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Center for
Fiscal Policy

Lauren Necochea
Director

Presentation to EORAC
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We believe in making the right investments today with our public dollars so that our state will thrive tomorrow.

And we believe that the more complete information improves policy decisions.

Key Questions

- How is Idaho's economy trending?
- How do urban/rural dynamics affect Idaho's economic performance?
- How is Idaho's economy positioned compared to the rest of the nation?



Idaho's Economy

News to celebrate:

- Inflation-adjusted per-capita personal income is growing
- New jobs are being created
- Unemployment is low



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Business profits and wages growing

Business profits grew by 11.4% between 2013 and 2014 (largest gain in the nation).

Wages are also growing, at 4.9% (11th in the nation).

*From FY14 to FY15, corporate income tax collections shot by up 14.1%.
Individual income tax collections increased by 10.6% (both net of refunds).*



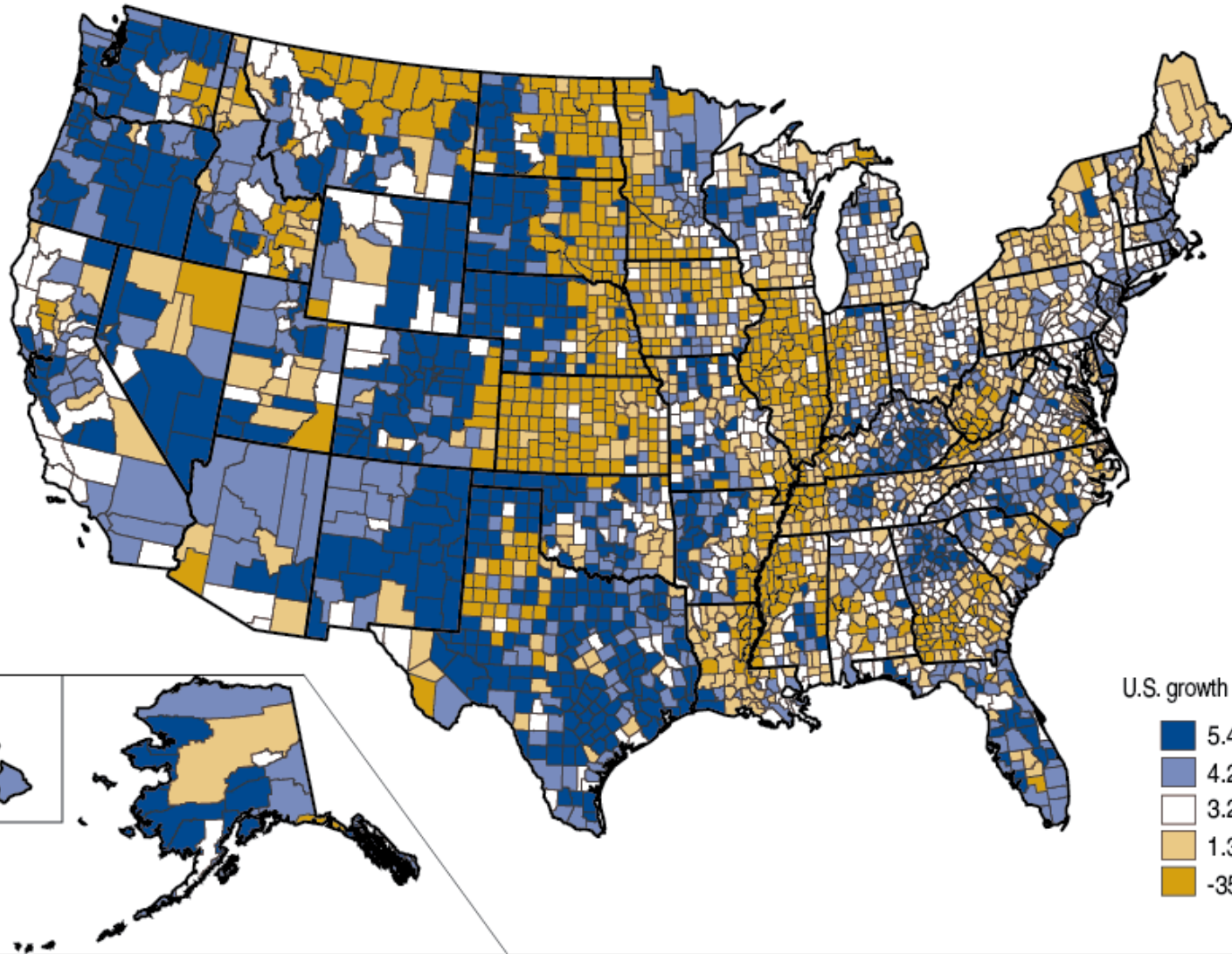
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Recent Personal Income Gains Driven By Agriculture

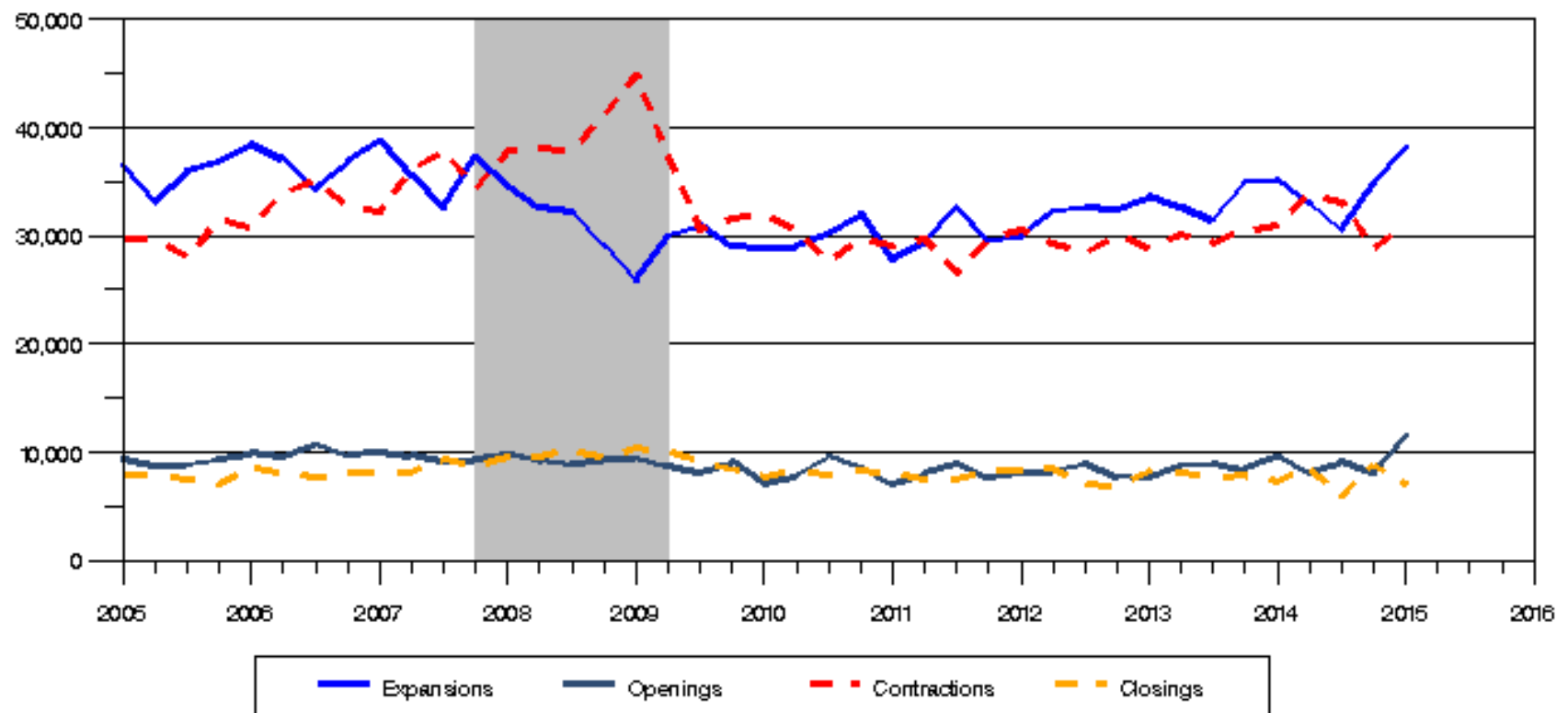
Farm personal income in Idaho grew from \$2.77 billion in 2013 to \$3.32 billion in 2014.

Personal Income: Percent Change for Counties, 2013–2014



Components of private sector gross job gains and job losses, seasonally adjusted
March 2005 — March 2015
Total private

Idaho

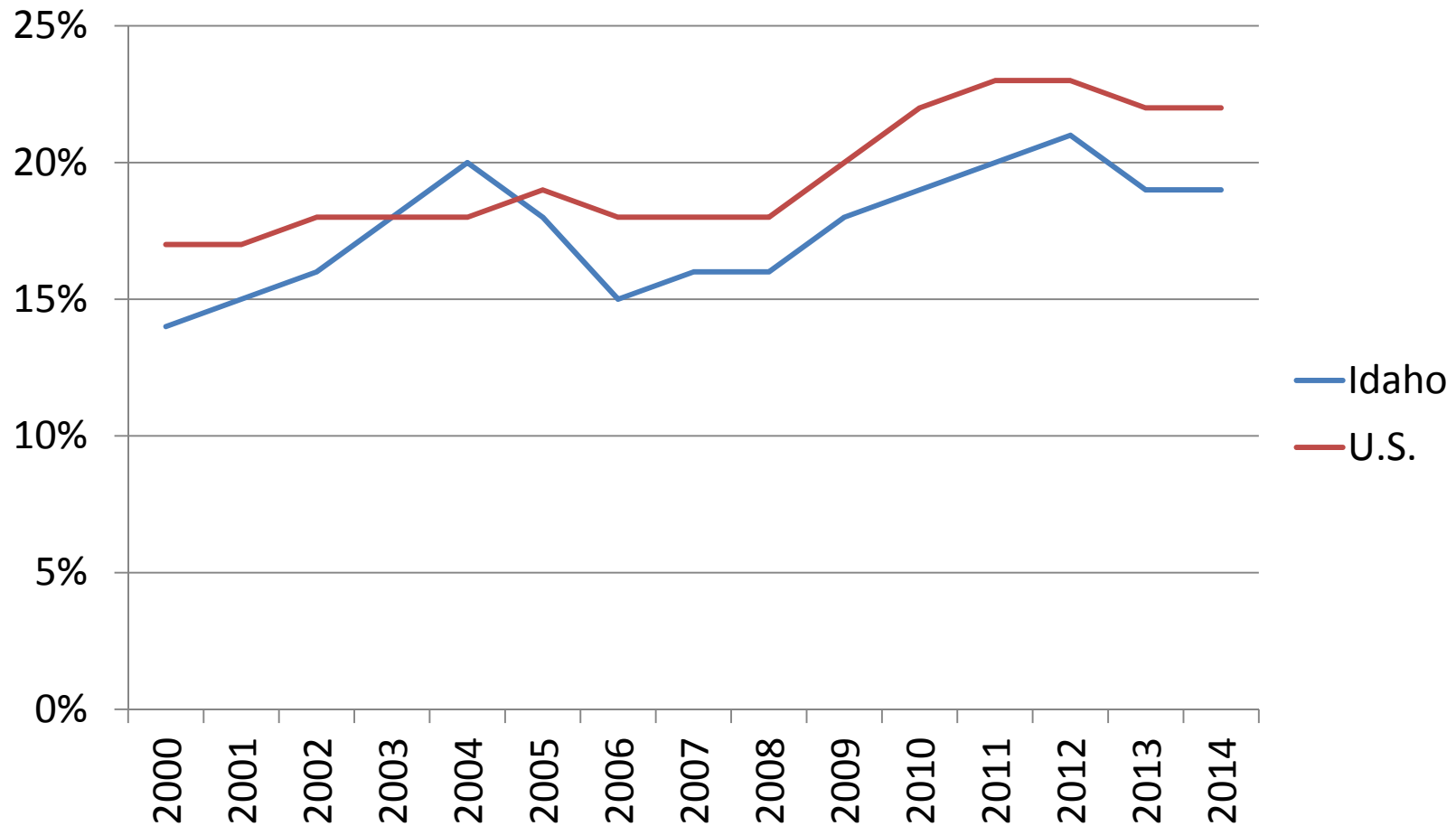


Source: U.S. Bureau of Labor Statistics

Note: Shaded area represents NBER defined recession period.



Percentage of Children Who Live in Poverty



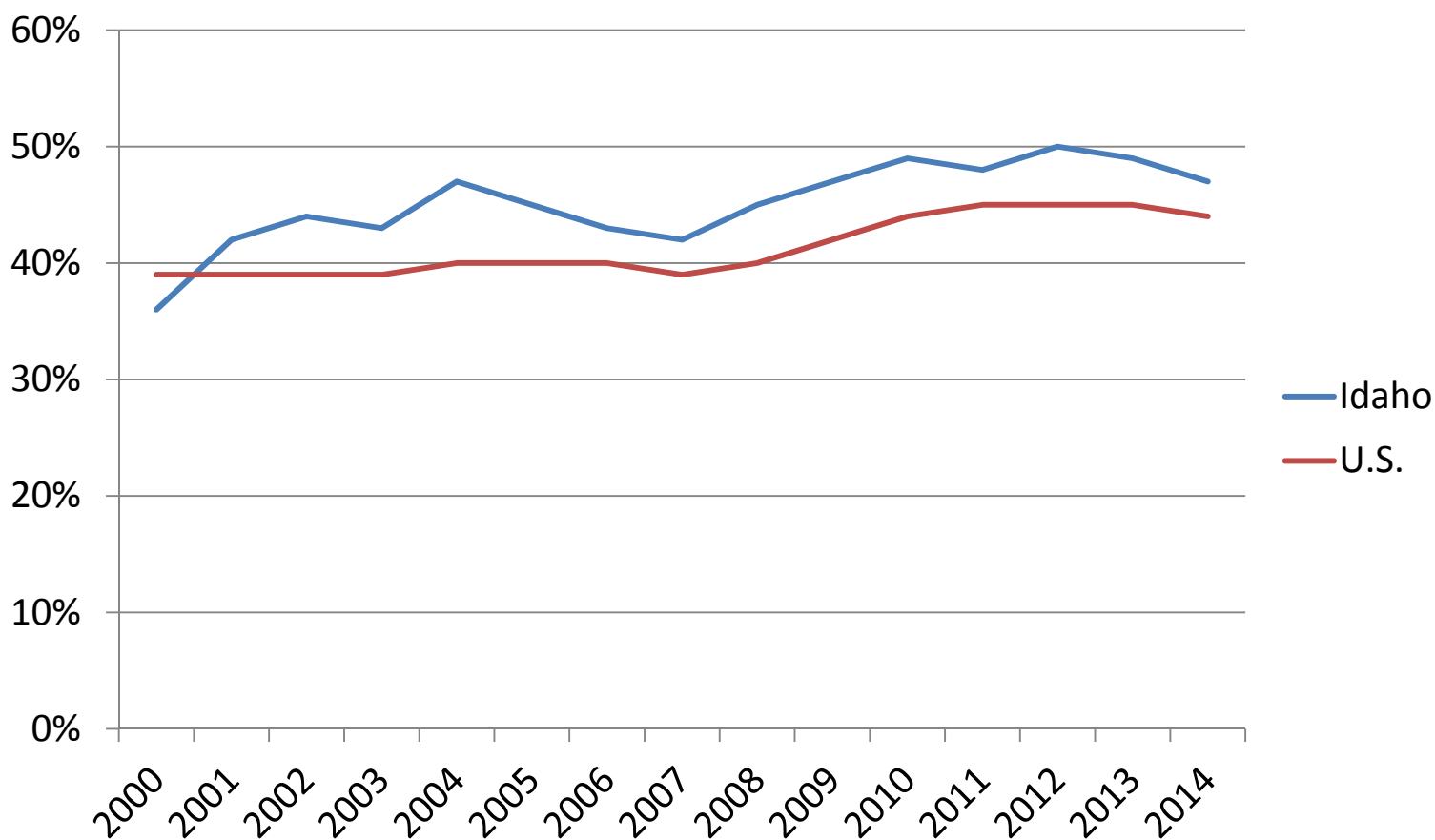
Source: U.S. Census Data, provided by KIDS COUNT



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Percentage of Children Who Are Low-Income (less than 200% Federal Poverty Level)



Source: U.S. Census Data, provided by KIDS COUNT



Poverty Rates for Seniors (65+)

	2005	2014
Idaho	8.5%	9.5%
U.S.	9.9%	9.5%

Source: American Community Survey 1-Year Estimates

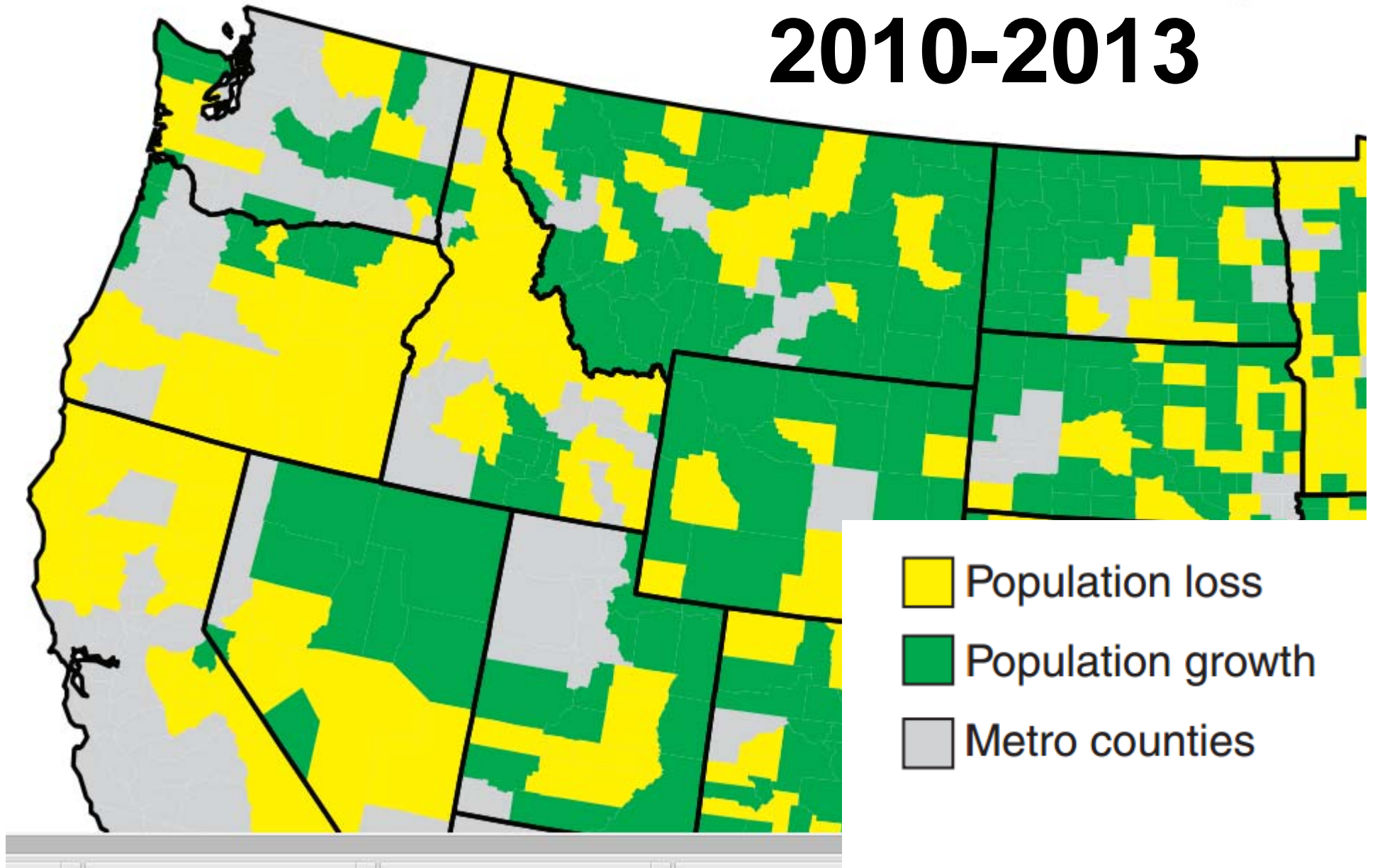


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Urban vs. Rural Economies

Nonmetro population change, 2010-2013



Population Change

	Rural Idaho	Urban Idaho
Total Population (2010)	544,000	1,023,000
Total Population (2014)	548,000	1,086,000
Population change, 2010-2014 (%)	1%	6%
Net migration rate, 2010-2014 (%)	-2%	3%
Natural change rate, 2010-2014 (%)	3%	3%

Source: *Rural Idaho Since the Recession*. August, 2015.
McClure Center for Public Policy Research,
University of Idaho

Unemployment Rate

	Rural Idaho	Urban Idaho	U.S.
Pre-recession (2007)	3.3%	2.9%	4.6%
End of recession (2009)	8.4%	9.0%	9.3%
Current (2013)	5.1%	4.7%	6.2%

Source: *Rural Idaho Since the Recession*. August, 2015.
McClure Center for Public Policy Research,
University of Idaho

Per Capita Income (Adjusted for Inflation)

	Rural Idaho	Urban Idaho	U.S.
Pre-recession (2007)	\$34,329	\$38,658	\$44,721
End of recession (2009)	\$32,522	\$35,414	\$42,760
Current (2013)	\$35,805	\$36,320	\$44,765

Source: *Rural Idaho Since the Recession*. August, 2015.
McClure Center for Public Policy Research,
University of Idaho

Average wage per job (Adjusted for inflation)

	Rural Idaho	Urban Idaho	U.S.
Pre-recession (2007)	\$33,762	\$40,701	\$39,919
End of recession (2009)	\$33,978	\$39,873	\$38,915
Current (2013)	\$34,080	\$39,511	\$39,009

Source: *Rural Idaho Since the Recession*. August, 2015.
McClure Center for Public Policy Research,
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Key Takeaways

- Since 1990, rural parts of Idaho have had weaker economic performance, as measured by unemployment rates, average wages, and per capita income. However, since the recession, gaps have narrowed.
 - In 2007, per capita income in rural Idaho was \$4,329 lower than in urban Idaho. By 2013, the gap had decreased to \$515.
- Since job growth began in 2010, the number of rural jobs has increased 2.6%, compared to an increase of 4.8% for urban jobs.

Source: *Rural Idaho Since the Recession*. August, 2015.
McClure Center for Public Policy Research,
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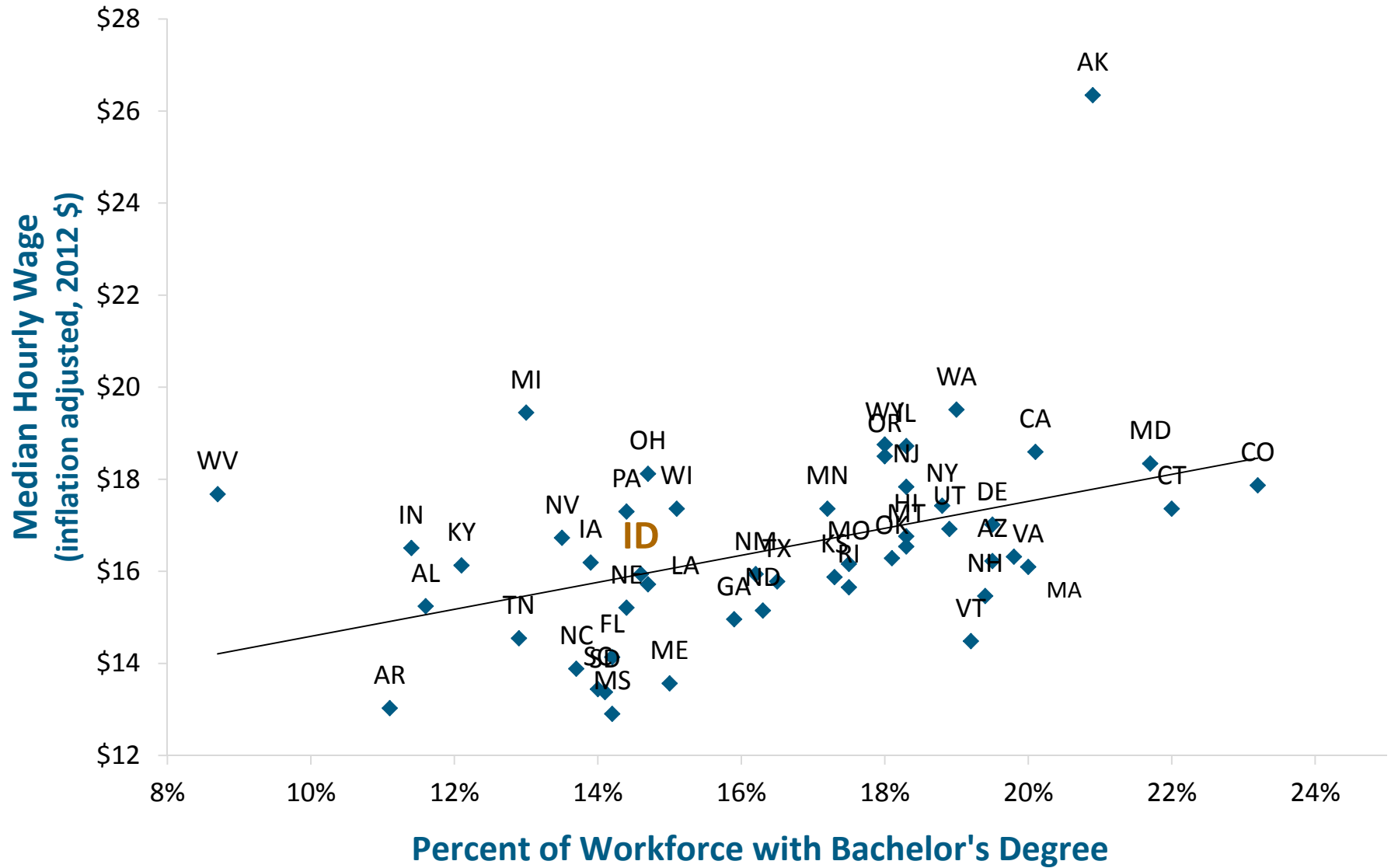
How is Idaho's economy positioned compared to the rest of the nation?



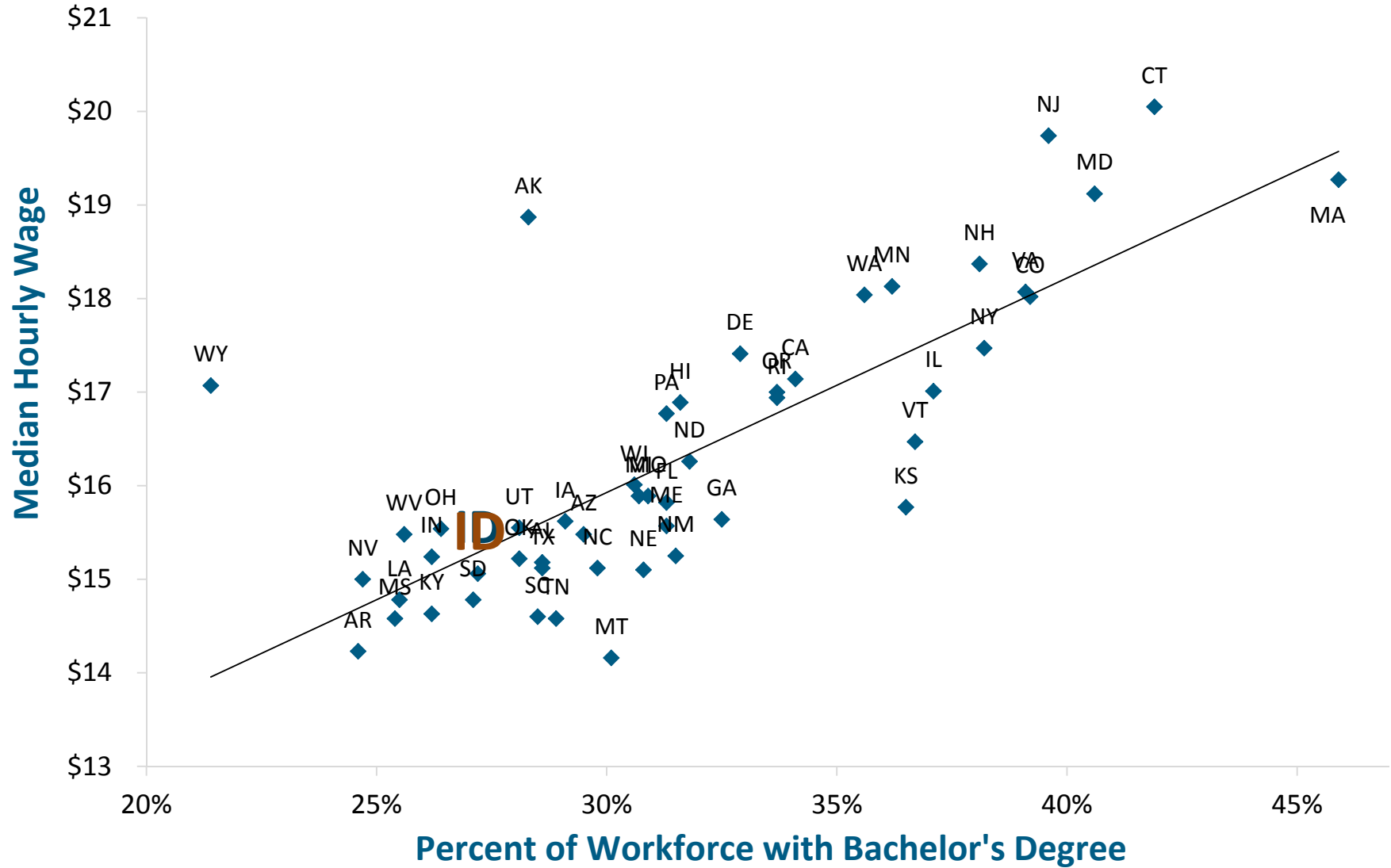
America's Top States for Business 2014 by CNBC

Idaho's Rankings (where 1 is best)	
Cost of Doing Business	8
Economy	42
Infrastructure	34
Workforce	8
Quality of Life	16
Technology & Innovation	41
Business Friendliness	6
Education	45
Cost of Living	11
Access to Capital	21
Overall	16

Weak Relationship Between Education and Wages 30 Years Ago, 1979

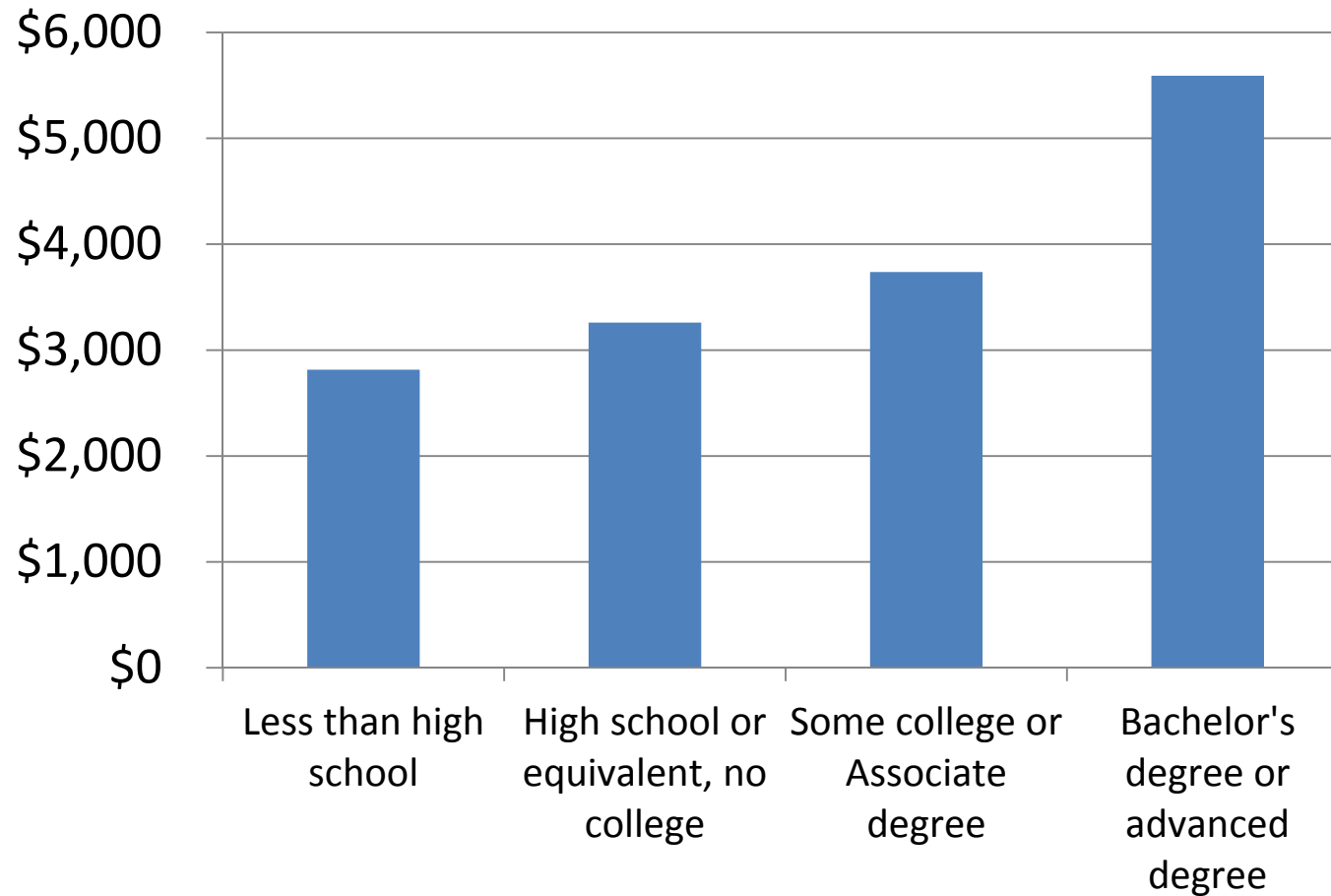


Strong Relationship Between Education and Wages, 2012





Average Monthly Earnings from Q4 in 2014



Source: U.S. Census Data



Educational Attainment: Percentage with an Associate's Degree or Higher

	Idaho	U.S.
Working Age Adults (25-64)	36%	40%



Educational Attainment: Percentage with an Associate's Degree or Higher

	Idaho	U.S.
Young Adults (25-34)	33%	42%
Working Age Adults (25-64)	36%	40%



Report: What Do the Best Entrepreneurs Want?

Endeavor Insight conducted surveys and interviews with 150 founders from some of the fastest-growing companies in the U.S.

Key Lessons:

- 1) Founders of fast-growing firms usually decide where to live based on **personal connections** and **quality of life** factors many years before they start firms
- 2) They value a pool of talented employees more than any other business-related resource that cities can offer.
- 3) Access to customers and suppliers is the second most valuable business-related resource



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Questions?

Contact information:

Lauren Necochea

lnecochea@jannus.org

208-388-1014