



Idaho Economic Outlook

Economic Outlook and Revenue Assessment Committee

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Disclaimer



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Agenda

Macro Economic Topics

- • Wall of Worry – Recession Watch ■
- • Recession Indicators ■
- • Idaho Home Values/Residential Permits, a risk? ■
- • Debt Market Yields interpretation ■

Electric Utility Forecast

- • Southern Idaho Electricity Outlook ■
- • Climate and Policy Implications on Price to Consumers ■

Wall of Worry – High Stress Points



Inflation

Stock Market

Oil

Home Prices

Policy Error

Supply Shocks

Russia-Ukraine

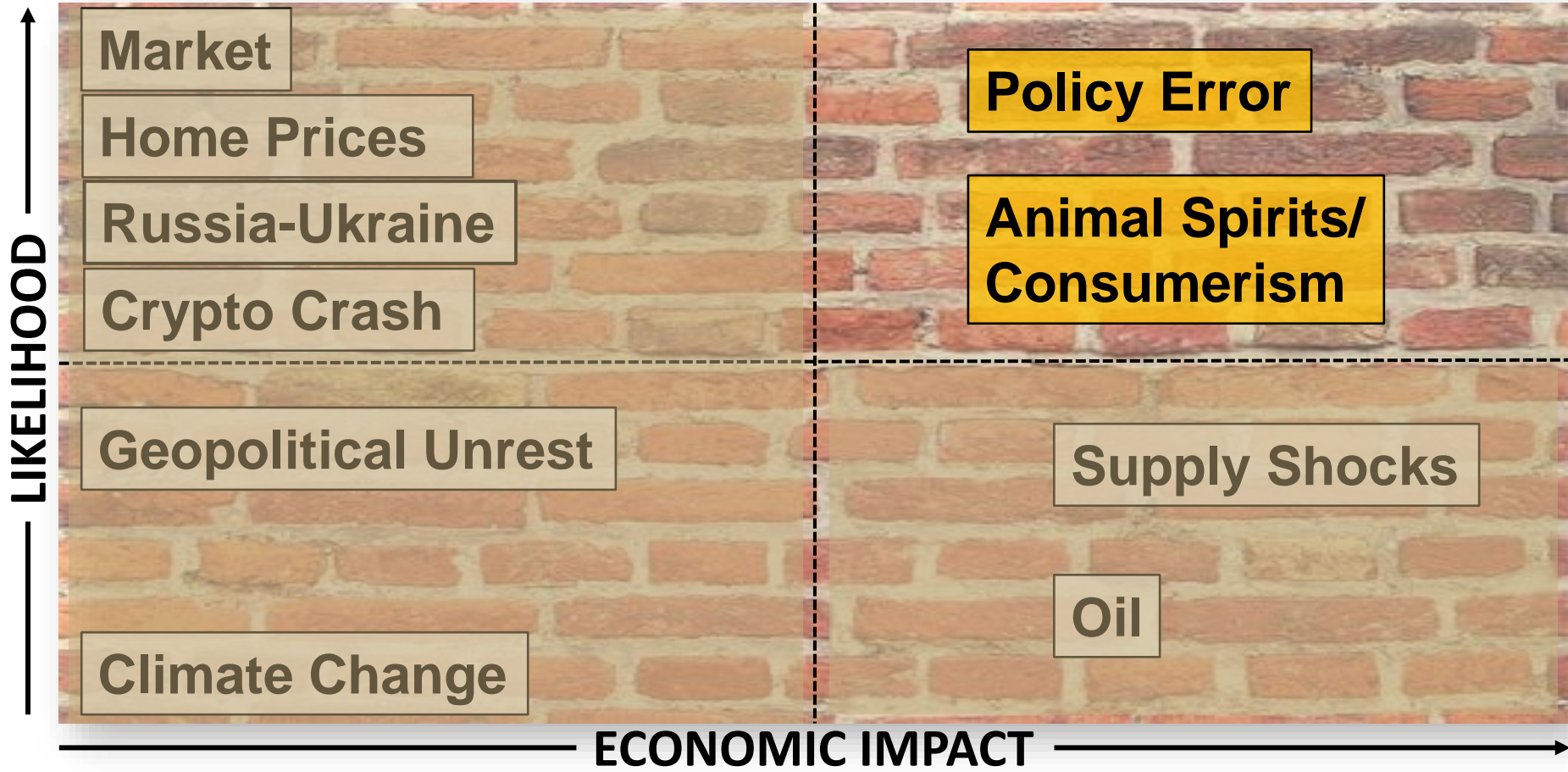
Climate Change

Crypto Crash

Animal Spirits

Geopolitical Unrest

Wall of Worry – Between the Lines



Recession Risk Scoreboard

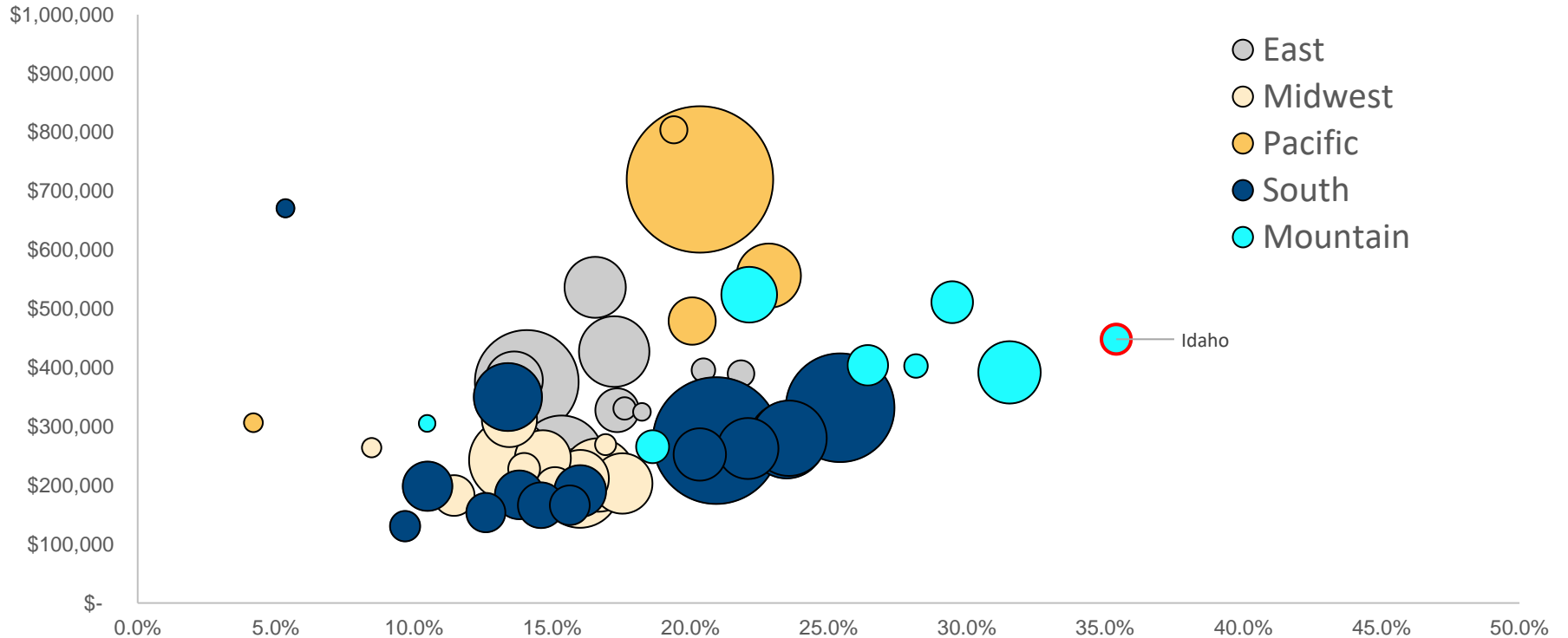
Top Leading, Coincident, and Lagging Recession Indicators

Indicator	Indicator Type	Time to Recession, Months	Current Risk		
			Aug-22	Sep-22	Oct-22
Housing permits	Leading	10 to 12	Mid	High	High
Yield curve 10-yr minus 3-mo	Leading	8 to 15	Mid	Mid	High
Consumer confidence	Leading	5 to 10	Mid	Mid	Mid
Jobless claims	Leading	4 to 5	Low	Low	Low
S&P 500	Leading	3 to 9	Mid	High	High
ISM manufacturing index	Leading	3 to 6	Low	Low	Low
Hrs worked for production workers	Leading	1 to 10	Mid	Mid	Mid
Core capital goods orders	Coincident	0	Low	Low	Low
Unemployment rate	Coincident	0	Low	Low	Low
Industrial production	Coincident	0	Low	Low	Low
ISM nonmanufacturing index	Lagging	1	Low	Low	Low
Employment	Lagging	2 to 4	Low	Low	Low
Job quits rate	Lagging	3 to 6	Low	Low	Low
Real monthly GDP	Lagging	3 to 6	Mid	Mid	Mid

Source: Moody's Analytics

2021 Regional Home Value Growth

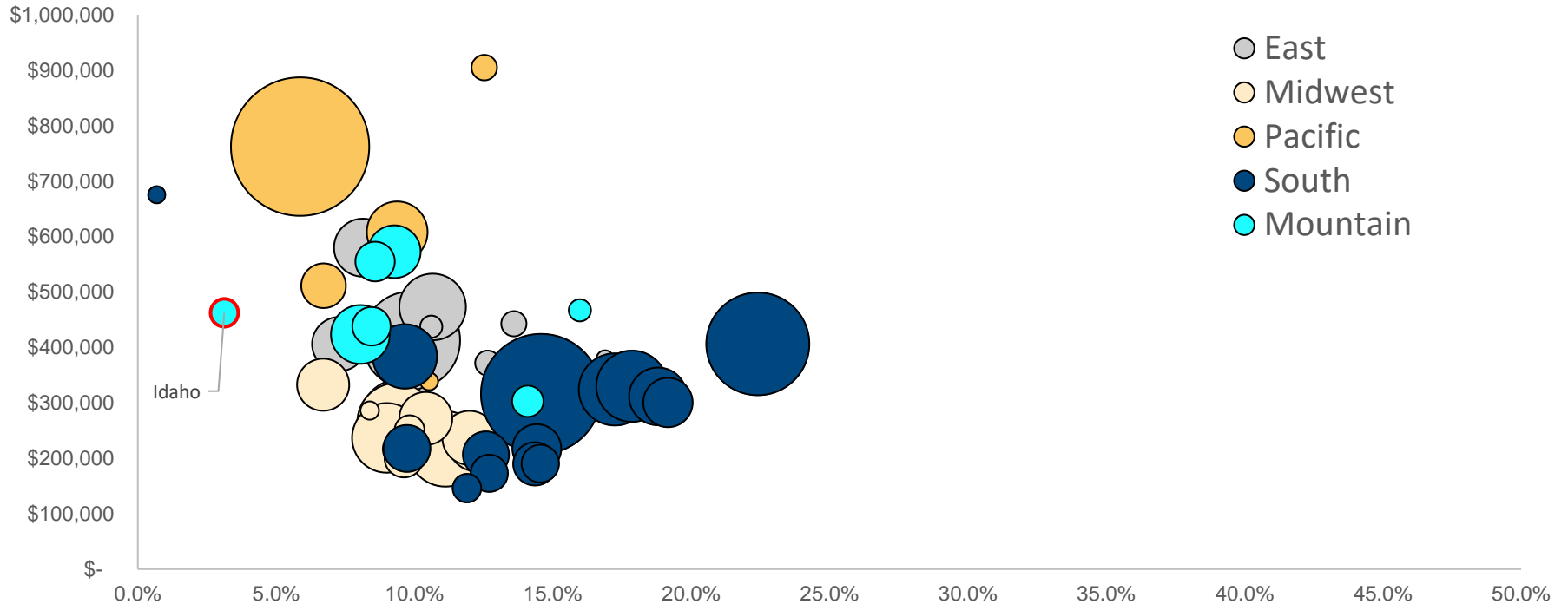
Nov 2021 State Home Value Growth



SOURCE: Zillow research. Zillow Home Value Index (ZHVI) of single-family homes through 11/30/21. Author's calculations.

2022 Regional Home Value Growth

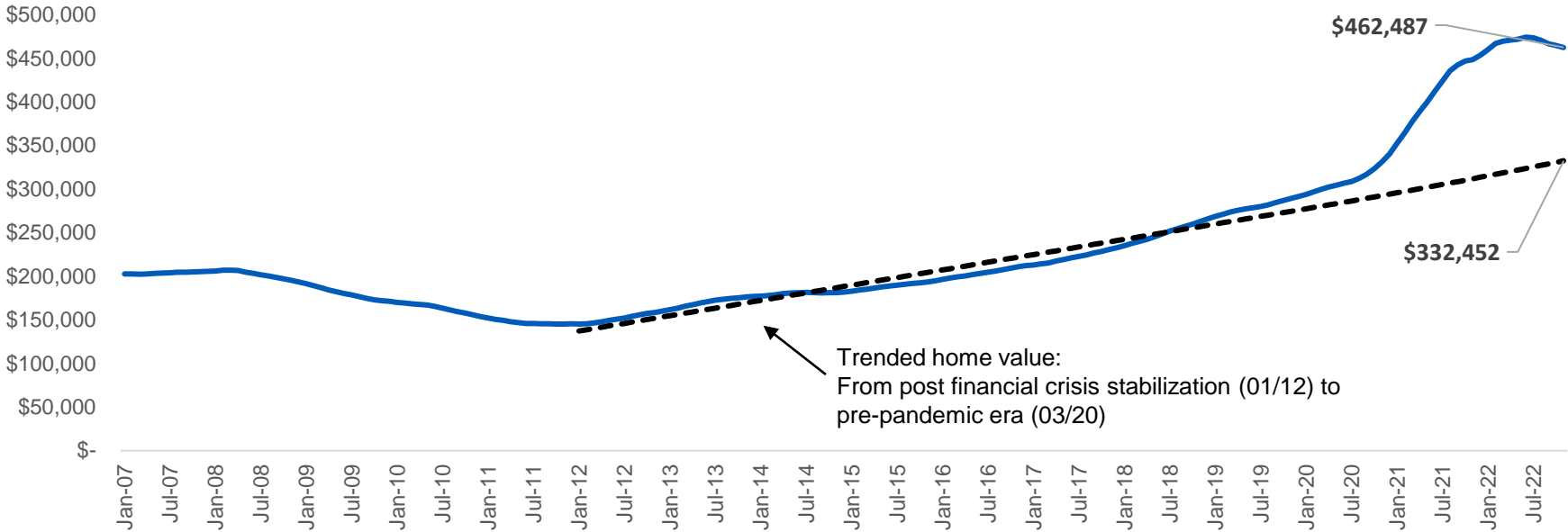
Nov 2022 State Home Value Growth



SOURCE: Zillow research. Zillow Home Value Index (ZHVI) of single-family homes through 11/30/22. Author's calculations.

Idaho Home Values Still High

Idaho Residential Home Values



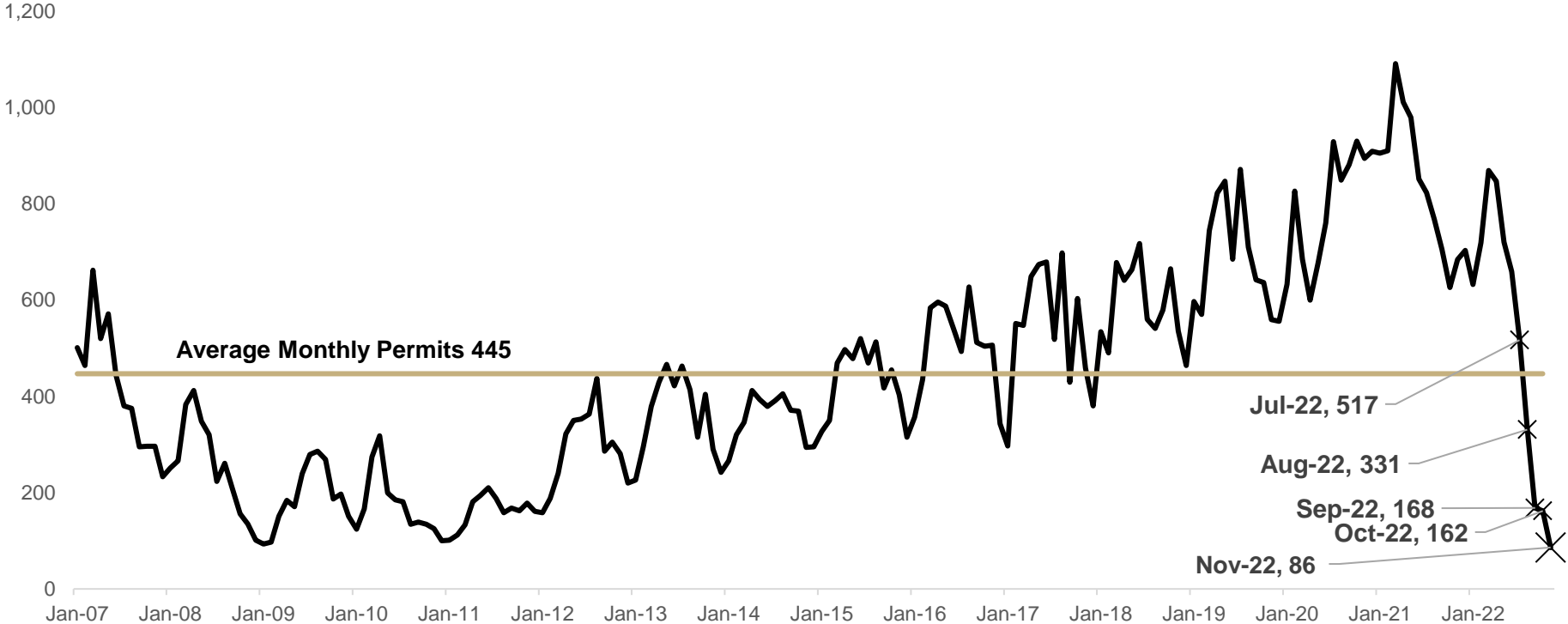
SOURCE HOME VALUES: Zillow research. Zillow Home Value Index (ZHVI) of single-family homes.

SOURCE INCOME: U.S. Bureau of Economic Analysis (BEA); U.S. Bureau of Labor Statistics (BLS) Wage and salary disbursements: Total, (Mil. USD, SAAR)

Author's Calculations

Residential Permits

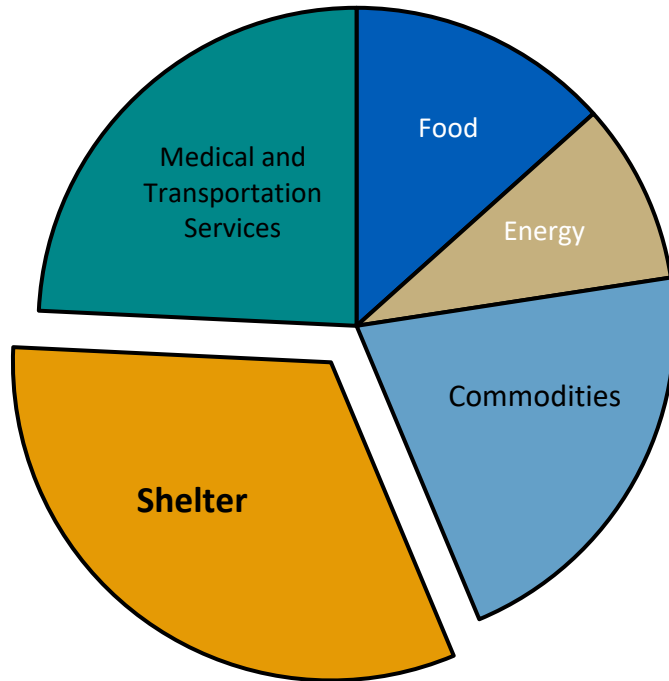
Southern Idaho Monthly Residential Permits



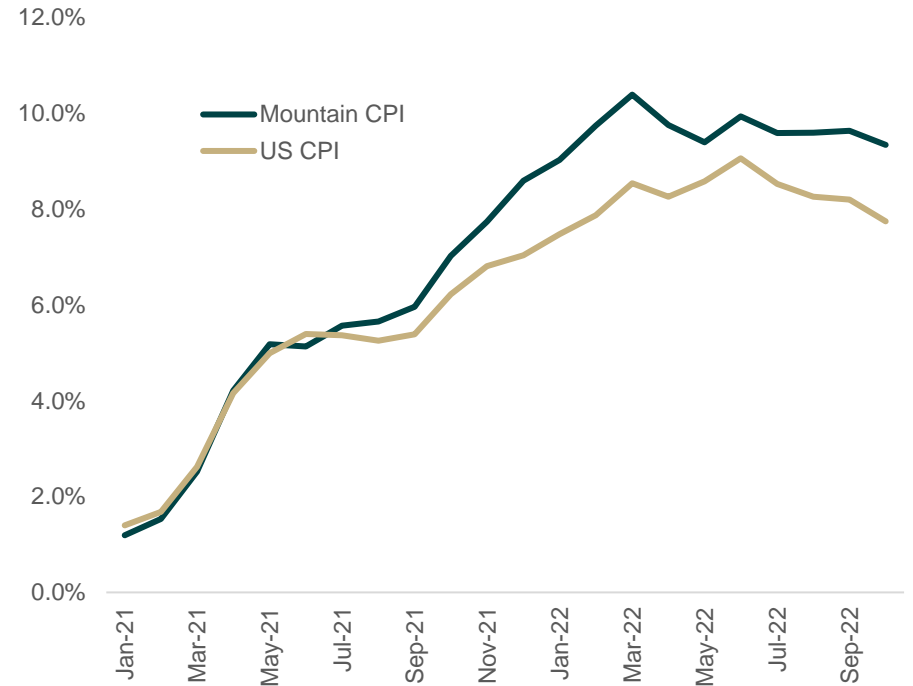
Residential permits include detached single family homes, mobile homes, apartments/condos, and multi-plex developments.

Inflation's Intricacies

Composition of the CPI Basket of Goods

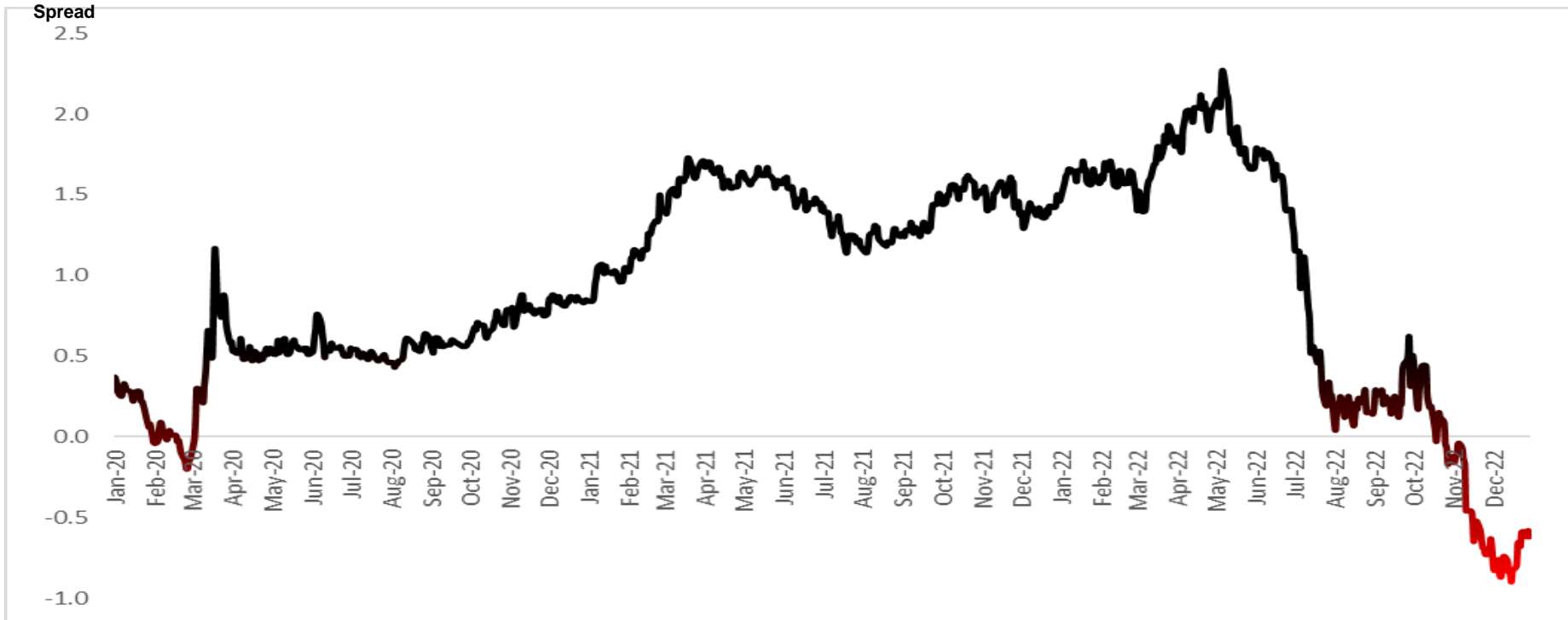


Regional CPI



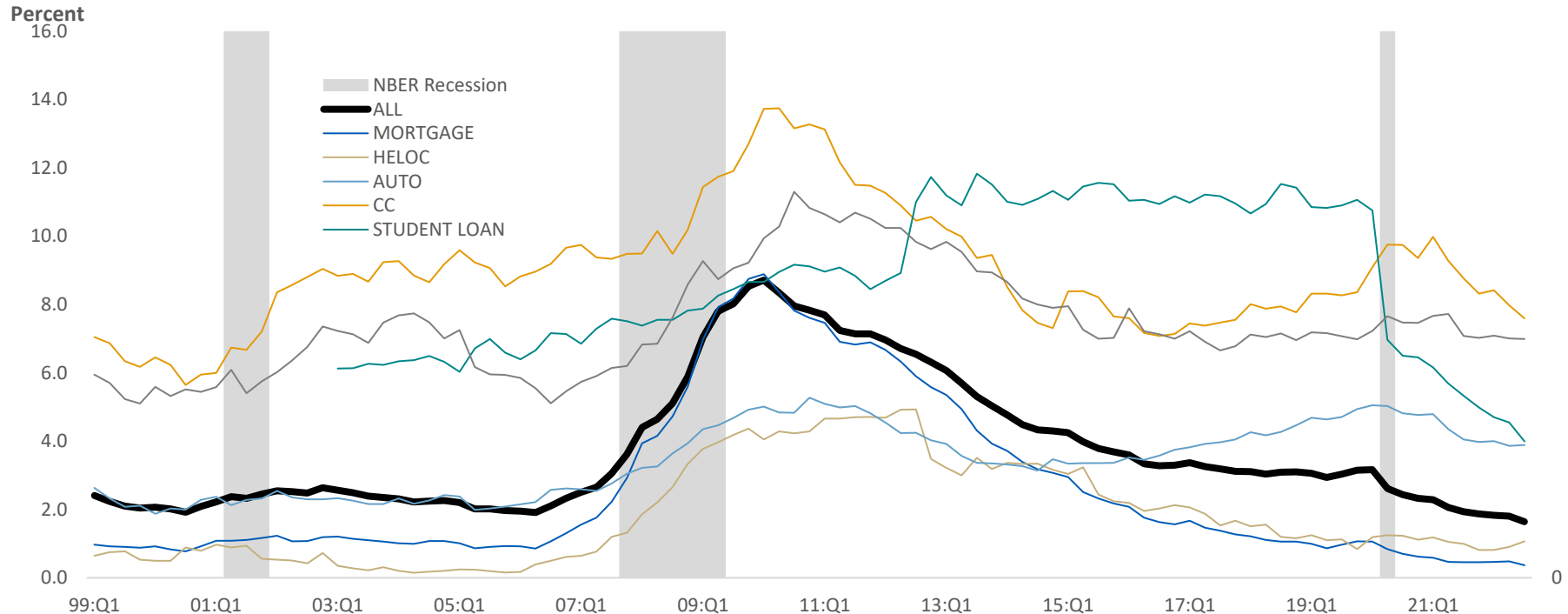
Short Term Yield Curve

10-Yr to 3-month Treasury Yield Curve



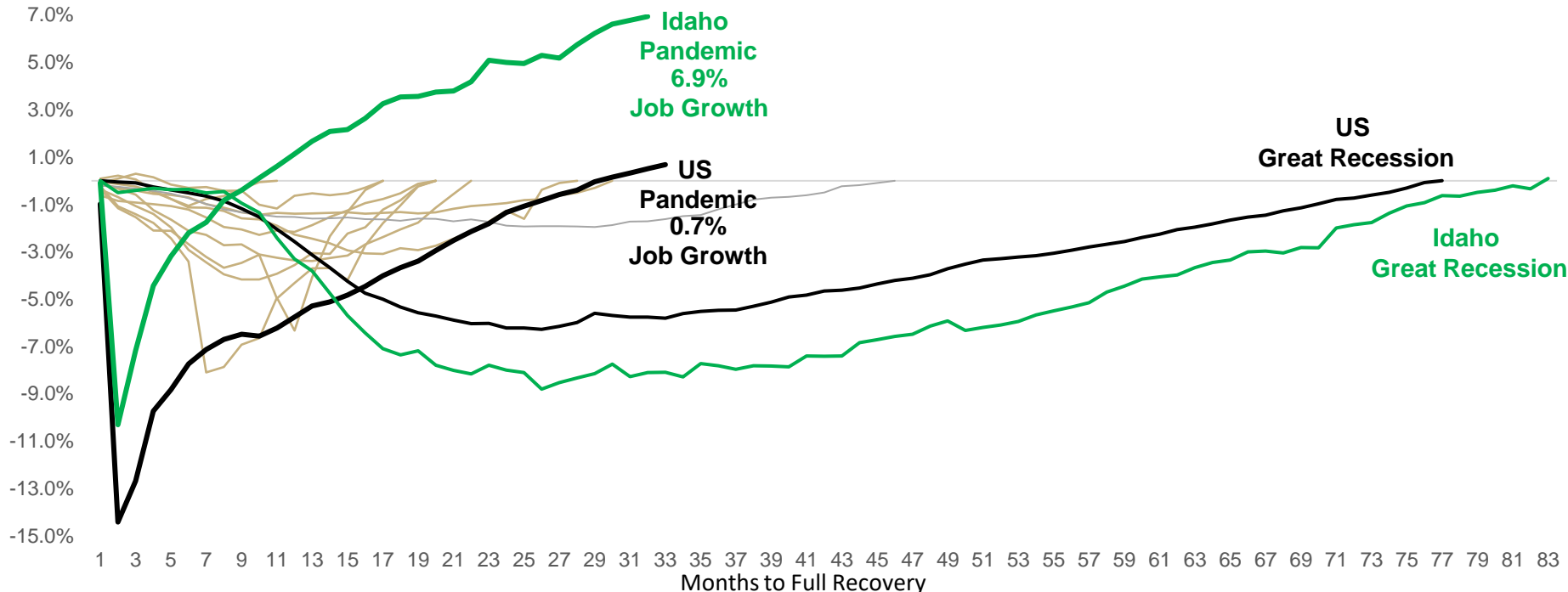
US Private Debt Delinquencies Improve

Percent of Balance 90+ Days Delinquent by Loan Type



Comparative Analysis: Idaho's Labor Market

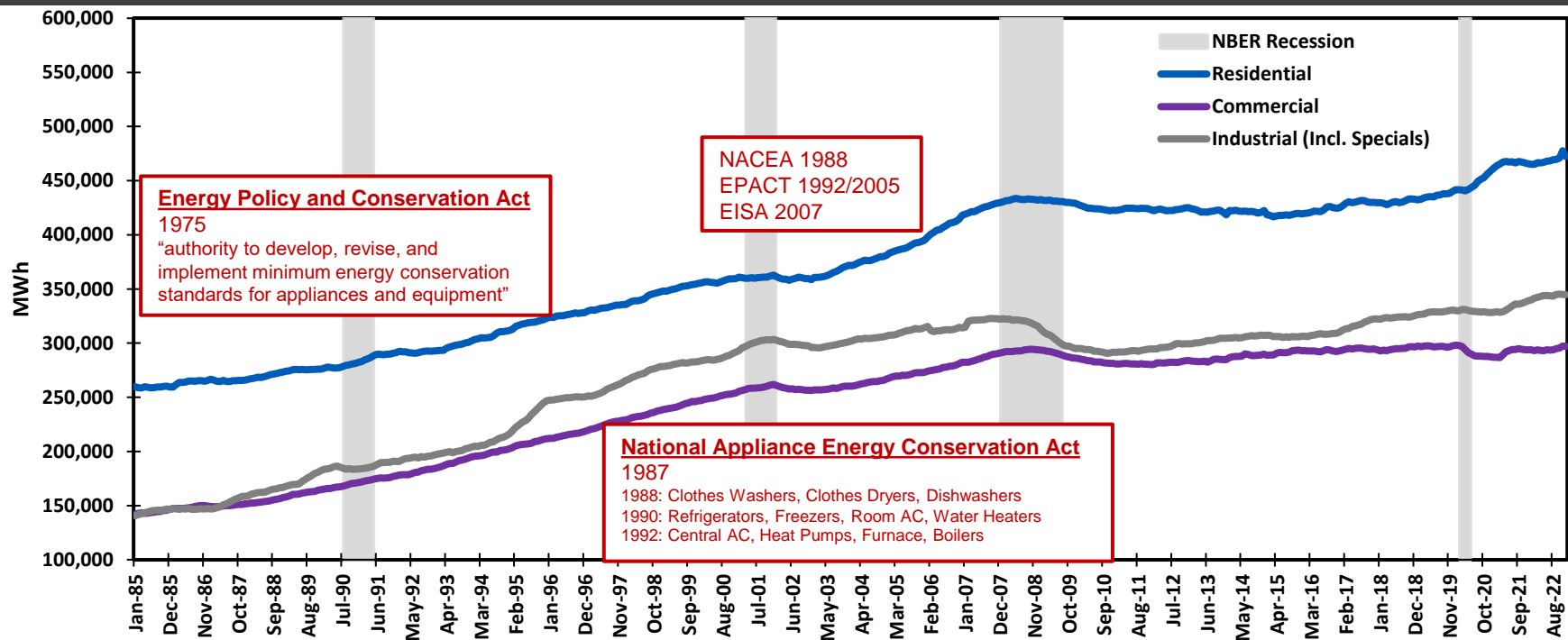
Percent Job Loss Post WWII Recessions



14 Source: U.S. Bureau of Labor Statistics (BLS): Current Employment Statistics (CES), Quarterly Census of Employment and Wages (QCEW). Actual data through Nov 2022, Nov 2022 preliminary estimates

Idaho Power 12-Month Avg. Billed Sales (MWh)

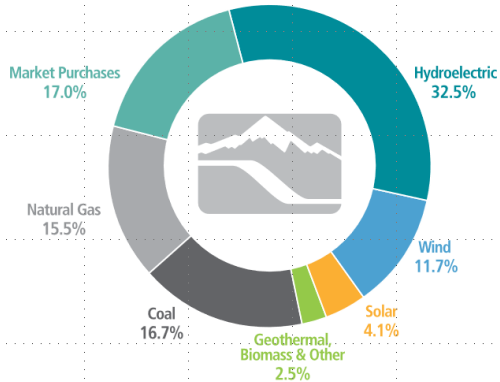
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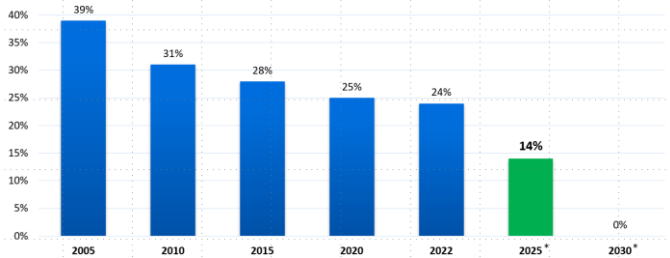
Electricity Composition - Idaho

Clean Resources Today...Cleaner Tomorrow for Idaho's Energy Future

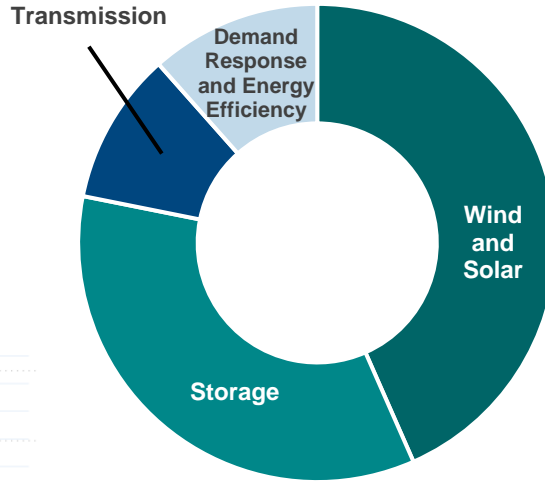
2021 Energy Mix



Coal Share

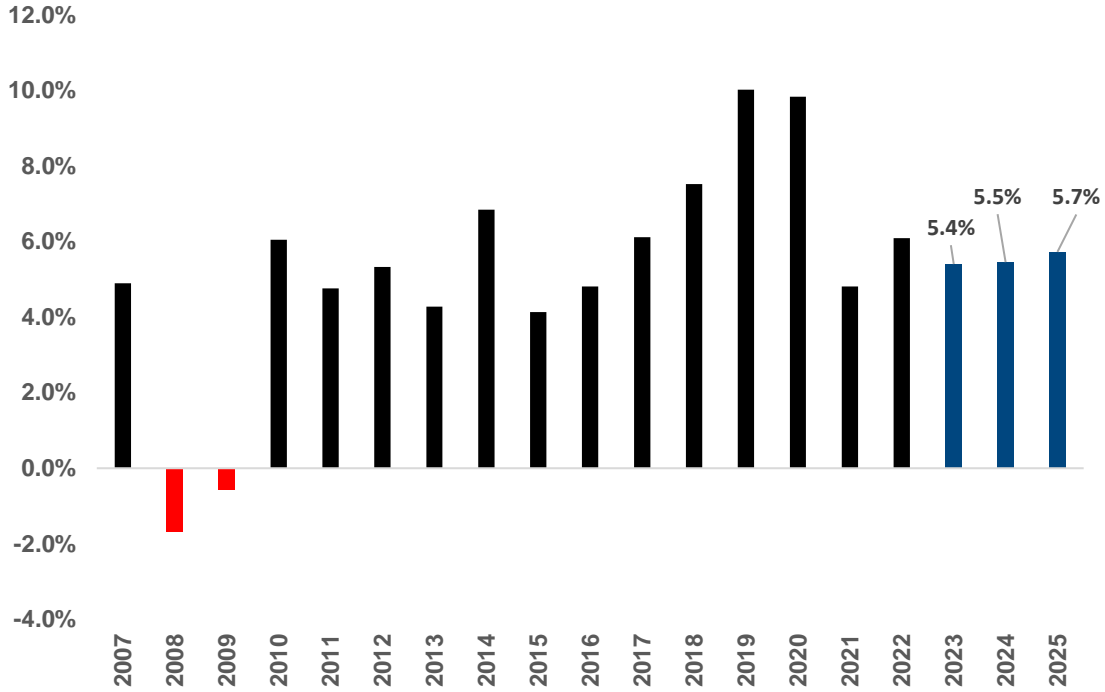


Anticipated Capacity Expansions by 2040



Nominal Personal Income Growth

Fiscal Year Growth in Nominal Personal Income Projections



Sources of Nominal Personal Income Growth

