

Jan. 12, 2017

Senator Dan G. Johnson
Representative Marc Gibbs
Idaho State Capitol
Statehouse Mail

Dear Sen. Johnson and Rep. Gibbs:

Thank you for the opportunity to present to the Economic Outlook and Revenue Assessment Committee. Committee members asked several important questions about Idaho's current labor market conditions and we are pleased to provide the following responses.

Question: The current projection for the gap between new jobs and available workforce is 49,000 people. Is that number less than what was projected last year? What changes have occurred?

Response: Last year's estimate was 65,000. We continue to refine our estimates based on demographic changes. The main change between the years is that we have experienced a higher net in-migration of workers. With Idaho's low unemployment rate and attractive quality of life, it has attracted workers from other states. Now that other states are experiencing low unemployment rates, this trend is expected to decrease. Even though the projected 49,000 shortfall is an improvement over the prior year, it still represents a major constraint on Idaho's economy.

Important changes are occurring at the occupation level. In our projection of "hot" jobs two years ago, health care professions dominated our in-demand jobs. Now we see other occupations - such as software developers - in highest demand. Health care is still challenged with core shortages but the demand in other areas has grown. An illustration of these jobs is provided in Attachments A-1, A-2.

Question: Who is not being counted in the unemployment rate? Can you give us numbers of the underemployed and unemployed that are not being counted in Labor's employment rate?

Response: The U.S. Bureau of Labor Statistics (BLS) uses six measurements of unemployment, known as U-1 through U-6. Each of these rates is based around "Civilian Labor Force," a term used by the BLS to describe Americans who have jobs or are seeking a job, are at least 16 years old, are not serving in the military and are not institutionalized.

The lowest level or U-1, represents people who are unemployed 15 weeks or longer as a percentage of the civilian workforce. Idaho's rate as of Nov. 30, 2016, for Idaho was 1.0%; the national rate was 2.0%.

The most common measurement used for the official monthly unemployment rate is U-3, which is the total unemployed as a percent of the civilian labor force. As of Nov. 30, 2016, the Idaho and national rates were 3.8% and 4.6%, respectively.

The broadest definition is U-6, which represents total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percentage of the civilian workforce plus all marginally attached workers. This rate normally runs approximately twice the U-3 rate. As of November 30, 2016, the Idaho and national rates were 8.1% and 9.8%, respectively. Attachment B shows the historical trend for this rate in comparison to U-3 for the past 10 years.

Question: How does Idaho compare with the national job growth and demand?

Response: New job growth in Idaho is projected to be 138,000 jobs between 2014 and 2024, an annual growth rate of 1.8%. This does not include replacement jobs that run anywhere from one and a half to twice the new job growth rate. The national new job growth rate during this period is expected to be 0.6% annually.

Question: How does Idaho compare with surrounding states for labor force and jobs and average weekly wage rates?

Response: Idaho and the surrounding states are experiencing similar workforce challenges. Attachments C - G provide comparisons of key measurements with Washington, Oregon, Nevada, Utah, Montana and Wyoming. These also are compared with national averages.

Question: It appears baby boomers should stay in the workforce longer. Millennials don't seem as committed to entering the work force. What trends are happening?

Response: The "labor participation rate" measures the number of people age 16 and older who are in the labor force as a percentage of the civilian noninstitutionalized population. These people are either looking for employment or are employed. People not included in the participation rate include those who do not want to work or can't work. This includes students, homemakers, and retirees among others.

The national labor participation rate has been declining for several years from a peak of 67.3% in the second quarter of 2000 and now is at 62.7%. Idaho also has experienced a decline in labor force participation, although this trend has changed beginning in 2015. Idaho's peak was at 71.0% in the fourth quarter of 1998, declining to 63.4% in fourth quarter of 2014 and is now 64.0%. This upward change also has helped to narrow Idaho's gap between new jobs and available workforce.

Attachments H-1, H-2 provides the national breakdown by age group over the past 10 years. Similar statistics are not available for Idaho but the distribution should be similar.

On your website, it appears there are 15,750 job openings. How does this compare to the number of unemployed? You also talk of the mismatch between hard-to-fill positions and available job seekers. Can you give us more information on what that means and what should be done?

The Department of Labor uses various sources to identify job listings. One source referenced on the website is called Indeed. Several other commercial sites are available in addition to listings posted directly with the Department of Labor. We consider job listings to be an indicator of demand although it is an inexact science. Many employers do not list their jobs and instead list them internally or on their websites.

Internally we classify jobs that remained open for more than 90 days as hard to fill which represents approximately 4,600 jobs. Another measurement is the number of open positions compared with job seekers. Attachment I shows the trend for this measurement over the past 10 years.

As Idaho increases training opportunities for job seekers to train for these positions, we anticipate many of these positions will be filled by people who are currently employed and are upgrading their skills or entering into new occupations. Therefore, the currently unemployed will move into the existing vacant positions.

The department is focused on addressing the shortage of workers and the training necessary to meet employers' requirements. Please let us know if there is additional information that the committee members request.

Sincerely,



Kenneth D. Edmunds

cc: Economic Outlook and Revenue Assessment Committee



Idaho's Hot Jobs

Occupational Projections from 2014 to 2024

Attachment A-1

Rank	Change from Previous Rank	Occupation Title	2024 Employment	Annual Openings	Percent Change	2014 Median Wage	Typical Entry Level Education
1	↑3	Software Developers	6,969	259	36.8%	\$36.35	Bachelor's
2	↑74	Lawyers	3,315	109	27.2%	\$37.04	Doctoral
3	↑23	Management Analysts	2,959	106	34.4%	\$29.26	Bachelor's
4	↑22	Accountants and Auditors	5,385	229	27.5%	\$29.33	Bachelor's
5	↑19	Civil Engineers	2,133	96	28.3%	\$35.31	Bachelor's
6	↑25	Personal Financial Advisors	1,141	53	39.3%	\$33.82	Bachelor's
7	↑40	Business Operations Specialists, All Other	3,229	99	26.8%	\$30.03	Bachelor's
8	↓5	Physical Therapists	1,347	59	29.8%	\$37.64	Doctoral
9	↑10	Health Specialties Teachers, Postsecondary	1,209	45	30.4%	\$39.33	Doctoral
10	↓1	Market Research Analysts and Marketing Specialists	1,949	71	38.3%	\$24.76	Bachelor's

Hot jobs are defined as occupations that are numerous, fast-growing and well-paying.
 Source: Idaho Department of Labor and the U.S. Bureau of Labor Statistics



Idaho's Hot Jobs

Occupational Projections from 2014 to 2024

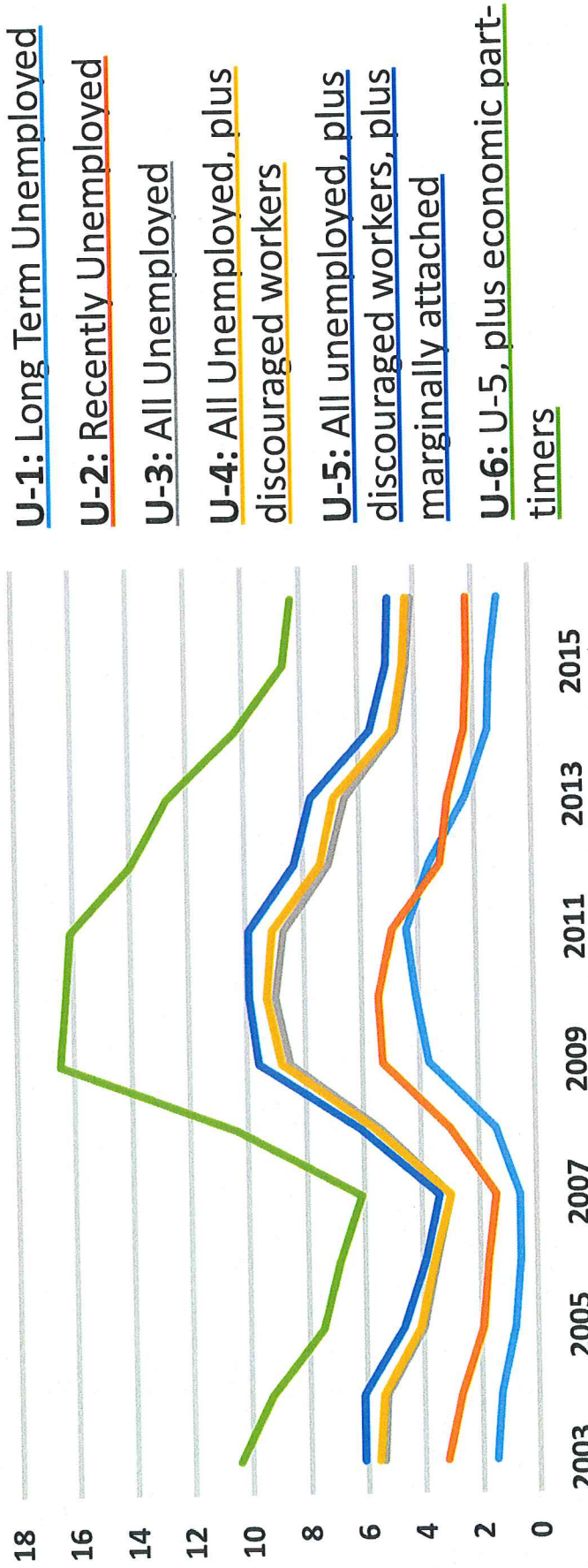
Attachment A-2

Rank	Change from Previous Rank	Occupation Title	2024 Employment	Annual Openings	Percent Change	2014 Median Wage	Typical Entry Level Education
11	↓9	Registered Nurses	14,357	242	20.3%	\$29.30	Bachelor's
12	↓2	Nurse Practitioners	752	18	32.4%	\$44.52	Master's
13	↓7	Industrial Machinery Mechanics	2040	50	32.3%	\$23.36	High School
14	↑124	Veterinarians	745	18	31.4%	\$39.45	Doctoral
15	↓10	Physician Assistants	760	17	28.6%	\$45.17	Master's
16	↑207	Public Relations Specialists	805	22	37.8%	\$28.33	Bachelor's
17	↑80	Network and Computer Systems Administrators	1,857	36	24.3%	\$29.28	Bachelor's
18	↑315	Conservation Scientists	519	18	54.9%	\$28.82	Bachelor's
19	↑21	Operations Research Analysts	572	18	44.1%	\$29.90	Bachelor's
20	↑73	Web Developers	1,466	50	52.1%	\$18.31	Associates

Hot jobs are defined as occupations that are numerous, fast-growing and well-paying.
 Source: Idaho Department of Labor and the U.S. Bureau of Labor Statistics

Alternative Unemployment Rates

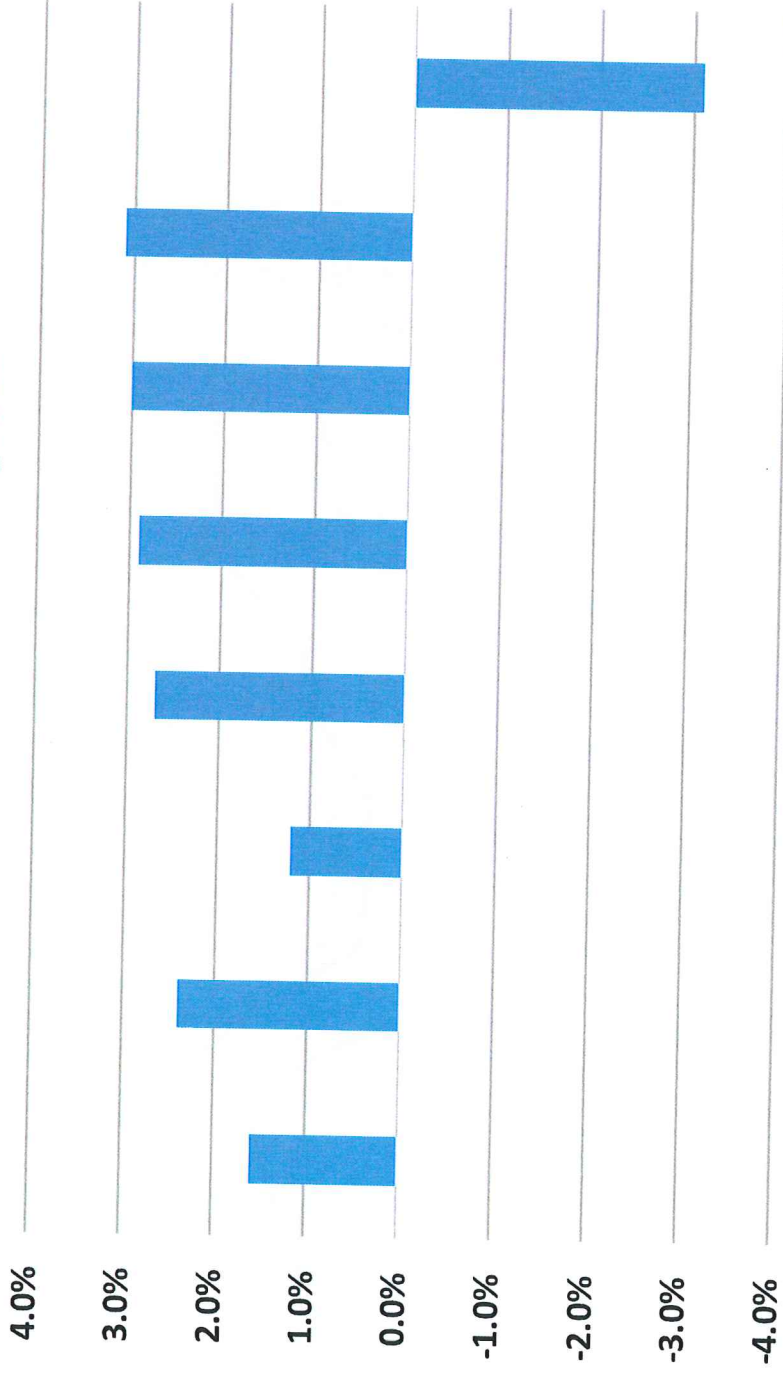
Measures of Labor Underutilization for Idaho, 2003 - 2016



For more information please visit: <https://www.bls.gov/lau/stalt.htm>

Source: US Bureau of Labor Statistics

Over-the-Year Change of Total NonFarm Jobs Nation, Idaho and the Surrounding States

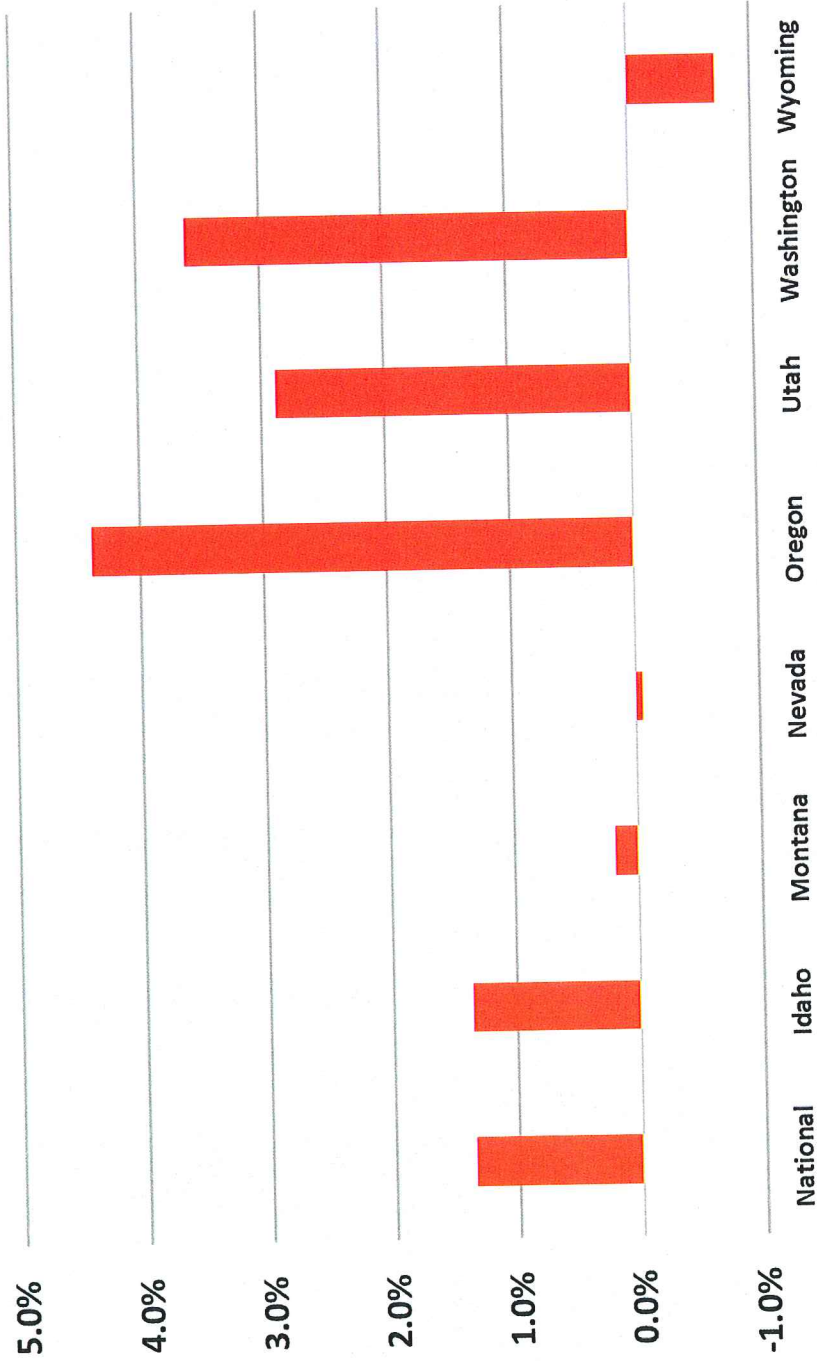


Nation Idaho Montana Nevada Oregon Utah Washington Wyoming
November 2015 to November 2016

Source: Idaho Department of Labor, US Bureau of Labor Statistics

Over-the-Year Change of Labor Force Nation, Idaho and the Surrounding States

Attachment D

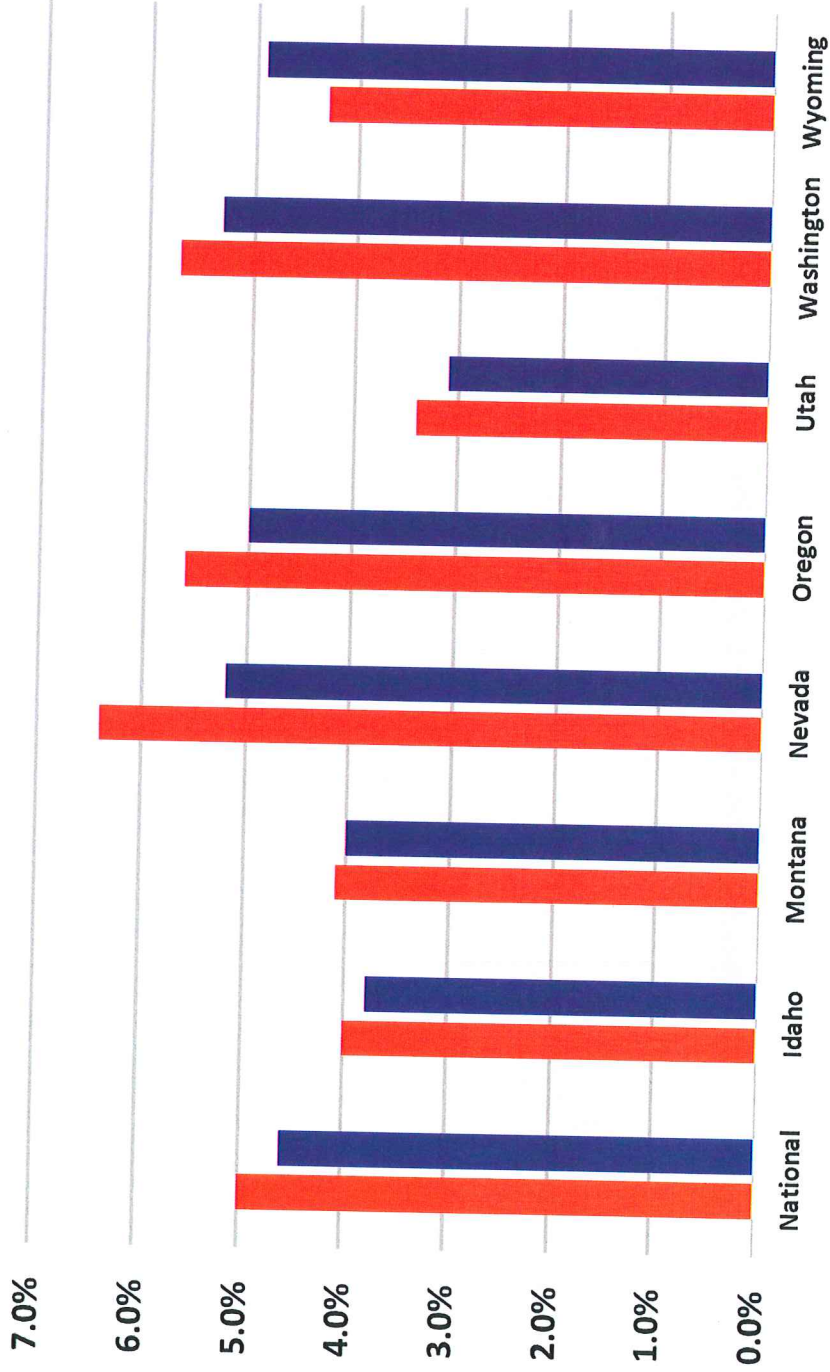


November 2015 to November 2016

Source: Idaho Department of Labor, US Bureau of Labor Statistics

Over the Year Change of Unemployment Rates Nation, Idaho and the Surrounding States

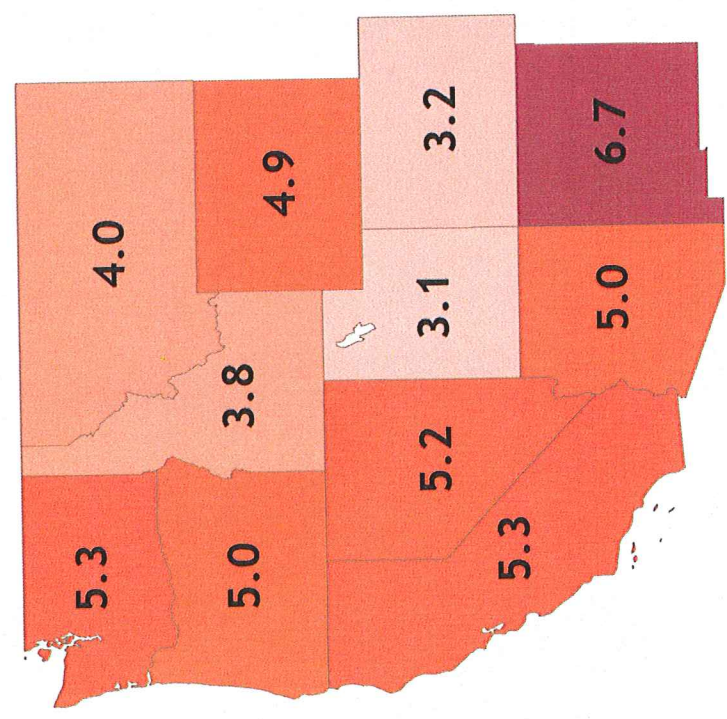
■ Nov-15 ■ Nov-16



Source: Idaho Department of Labor, US Bureau of Labor Statistics

Unemployment Rate

Idaho and the Surrounding States, November 2016



Source: Idaho Department of Labor, US Bureau of Labor Statistics

Attachment G – Labor Force data for Nation, Idaho and the Surrounding States

Civilian Non-Institutionalized Population

	National	Idaho	Montana	Nevada	Oregon	Utah	Washington	Wyoming
Nov-16	254,540,000	1,271,619	826,261	2,314,773	3,292,362	2,210,022	5,742,120	453,497
Nov-15	251,747,000	1,254,875	819,277	2,273,229	3,244,272	2,167,579	5,656,907	452,450
Y-t-Y Change	2,793,000	16,744	6,984	41,544	48,090	42,443	85,213	1,047
Y-t-Y %Change	1.1%	1.3%	0.9%	1.8%	1.5%	2.0%	1.5%	0.2%

Labor Force

	National	Idaho	Montana	Nevada	Oregon	Utah	Washington	Wyoming
Nov-16	159,486,000	814,358	524,826	1,430,560	2,078,043	1,514,147	3,690,953	302,395
Nov-15	157,367,000	803,454	523,888	1,431,416	1,990,723	1,471,737	3,562,610	304,586
Y-t-Y Change	2,119,000	10,904	938	(856)	87,320	42,410	128,343	(2,191)
Y-t-Y %Change	1.3%	1.4%	0.2%	-0.1%	4.4%	2.9%	3.6%	-0.7%

Participation Rate

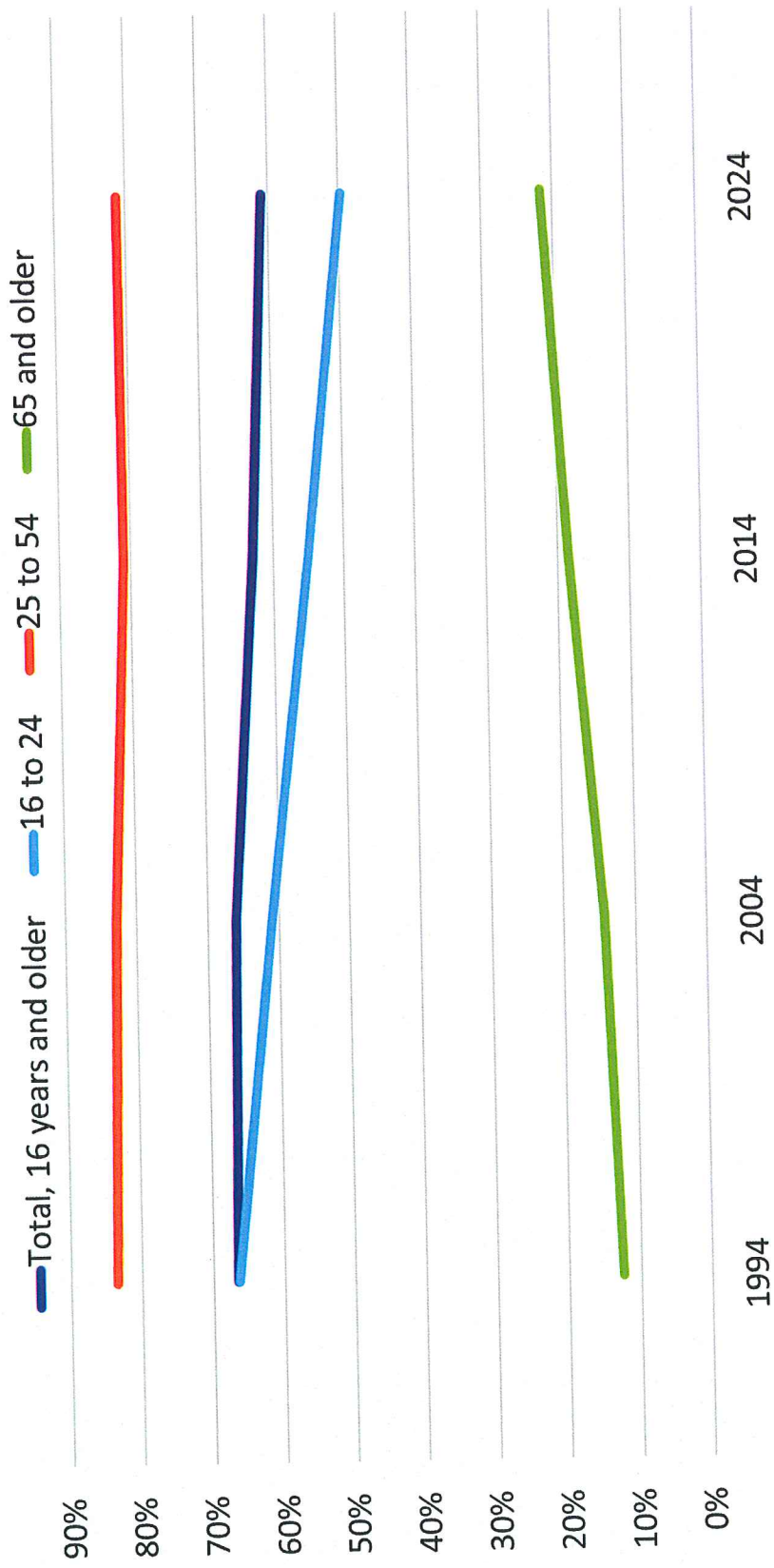
	National	Idaho	Montana	Nevada	Oregon	Utah	Washington	Wyoming
Nov-16	62.7%	64.0%	63.5%	61.8%	63.1%	68.5%	64.3%	66.7%
Nov-15	62.5%	64.0%	63.9%	63.0%	61.4%	67.9%	63.0%	67.3%
Y-t-Y Change	0.2%	0.0%	-0.4%	-1.2%	1.7%	0.6%	1.3%	-0.6%

Unemployment Rate

	National	Idaho	Montana	Nevada	Oregon	Utah	Washington	Wyoming
Nov-16	4.6%	3.8%	4.0%	5.2%	5.0%	3.1%	5.3%	4.9%
Nov-15	5.0%	4.0%	4.1%	6.4%	5.6%	3.4%	5.7%	4.3%
Y-t-Y Change	-0.4%	-0.2%	-0.1%	-1.2%	-0.6%	-0.3%	-0.4%	0.6%

Source: Idaho Department of Labor, US Bureau of Labor Statistics

National Labor Force Participation Rates by Age Group
 1994 to 2014, 2024 Projected
 Attachment H-1



For more information please visit: https://www.bls.gov/emp/ep_table_303.htm

Source: Idaho Department of Labor, US Bureau of Labor Statistics – December 2016

**Next three pages are
attachment H-2.**



Employment Projections

Civilian labor force participation rate by age, gender, race, and ethnicity

This table also can be found in the article, "[Labor force projections to 2024: the labor force is growing, but slowly](#)," published in the *December 2015 Monthly Labor Review*.

Other available formats: ([XLSX](#))

Table 3.3 Civilian labor force participation rate, by age, gender, race, and ethnicity, 1994, 2004, 2014, and projected 2024 (in percent)

Group	Participation rate				Percentage-point change			Annual growth rate		
	1994	2004	2014	2024	1994–2004	2004–14	2014–24	1994–2004	2004–14	2014–24
Total, 16 years and older	66.6	66.0	62.9	60.9	-0.6	-3.1	-2.0	-0.1	-0.5	-0.3
16 to 24	66.4	61.1	55.0	49.7	-5.3	-6.1	-5.3	-0.8	-1.0	-1.0
16 to 19	52.7	43.9	34.0	26.4	-8.8	-9.9	-7.6	-1.8	-2.5	-2.5
20 to 24	77.0	75.0	70.8	68.2	-2.0	-4.2	-2.6	-0.3	-0.6	-0.4
25 to 54	83.4	82.8	80.9	81.2	-0.6	-1.9	0.3	-0.1	-0.2	0.0
25 to 34	83.2	82.7	81.2	81.3	-0.5	-1.5	0.1	-0.1	-0.2	0.0
35 to 44	84.8	83.6	82.2	81.7	-1.2	-1.4	-0.5	-0.1	-0.2	-0.1
45 to 54	81.7	81.8	79.6	81.0	0.1	-2.2	1.4	0.0	-0.3	0.2
55 and older	30.1	36.2	40.0	39.4	6.1	3.8	-0.6	1.9	1.0	-0.2
55 to 64	56.8	62.3	64.1	66.3	5.5	1.8	2.2	0.9	0.3	0.3
55 to 59	67.7	71.1	71.4	74.2	3.4	0.3	2.8	0.5	0.0	0.4
60 to 64	44.9	50.9	55.8	58.8	6.0	4.9	3.0	1.3	0.9	0.5
60 to 61	54.5	59.2	63.4	67.1	4.7	4.2	3.7	0.8	0.7	0.6
62 to 64	38.7	44.4	50.2	53.2	5.7	5.8	3.0	1.4	1.2	0.6
65 and older	12.4	14.4	18.6	21.7	2.0	4.2	3.1	1.5	2.6	1.6
65 to 74	17.2	21.9	26.2	29.9	4.7	4.3	3.7	2.4	1.8	1.3
65 to 69	21.9	27.7	31.6	36.2	5.8	3.9	4.6	2.4	1.3	1.4
70 to 74	11.8	15.3	18.9	22.8	3.5	3.6	3.9	2.6	2.1	1.9
75 to 79	6.6	8.8	11.3	14.4	2.2	2.5	3.1	2.9	2.5	2.5
75 and older	5.4	6.1	8.0	10.6	0.7	1.9	2.6	1.2	2.7	2.9
Men, 16 years and older	75.1	73.3	69.2	66.2	-1.8	-4.1	-3.0	-0.2	-0.6	-0.4
16 to 24	70.3	63.9	56.4	50.2	-6.4	-7.5	-6.2	-0.9	-1.2	-1.2
16 to 19	54.1	43.9	33.5	27.5	-10.2	-10.4	-6.0	-2.1	-2.7	-2.0
20 to 24	83.1	79.6	73.9	68.3	-3.5	-5.7	-5.6	-0.4	-0.7	-0.8
25 to 54	91.7	90.5	88.2	87.3	-1.2	-2.3	-0.9	-0.1	-0.3	-0.1
25 to 34	92.6	91.9	88.7	87.0	-0.7	-3.2	-1.7	-0.1	-0.4	-0.2
35 to 44	92.8	91.9	90.5	90.1	-0.9	-1.4	-0.4	-0.1	-0.2	0.0
45 to 54	89.1	87.5	85.6	84.4	-1.6	-1.9	-1.2	-0.2	-0.2	-0.1
55 and older	37.8	43.2	45.9	44.0	5.4	2.7	-1.9	1.3	0.6	-0.4
55 to 64	65.5	68.7	69.9	69.9	3.2	1.2	0.0	0.5	0.2	0.0
55 to 59	76.9	77.6	76.8	76.3	0.7	-0.8	-0.5	0.1	-0.1	-0.1
60 to 64	52.8	57.0	61.9	63.8	4.2	4.9	1.9	0.8	0.8	0.3
60 to 61	64.8	64.9	69.7	69.7	0.1	4.8	0.0	0.0	0.7	0.0
62 to 64	45.1	50.8	56.2	59.9	5.7	5.4	3.7	1.2	1.0	0.6
65 and older	16.9	19.0	23.0	25.7	2.1	4.0	2.7	1.2	1.9	1.1

Civilian labor force participation rate by age, gender, race, and ethnicity

Group	Participation rate				Percentage-point change			Annual growth rate		
	1994	2004	2014	2024	1994-2004	2004-14	2014-24	1994-2004	2004-14	2014-24
65 to 74	21.7	26.7	30.6	34.0	5.0	3.9	3.4	2.1	1.4	1.1
65 to 69	26.8	32.6	36.1	40.0	5.8	3.5	3.9	2.0	1.0	1.0
70 to 74	15.8	19.4	22.8	26.6	3.6	3.4	3.8	2.1	1.6	1.6
75 to 79	9.8	12.4	14.5	17.3	2.6	2.1	2.8	2.4	1.6	1.8
75 and older	8.6	9.0	11.0	13.5	0.4	2.0	2.5	0.5	2.0	2.1
Women, 16 years and older	58.8	59.2	57.0	55.8	0.4	-2.2	-1.2	0.1	-0.4	-0.2
16 to 24	62.5	58.7	53.6	48.6	-3.8	-5.1	-5.0	-0.6	-0.9	-1.0
16 to 19	51.3	43.8	34.5	25.9	-7.5	-9.3	-8.6	-1.6	-2.4	-2.8
20 to 24	71.0	70.5	67.7	66.5	-0.5	-2.8	-1.2	-0.1	-0.4	-0.2
25 to 54	75.3	75.3	73.9	75.2	0.0	-1.4	1.3	0.0	-0.2	0.2
25 to 34	74.0	73.6	73.8	74.9	-0.4	0.2	1.1	-0.1	0.0	0.1
35 to 44	77.1	75.6	74.1	73.9	-1.5	-1.5	-0.2	-0.2	-0.2	0.0
45 to 54	74.6	76.5	73.8	77.0	1.9	-2.7	3.2	0.3	-0.4	0.4
55 and older	24.0	30.5	34.9	35.4	6.5	4.4	0.5	2.4	1.4	0.1
55 to 64	48.9	56.3	58.8	62.9	7.4	2.5	4.1	1.4	0.4	0.7
55 to 59	59.2	65.0	66.4	72.2	5.8	1.4	5.8	0.9	0.2	0.8
60 to 64	37.8	45.4	50.2	54.2	7.6	4.8	4.0	1.8	1.0	0.8
60 to 61	45.3	54.0	57.6	64.8	8.7	3.6	7.2	1.8	0.6	1.2
62 to 64	33.1	38.7	44.7	47.1	5.6	6.0	2.4	1.6	1.5	0.5
65 and older	9.2	11.1	15.1	18.4	1.9	4.0	3.3	1.9	3.1	2.0
65 to 74	13.6	18.0	22.4	26.2	4.4	4.4	3.8	2.8	2.2	1.6
65 to 69	17.9	23.3	27.5	32.8	5.4	4.2	5.3	2.7	1.7	1.8
70 to 74	8.7	12.0	15.6	18.5	3.3	3.6	2.9	3.3	2.7	1.7
75 to 79	4.4	6.3	8.9	12.0	1.9	2.6	3.1	3.7	3.5	3.0
75 and older	3.5	4.3	5.9	8.4	0.8	1.6	2.5	2.1	3.2	3.6
Race:										
White	67.1	66.3	63.1	60.8	-0.8	-3.2	-2.3	-0.1	-0.5	-0.4
Men	75.9	74.1	69.8	66.5	-1.8	-4.3	-3.3	-0.2	-0.6	-0.5
Women	58.9	58.9	56.7	55.2	0.0	-2.2	-1.5	0.0	-0.4	-0.3
Black	63.4	63.8	61.2	59.7	0.4	-2.6	-1.5	0.1	-0.4	-0.2
Men	69.1	66.7	63.6	60.7	-2.4	-3.1	-2.9	-0.4	-0.5	-0.5
Women	58.7	61.5	59.2	58.9	2.8	-2.3	-0.3	0.5	-0.4	-0.1
Asian	65.3	65.9	63.6	63.0	0.6	-2.3	-0.6	0.1	-0.4	-0.1
Men	74.3	75.0	72.4	71.3	0.7	-2.6	-1.1	0.1	-0.4	-0.2
Women	56.9	57.6	55.8	55.7	0.7	-1.8	-0.1	0.1	-0.3	0.0
All other race groups(1)	-	66.4	67.6	63.1	-	1.2	-4.5	-	0.2	-0.7
Men	-	73.2	72.0	68.3	-	-1.3	-3.7	-	-0.2	-0.5
Women	-	60.0	63.3	57.8	-	3.3	-5.5	-	0.5	-0.9
Ethnicity:										
Hispanic origin	66.1	68.6	66.1	65.9	2.5	-2.5	-0.2	0.4	-0.4	0.0
Men	79.2	80.4	76.1	74.3	1.2	-4.3	-1.8	0.2	-0.5	-0.2
Women	52.9	56.1	56.0	57.4	3.2	-0.1	1.4	0.6	0.0	0.2
Other than Hispanic origin	66.6	65.6	62.3	59.7	-1.0	-3.3	-2.6	-0.2	-0.5	-0.4
Men	74.6	72.2	67.9	64.3	-2.4	-4.3	-3.6	-0.3	-0.6	-0.5
Women	59.4	59.6	57.2	55.5	0.2	-2.4	-2.1	0.0	-0.4	-0.4
White non-Hispanic	67.2	65.9	62.4	60.7	-1.3	-3.5	-1.7	-0.2	-0.5	-0.3
Men	75.5	73.0	68.4	66.0	-2.5	-4.6	-2.4	-0.3	-0.6	-0.4
Women	60.1	59.3	56.9	55.7	-0.8	-2.4	-1.2	-0.1	-0.4	-0.2
Age of baby boomers	30 to 48	40 to 58	50 to 68	60 to 78						

1/11/2017

Civilian labor force participation rate by age, gender, race, and ethnicity

Group	Participation rate				Percentage-point change			Annual growth rate		
	1994	2004	2014	2024	1994– 2004	2004– 14	2014– 24	1994– 2004	2004– 14	2014– 24

Footnotes:

1 The "all other groups" category includes (1) those classified as being of multiple racial origin and (2) the race categories of (2a) American Indian and Alaska Native or (2b) Native Hawaiian and Other Pacific Islanders.
Note: Dash indicates no data collected for category. Details may not sum to totals because of rounding.

Source: Employment Projections program, U.S. Bureau of Labor Statistics

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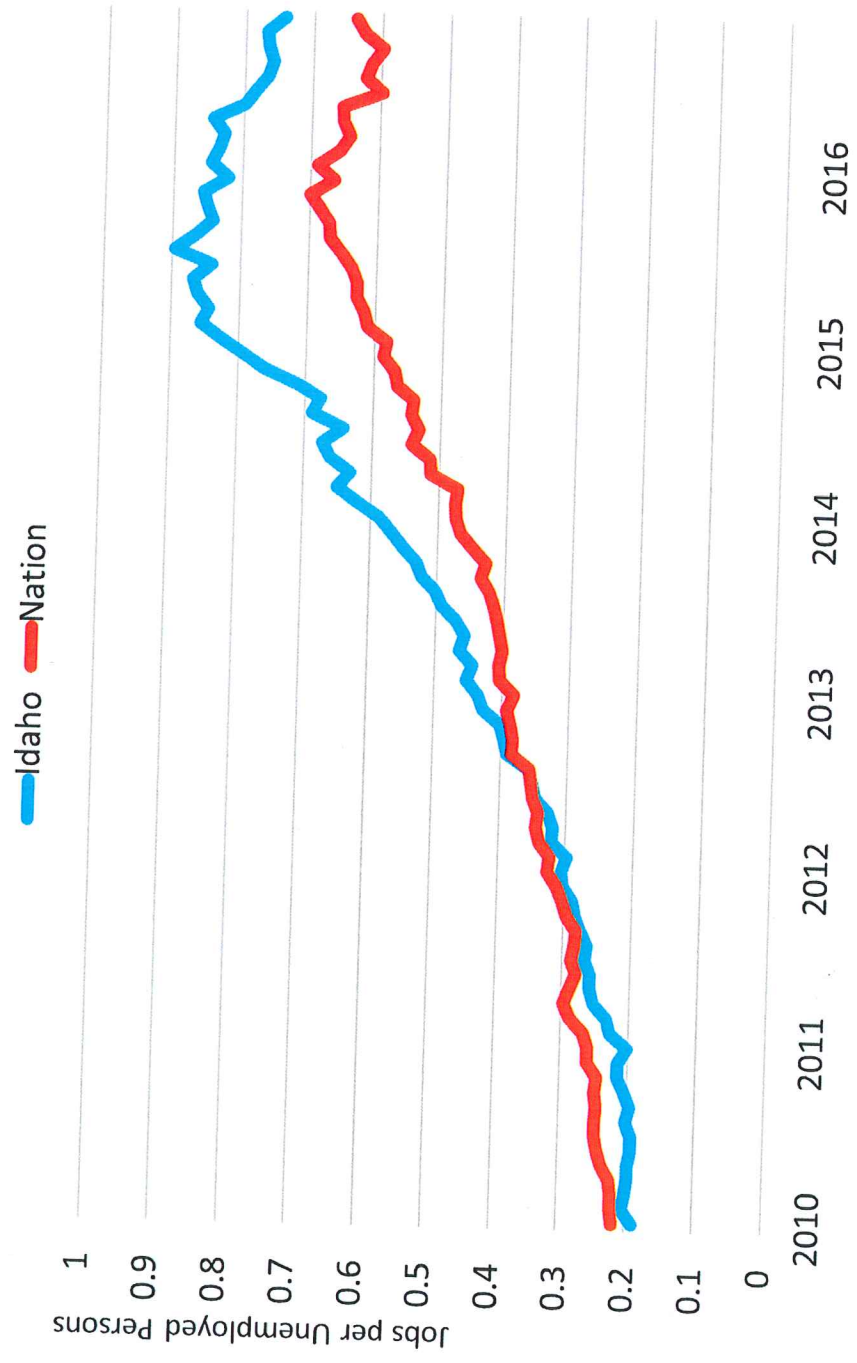
Last Modified Date: December 8, 2015

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Washington, DC 20212-0001

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Job Opening Demand Pressure 2010-2016

Attachment I



Source: Idaho Department of Labor, The Conference Board – December 2016