

# Idaho Rebound Analysis

Fall 2020

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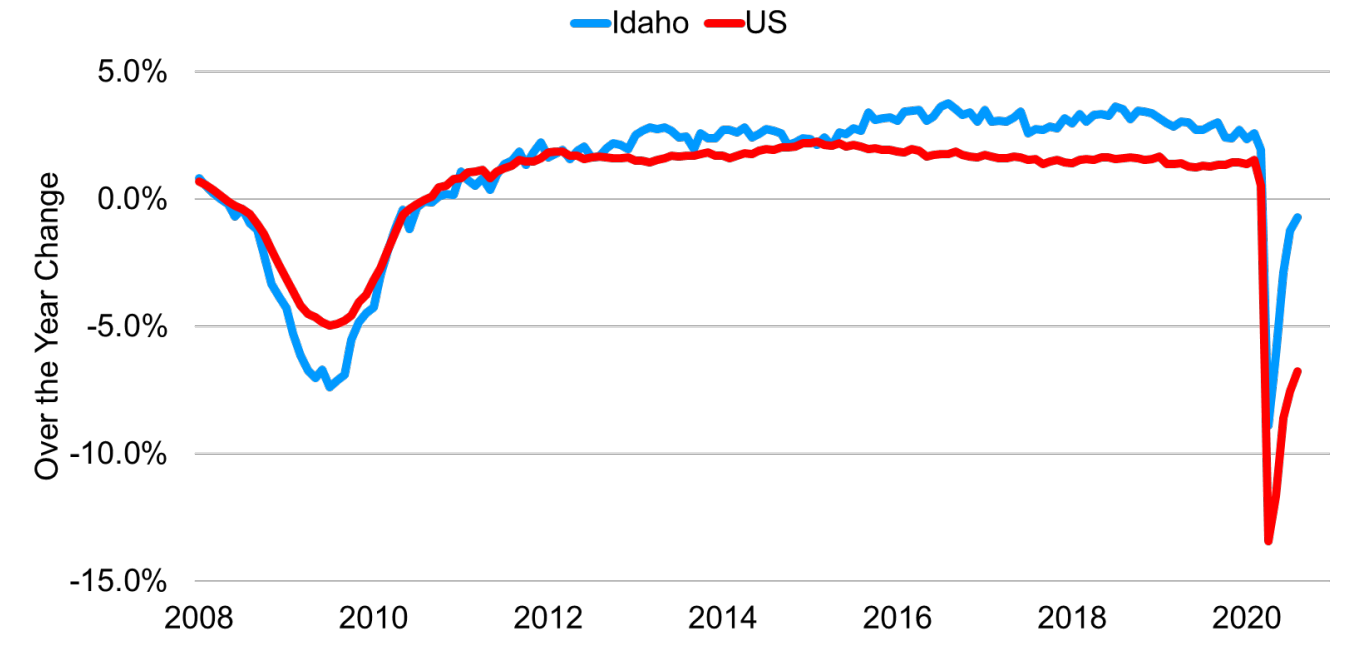
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## Pre-Pandemic:

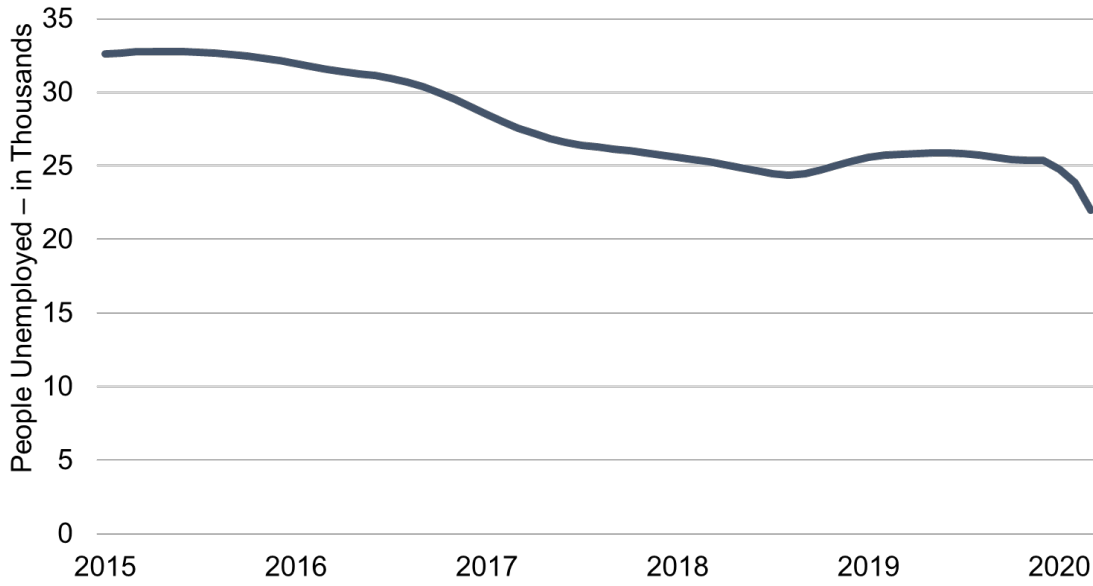
Idaho was in its third longest period of economic expansion when COVID-19 reached the state and Gov. Brad Little proclaimed an emergency. The economic shutdown that followed impacted the nation and Idaho full force in late March and in April as the state's record low, 2.5 percent unemployment rate soared to a historic high of 11.8 percent. However, in the four months that followed, the state began to emerge as one of the least impacted for job loss and unemployment.

**Figure 1: Idaho and US Total Nonfarm from January 2007 to August 2020**



The COVID-19 pandemic struck Idaho in the 154<sup>th</sup> month of its most recent economic cycle, measured from its previous total nonfarm job peak in June 2007. From the January 2010 trough of the Great Recession to March 2020, Idaho recovered its losses and added 109,500 jobs to its nonfarm payrolls (+16.6 percent), 138,800 more people to the labor force (+18.4 percent), and saw a 138,900 (+18.9 percent) increase in total employment over June 2007. Unemployment continuously declined from July 2009 and the rate of unemployment persisted at or below 3 percent since December 2017.

**Figure 2: Idaho’s Total Unemployment, January 2015 to March 2020**



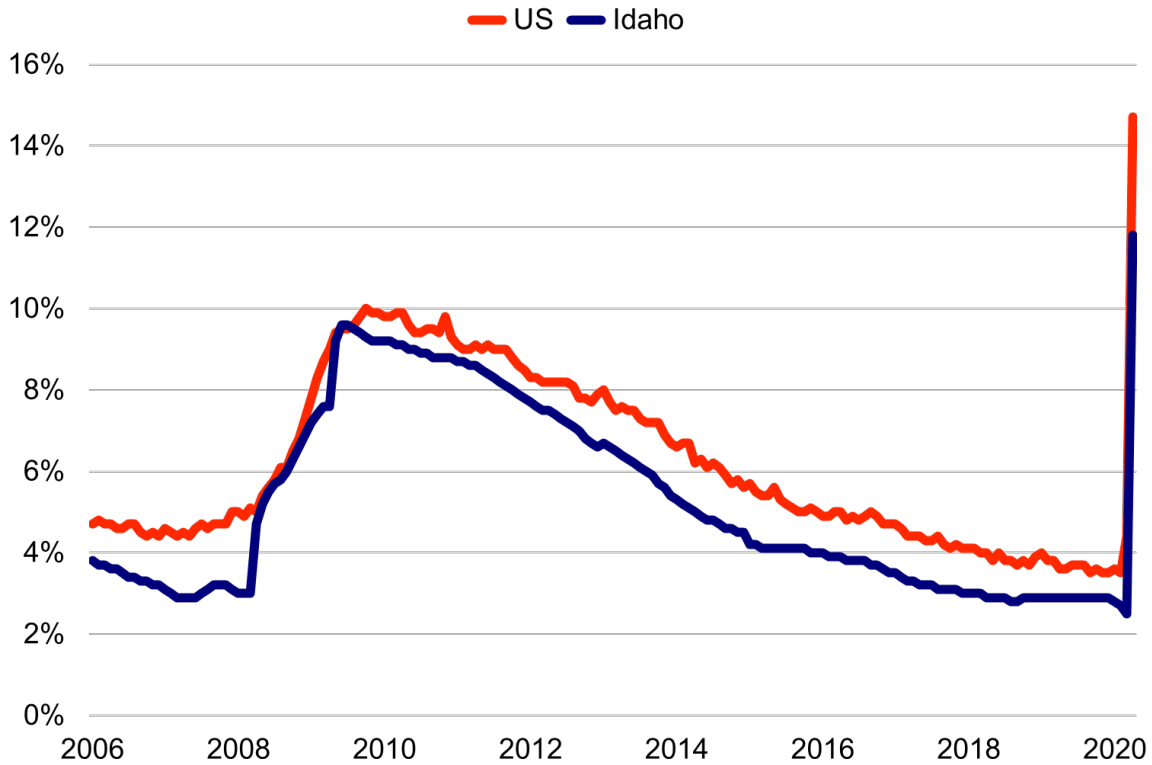
Idaho stood out as one of the fastest growing states in the nation during this last economic expansion, limited only by the number of people it could add to its labor force and general economic conditions of the nation.

The year 2020 started off with a similar performance. Even as COVID-19 engulfed the nation and crossed into Idaho’s borders, March estimates showed a 2.5 percent record low unemployment rate with total unemployment under 22,000 for the state. Total employment stood at 872,658 and the labor force at 894,632, both all-time highs. Total nonfarm jobs reached a record high of 771,800 in February 2020 but decreased 0.6 percent in March.

**April – The Pandemic Impacts Idaho:**

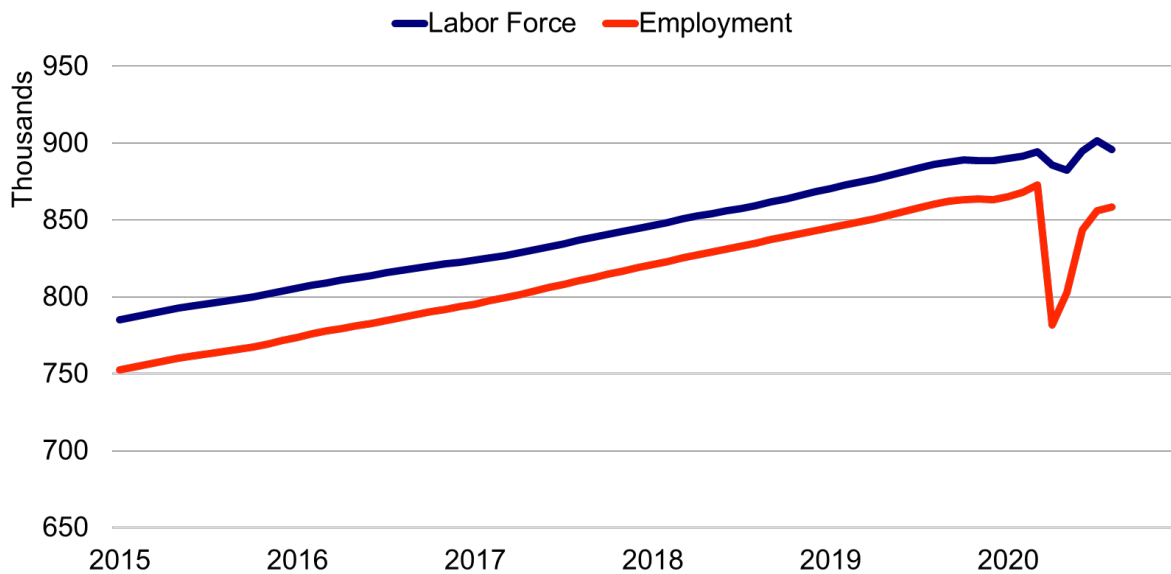
COVID-19’s economic shock for Idaho began with a March 25 statewide “Order to Self-Isolate.” Idaho residents were required to “stay and work from home as much as possible while ensuring all essential services and business remain available.” The order required the closure of establishments in which social interaction was integral to their operation that included bars, nightclubs, restaurants, cafes, indoor gyms and recreation facilities.

**Figure 3: US & Idaho Unemployment Rates, January 2006 to March 2020**

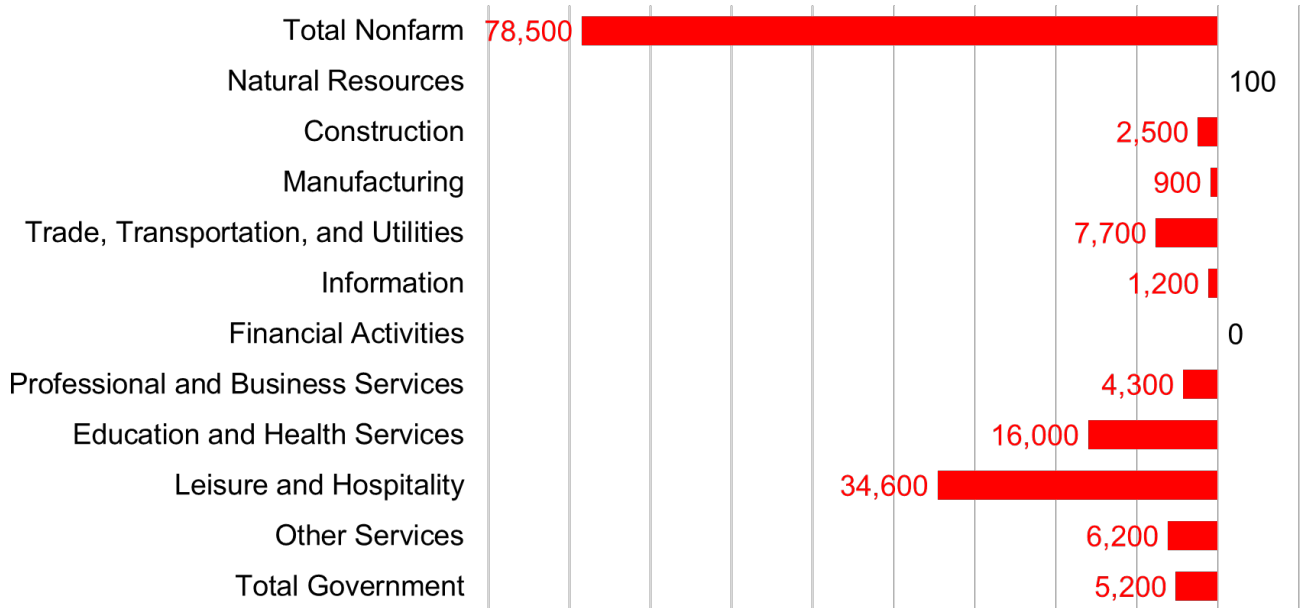


The effects of COVID on the labor market were not apparent until April because the impact of the stay-at-home order came after the reference period for March statistics. The economic shock that followed resulted in unprecedented single month changes in labor force and jobs from March to April. Idaho’s unemployment rate spiked to a historic record high of 11.8 percent (Figure 3), surpassing the previous recession peaks of 10.2 percent for December 1982 and the Great Recession’s 9.6 percent in June 2009. The total number of unemployed increased nearly fivefold to 104,291. Idaho’s labor force dropped by 8,788 and the total employment dropped by over 91,000 to 781,553 (Figure 4).

**Figure 4: Idaho Labor Force and Employment, January 2015 to August 2020**

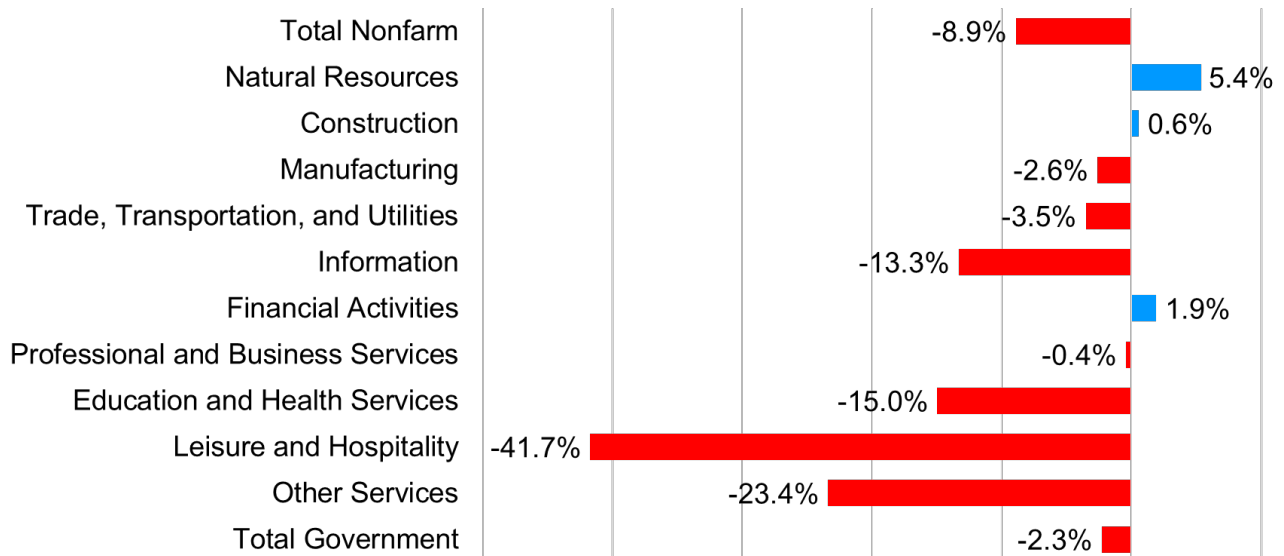


**Figure 5: Idaho Total Nonfarm Industry Jobs, March 2020 to April 2020**



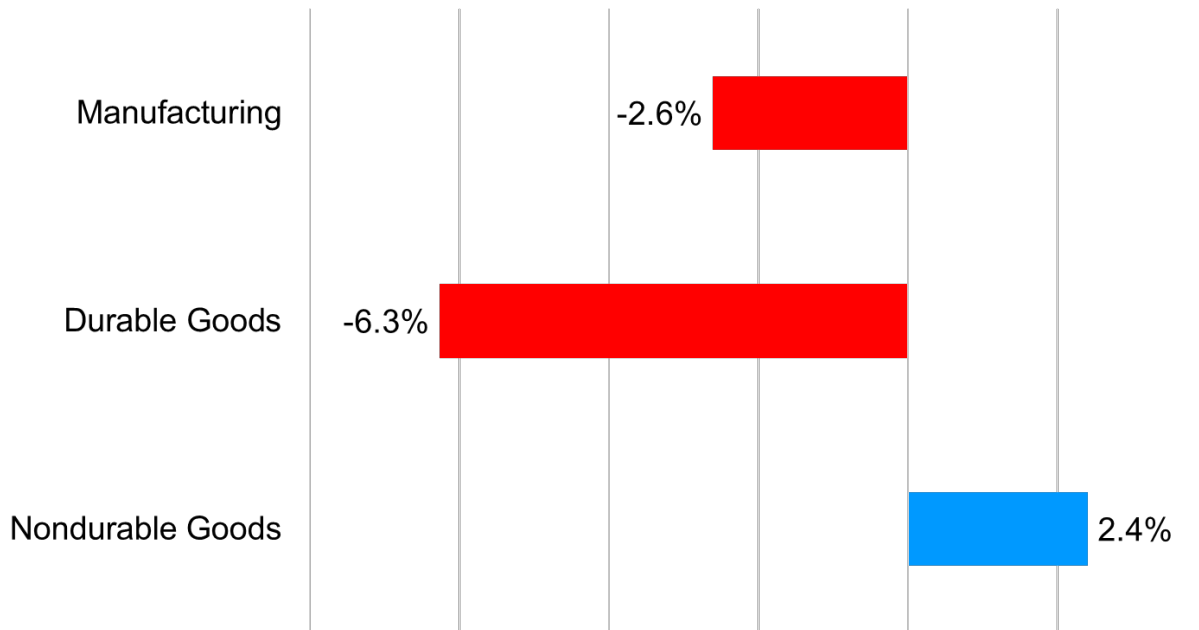
By industry, the shutdown’s effect led to a 10.2 percent loss of 78,500 jobs from March to April – the largest single month decline on record - and an over-the-year decline of 8.9 percent. This dropped Idaho’s nonfarm jobs to April 2016 levels – losing the equivalent of four years’ job growth in a single month. Industries most affected as measured by over-the-year job declines included leisure and hospitality (-41.7 percent), other services (-23.4 percent), education and health services (-14.6 percent), and information (-13.3 percent) as shown in figure 5.

**Figure 6: Idaho’s Total Nonfarm Industry Jobs, April 2019 to April 2020**



Natural resources (+5.4 percent), financial activities (+1.9 percent) and construction (+0.6 percent) were the only industries estimated to have over-the-year gains from April 2019 to April 2020.

**Figure 7: Idaho's Manufacturing Jobs, April 2019 to April 2020**

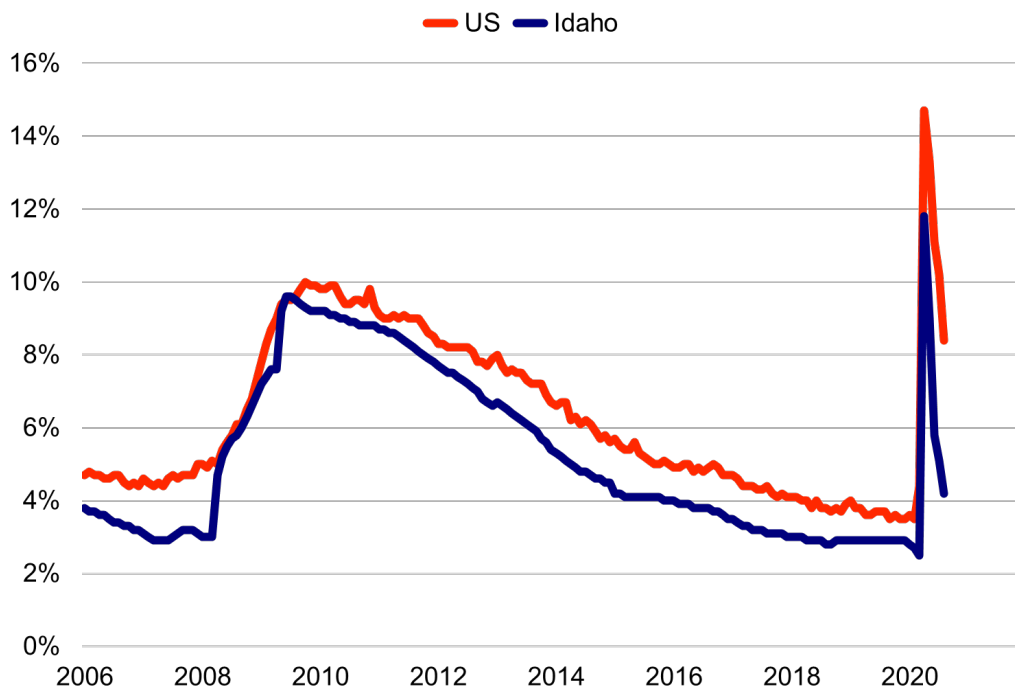


While total manufacturing jobs were down 2.6 percent over the year in April, jobs in nondurable goods were up 2.4 percent. Food processing and manufacturing were exempt from emergency order [shut down requirements](#).

**Rebound: May through August:**

After April's COVID-19 economic shockwave, the economy gradually reopened from May through June as the Rebound Idaho Plan progressed through its four stages. Dramatic improvements to the state's jobs and labor force statistics followed suit and by July had clearly emerged with one of the least affected economies by the pandemic in the nation.

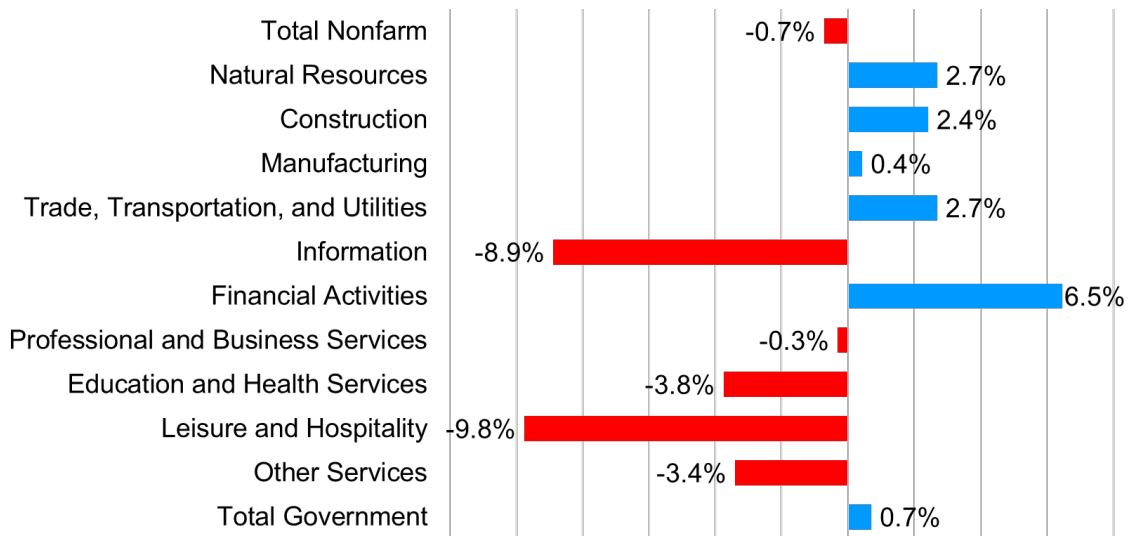
**Figure 8: US & Idaho's Unemployment Rates, January 2006 to August 2020**



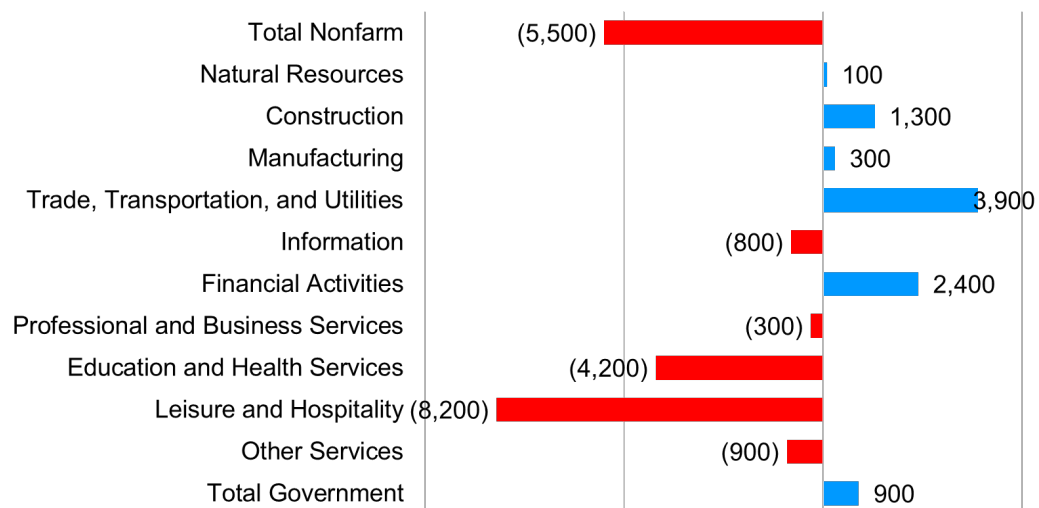
From April's peak (figure 8), unemployment dropped to 9 percent as people went back to work in May and dropped again to 5.8 percent in June. The rate of decline slowed as the recovery progressed further with July's 5 percent and August's 4.2 percent. August's rate was the third lowest in the nation and reinstates Idaho's tight labor force conditions with employers competing for a limited labor supply.

Total nonfarm jobs rebounded 3.3 percent over the month in May and 3.6 percent in June - recovering a year's worth of employment in each month. The rebound decelerated with July's increase of 1.9 percent, and August 0.9 percent (figure 1).

**Figure 9: Idaho Total Nonfarm and Most Affected Industries, August 2019 to August 2020**



**Figure 10: Idaho Total Nonfarm and Most Affected Industries, August 2019 to August 2020**



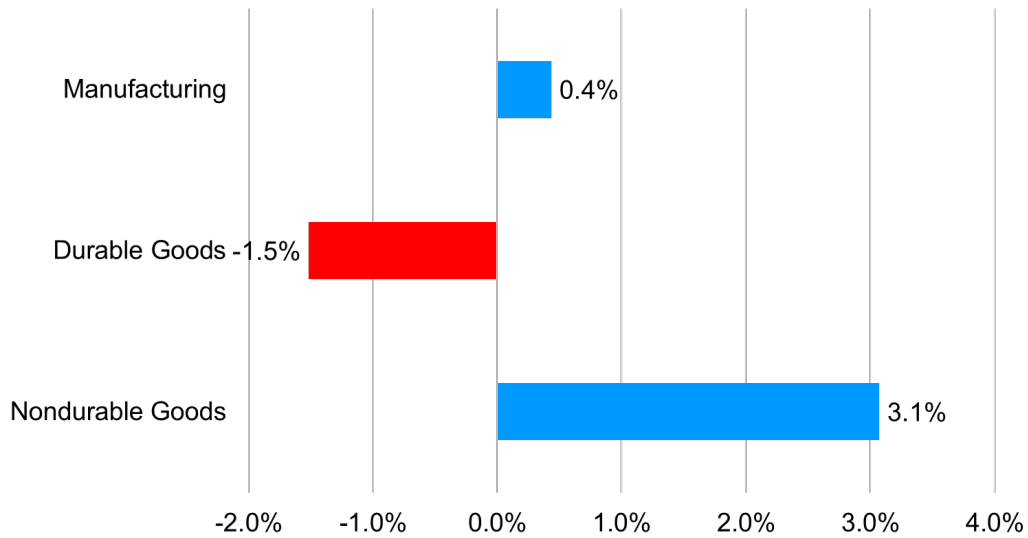
August's 758,200 total nonfarm was a 0.7 percent (5,500 jobs) decline over August 2019 – the smallest over-the-year loss in the nation (figures 9 and 10). Leisure and hospitality re-gained 80.6 percent of April's 34,600 job decline but is still at an over-the-year loss of 9.8 percent (8,200 jobs). Other services have recovered to a



decline of 3.4 percent (900 jobs), and information experienced an over-the-year loss of 8.9 percent (800 jobs). The information sector continues to see over-the-month increases, but not larger than usual over-the-month gains.

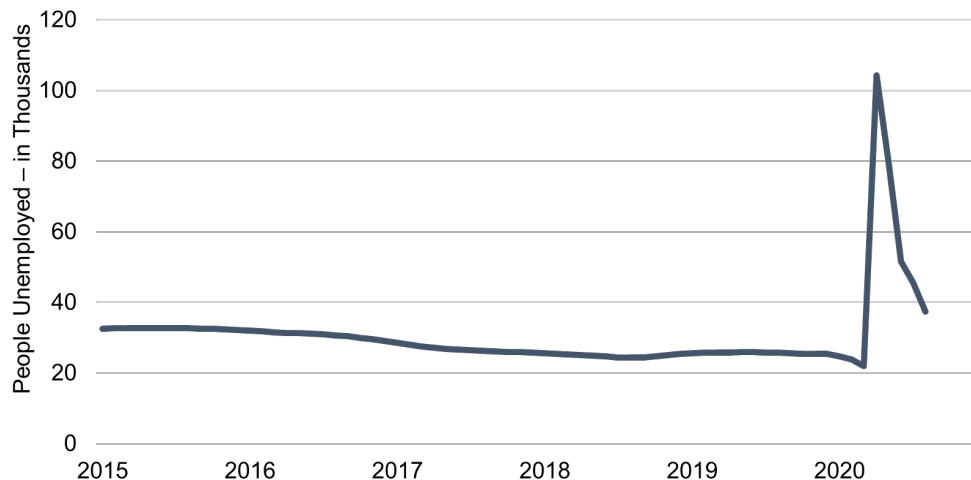
Education and health services experienced an over-the-month decrease of 0.3 percent in August, deepening the over-the-year loss to 3.8 percent (4,200). This was due to an over-the-month loss of 1.4 percent in health care and social assistance as private education was up.

**Figure 11: Idaho’s total unemployment, January 2015 to August 2020**



Idaho’s best performing industries over the year in August included financial activities, up 6.5 percent (+2,400 jobs), trade, transportation, and utilities up 2.7 percent (3,900 jobs), natural resources up 2.7 percent (100 jobs), and construction, up 2.4 percent (1,300 jobs). Nondurable goods manufacturing increased its job gain to 3.1 percent (900 jobs) above 2019 August.

**Figure 12: Idaho’s total unemployment, January 2015 to August 2020**

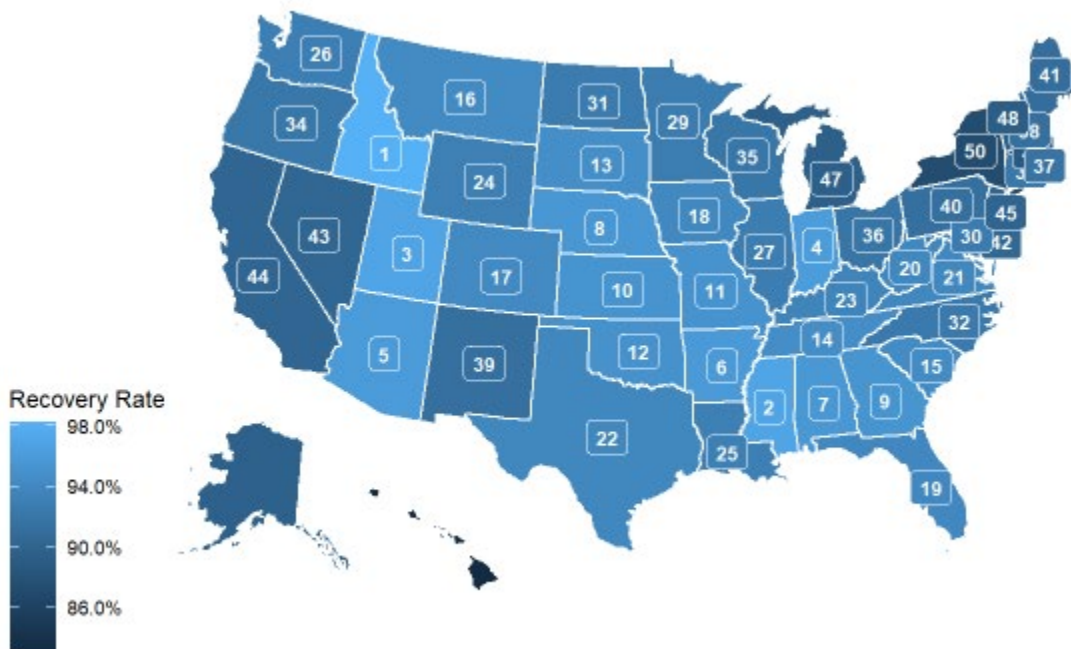


The number of unemployed in Idaho fell by 66,800 from April’s high of 104,291 to 37,443 in August (figure 12). Idaho’s total labor force – which continued to decline in May to a low point of 882,241 - saw its two largest increases on record, growing by over 19,000 during June and July. July’s total labor force of 901,494 is the highest on record, exceeding 900,000 for the first time. In August, the labor force declined by about 5,700 from July’s record high but is still nearly 1,200 above March’s pre-pandemic level.

**Idaho and National Comparisons:**

With several months of data now available, it is indisputable Idaho is setting the pace for economic recovery from the spring contraction. May through August job gains allowed the state to recover employment levels at 98 percent of its pre-COVID peak (total nonfarm employment is now only 2 percent below a full recovery), leading all US states and placing Idaho significantly ahead of the national recovery, currently at 92.4 percent.

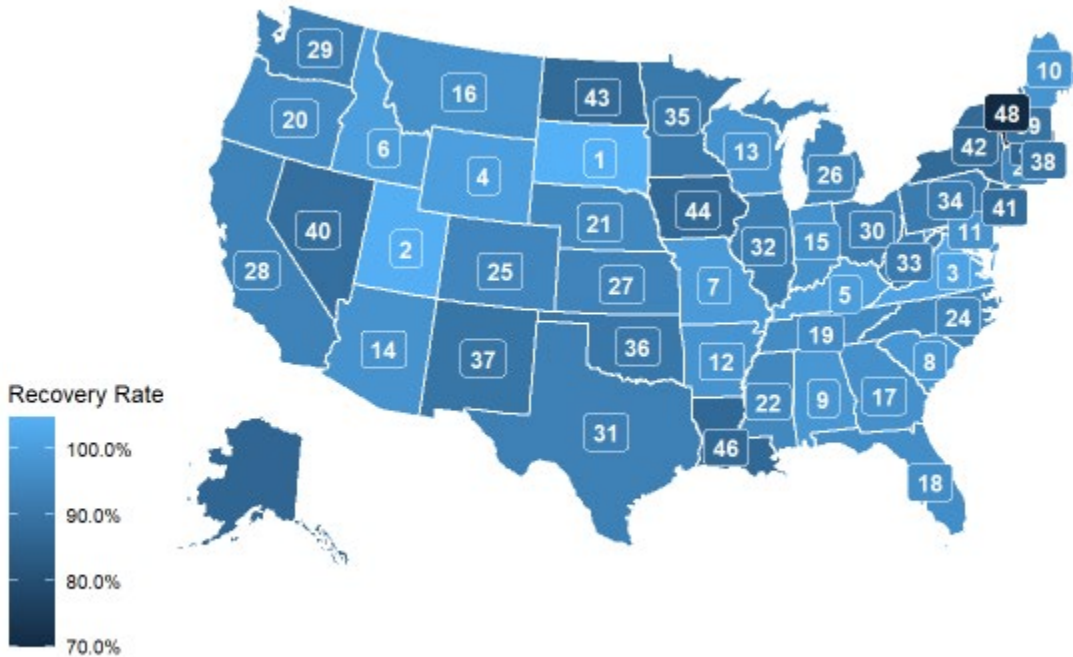
**Figure 13: Nonfarm Employment Recovery Rank by State**



Idaho’s rapidly declining unemployment rates over the summer are truly remarkable, defying expectations and national trends. While the national unemployment rate remains significantly elevated at 8.4 percent, most Idaho counties are returning to full employment levels. Only two (Shoshone and Adams) have unemployment rates higher than 7 percent. Unemployment has already plunged back below 3 percent in eight Idaho counties – primarily in eastern Idaho – a mark considered abnormally low even when the national economy is healthy.

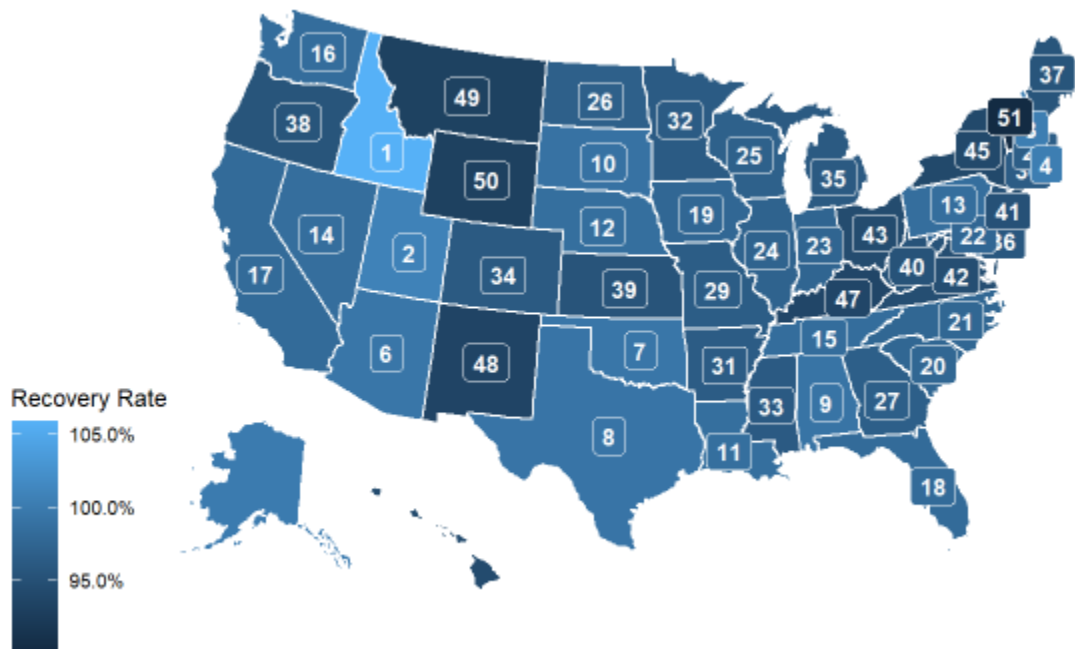
In-migration is one important factor powering Idaho’s rapid recovery. These populations gains – primarily from coastal states – have all but manifested into a rapid recovery for construction employment, with COVID-19 doing very little to disrupt a robust demand for housing.

**Figure 14: Construction Employment Recovery Rank by State**



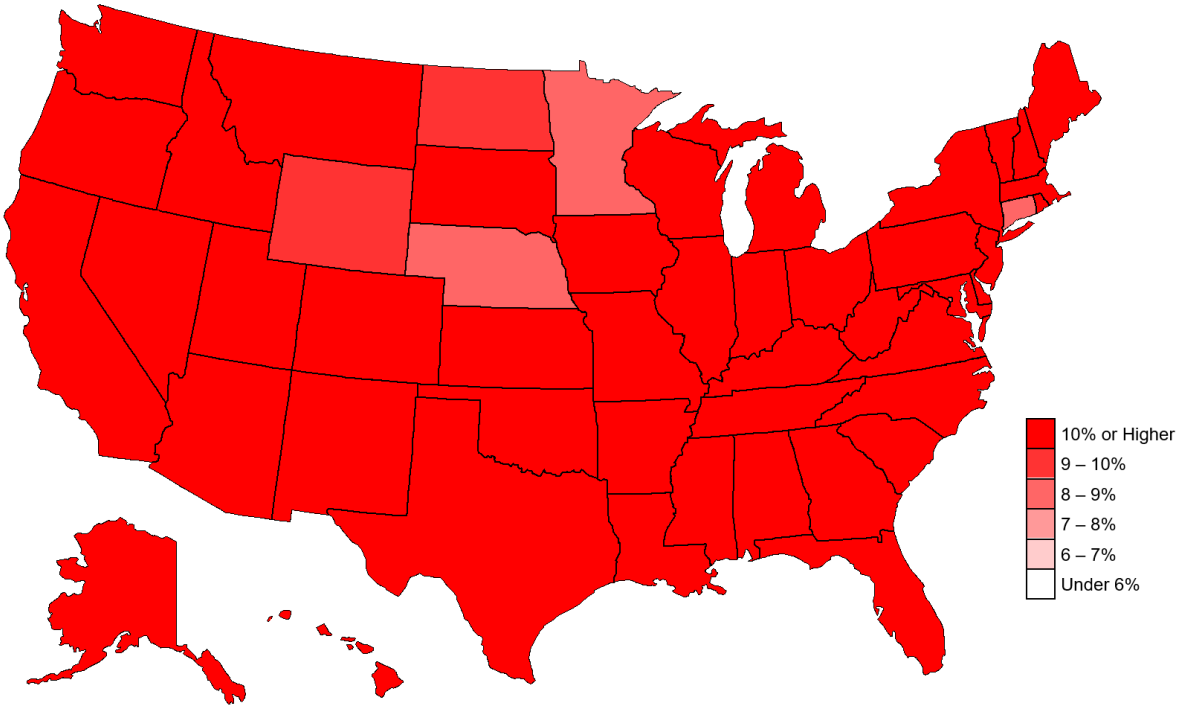
Idaho’s highly active housing market has also resulted in the nation’s best recovery level for financial activities. With the state experiencing very high demand for real estate services and mortgage origination, Idaho’s financial services sector has grown in 2020, and is 5 percent larger now than before the COVID recession began.

**Figure 15: Financial Services Employment Recovery Rank by State**

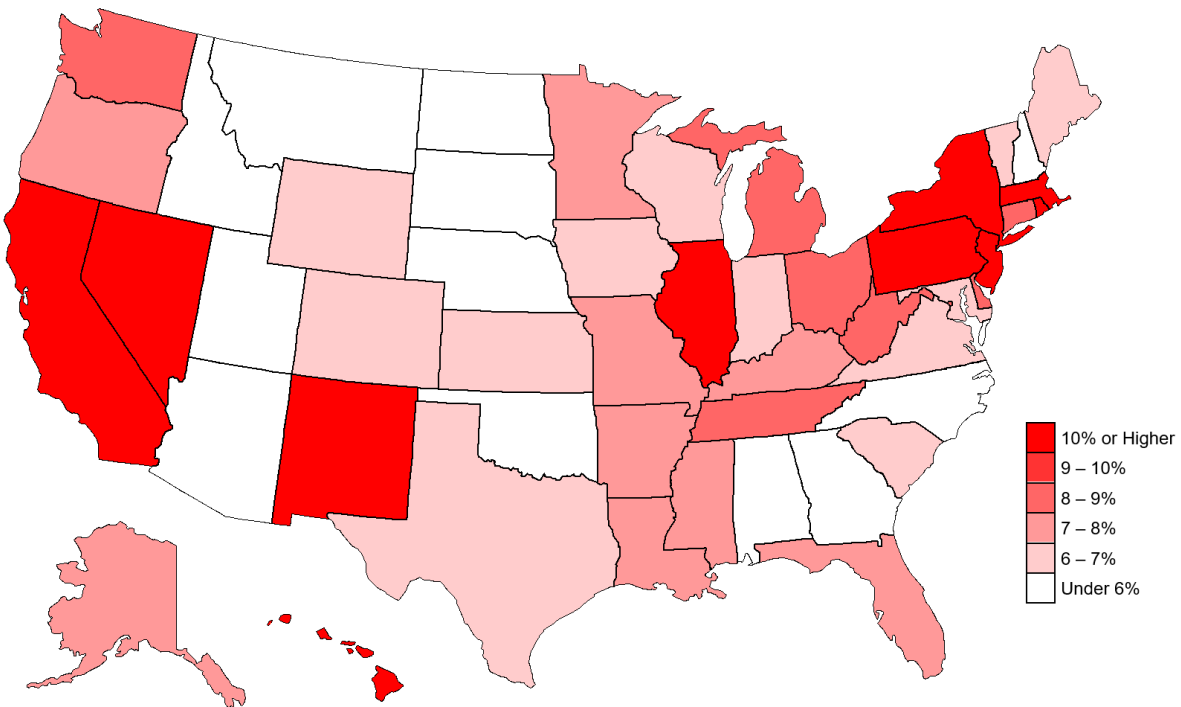


In April, all but five states had unemployment rates exceeding 10 percent, with many reaching well in excess of 20 percent. Idaho's unemployment rate peaked at 11.8 percent, surpassing the highs experienced in previous recessions. By August, however, Idaho's rate fell back to only 4.2 percent, the third lowest in the nation.

**Figure 16: April 2020 State Unemployment Rates**

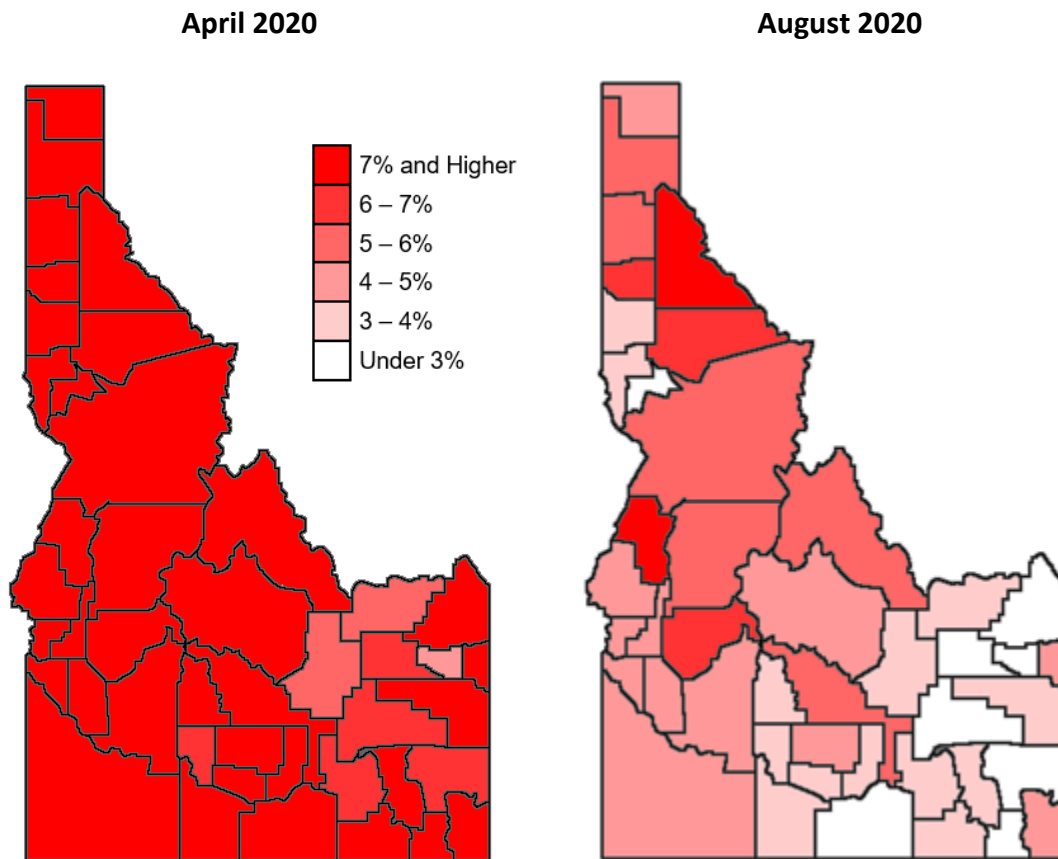


**Figure 17: August 2020 State Unemployment Rates**



With Idaho in the middle of a remarkable economic recovery, growth has been enjoyed broadly across the state. While there are naturally some differences in recovery levels, almost all Idaho counties are substantially better off now than they were in April.

**Figure 18: Idaho Unemployment Rates**



Idaho’s urban counties, in general, experienced more significant job losses over the spring, with Ada, Bannock, Canyon, Kootenai, Latah, Madison, and Nez Perce counties all experiencing at least 10 percent drops in employment in April. In total, Idaho’s urban counties experienced a net decline of 11.5 percent in April total employment, compared with 8.8 percent in rural counties. This pattern conforms to general expectations about the intensity of the COVID-19 virus and the economic impacts of lockdowns, both expected to be greater in more densely populated areas. However, despite suffering a deeper trough, rural and urban Idaho had equivalent unemployment rates in August, and urban Idaho has done remarkably well recovering jobs lost in the spring.

**Table 1: August 2020 Idaho Situation Report by County**

County	August Labor Force Statistics				April Decline		August Recovery Level
	Labor Force	Unemployed	Rate	Employment	Employed	Trough	
Ada	260,226	10,838	4.2	249,388	-28,538	-11.2%	98.1%
Adams	1,805	129	7.1	1,676	-166	-8.0%	102.1%
Bannock	41,643	1,618	3.9	40,025	-7,050	-16.7%	94.6%
Bear Lake	3,100	123	4.0	2,977	-256	-8.1%	100.5%
Benewah	4,142	247	6.0	3,895	-419	-10.5%	97.7%
Bingham	23,993	652	2.7	23,341	-1,993	-8.4%	98.3%
Blaine	13,101	703	5.4	12,398	-1,349	-10.9%	100.0%
Boise	3,638	243	6.7	3,395	-378	-10.9%	98.0%
Bonner	21,373	1,255	5.9	20,118	-2,373	-10.5%	101.4%
Bonneville	60,060	1,810	3.0	58,250	-5,018	-6.8%	101.5%
Boundary	5,540	272	4.9	5,268	-510	-9.4%	100.3%
Butte	1,456	44	3.0	1,412	-89	-5.1%	101.1%
Camas	719	26	3.6	693	-51	-7.2%	100.1%
Canyon	106,540	4,898	4.6	101,642	-11,198	-10.8%	98.1%
Caribou	4,179	111	2.7	4,068	-385	-9.4%	98.8%
Cassia	12,446	358	2.9	12,088	-1,027	-8.4%	99.0%
Clark	377	13	3.4	364	-29	-7.7%	96.8%
Clearwater	3,040	207	6.8	2,833	-369	-9.8%	103.7%
Custer	2,278	97	4.3	2,181	-241	-9.5%	101.7%
Elmore	11,936	472	4.0	11,464	-1,210	-10.4%	98.3%
Franklin	7,123	209	2.9	6,914	-581	-8.3%	99.0%
Fremont	8,103	228	2.8	7,875	-927	-11.7%	99.5%
Gem	8,465	408	4.8	8,057	-847	-10.2%	97.5%
Gooding	8,397	265	3.2	8,132	-551	-6.8%	100.0%
Idaho	6,715	383	5.7	6,332	-599	-9.2%	97.5%
Jefferson	14,664	379	2.6	14,285	-1,085	-6.3%	101.3%
Jerome	12,458	392	3.1	12,066	-869	-6.3%	100.9%
Kootenai	78,011	4,365	5.6	73,646	-11,157	-14.1%	93.3%
Latah	20,691	722	3.5	19,969	-3,117	-15.1%	96.5%
Lemhi	3,736	207	5.5	3,529	-392	-9.9%	101.3%
Lewis	1,661	97	5.8	1,564	-139	-8.6%	97.2%
Lincoln	2,774	121	4.4	2,653	-217	-8.1%	99.6%
Madison	22,620	512	2.3	22,108	-2,914	-13.1%	99.7%
Minidoka	11,666	361	3.1	11,305	-1,008	-8.8%	99.0%
Nez Perce	19,930	755	3.8	19,175	-3,395	-16.2%	91.7%
Oneida	2,406	78	3.2	2,328	-169	-7.0%	100.3%
Owyhee	5,656	278	4.9	5,378	-425	-7.7%	97.5%
Payette	11,833	491	4.1	11,342	-994	-8.6%	98.1%
Power	4,097	141	3.4	3,956	-343	-8.6%	98.8%
Shoshone	5,391	390	7.2	5,001	-680	-11.4%	102.6%
Teton	6,427	270	4.2	6,157	-721	-10.9%	92.8%
Twin Falls	42,228	1,644	3.9	40,584	-3,442	-8.5%	100.0%
Valley	5,844	332	5.7	5,512	-563	-10.2%	99.7%
Washington	4,715	206	4.4	4,509	-361	-8.0%	99.3%

**Table 2: August 2020 Idaho Situation Report by County Type**

County	August Labor Force Statistics				April Decline		August Recovery Level
	Labor Force	Unemployed	Rate	Employment	Employed	Trough	
Urban	651,949	27,162	4.2%	624,787	75,829	-11.5%	97.7%
Rural	245,254	10,188	4.2%	235,066	22,316	-8.8%	99.6%
Rural Center	96,299	4,415	4.6%	91,884	8,736	-8.7%	99.3%
Commuting	82,579	3,329	4.0%	79,250	7,750	-9.2%	99.7%
Open Rural	66,376	2,444	3.7%	63,932	5,830	-8.3%	99.7%