of summer 2003.

The recession led to millions of Americans doubling up in houses and apartments. The number of adults sharing households with family members or other individuals jumped 11.4 percent. As the economy recovers, some of those individuals are likely to feel confident enough to look for places of their own.

Thousands of U.S. Housing Starts



The pace of recovery will probably be slow, and the prices of many homes will continue to decline. Millions of people remain under water, owing more on their homes than the homes are worth, and many face foreclosure.

An increase in housing starts could lead to higher prices, increased production and eventually more employment at Idaho sawmills.

Another good sign for the lumber industry – after trending down during the recession – new homes are getting bigger again. The average single-family house completed in 2011 – the most recent data the Census Bureau has – was about 2,480 square feet, up from 2,392 square feet in 2010 and 2,438 square feet in 2009.

Lumber prices in recent weeks have returned to the highest levels since the spring of 2006. The price for framing lumber was \$327 in the last week of July up from \$273 in the same week a year earlier.

Exports are likely to be a mixed bag. U.S. lumber exports to Japan rose 20 percent in the first half of the year, and activity is expected to grow there as reconstruction in the areas impacted by the March 2011 earthquake and tsunami gains momentum. At the same time, exports to China may fall as the Chinese government scales back economic growth targets and real estate markets weaken under government restrictions designed to stabilize housing prices. If the U.S. dollar appreciates considerably as many economists expect, exports may decline as a result. Fortunately, the exchange rate that is most important to Idaho sawmills – the Canadian-U.S. rate – is expected to remain near parity.

Most mills have avoided building excess lumber inventories, which tend to depress lumber prices. Today's lumber industry is more nimble, focused on profitability rather than production, and more willing to let demand, rather than capacity, dictate production.

At the same time that prices for their products are growing, sawmills are finding some of their input prices are declining. The weakening of the global commodities market caused by the Euro crisis has depressed prices of many commodities including saw logs.

PAPER INDUSTRY

Employment should remain steady at the region's largest manufacturing operation. Demand for Clearwater Paper's tissue products remains strong. The company, whose largest operation is the 1,350-employee Lewiston complex, made a profit of \$21.5 million in the second quarter compared to \$13.9 million in the same quarter of 2011. The complex manufactures toilet paper, facial tissue and paper towels that are sold as house brands by retailers throughout the nation. Sales of paperboard, its other major product, also are on the upswing.

MANUFACTURERS

Manufacturing surged during the last couple of years. Emerging from the recession more efficient and profitable, American manufacturers have increased production and employment. North central Idaho manufacturers saw an even more dramatic increase in employment.

The growth trend for U.S. manufacturers was reversed in the last few months. U.S. factory activity shrank in July for the second month in a row, according to the Institute for Supply Management. Its index increased to 49.8 in July from 49.7 in June, indicating contraction in the manufacturing sector. That's just below the threshold of 50 that divides expansion and contraction. Troubles in the Euro zone along with slowing growth in China and other developing economies caused the shift.

Demand for American factories could fall if the dollar continues to strengthen as it has in the last three months. Rival currencies like the euro and pound are expected to remain under pressure, which makes it likely that the dollar will rise still further. That would make American goods more expensive for foreigners and imports less expensive for Americans, reducing the demand for American products. Another reason the dollar is likely to rise in the next year or two is the Federal Reserve will eventually end the "quantitative easing" that it began following the recession to speed up the recovery.

The weakening dollar during the last two years was one of the factors that led to a reduction in offshoring and an increase in onshoring – moving of jobs back from foreign locales such as China to the U.S. The dollar's appreciation could change the balance although other factors behind the trend should continue. Among the reasons for the decline in offshoring is wages in China and other developing countries have risen sharply in the past few years while U.S. wages increased only slightly to just keep up with inflation. Some companies are moving back to American suppliers because of the poor or inconsistent quality of goods produced overseas. Others worry about China's lack of respect for intellectual property that could lead to the loss of precious trade secrets. Onshoring allows more control over the supply chain, reducing lead times and simplifying logistics. It also brings assembly closer to engineers, suppliers and customers, guaranteeing quality production and allowing more responsiveness to the needs of customers. Rising fuel prices also make relying on foreign suppliers more expensive.

The worst problem may be uncertainty. The troubles in the Euro zone have increased anxiety about the strength and durability of the recovery. Uncertainty has prevented many manufacturers from hiring during the last

couple of years. Jim Rehder of the Clearwater Economic Development Association said in an email to Idaho Department of Labor Director Roger Madsen on Aug. 3, “The recession shook the business sector to its core. Small business employers are resistant to grow their businesses after their staggering experience with the recession.”

North central Idaho may be able to add manufacturing jobs even if the nation doesn’t because:

- Wood products could add jobs as U.S. housing starts grow.
- Gun-related production is expected to expand. ATK’s ammunition plant in Lewiston already hired more than 50 people in the first half of the year and may add up to 150 more workers at its Lewiston plant. It may use up to \$436,000 from Idaho’s Workforce Training Development Fund to train the new workers. PNW Arms, an ammo maker that moved from the Seattle area to Potlatch last summer, is adding up to 60 jobs as it introduces new products. Howells expects to add a couple of dozen more jobs at its ammunition plant in Lewiston. Nightforce Optics also continues to expand its riflescope manufacturing operation in Orofino.
- Schweitzer Engineering Laboratories is likely to continue to hire new workers for the plant it opened in Lewiston in January. The facility makes relays, data cables, voltage regulators and plastic parts.

Job Changes During and Since the Recession

North Central Idaho	March 2012	March 2011	March 2007	1-Year Change	5-Year Change
Total Nonfarm Payroll	43,578	43,634	46,344	-0.1%	-6.0%
Private-Sector	38,648	38,668	41,344	-0.1%	-6.5%
Manufacturing	4,017	3,949	3,970	1.7%	1.2%
Government	4,930	4,966	5,000	-0.7%	-1.4%
Clearwater County					
Total Nonfarm Payroll	2,668	2,690	2,993	-0.8%	-10.9%
Private-Sector	1,896	1,908	2,145	-0.6%	-11.6%
Manufacturing	242	225	248	7.6%	-2.4%
Government	772	782	848	-1.3%	-9.0%
Idaho County					
Total Nonfarm Payroll	3,902	3,972	4,293	-1.8%	-9.1%
Private-Sector	3,047	3,107	3,408	-1.9%	-10.6%
Manufacturing	359	353	468	1.7%	-23.3%
Government	855	865	885	-1.2%	-3.4%
Latah County					
Total Nonfarm Payroll	14,864	14,616	15,608	1.7%	-4.8%
Private-Sector	14,056	13,795	14,799	1.9%	-5.0%
Manufacturing	391	388	427	0.8%	-8.4%
Government	808	821	809	-1.6%	-0.1%
Lewis County					
Total Nonfarm Payroll	1,437	1,397	1,321	2.9%	8.8%
Private-Sector	1,173	1,130	1,045	3.8%	12.2%
Manufacturing	263	225	137	16.9%	92.0%
Government	264	267	276	-1.1%	-4.3%
Nez Perce County					
Total Nonfarm Payroll	20,708	20,960	22,128	-1.2%	-6.4%
Private-Sector	18,477	18,729	19,946	-1.3%	-7.4%
Manufacturing	2,762	2,758	2,690	0.1%	2.7%
Government	2,231	2,231	2,182	0.0%	2.2%

A SLOW RECOVERY

More evidence of the slow recovery comes from the Quarterly Census of Employment and Wages that counts payroll jobs in each county for the first quarter of this year. The region's jobs were affected by exceptionally cool and rainy weather, which somewhat reduced logging, construction, tourism, transportation and agriculture-related jobs. If the weather had been better, nonfarm payroll jobs might have grown 2 percent to 3 percent above the year before. But even so the rate of growth was sluggish, and payroll jobs remain significantly below their level in March 2007. The recession began in December 2007. The U.S. had 4.5 million fewer nonfarm payroll jobs - 3.3 percent fewer - in March 2012 than it did in March 2007. Idaho lost 47,300 nonfarm payroll jobs in the same period, a 7.3 percent loss.

Manufacturing grew in all of the north central counties between 2011 and 2012. Even Nez Perce County had a net jobs gain despite the loss of 130 Clearwater sawmill jobs. Since March, Nez Perce County has added more than 130 additional manufacturing jobs.

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NORTHERN IDAHO

Benewah, Bonner, Boundary, Kootenai & Shoshone counties

REGIONAL DEVELOPMENTS

- Schweitzer Engineering Laboratories will open an office in Spokane Valley in September. The engineering and manufacturing company based in Pullman, Wash., has about 40 employees who commute from the Spokane area. The announcement comes a month before the company announced it was adding a \$6 million relay production line in October that would create an additional 50 electronic manufacturing jobs.
- Providence Health Care and Group Health Cooperative are collaborating on development of urgent-care centers in the Spokane area.
- Guardian Angel Homes' assisted-living and dementia-care center in Liberty Lake has started work on a four-building, eight-unit cottage project, and more units are in the early planning stages. Each 1,100-square-foot unit will also have a garage. The cottages are expected to be completed in October.

COUNTY DEVELOPMENTS

BENEWAH COUNTY

- The St. Maries Chamber of Commerce, the Idaho Department of Labor, Idaho State University's Office of Workforce Training and the St. Maries School District have partnered to offer local employers business skills classes. The courses include, Social Media for Business, Effective Meetings, Difficult Conversations and Team Building. Classes began Aug. 1.
- The U.S. government announced in April it would pay tribes more than \$1 billion for failing to adequately oversee the finances of tribal lands the federal government manages in trust. The Coeur d'Alene Tribe received \$18 million as part of the federal government's settlement with 41 tribes. The Coeur d'Alene Tribe was not appropriately compensated in the past for agricultural and timber interests on its trust land that was managed by the Bureau of Indian Affairs.



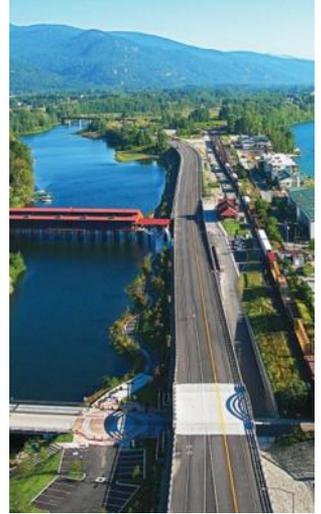
Approximately 4,300 tons of contaminated soil has been removed from Avery. Twenty thousand tons must still be removed this year. The \$9.3 million cleanup started 35 years after the Milwaukee Railroad ceased operations. From 1907 to 1977, the site was used as a switching and maintenance yard for the railroad.

BONNER COUNTY

- Sandpoint's Farmin-Stidwell Elementary School hosted the Lewis-Clark State College PACE program – one of five sites in the state that include

Coeur d'Alene, Post Falls, Twin Falls and the college's hometown of Lewiston. PACE, which stands for Pathways for Accelerated Certification and Endorsement, started in 2003 with a \$250,000 grant to increase the number of trained teachers serving rural communities. Working in cooperation with North Idaho College, the program allows students to earn their associate degree during their two years at NIC, then start courses that work toward an elementary education degree through Lewis-Clark. There are currently 40 students taking courses toward accreditation in northern Idaho.

- Coldwater Creek announced a \$65 million loan from Golden Gate Capital, a private equity firm. Coldwater Creek forecasts a second-quarter loss of 15 to 20 cents per share.
- The opening of the new U.S. Highway 95 alignment will mark the end of a 60-year odyssey to improve traffic flow and safety in the greater Sandpoint area. The \$106 million project is the largest single transportation project in the history of the state.



An aerial view of the new U.S. Highway 95 realignment near Sandpoint.

BOUNDARY COUNTY

- Way-above-average rainfall in June cost farmers in the Kootenai River valley between Bonners Ferry and the U.S.-Canadian border millions of dollars in lost crops. According to news reports, there are roughly 15 farmers in the valley now, with about 30,000 acres. Bonners Ferry had record rainfall in June – the most in 122 years. The old record was 3.96 inches, topped this year with 5.24 inches.

KOOTENAI COUNTY



North Idaho STEM (science, technology, engineering and mathematics) Community Charter School, a free public kindergarten to eighth-grade charter school in Rathdrum, is ready to open this fall with 264 students enrolled and 222 on waiting lists.

- The Boys & Girls Club of Kootenai County raised \$501,000 at a fundraiser lakefront home of millionaire businessman Duane Hagadone. The club exceeded its goal of \$1.3 million for the new 10,000-square-foot building in Post Falls. Construction of the facility began in May and is expected to be completed in November to open in December. The club will host after-school programs for almost 700 Kootenai County kids.
- Silverwood Theme Park's Aftershock roller coaster gained national recognition on the Travel Channel with Americans voting it one of the top coasters in the United States. There were four coasters in each category competing for the prize with Aftershock's competitors representing renowned parks throughout the nation. The amusement park had 659,000 visitors in 2011 and saw rising attendance early in its May-to-September season this year.

- The Coeur d'Alene Airport landed a \$2.5 million grant for resurfacing the runway and a 4,500-foot taxiway.
- More than 100 employees at the Frontier call center in Coeur d'Alene are losing their jobs to lower paying jobs in South Carolina. The call center is set to close Sept. 18. Last year employees helped Frontier in converting the Verizon Wireless operating system to a Frontier system saving the company \$84 million. In February, Frontier reduced its annual dividend to shareholders from 75 cents to 40 cents. Many workers have been working at the center over a decade when it was operated by GTE, then Verizon followed by Frontier.
- Erick Keck resigned as Post Falls city administrator to take a job with Ground Force. He had been with the city since 2006.

SHOSHONE COUNTY

- U.S. Silver shareholders approved completion of the proposed combination transaction with RX Gold & Silver Inc. Under the terms of the combination transaction, each outstanding common share of U.S. Silver will be exchanged for 0.67 of a common share of the combined company and each outstanding common share of RX Gold will be exchanged for 0.109 of a common share of the combined company. Immediately following completion of the transaction, former shareholders of U.S. Silver will hold approximately 70 percent of the outstanding common shares of the combined company and former shareholders of RX Gold will hold approximately 30 percent. An unsolicited cash offer from Hecla to acquire all of the outstanding common shares of U.S. Silver was rejected. Hecla has terminated its offers to acquire all of the outstanding common shares and common share purchase warrants of U.S. Silver. U.S. Silver owns or operates the Galena, Coeur, Caladay and Dayrock silver-lead-copper mines in Shoshone County, controlling 14,000 acres in the heart of the Coeur d'Alene Mining District. The Galena mine is the second most prolific silver mine in U.S. history. U.S. Silver is focused on expanding production from existing operations and exploring and developing its extensive Silver Valley holdings in the Coeur d'Alene Mining District.
- Hecla Mining Co. announced Tuesday that rehabilitation of the Lucky Friday silver mine in Mullan is ahead of schedule and well on its way to being reopened in the first quarter of 2013. Rehabilitation work at Lucky Friday mine advanced past the 4,900-foot level, activating development crews. In addition to the 75 hourly employees already working at the mine, 20 new miners were rehired to resume work this month. The company reported a net income of \$2.4 million in the second quarter, or one cent per share, down from \$33.2 million, or 12 cents a share, in the same period a year ago. The decline in net income resulted in large part from the Lucky Friday mine being closed down earlier this year. Care-and-maintenance costs incurred at the Lucky Friday totaled \$6.5 million for the second quarter of 2012, including depreciation of \$1.6 million. The decline is also due to \$6.5 million in suspension-related costs, lower grades at the Greens Creek Mine in Alaska, and lower silver and base metals prices than the same period a year ago.



A group of foresters in Shoshone County are looking to create a private biomass-burning generator in the county. The generator would process slash created by thinning forests for fire prevention and logging. The group hopes to get environmental licenses for operating the plant from the state Department of Environmental Quality by the end of the year. If financing can be found, the group will build the generator on private land.

OPENINGS

- Consign Furniture in Post Falls
- Rustic Romance, a handcrafted organic and botanical gift shop, in Coeur d’Alene
- Motion Auto Supply in Post Falls
- Renewed Incorporated in St. Maries
- Kootenai Kids Pediatric in Post Falls
- Beadtender in Coeur d’Alene
- ULTA Salon in Coeur d’Alene
- Donna’s Salon in Spirit Lake
- Loan Max in Hayden
- Shen Tang Clinic in Coeur d’Alene

CLOSURES

- Northwest Artists in Coeur d’Alene

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NORTH CENTRAL IDAHO

Clearwater, Idaho, Latah, Lewis and Nez Perce counties

REGIONAL DEVELOPMENTS

- Idaho liquor stores near the Washington border may be the biggest beneficiaries of Initiative 1183, which closed Washington’s state-owned liquor stores at the end of May. That resulted in higher prices in Washington, and Washington residents are choosing to shop in Idaho’s state-owned stores. Prices remained cheaper in Idaho because Washington added a 10 percent distributor fee and 17 percent retail fee to offset the losses the staff will suffer by giving up the liquor business. Idaho officials expected that Washington wholesalers and retailers would raise prices and anticipated some of the increase in their sales. The liquor store on Moscow’s West Pullman Road saw a 33 percent increase in sales in June over last year’s figures while the one on Troy Road spiked 8 percent. Sales at the store in downtown Lewiston were up 22 percent.

NEZ PERCE TRIBE

- The Nez Perce Tribe distributed \$8,600 to each adult enrolled tribal member in July. The money came from a \$33.7 million legal settlement over the alleged federal mismanagement of funds the government held in trust for several tribes. The distribution, which was approved at the general council meeting in May, is the largest in recent history. A letter from the tribe said all enrolled members younger than 18 did not need to fill out an application because their share would be held in a trust until they

are 18 years old. The Sterling Bank branch in the Lewiston Orchards devoted most of the week helping tribal members to cash or deposit the checks. Auto dealerships in Lewiston report brisk sales following the disbursement.

COUNTY DEVELOPMENTS

CLEARWATER COUNTY

- The U.S. Army Corps of Engineers plans to shorten its operating season at several recreation areas at Dworshak Reservoir because of steep budget cuts beginning Oct. 1. This year, it closed nine little-used sites and eliminated the gate attendant and maintenance contracts at the Dent Acres Campground and boat ramp. As many as 25 other sites may be closed. The budget reductions also sharply cut funding for the Clearwater Sheriff's Department Marine Program at Dworshak Reservoir, and as a result there will be fewer patrols on the lake. The Corp of Engineers is looking for entrepreneurs to create a towing service business to provide towing or retrieval service for more than 85 boats a year that get stranded on the water.
- The Julian and Ina Dobson Homestead south of Orofino was officially designated an Idaho Century Farm in July by the Idaho State Historical Society and the Idaho Department of Agriculture. The award recognizes farms and ranches of at least 40 acres owned by the same family that have remained in agricultural use for 100 years or more. Since the program's inception in 1990, nearly 400 farms and ranches throughout Idaho have been honored with a Century Farm award.

IDAHO AND LEWIS COUNTIES

- The U.S. Bureau of Land Management plans to build a new Cottonwood field office by 2015 at a cost of up to \$1.7 million. Asbestos was recently discovered in the current office complex built in 1962, making routine maintenance more difficult. The agency plans to own, instead of lease, the new structure. Most of the agency's land is along the lower Salmon River and around Elk City.
- Idaho County showed off its airport in mid-July when it hosted Warbird Weekend. The idea was developed by the airport Director Norm Lowe, and event coordinator Melisa Bryant, who is an Ida-Lew economic development specialist. More than 1,700 people visited the Grangeville airport including dozens who flew in from all over the country for what is likely to be an annual event. It provided a showcase for the county's plans to make the airport a centerpiece of economic development and the recreational gateway to north central Idaho's backcountry wilderness. In the last two years, county commissioners invested nearly a half million dollars to upgrade the airport's infrastructure to encourage businesses to move there. Participants toured the new Anderson Aeromotive plant adjacent to the airport. The company is the world's largest overhauler of cylinders for Pratt & Whitney and Curtiss-Wright engines. It recently purchased a building at the airport that it plans to renovate for use as a hangar. This will allow it to expand its operation, bringing its employment from 35 to

45 and protect the valuable aircraft it repairs. Also, the company is waiting on Federal Aviation Administration approval to become a parts manufacturing authority. It plans to expand from rebuilding engines to manufacturing parts.

- A Kooskia construction company has expanded rapidly despite the downturn in construction activity. Idaho Stage Construction has grown from \$400,000 in revenue in 2005, its first year of operation, to a projected \$4 million this year. Currently, the company is working on projects throughout north central Idaho – the biggest are a \$3 million water treatment plant in Kamiah and a remodel at Lewis-Clark State College’s Center for Arts & History in Lewiston. The company is headed by a father-son team, Barry and Craig Roark. Having an office on the Nez Perce Reservation provides them with an advantage for getting federal contracts.
- Roger B. Madsen, director of the Idaho Department of Labor, invited business owners and community members in Idaho and Lewis counties to meet with him on Aug. 2 at the Super 8 in Grangeville. After learning a little about services the department provides to businesses, the participants shared their concerns about workforce issues including occupational licensing requirements that make it difficult to fill certain positions and tax credits that were perceived to discriminate against small rural businesses. They also cited the need to teach high school students soft skills like showing up on time and dressing appropriately and practical finance including how to balance a checkbook. Madsen frequently schedules listening sessions around the state to learn about the concerns of local businesses, economic developers and other community members.
- The Salmon River Ranger District is beginning work on the Vinegar Creek Recreation Site. The project includes extensions of two boat ramps, parking expansion and installation of a new toilet. Work should be completed by mid-October.
- Best Western Plus Salmon Rapids Lodge in Riggins recently earned the Trip Advisor 2012 Certificate of Excellence. Best Western also rated it among the top 20 percent in their district for customer service. Built in 2000, the 55-room hotel is the only hotel situated on the confluence of the Big and Little Salmon rivers.
- Syringa Hospital and Clinics in Grangeville was recently recognized as one of the nation’s “Most Wired - Small and Rural Hospitals” in the July issue of Hospitals & Health Networks magazine. “We’re honored to receive this award,” Chief Executive Officer Joe Cladouhos said. “It underscores our mission to provide and coordinate high quality health care services for our patients and our commitment to using technology for our patients’ benefit. Our electronic health record has increased the accuracy of medical records, provided easily accessible information to health care providers, protected patients’ safety from possible drug and allergy interactions and reduced the need for duplicate testing since lab and radiology results are instantly available.” Gritman Medical Center in Moscow was the only other Idaho hospital to receive the award.



The Idaho Department of Environmental Quality awarded a \$544,163 interest-free drinking water construction loan to the Clearwater Water

District, which will help pay most of the \$860,000 project cost. It will allow the district to add water meters and service connections, construct two wells and a 20,000-gallon storage tank and replace distribution lines. The district serves about 100 people in the unincorporated town of Clearwater, 24 miles southeast of Kooskia.

LATAH COUNTY

- The Idaho Transportation Board may spend \$20 million improving U.S. Highway 95 south of Moscow. At its July meeting, the board tentatively agreed to expedite seven construction projects around the state including widening and realigning a seven-mile section of U.S. 95 between Moscow and Thorn Creek Road. The total construction cost for the realignment was estimated at \$40 million to \$45 million. According to Transportation Department data, the seven-mile stretch includes three of the high-accident locations in north central Idaho and the fourth, sixth and 13th highest statewide. The board is now accepting public comment on the proposed project with a final decision anticipated at its September meeting.
- Idaho Department of Labor Director Roger B. Madsen and some of his staff met with the Latah Economic Development Council Aug. 1 on strategies to strengthen the local workforce. Madsen says he has “a real preference for working with university towns and rural towns” on workforce development training assistance.
- Schweitzer Engineering Laboratories is expanding into the Spokane area. It is leasing a 7,076-square-foot facility in the Spokane Valley to house more than 40 Spokane-area employees, who currently commute to Pullman. Tammy Lewis, the company’s public affairs specialist, said the staff will be “inventing and testing new products and improving the existing products to control, monitor and protect the power system.” With more than 40 employees currently commuting from Spokane, Coeur d’Alene, Liberty Lake, Medical Lake and elsewhere in the Spokane region, the new office brings the work to them. SEL has 51 offices in the United States and 42 internationally and more than 3,400 employees. About 1,900 of them are located on its campus in Pullman and 170 are located at its new plant in Lewiston.
- Gritman Medical Center was recognized as one of the nation’s most wired, according to the 2012 Most Wired Survey released in the July issue of Hospitals & Health Networks magazine. The Moscow hospital uses technology to improve performance, protect patient data and optimize information flow and communication.

NEZ PERCE AND ASOTIN COUNTIES

- Big Lots plans to open a store at the Lewiston Center Mall. The retailer is seeking permission from the city to add a vestibule and upgrade the facade at 31,896-square-foot space occupied by Sears before it closed in February. Big Lots operates 1,460 stores that sell brand-name products at a discount including food, seasonal products, furniture, housewares, toys and gifts.

- A Sears hometown store will open at Valley Boat & Motor about eight months after Sears closed its store in Lewiston. The 49-year-old business on Snake River Avenue will carry Kenmore appliances, Craftsman tools, lawn and garden equipment, mattresses and electronics. The Sears outlet will occupy the boat showroom, which is under renovation and expansion, and will open before Thanksgiving. Construction will add 2,500 square feet for a total of 7,500. Up to 10 employees will be added to the existing crew of six. The new Sears outlet will be owned by Mike Browne and relatives, who own Valley Boat. Sears expects to open about 40 hometown stores this year, and many will be in markets like Lewiston, where company owned stores were shuttered. Browne was selected from a number of applicants for his experience and highly visible location.
- Poe Asphalt in Lewiston is working on a \$3.5 million construction project to build a taxiway and an aircraft parking apron at the Lewiston-Nez Perce County Regional Airport. Designed by Riedesel Engineering, the partial parallel taxiway will be 50 feet wide and 2,350 feet long and the aircraft parking apron will cover a quarter million square feet. Construction began in July and should be completed by October when the south-side apron and taxiway will open the south side's 80 acres to construction of commercial and other hangars and other development.
- Area Development magazine recently ranked the Lewiston metropolitan area as the 79th best economy in the nation. The summer 2012 edition ranked 365 metropolitan areas across 23 economic and workforce growth indicators. "In the results we see that even amid the recessionary gloom, there were blooms of prosperity, and there are some places that have gotten back on their feet."
- Troy and Jacob Landry, stars of the reality show "Swamp People" on the History Channel, came to Lewiston in July to visit the ATK plant where their favorite ammunition is made. The Louisiana gator hunters began using CCI .22-caliber ammunition about 15 years ago, long before their TV show debuted in 2010. They watched as the first special edition boxes of .22-magnum and .22 long rifle ammo with Troy's face and signature rolled off the line. Over 1,100 people work at the ATK plant, which may hire as many as 150 more in the next year.

OPENINGS

- Riverbend Vet Services providing care of large and small animals in Pollock, an unincorporated community about 8 miles south of Riggins on Highway 95
- Tourist Trap Consignment selling eggs, fresh produce, handmade items, clothing and collectibles on U.S. Highway 95 just south of Riggins

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SOUTHWESTERN IDAHO

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

REGIONAL DEVELOPMENTS

- Cajun Explorations has won the contract to complete a geophysical seismic survey of four southwestern Idaho counties and one in southeastern Oregon. The survey will assess whether oil and gas pockets in the area warrant further exploration. Using a crew of 80, over 80 square miles will be surveyed during the three-month project. The counties include Gem, Payette, Canyon and Washington in Idaho and Malheur in Oregon.
- The Treasure Valley Angel Fund has gathered enough money to begin investing in startups. The fund, which has a target of raising \$2 million, has accumulated over \$750,000. It was backed by the Core, a medical technology industry cluster in Meridian, and fills a void left by the Boise Angel Fund, which is no longer taking on new business.

COUNTY DEVELOPMENTS

ADA COUNTY

- Primary Health Medical Group added its first new clinic in almost a decade last month. The remodeled building at 300 W. Myrtle St. offers urgent care and family practice medicine. Three doctors and about 15 support personnel staff the new office.
- Darigold Inc. has announced the closure of its Cream o'Weber plant in Salt Lake City, shifting production to its Boise plant. No word yet if this will increase staffing levels to accommodate the new production.
- Summit Dental Group has moved to an 8,100-square-foot building that will allow it to bring in new equipment and provide patients with better accessibility and parking.
- Supervalu Inc. reported first quarter profits fell 45 percent this year. At the same time the company announced it has suspended its dividend and is looking for a buyer. The Minneapolis-based company, which owns Albertsons and other grocery chains, has lost close to 90 percent of its stock value over the past five years. It also announced it will lay off 20 administrative employees in Boise.
- H&M announced it will open a store in Boise this fall. The Sweden-based clothing retailer has signed a lease for the former Borders store in the Boise Towne Square mall. H&M will be hiring more than 60 employees.
- Boise State University is holding a dedication for its new Micron Business and Economics Building Aug. 21 at 9:30 a.m. The four-story, \$28.8 million building will house all of the college's business programs.
- The University of Idaho announced it has raised \$1.1 million for its new Idaho Law Learning Center in Boise. The center, which will be in the Old Ada County Courthouse, is a collaboration between the university and the Idaho Supreme Court. The center will house the Idaho State Law Library, a third-year program of the Idaho College of Law and other offices.

- Concordia University will be opening its doors to law students later this month. The Oregon-based private university spent over \$10 million renovating and expanding a building in downtown Boise to meet its needs. The university set an opening goal of 75 students and currently has 71 registered for classes, which begin Aug. 27.

CANYON COUNTY

- CTI Food Holdings of Wilder has acquired a ground beef processing plant in Pennsylvania. The plant was formerly owned by AFA Foods, which filed for bankruptcy in April. Terms of the deal were not disclosed. CTI Food has facilities in Texas and California in addition to its Wilder plant.
- Sportsman's Warehouse announced the reopening of its Nampa store. The 49,000-square-foot building was vacated by the company in mid-2009 after filing for protection from creditors under federal bankruptcy laws. The company plans to hire 40 to 50 full- and part-time staff.
- Terry Reilly Health Services received almost \$500,000 to serve the chronically homeless in the area. The grant from the Substance Abuse and Mental Health Services Administration will be used to provide or improve services such as counseling, substance abuse treatment and education.
- The College of Idaho led other Idaho higher education institutions in Forbes's new list of 650 top U.S. Colleges. The college in Caldwell was ranked 222. Other Idaho schools on the list were Brigham Young University-Idaho at 358, the University of Idaho at 396, Boise State University at 616 and Idaho State University at 620. The magazine cited criteria like graduation rates and instructional quality in its ratings.

ELMORE COUNTY

- Nearly 200 members of the 726th Air Control Squadron returned to Mountain Home last month. The airmen were deployed in southwest Asia for the past six months.
- Atlanta Gold Corp. received a \$2 million penalty from a federal judge this month. The penalty stems from a complaint for failure to follow clean water laws. A judge also ordered the Canadian company to fix the problem by Oct. 31 or face more penalties. Atlanta Gold has been exploring the region around Atlanta for over 25 years but has yet to mine or process any ore.

OWYHEE COUNTY

- Grand View Solar One received an amended power purchase agreement from the Public Utilities Commission last month. The amendment gives the company until Jan. 12, 2013, to have its solar project west of Mountain Home in operation.

OPENINGS

- Family Dollar in Middleton
- Kings in Middleton
- Black Bear Diner in Boise
- MoMo Food of the Himalayas in Meridian
- ECONorthwest, economic consulting firm, in Boise

- Gordmans in Meridian
- Idaho Youth Ranch, on Broadway Avenue in Boise with seven employees
- West USA Realty in Garden City with six employees
- Qdoba in Boise with 30 employees
- Revolution Concert House & Event Center in Garden City
- Idaho Central Credit Union in Caldwell

CLOSINGS

- Midvale Market in Midvale
- Bank of America Branch on 12th and Main streets in Boise

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SOUTH CENTRAL IDAHO

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

COUNTY DEVELOPMENTS

TWIN FALLS COUNTY

- Glanbia broke ground for a new corporate headquarters and test kitchen to be completed next spring. The three-story building will consolidate Glanbia's executive and administrative operations, bringing 100 workers to downtown Twin Falls, Chief Executive Jeff Williams said. Located in the urban renewal Old Town area, the site will include a parking lot. The new headquarters includes the Cheese Innovation Center, where workers will develop new products and improve existing ones, Technical Services Director Dave Perry said. The center will include culinary facilities allowing workers to test how the cheese reacts to various temperatures and cooking methods. Lt. Gov. Brad Little and a representatives from Seoul Dairy in Korea joined officials to welcome the company to downtown.
- Idaho Department of Transportation announced work will start on completing the interchange at Interstate 84 and U.S. Highway 93 north of Twin Falls. The \$14.7 million project will add a new eastbound interchange to the junction. The westbound portion of the interchange was completed in 2003. Construction is expected to begin in late 2012. The projects is financed by Grant Anticipated Revenue Vehicle bonds, which allow the state to borrow money for highway projects, then pay back that money with future federal highway funds.
- A recent study by the University of Idaho found that \$2 of every \$3 spent in south central Idaho is attributable to agriculture. The study found half of the farm receipts in Idaho can be traced to the Magic Valley – estimated by the University of Idaho at \$7.4 billion for 2011. Further, the study identified dairy as the dominant farm industry, accounting for a fifth of all sales and a seventh of all jobs. But this is not to discount the role business leaders, local government officials and economic development professionals played in diversifying the economy in the lower six counties of south central Idaho.
- The Third Annual Magic Valley Refugee Day at the Twin Falls city park boasted booths for each country with cultural food, hand-crafted pottery,

jewelry and textiles. There were people from Afghanistan, Armenia, Bhutan, Nepal, Bosnia, Burundi, Eritrea, Iran, Iraq, Myanmar and Turkey. Event coordinator Michelle Pospichal credited community support for the success of the College of Southern Idaho Refugee Center, one of four in the state. "There are two purposes to the event: one, to say, 'Thank you' to the community ... and to celebrate and share their cultures with Twin Falls."

- The Twin Falls Canal Co. had to cut water allocations due to the lower snowpack and hotter summer temperatures. The 4,400 shareholders received a sixth less water but this is after most of the grains have matured. It has been four years since allocations were cut back. Lynn Harmon, general manager of Big Wood Canal Co. in Shoshone, said his company cut back earlier this year. The American Falls delivery was cut about 80 percent from May 18 to June 1, Harmon said of his 1,000 to 1,200 water shareholders. North Side Canal Co. based in Jerome has avoided cutting back water delivery so far this summer. But General Manager Ted Diehl said it might have to do so later this year. Mike Beus, water operations manager for the U.S. Bureau of Reclamation in Burley, believes the past winter's snowpack was not that far from average. "But then it suddenly got dry," he said. "We turned dry in the middle of March and snow usually accumulates until mid-April. We had a pretty good forecast into the runoff season and didn't get the rain on the watershed that you normally expect." That caused irrigation demands to start early, especially in the upper Magic Valley, Beus said. As part of managing the upper Snake River dam network, Reclamation conducts flood control releases in the spring to ensure enough room remains in the reservoirs for snowmelt. Beus does not believe the agency released too much water early this year, emphasizing that American Falls Reservoir "was full early in May, so we nailed that right on."
- Three Magic Valley dairies plan to appeal the verdict in a case they brought against the Northwest Dairy Association over milk sales, according to their attorney. A 5th District Court jury sided with the association in late June. The case was brought by Aardema Dairy, Bettencourt Dairies and Golden Valley Dairy in 2008. They claimed the co-op breached its fiduciary duty when it took a speculative position in the market with the milk the dairies had forward contracted with the organization. The dairy-men were seeking damages in excess of \$100 million, according to court documents.

MINI-CASSIA AREA

- Double L Manufacturing expects its new 74,000-square-foot manufacturing plant in the new Magic Valley Business Park to be done by October. Gary D. Jones Construction of Burley is the contractor. The company employs 92 worldwide and believes China is the next big market for its potato harvesting equipment. The newly formed Heyburn Urban Renewal Agency played a key role in developing the business park, financing infrastructure needs such as sewer and water. Double L is moving from American Falls.



Pomerelle Ski Hill opened its triple ski lift in July to hikers, mountain bikers and those opting for a scenic ride to the top of the hill where a 360 degree view of the Magic Valley awaits. Disc golf is attracting Frisbee aficionados, and fresh pine-infused air makes the drive worthwhile.

JEROME COUNTY

- Old Hickory Sheds has opened in Jerome, offering bully barns and sheds with a five year "fix-it-all" warranty. The company will serve the north-western market and expects to hire 10 carpenters to custom build the serial-numbered structures.

BLAINE COUNTY

- Actress Geena Davis introduced a free showing of the movie "A League of Their Own" on the film's 20th anniversary at the Sun Valley Pavilion. Davis is encouraging the hiring of more actresses. A study by the Annenberg School for Communication of 400 G-, PG-, PG-13- and R-rated movies found that there are nearly three males for every one female character, Davis said. "Research done between 1990 and 2010 showed that there has been no increase in female characters at all," she added. "I don't think it's part of a plot to keep women off the screen. If I've learned anything, it's that it's completely unconscious. They just don't realize." Davis, 56, has embraced many roles from fashion model and window mannequin to placing 24th among 300 women vying for a semifinals berth on the 2000 Olympic archery team.
- The annual Allen & Co. technology and media conference at Sun Valley Resort last month attracted guests from across industry and government including New Jersey Gov. Chris Christie and Italian Prime Minister Mario Monti.

MINI-CASSIA AREA

- Carey celebrated Pioneer Days in July in honor of the pioneers that settled the area 150 years ago. The theme "Recreation in Carey" featured mountain bike rides across the ranches, a four-on-one volleyball tournament, dedication of the Boyd Stocking Pavilion that provides visitors with RV parking and camping opportunities, the parade, a rodeo and 4-H horse show.
- Gov. Butch Otter and Idaho Department of Water Resources Director Gary Spackman signed a declaration of drought emergency for Blaine County. The declaration will allow farmers to apply for temporary changes to their water rights in order to spread the available water over a greater area of land.



George Stephanopoulos , political correspondent and anchor for ABC News, was one of the guests at the annual Allen & co. meeting this year.

OPENINGS

- Leena Beana Coffee in Buhl
- Gertie's Pizza in Rupert
- B. Restaurant in Ketchum
- O'Reilly Auto Parts in Jerome
- Bohme Boutique in the Magic Valley Mall
- Children's clothing retailer Gymboree's Crazy 8 in the Magic Valley Mall
- Justice, a clothing store targeting girls 7-14 years of age, in the Magic Valley Mall

EXPANSION

- Sawtooth Brewery in Ketchum, expanding its production, pub space and workforce by three

CLOSURES

- Honk's Dollar Store in Burley
- Monica's Day Care in Burley

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SOUTHEASTERN IDAHO

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

COUNTY DEVELOPMENTS

BANNOCK COUNTY

- In late July ATCO Logistics in Pocatello announced it would delay hiring 60 new employees because it had not received needed equipment yet. Currently, 100 workers are employed by ATCO's plant in Pocatello. The company makes modular buildings for the natural resources exploration industry.

BINGHAM COUNTY

- The Shoshone-Bannock Hotel and Event Center opened on July 30 in Fort Hall just off Interstate 15. The hotel has 156 luxury guest rooms, three restaurants, 15 meeting rooms and a 15,000-square-foot event center. Reaction to the new center and hotel has been positive. Marketing Manager Echo Marshall says business has been brisk "and the public is coming in out of curiosity to visit the restaurants."

CARIBOU COUNTY

- Monsanto Co., which last received "The Governor's Choice" Brightest Star Award from the Serve Idaho Commission, is working with Idaho State University's College of Technology to develop a new apprenticeship program in Soda Springs. Participants will job shadow Monsanto employees, learn safety protocols, equipment operation and welding. There will be no tuition, and students will be paid an hourly wage. The program is slated to start in January of 2013.

FRANKLIN COUNTY

- Several of America's top 20 male and female rodeo stars were in south-eastern Idaho last month to compete in "That Famous Preston Night Rodeo." This year's purse totaled \$76,000, drawing top competitors and tourists from many states.

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EASTERN IDAHO

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

COUNTY DEVELOPMENTS

BONNEVILLE COUNTY



The Idaho National Laboratory has established the Process Demonstration Unit to process biomass from agricultural waste into fuels, chemicals and electrical power. Biomass products are transformed into fuel pellets. The concept is not new but this process is a more commercially viable method for farmers. The cost of repossessing material has always made biomass fuel less competitive with petroleum products. Through INL research the cost may be reduced to provide a new revenue stream for agriculture industries.



NASA recently landed the Curiosity rover on the surface of Mars. The power system used in the rover was developed at the Idaho National Laboratory. Radioactive isotopes in the power system generate thermal energy used to power the rover. Fuel cells within the battery are 1 inch tall and 1 inch in diameter and produce 9,000 to 10,000 degrees of heat. A team of 65 scientists developed the power system over six years.

- The city of Idaho Falls recently hired Craig Davis as the Idaho Falls Airport director. Davis comes to Idaho Falls with over 20 years of experience. Most recently he was the airport manager for the Metropolitan Knoxville Airport Authority in Tennessee.
- The Museum of Idaho recently had its one millionth visitor. The museum which opened in 2003 draws visitors from all of eastern Idaho and many travelers from around the world on their way to Yellowstone National Park.

MADISON COUNTY

- In its second year of operation, the city owned Rexburg Rapids is turning a small profit. A few changes have added to the water park's revenue stream. The city is now operating the food stand and is allowing outside food and beverages into the park. Last year, outside food was not allowed.
- Brigham Young University-Idaho and Utah State University recently entered into an agreement to offer an on-campus Master in Business Administration degree. Faculty from Utah State will begin teaching courses in Rexburg in January 2013 on selected Friday evenings and Saturday

mornings. The degree requirements, admissions and diplomas will all be through Utah State.

TETON COUNTY

- Valuation on new construction projects in Teton County increased by \$7.8 million to in 2012 compared to a year earlier – the first improvement since 2007. But at less than \$35 million to date, new construction values so far this year pale when compared to the record \$359 million in 2007.

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The July unemployment rates for the state, counties, cities and metropolitan areas will be released and published Aug. 17. See lmi.idaho.gov for most current economic data from the Idaho Department of Labor.

State of Idaho Data – State Economic Indicators

	Jun 2012**	May 2012*	Jun 2011	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE (1)					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	781,800	782,000	769,200	0.0	1.6
Unemployment	59,900	60,600	68,000	-1.2	-11.9
Percent of Labor Force Unemployed	7.7	7.8	8.8		
Total Employment	721,900	721,400	701,200	0.1	3.0
<i>Unadjusted</i>					
Civilian Labor Force	789,800	783,700	777,200	0.8	1.6
Unemployment	57,500	58,200	66,500	-1.2	-13.5
Percent of Labor Force Unemployed	7.3	7.4	8.6		
Total Employment	732,300	725,500	710,700	0.9	3.0

U. S. UNEMPLOYMENT RATE⁽²⁾

Jul 2012	Jun 2012	Jul 2011
8.3	8.2	9.1

UNEMPLOYMENT INSURANCE

Jul 2012**	Jun 2012*	Jul 2011
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Claims Activities

Initial Claims ⁽³⁾	8,394	7,427	9,832	13.0	-14.6
Weeks Claimed ⁽⁴⁾	65,469	56,778	68,799	15.3	-4.8

Benefit Payment

<i>Activities⁽⁵⁾</i>					
Weeks Compensated	52,469	45,772	57,430	14.6	-8.6
Total Benefit \$ Paid	\$12,087,654.08	\$10,551,483.92	\$13,034,497.17	14.6	-7.3
Average Weekly Benefit Amount	\$230.38	\$230.52	\$226.96	-0.1	1.5
Covered Employers	N/A	N/A	N/A		
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$196,661,495	\$197,608,338	\$241,122,607	-0.5	-18.4

U.S. CONSUMER PRICE INDEX⁽²⁾

	Jul 2012	Jun 2012	Jul 2011	% Change Month	% Change Year
Urban Wage Earners & Clerical Workers (CPI-W)	225.6	226.0	222.5	-0.2	1.3
All Urban Consumer (CPI-U)	229.1	229.5	225.9	-0.2	1.4

**Forecast data

* Preliminary estimate

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

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

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

(5) Includes all entitlements, total liable activities.

Glossary of Labor Market Terms

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

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

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

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

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

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

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

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

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

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

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

Glossary of Labor Market Terms (cont.)

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

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

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

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

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

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

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

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

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

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

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