

IDAHO ECONOMIC FORECAST
FISCAL YEAR EXECUTIVE SUMMARY
JANUARY 2012

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| U.S. GDP (BILLIONS) | | | | | | | | | | |
| Current \$ | 11,506 | 12,231 | 13,030 | 13,688 | 14,267 | 14,056 | 14,188 | 14,810 | 15,359 | 15,794 |
| % Ch | 6.1% | 6.3% | 6.5% | 5.0% | 4.2% | -1.5% | 0.9% | 4.4% | 3.7% | 2.8% |
| 2005 Chain-Weighted | 12,071 | 12,440 | 12,813 | 13,055 | 13,293 | 12,844 | 12,876 | 13,214 | 13,436 | 13,674 |
| % Ch | 3.7% | 3.1% | 3.0% | 1.9% | 1.8% | -3.4% | 0.3% | 2.6% | 1.7% | 1.8% |
| PERSONAL INCOME - CURR \$ | | | | | | | | | | |
| Idaho (Millions) | 37,692 | 40,852 | 44,273 | 47,750 | 50,384 | 49,359 | 48,807 | 51,825 | 53,253 | 55,229 |
| % Ch | 6.3% | 8.4% | 8.4% | 7.9% | 5.5% | -2.0% | -1.1% | 6.2% | 2.8% | 3.7% |
| Idaho Nonfarm (Millions) | 36,576 | 39,604 | 43,193 | 46,428 | 48,608 | 47,884 | 47,462 | 49,818 | 51,605 | 53,768 |
| % Ch | 6.3% | 8.3% | 9.1% | 7.5% | 4.7% | -1.5% | -0.9% | 5.0% | 3.6% | 4.2% |
| U.S. (Billions) | 9,631 | 10,212 | 10,887 | 11,599 | 12,271 | 12,190 | 12,069 | 12,718 | 13,171 | 13,614 |
| % Ch | 4.9% | 6.0% | 6.6% | 6.5% | 5.8% | -0.7% | -1.0% | 5.4% | 3.6% | 3.4% |
| PERSONAL INCOME - 2005 \$ | | | | | | | | | | |
| Idaho (Millions) | 39,350 | 41,501 | 43,589 | 45,913 | 46,923 | 45,305 | 44,226 | 46,143 | 46,435 | 47,588 |
| % Ch | 4.1% | 5.5% | 5.0% | 5.3% | 2.2% | -3.4% | -2.4% | 4.3% | 0.6% | 2.5% |
| Idaho Nonfarm (Millions) | 38,186 | 40,232 | 42,525 | 44,643 | 45,270 | 43,952 | 43,008 | 44,358 | 44,998 | 46,329 |
| % Ch | 4.1% | 5.4% | 5.7% | 5.0% | 1.4% | -2.9% | -2.1% | 3.1% | 1.4% | 3.0% |
| U.S. (Billions) | 10,056 | 10,374 | 10,720 | 11,153 | 11,428 | 11,189 | 10,936 | 11,323 | 11,485 | 11,731 |
| % Ch | 2.7% | 3.2% | 3.3% | 4.0% | 2.5% | -2.1% | -2.3% | 3.5% | 1.4% | 2.1% |
| HOUSING STARTS | | | | | | | | | | |
| Idaho | 17,200 | 21,517 | 23,118 | 16,574 | 10,944 | 5,780 | 6,254 | 4,178 | 5,239 | 6,948 |
| % Ch | 14.6% | 25.1% | 7.4% | -28.3% | -34.0% | -47.2% | 8.2% | -33.2% | 25.4% | 32.6% |
| U.S. (Millions) | 1.945 | 2.016 | 2.036 | 1.546 | 1.132 | 0.646 | 0.593 | 0.569 | 0.624 | 0.772 |
| % Ch | 12.5% | 3.7% | 1.0% | -24.1% | -26.8% | -42.9% | -8.2% | -4.0% | 9.7% | 23.7% |
| TOTAL NONFARM EMPLOYMENT | | | | | | | | | | |
| Idaho | 578,501 | 599,281 | 626,184 | 649,451 | 655,724 | 629,255 | 603,656 | 603,006 | 607,417 | 620,802 |
| % Ch | 1.3% | 3.6% | 4.5% | 3.7% | 1.0% | -4.0% | -4.1% | -0.1% | 0.7% | 2.2% |
| U.S. (Thousands) | 130,474 | 132,470 | 135,010 | 136,968 | 137,722 | 133,881 | 129,666 | 130,394 | 131,615 | 132,982 |
| % Ch | 0.3% | 1.5% | 1.9% | 1.4% | 0.6% | -2.8% | -3.1% | 0.6% | 0.9% | 1.0% |
| SELECTED INTEREST RATES | | | | | | | | | | |
| Federal Funds | 1.0% | 2.2% | 4.2% | 5.3% | 3.7% | 0.7% | 0.2% | 0.2% | 0.1% | 0.1% |
| Bank Prime | 4.0% | 5.2% | 7.2% | 8.3% | 6.7% | 3.9% | 3.3% | 3.3% | 3.3% | 3.3% |
| Existing Home Mortgage | 5.7% | 5.8% | 6.3% | 6.5% | 6.3% | 5.7% | 5.1% | 4.8% | 4.3% | 4.4% |
| INFLATION | | | | | | | | | | |
| GDP Price Deflator | 2.3% | 3.1% | 3.4% | 3.1% | 2.4% | 1.9% | 0.7% | 1.7% | 2.0% | 1.0% |
| Personal Cons Deflator | 2.1% | 2.8% | 3.2% | 2.4% | 3.2% | 1.5% | 1.3% | 1.8% | 2.1% | 1.2% |
| Consumer Price Index | 2.2% | 3.0% | 3.8% | 2.6% | 3.7% | 1.4% | 1.0% | 2.0% | 2.7% | 1.3% |

Joint Legislative Economic Outlook and Revenue Assessment Committee

**National and Idaho Economic Forecasts
FY2012 and FY2013**

**Derek Santos, Chief Economist
Idaho Division of Financial Management**

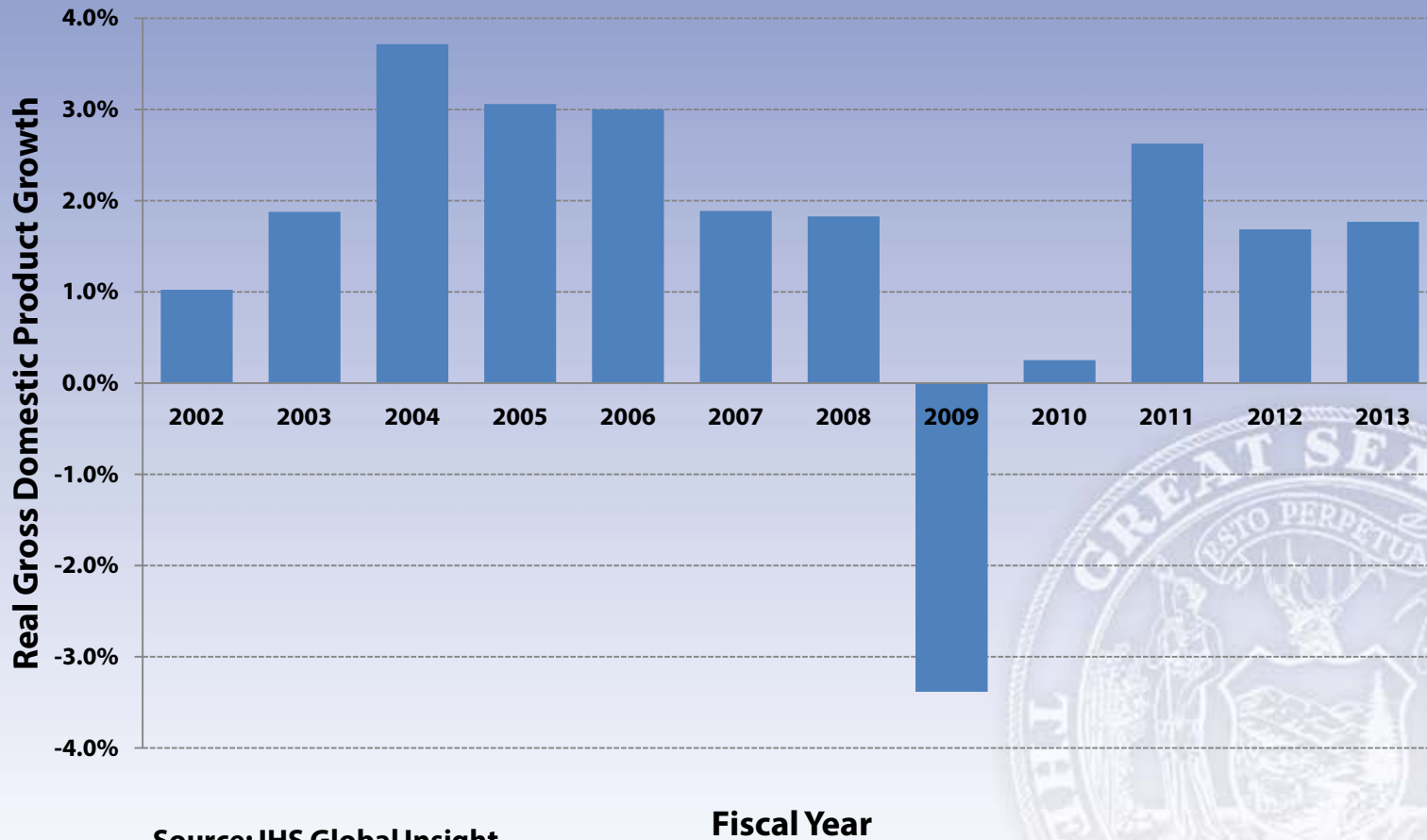
January 5, 2012



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Real GDP Growth



Source: IHS Global Insight

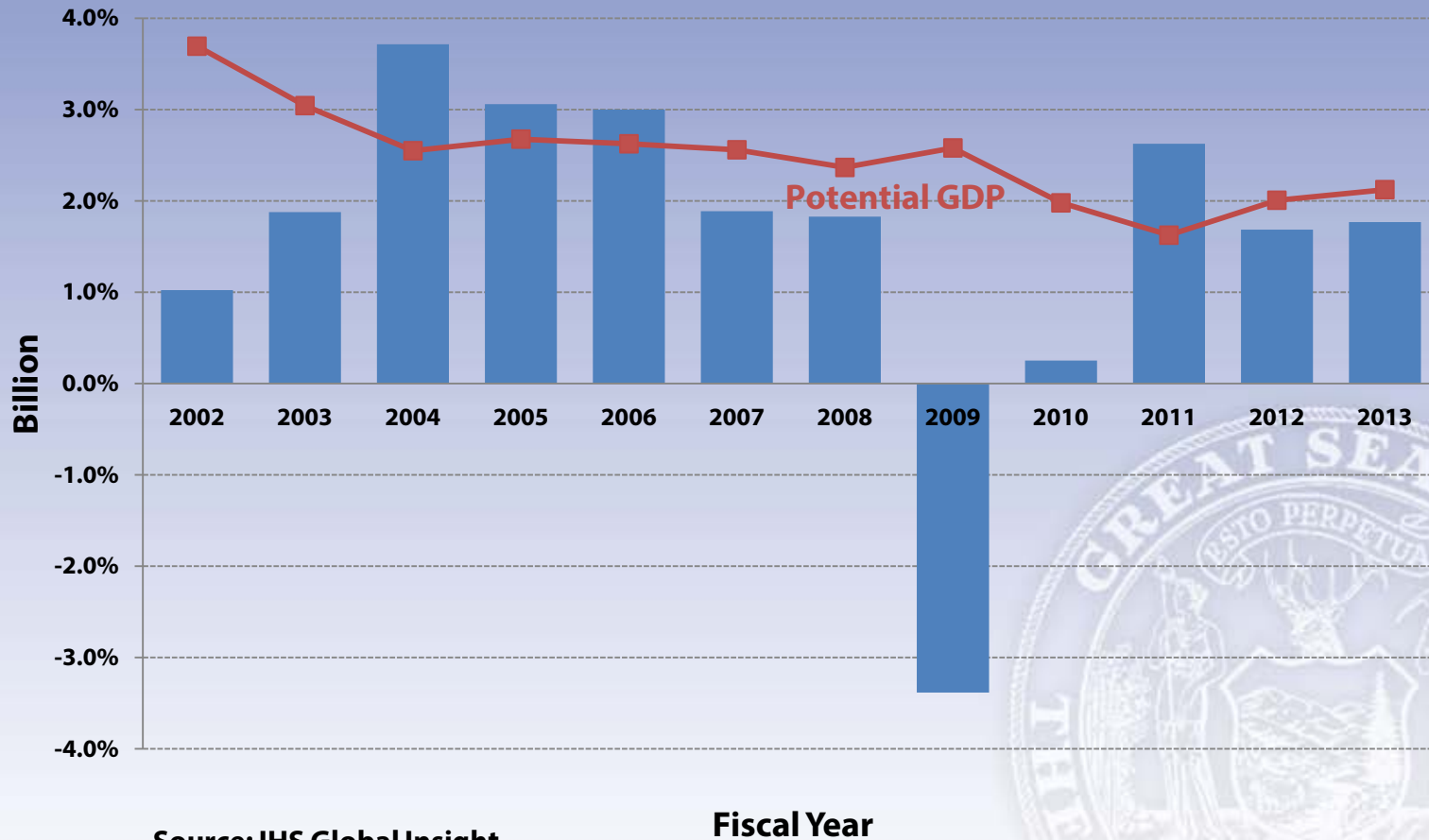
Fiscal Year



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National GDP Projected versus Potential



Source: IHS Global Insight

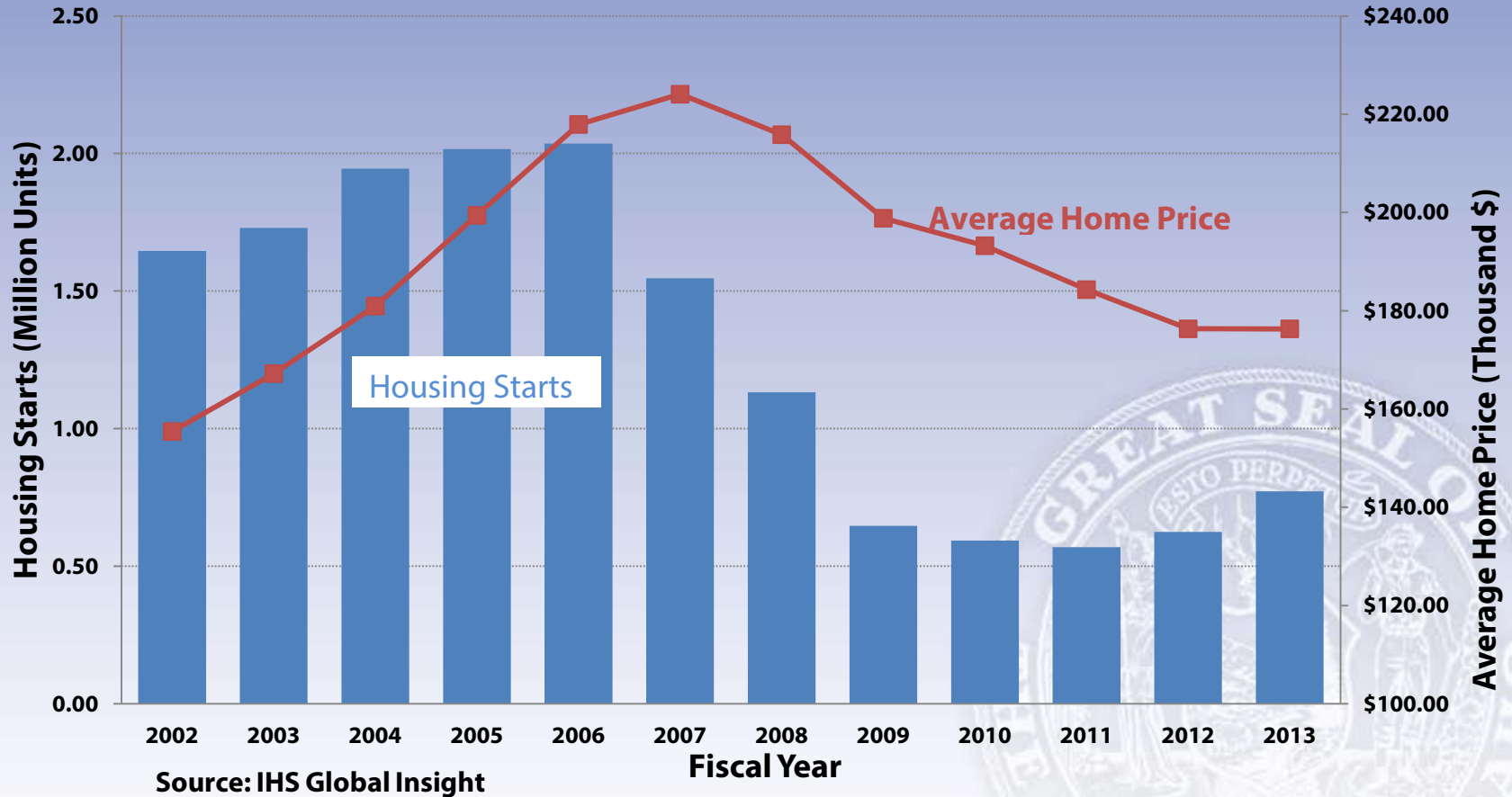
Fiscal Year



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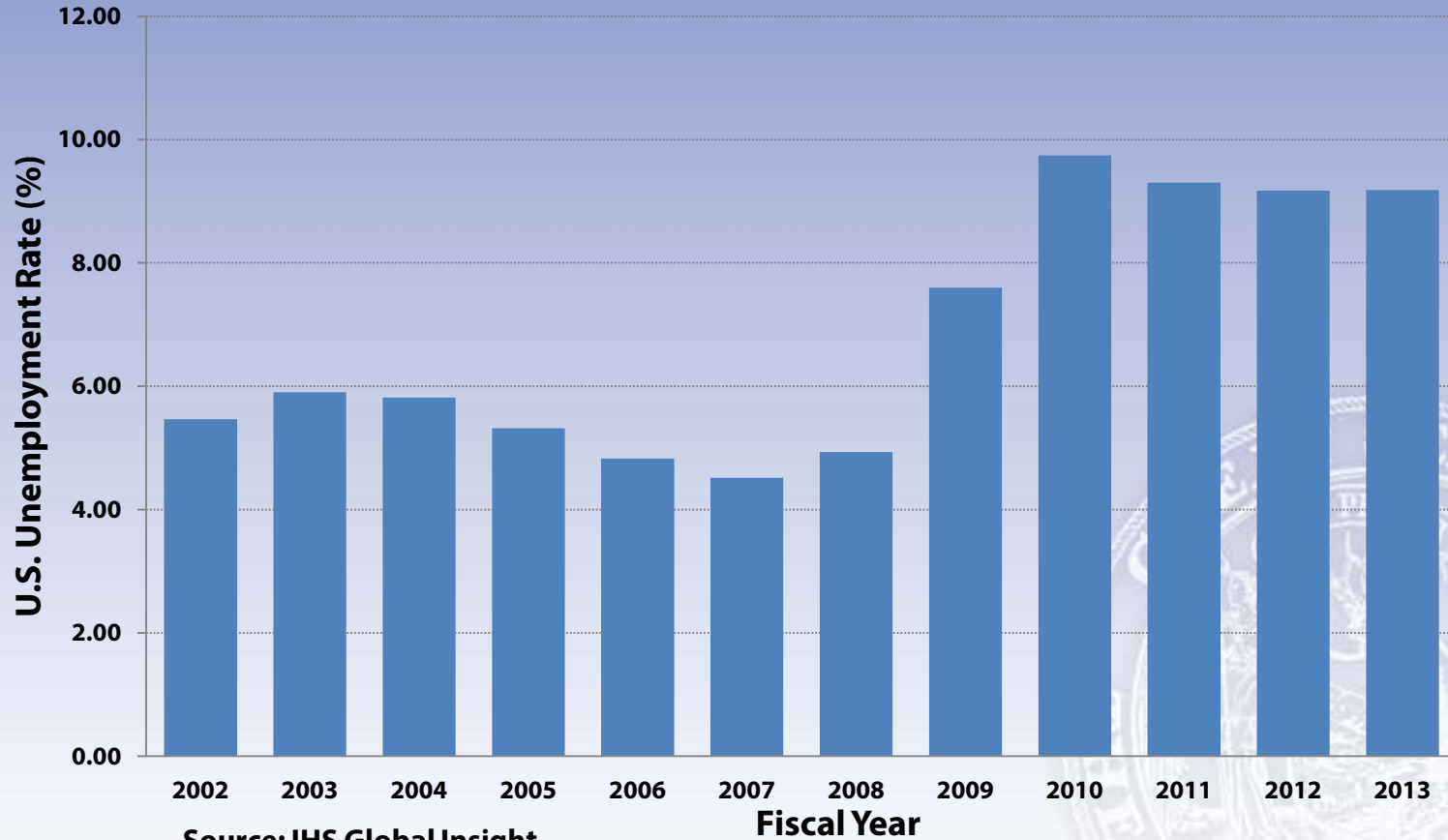
U.S. Housing Starts and Prices



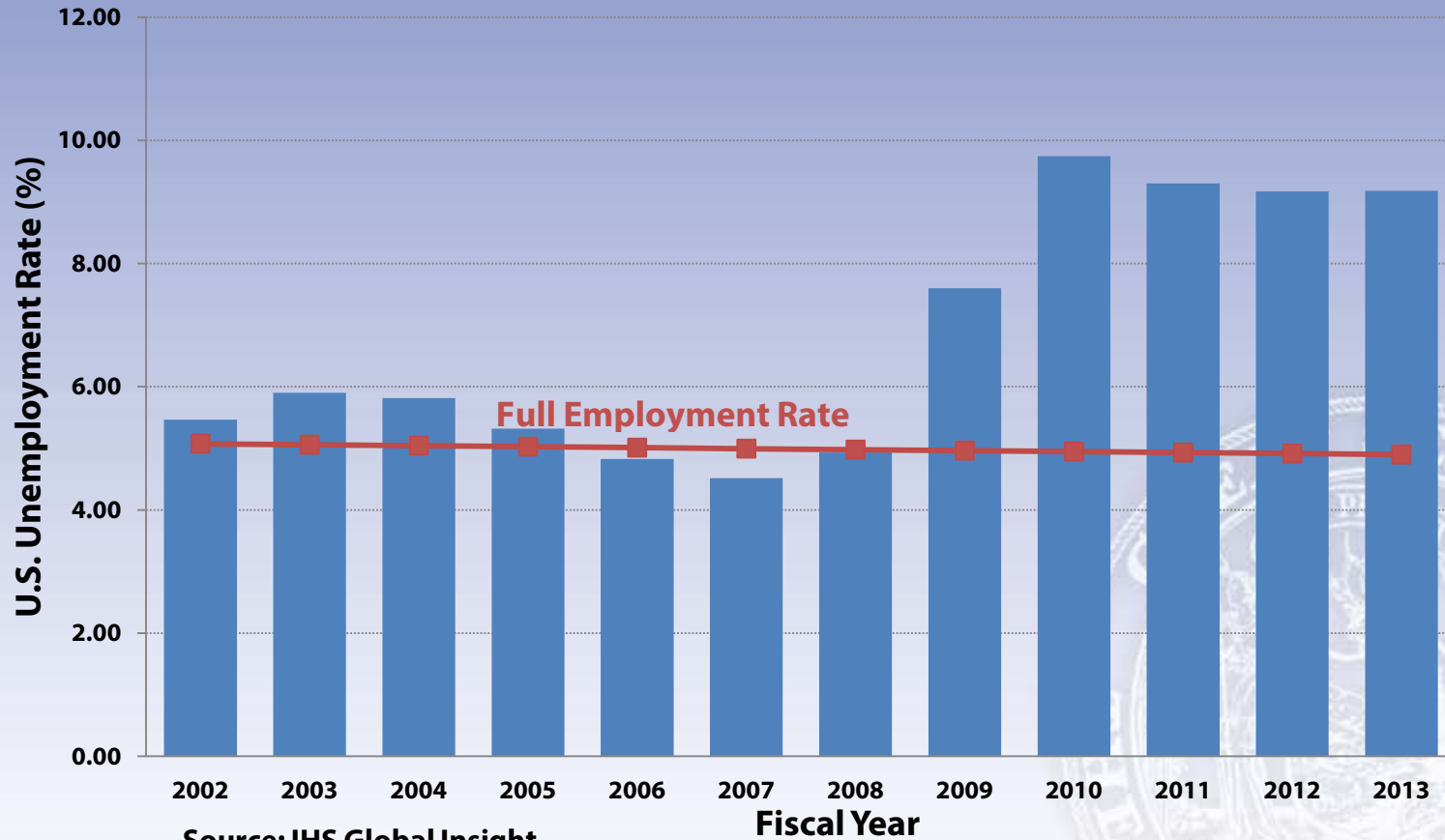
National Nonfarm Employment Growth



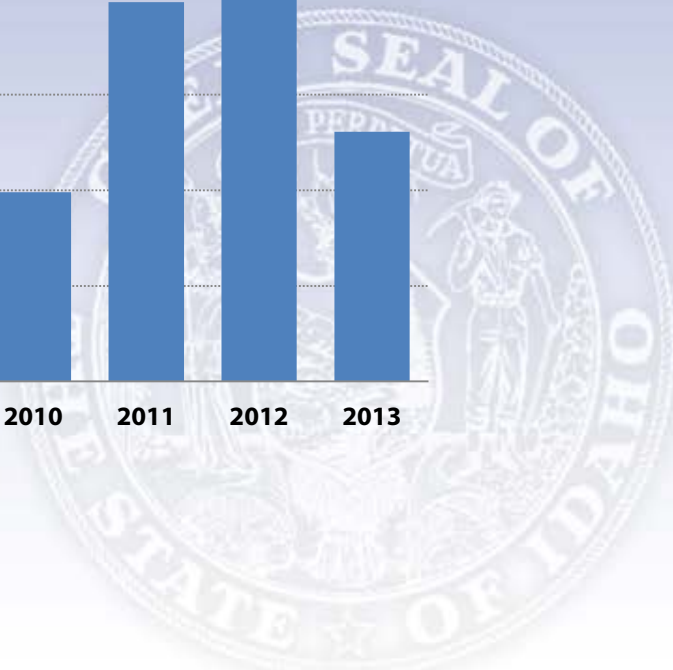
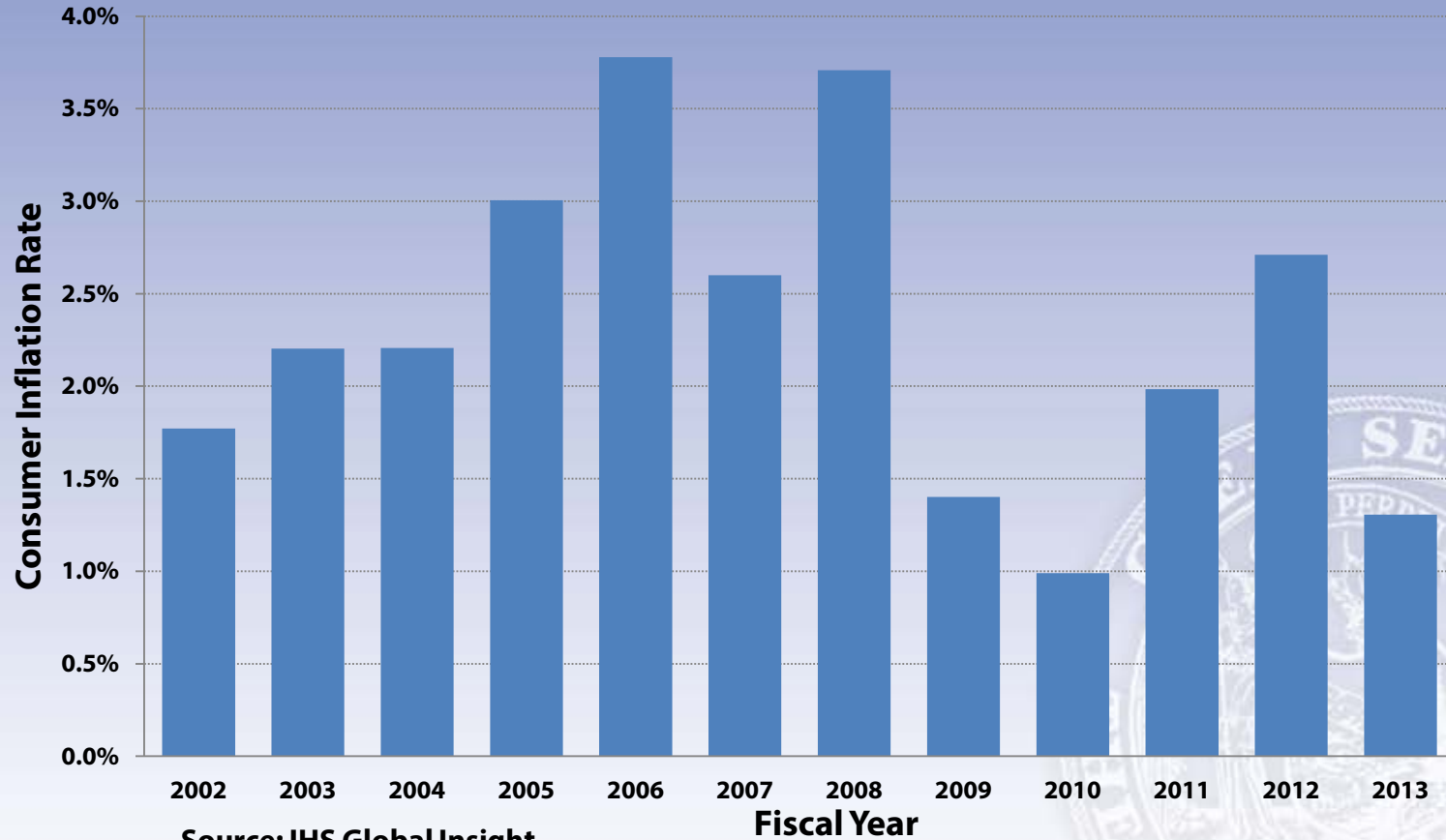
U.S. Civilian Unemployment Rate



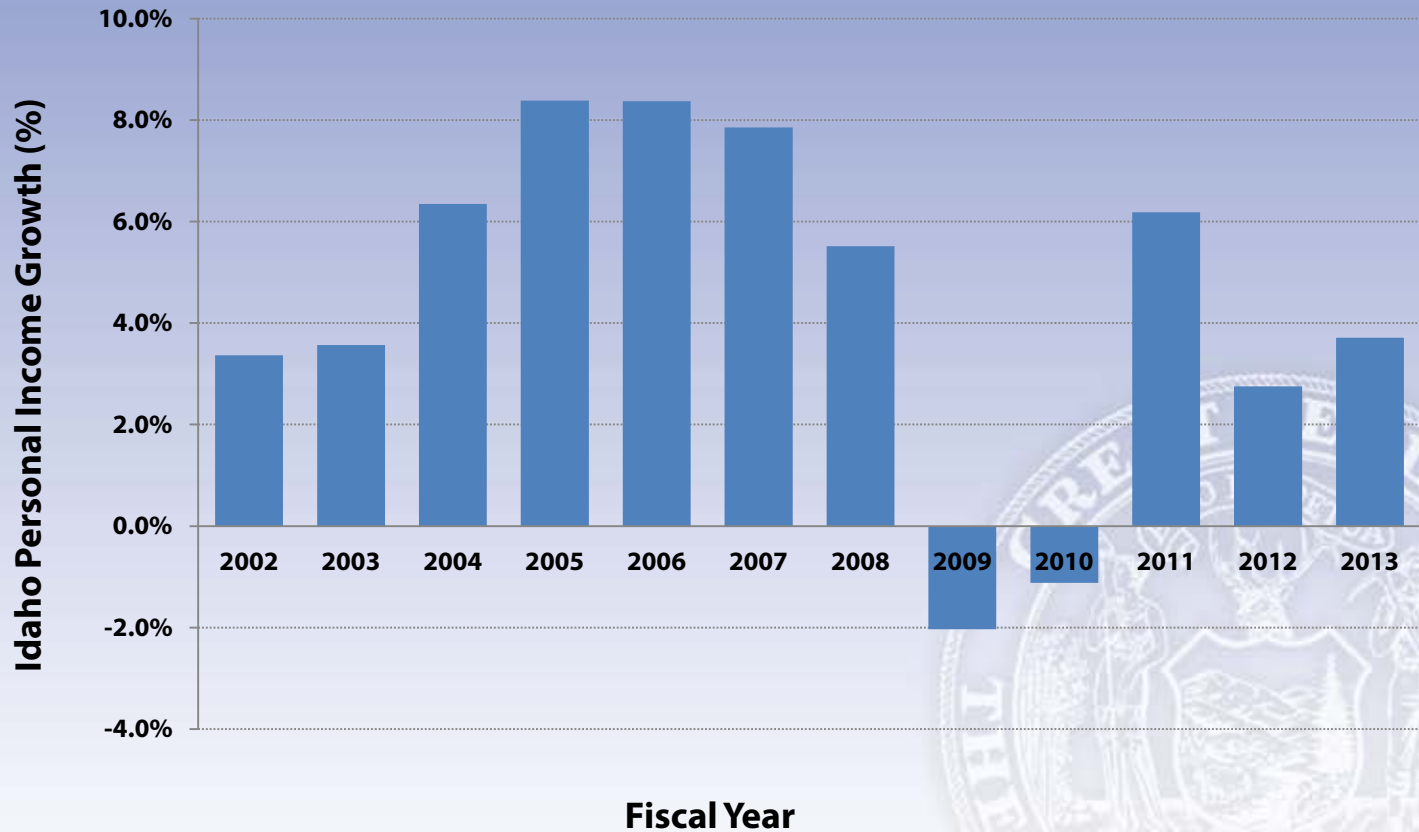
U.S. Civilian Unemployment Rate



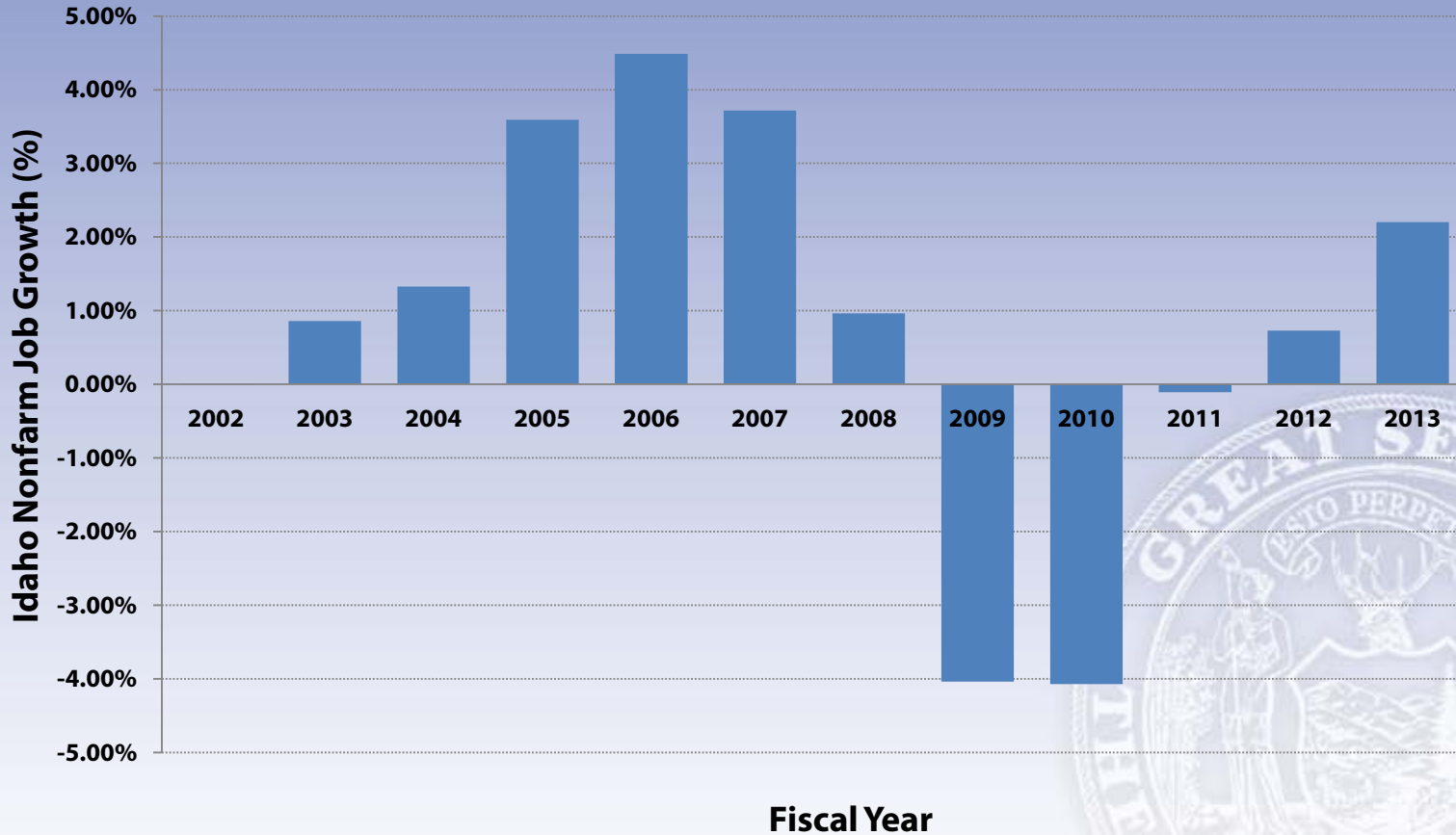
Inflation



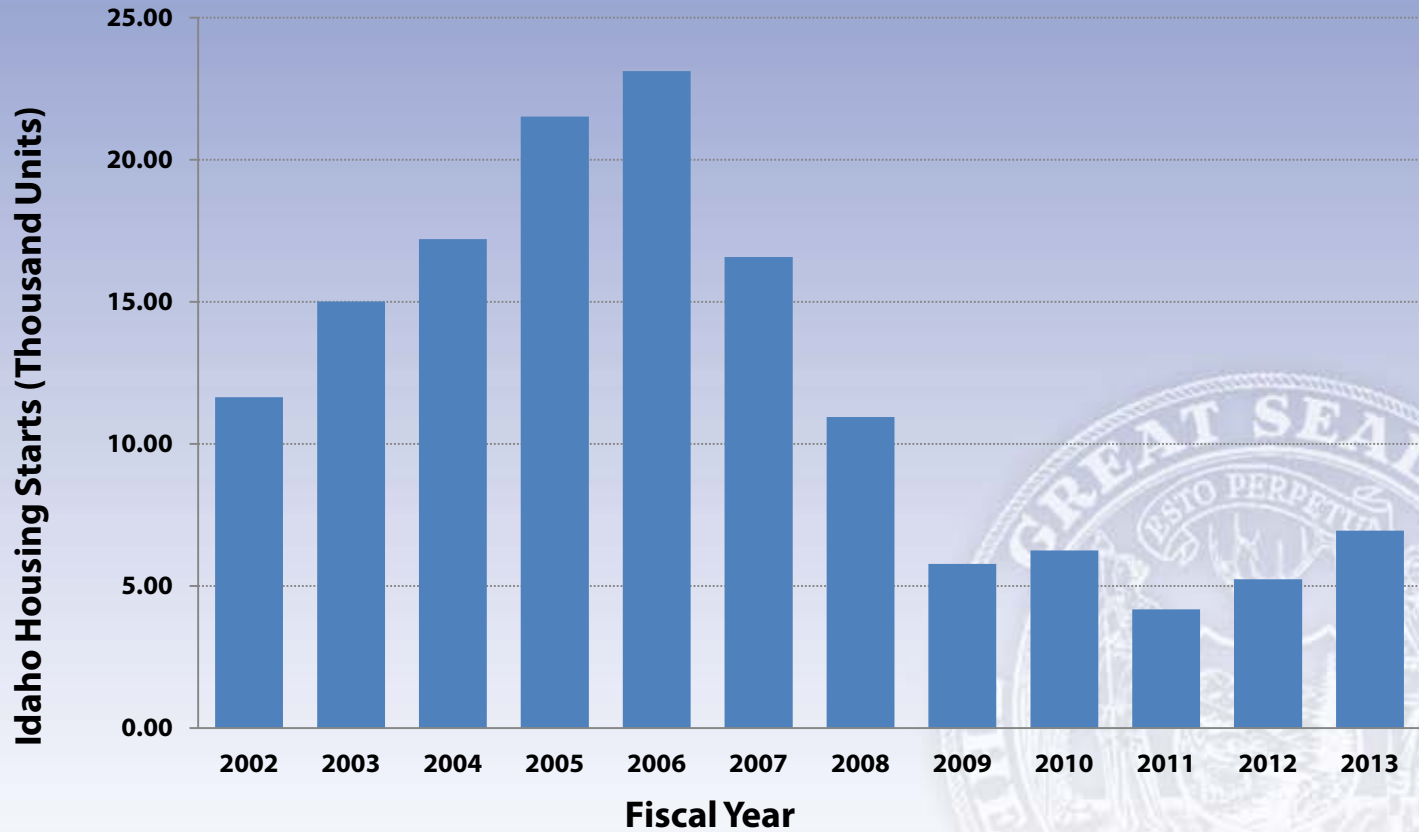
Idaho Nominal Personal Income Growth



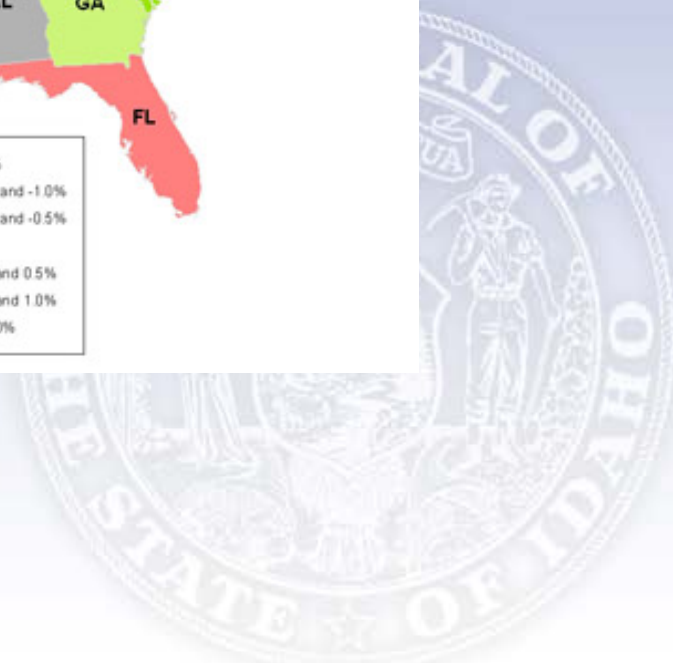
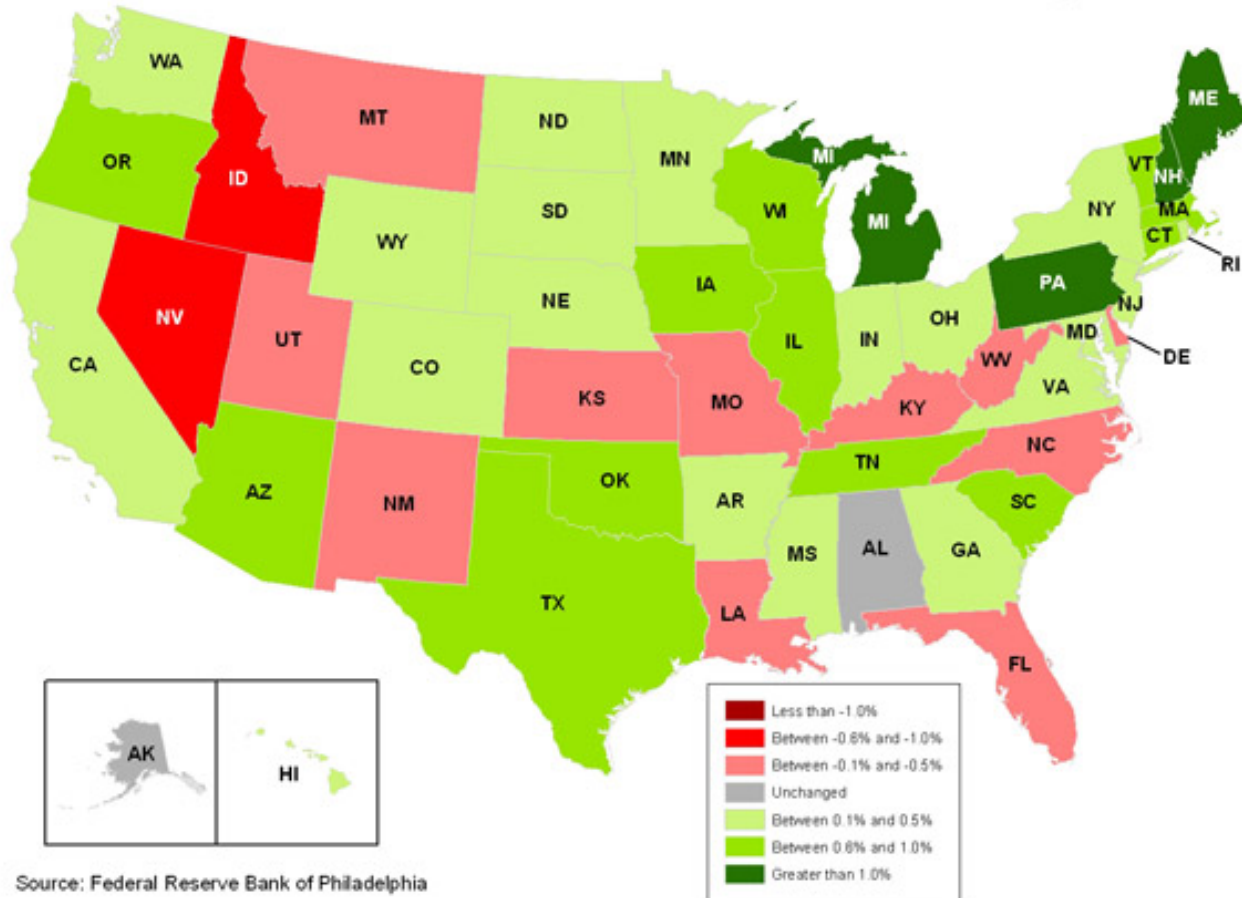
Idaho Nonfarm Employment



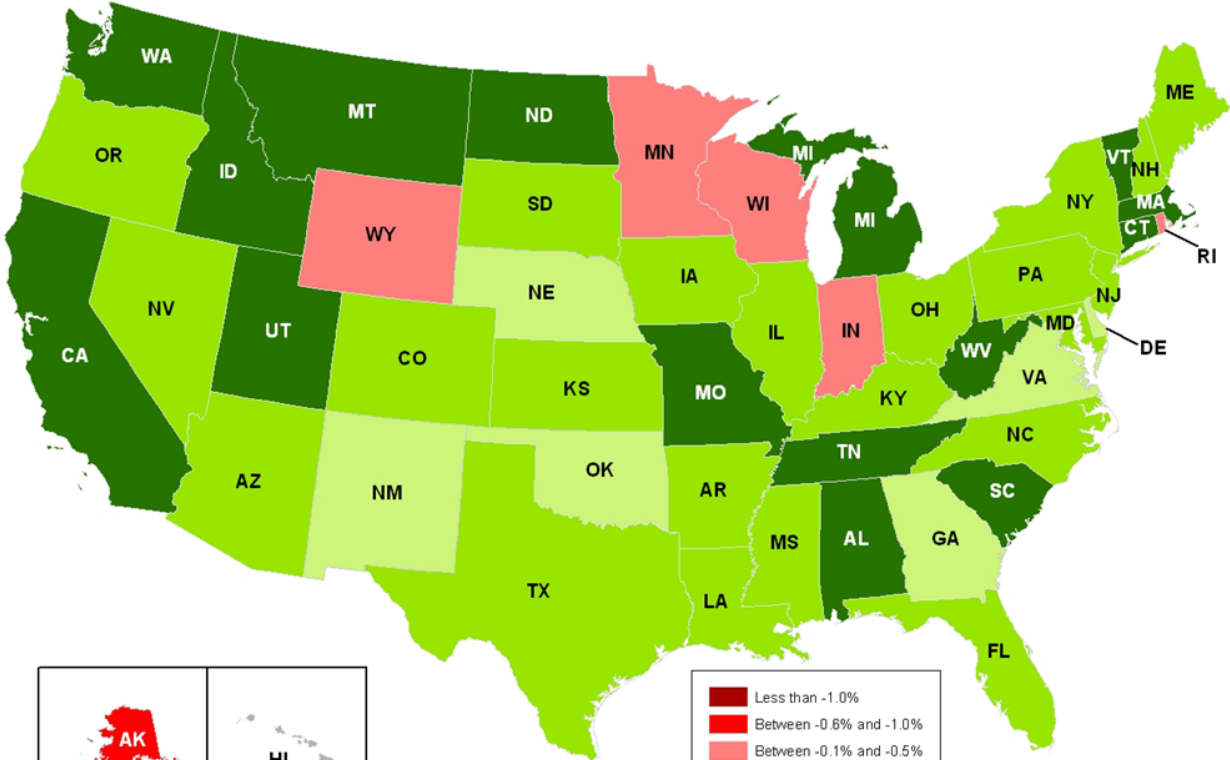
Idaho Housing Starts



November State Coincident Indexes: Three-Month Change



November 2011 State Coincident Indexes: Three-Month Change



Source: Federal Reserve Bank of Philadelphia

