

# Idaho Economic Forecast

C.L. "Butch" Otter, Governor  
Jani Revier, Administrator

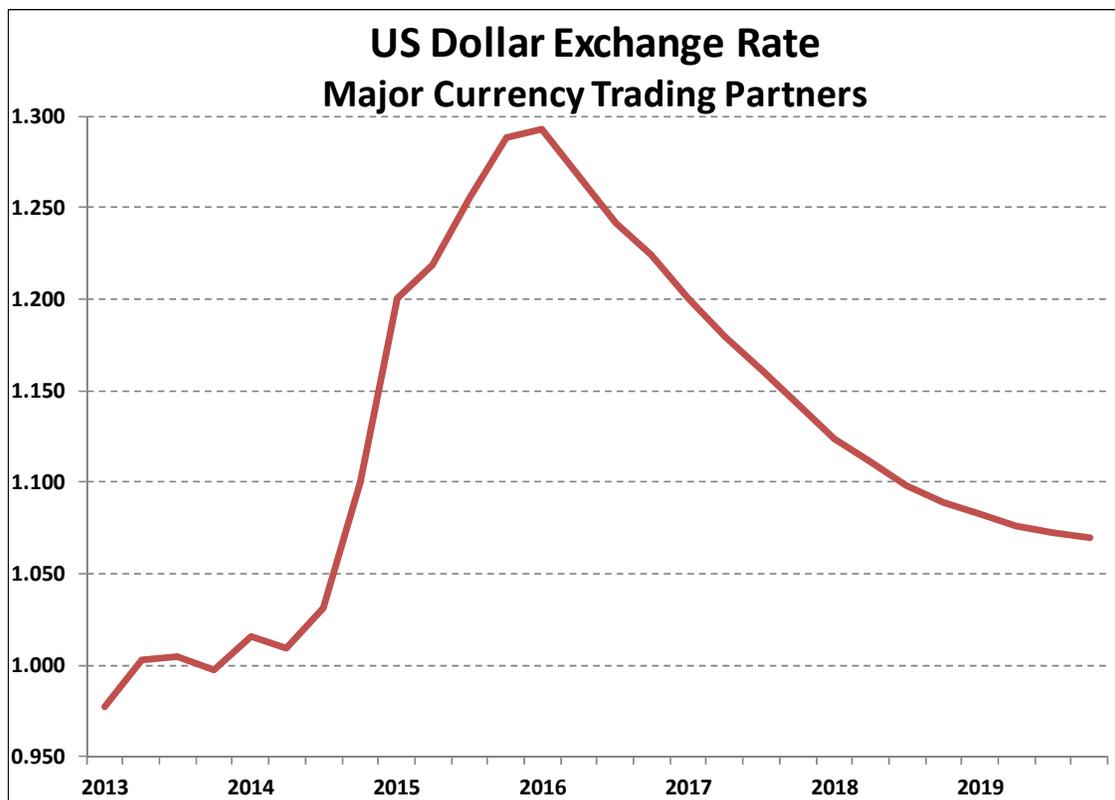
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- Forecast 2015–2019
- Is China's Growth Miracle Over?
- Alternative Forecasts



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**IDAHO  
ECONOMIC  
FORECAST  
2015–2019**

State of Idaho  
C.L. “BUTCH” OTTER  
Governor

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## INTRODUCTION

The national forecast presented in this publication is the September 2015 IHS Economics baseline forecast of the US economy. The previous *Idaho Economic Forecast* was based on the June 2015 IHS Economics baseline national forecast.

This month's cover graph shows the index for the US dollar's exchange rate with major currency trading partners. The dollar continues to appreciate against most of the 17 currencies that make up this broad-based index, partially due to many international economies that have softened over the last couple of years. In September the index reached the highest level since 2003. The higher value of the dollar typically has a negative impact on net exports, which is expected to put some additional pressure on US real GDP growth through 2017. Thereafter, world economic growth is expected to begin to pick up and the dollar will begin a slow descent.

## FEATURE

China's economy grew 10% per year for over 30 years beginning in the early 1980s. No other country in modern history has achieved such exceptional growth for so long. Before the global financial crisis, China's growth was primarily driven by productivity gains. Since 2008, however, growth has slowed and become increasingly dependent on investment. Because China has been a large and expanding market for other countries, its growth prospects have important implications not just for the Chinese people but also for the global economy. This feature article examines the sources of China's growth and some factors contributing to the recent slowdown, and offers a view of China's future growth. This article is authored by Zheng Liu, who is a senior research advisor in the Economic Research Department of the Federal Reserve Bank of San Francisco.

## THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. IHS Economics examines the effects of different economic scenarios, including the potential impacts of recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the US are presented in the tables in the middle section of this report. Detail is provided for every year from 2002 through 2019 and for every quarter from 2013 through 2018. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2015.

Descriptions of the IHS Economics US Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

## CHANGES

The Idaho Department of Labor provides monthly historical employment data that are seasonally adjusted and converted to quarterly frequencies by the Idaho Division of Financial Management (DFM). The current set contains nonfarm employment through the second quarter of 2015. These new data show that employment in that quarter was about 3,200 jobs lower than had been reported in April 2015.

The Idaho quarterly personal income estimates contained in this report were released by the US Department of Commerce's Bureau of Economic Analysis (BEA) on September 30, 2015. This release includes the first estimates for the second quarter of 2015. This month's release also included data revisions that go back as far as the first quarter of 1976. The largest revisions were to Idaho farm proprietors' income, which was reduced significantly from previous estimates. Specifically, it was lowered 15.6% in 2012, 14.1% in 2013, and 29.4% in 2014. The largest quarterly reduction was in the first quarter of 2015, when the BEA lowered its previous estimate of farm proprietors' income by \$952 million, which is nearly half the previous estimate.

In addition to the changes to Idaho personal income, the Federal Reserve Board revised and rebased its industrial production index series this summer. These indices have an integral role in developing Idaho employment forecasts. The base year of these indices were changed from 2007 to 2012. Also, the National Income and Product Accounts were revised since the July 2015 forecast was published.

These significant revisions required DFM to re-estimate its Idaho Economic Model in order to recalibrate the relationships between the Idaho and national data. The results of these efforts can be found in the appendix of this economic forecast.

Readers with any questions should contact Nathaniel L. Clayville at (208) 334-3900 or at [nathaniel.clayville@dfm.idaho.gov](mailto:nathaniel.clayville@dfm.idaho.gov).

**Idaho Division of Financial Management**

304 N. 8<sup>th</sup> St.  
P.O. Box 83720  
Boise, ID 83720-0032

**Economic Analysis Bureau**

Derek E. Santos, Chief Economist  
Nathaniel L. Clayville, Economist  
(208) 334-3900

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## EXECUTIVE SUMMARY

The US economy expanded at a rate of 3.7% in the second quarter of 2015, up from a growth rate of 0.6% in the first quarter. The ramp-up that occurred in the second quarter was largely due to a resurgence in consumer spending. Real consumer expenditures grew at an annualized pace of 3.1% in the second quarter and an estimated rate of 3.0% in the third quarter, with an actual monthly increase of 0.2% in September alone. Spending on durable goods grew at an 8.2% pace in the second quarter, and nondurable goods spending grew at a 4.1% pace. The third leg of the consumer spending stool, services, grew at an annualized rate of 2.0% in the same quarter. The same favorable economic conditions that have been driving consumer spending have also been reinforcing growth in the US housing market. Housing starts advanced from just under a one million units per year pace in the first quarter to nearly 1.2 million units per year in the second quarter. Similarly, the growth rate of existing home sales also accelerated in the second quarter, advancing to a rate of 5.3 million units per year versus the 5.0 million units per year pace in the first quarter. Businesses also spent more in the second quarter of 2015. Investments in nonresidential structures grew at a rate of 3.1%. The decline in the price of petroleum products did have an impact on investment in new mining and petroleum structures, which contracted at a 68.3% annualized pace. Investment growth in the other types of nonresidential structures more than made up for the contraction in mining and petroleum structures. Investment in intellectual property products was the strongest business investment category in the second quarter, growing at a rate of 8.6%. Total nonresidential investment increased at a 3.2% clip in the second quarter. International and domestic financial markets are beginning to show a potential risk to the forecast, but are not yet assumed to have a major impact. With consumer and business spending growing, relatively timid inflation, and a stable job market, the US is on track to have real GDP growth of 2.5% in 2015, which is slightly faster than the 2.4% growth in 2014. Real GDP growth is then expected to accelerate to 2.8% in 2016 and 2017, and then ease back to 2.6% in both 2018 and 2019.

The Gem State's economy has been on the rise since the end of the Great Recession. Many segments of the economy expanded at a fairly rapid pace during the recovery, but are expected to begin to slow to a more sustainable pace over the next few years. An important part of Idaho's economy that did not recover as quickly after the Great Recession was the employment sector. Total nonfarm employment was stuck below the prerecession level until mid-2014. This slow recovery appears to be over and employment is beginning to expand at a pace that looks less like recovery and more like new growth. Total nonfarm payrolls are anticipated to increase by 2.7% in 2015, 2.3% in 2016, and 2.2% in 2017, 2018, and 2019. With total nonfarm payrolls in the state back above 2007 levels and unemployment below 4.0%, the economy is shifting from a slow recovery to a more traditional recovery. The recovering growth in Idaho employment led a tightening labor market. As such, wage and salary growth is expected to accelerate over the next few years. One exception to the expected income growth is farm proprietors' income, which is expected to decrease by nearly 40.0% in 2015 from its record high in 2014. Real personal income in the state grew by 3.0% in 2014, and is expected to accelerate to 3.3% in 2015, 3.4% in 2016, 3.0% in 2017, and 3.1% in 2018 and 2019. With solid employment and income growth returning in the state, corresponding growth in housing is expected, although it will likely be relatively subdued. The recovery in the housing market did not take a firm hold in Idaho until 2012, but when it began to take off in that year it made up for lost time, with housing starts growing at an average annual rate of 29.1% in 2012, 2013, and 2014. While housing growth over the next few years is not expected to match the last few years, it is likely that the forecast rate of growth will be more sustainable. Housing starts are forecast to grow by 6.7% in 2015, 10.7% in 2016, 10.2% in 2017, 1.5% in 2018, and 2.0% in 2019.

**IDAHO ECONOMIC FORECAST**  
**EXECUTIVE SUMMARY**  
**OCTOBER 2015**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>U.S. GDP (BILLIONS)</b>											
Current \$	14,419	14,964	15,518	16,155	16,663	17,348	17,985	18,808	19,683	20,572	21,507
% Ch	-2.0%	3.8%	3.7%	4.1%	3.1%	4.1%	3.7%	4.6%	4.7%	4.5%	4.5%
2009 Chain-Weighted	14,419	14,784	15,021	15,355	15,583	15,962	16,360	16,816	17,293	17,744	18,202
% Ch	-2.8%	2.5%	1.6%	2.2%	1.5%	2.4%	2.5%	2.8%	2.8%	2.6%	2.6%
<b>PERSONAL INCOME - CURR \$</b>											
Idaho (Millions)	48,797	50,340	53,127	55,599	57,484	60,041	62,194	65,116	68,366	71,998	75,787
% Ch	-3.2%	3.2%	5.5%	4.7%	3.4%	4.4%	3.6%	4.7%	5.0%	5.3%	5.3%
Idaho Nonfarm (Millions)	47,715	48,858	51,019	53,497	55,075	57,510	60,346	63,379	66,716	70,333	74,094
% Ch	-2.0%	2.4%	4.4%	4.9%	2.9%	4.4%	4.9%	5.0%	5.3%	5.4%	5.3%
U.S. (Billions)	12,095	12,477	13,255	13,915	14,068	14,694	15,316	16,020	16,838	17,690	18,567
% Ch	-3.3%	3.2%	6.2%	5.0%	1.1%	4.4%	4.2%	4.6%	5.1%	5.1%	5.0%
<b>PERSONAL INCOME - 2009 \$</b>											
Idaho (Millions)	48,798	49,520	51,010	52,389	53,436	55,029	56,867	58,784	60,554	62,443	64,395
% Ch	-3.1%	1.5%	3.0%	2.7%	2.0%	3.0%	3.3%	3.4%	3.0%	3.1%	3.1%
Idaho Nonfarm (Millions)	47,717	48,063	48,986	50,408	51,197	52,709	55,178	57,216	59,093	60,999	62,956
% Ch	-1.9%	0.7%	1.9%	2.9%	1.6%	3.0%	4.7%	3.7%	3.3%	3.2%	3.2%
U.S. (Billions)	12,095	12,274	12,726	13,112	13,078	13,468	14,004	14,462	14,914	15,343	15,776
% Ch	-3.2%	1.5%	3.7%	3.0%	-0.3%	3.0%	4.0%	3.3%	3.1%	2.9%	2.8%
<b>HOUSING STARTS</b>											
Idaho	5,727	5,189	4,563	7,129	9,057	9,813	10,469	11,590	12,774	12,967	13,228
% Ch	-28.2%	-9.4%	-12.1%	56.2%	27.0%	8.3%	6.7%	10.7%	10.2%	1.5%	2.0%
U.S. (Millions)	0.554	0.586	0.612	0.784	0.928	1.001	1.131	1.308	1.456	1.509	1.555
% Ch	-38.4%	5.7%	4.5%	28.1%	18.4%	7.8%	13.0%	15.6%	11.3%	3.6%	3.1%
<b>TOTAL NONFARM EMPLOYMENT</b>											
Idaho	610,008	603,697	610,751	622,277	638,095	655,233	673,011	688,691	703,523	719,283	734,931
% Ch	-6.0%	-1.0%	1.2%	1.9%	2.5%	2.7%	2.7%	2.3%	2.2%	2.2%	2.2%
U.S. (Thousands)	131,220	130,269	131,843	134,098	136,394	139,023	141,940	144,294	146,411	148,083	149,214
% Ch	-4.3%	-0.7%	1.2%	1.7%	1.7%	1.9%	2.1%	1.7%	1.5%	1.1%	0.8%
<b>SELECTED INTEREST RATES</b>											
Federal Funds	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.9%	1.9%	2.9%	3.3%
Bank Prime	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.9%	4.9%	5.9%	6.3%
Existing Home Mortgage	5.1%	4.9%	4.7%	3.8%	4.0%	4.3%	4.1%	4.7%	5.0%	5.6%	5.9%
<b>INFLATION</b>											
GDP Price Deflator	0.8%	1.2%	2.1%	1.8%	1.6%	1.6%	1.1%	1.7%	1.8%	1.9%	1.9%
Personal Cons Deflator	-0.1%	1.7%	2.5%	1.9%	1.4%	1.4%	0.2%	1.3%	1.9%	2.1%	2.1%
Consumer Price Index	-0.3%	1.6%	3.1%	2.1%	1.5%	1.6%	0.1%	1.6%	2.4%	2.6%	2.5%

**National Variables Forecast by IHS Economics**  
**Forecast Begins the THIRD Quarter of 2015**

**IDAHO ECONOMIC FORECAST**  
**EXECUTIVE SUMMARY**  
**OCTOBER 2015**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GDP (BILLIONS)</b>												
Current \$	18,492	18,704	18,910	19,127	19,359	19,582	19,789	20,002	20,246	20,462	20,679	20,901
% Ch	4.9%	4.7%	4.5%	4.7%	5.0%	4.7%	4.3%	4.4%	5.0%	4.3%	4.3%	4.4%
2009 Chain-Weighted	16,631	16,748	16,875	17,009	17,132	17,241	17,344	17,455	17,581	17,691	17,798	17,907
% Ch	2.7%	2.9%	3.1%	3.2%	2.9%	2.6%	2.4%	2.6%	2.9%	2.5%	2.4%	2.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	64,131	64,773	65,420	66,138	67,091	67,886	68,769	69,720	70,658	71,539	72,418	73,377
% Ch	4.8%	4.1%	4.1%	4.5%	5.9%	4.8%	5.3%	5.6%	5.5%	5.1%	5.0%	5.4%
Idaho Nonfarm (Millions)	62,292	63,031	63,740	64,454	65,406	66,289	67,152	68,017	68,986	69,885	70,771	71,688
% Ch	5.6%	4.8%	4.6%	4.6%	6.0%	5.5%	5.3%	5.2%	5.8%	5.3%	5.2%	5.3%
U.S. (Billions)	15,754	15,918	16,106	16,302	16,533	16,740	16,938	17,141	17,379	17,587	17,793	18,002
% Ch	5.1%	4.2%	4.8%	5.0%	5.8%	5.1%	4.8%	4.9%	5.7%	4.9%	4.8%	4.8%
<b>PERSONAL INCOME - 2009 \$</b>												
Idaho (Millions)	58,284	58,546	58,894	59,410	59,963	60,255	60,708	61,292	61,776	62,216	62,643	63,139
% Ch	3.0%	1.8%	2.4%	3.6%	3.8%	2.0%	3.0%	3.9%	3.2%	2.9%	2.8%	3.2%
Idaho Nonfarm (Millions)	56,612	56,971	57,381	57,897	58,457	58,838	59,281	59,795	60,314	60,778	61,218	61,686
% Ch	3.8%	2.6%	2.9%	3.6%	3.9%	2.6%	3.0%	3.5%	3.5%	3.1%	2.9%	3.1%
U.S. (Billions)	14,318	14,388	14,499	14,644	14,777	14,858	14,952	15,069	15,195	15,295	15,391	15,490
% Ch	3.3%	2.0%	3.1%	4.1%	3.7%	2.2%	2.6%	3.2%	3.4%	2.7%	2.5%	2.6%
<b>HOUSING STARTS</b>												
Idaho	11,097	11,391	11,732	12,138	12,459	12,713	12,937	12,985	12,935	12,946	12,960	13,027
% Ch	6.9%	11.0%	12.5%	14.6%	11.0%	8.4%	7.3%	1.5%	-1.5%	0.4%	0.4%	2.1%
U.S. (Millions)	1,257	1,267	1,321	1,385	1,423	1,457	1,464	1,480	1,500	1,504	1,511	1,521
% Ch	16.6%	3.1%	18.1%	21.1%	11.2%	9.9%	2.2%	4.3%	5.4%	1.1%	2.0%	2.7%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	682,823	686,915	690,775	694,251	698,026	701,542	705,257	709,269	713,291	717,397	721,259	725,183
% Ch	2.6%	2.4%	2.3%	2.0%	2.2%	2.0%	2.1%	2.3%	2.3%	2.3%	2.2%	2.2%
U.S. (Thousands)	143,475	144,016	144,544	145,142	145,737	146,223	146,651	147,031	147,484	147,940	148,314	148,595
% Ch	1.7%	1.5%	1.5%	1.7%	1.6%	1.3%	1.2%	1.0%	1.2%	1.2%	1.0%	0.8%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	0.5%	0.8%	1.0%	1.3%	1.5%	1.8%	2.0%	2.3%	2.5%	2.8%	3.0%	3.3%
Bank Prime	3.5%	3.8%	4.0%	4.3%	4.5%	4.8%	5.0%	5.3%	5.5%	5.8%	6.1%	6.2%
Existing Home Mortgage	4.5%	4.6%	4.7%	4.9%	4.9%	5.0%	5.1%	5.1%	5.3%	5.6%	5.8%	5.9%
<b>INFLATION</b>												
GDP Price Deflator	2.1%	1.8%	1.4%	1.4%	2.0%	2.1%	1.8%	1.7%	2.0%	1.8%	1.8%	1.8%
Personal Cons Deflator	1.7%	2.2%	1.6%	0.9%	2.0%	2.8%	2.2%	1.7%	2.2%	2.1%	2.2%	2.1%
Consumer Price Index	2.5%	2.8%	2.0%	0.8%	2.6%	3.7%	2.8%	1.9%	2.8%	2.6%	2.6%	2.5%

**National Variables Forecast by IHS Economics**  
**Forecast Begins the THIRD Quarter of 2015**

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the Third Quarter of 2015 through the Fourth Quarter of 2019**

The US economy expanded at a rate of 3.7% in the second quarter of 2015, up from a growth rate of 0.6% in the first quarter. The ramp-up that occurred in the second quarter was largely due to a resurgence in consumer spending. Consumers spent more as the job market growth held steady and inflation remained contained. Businesses in the US enjoyed a relatively strong dollar that put downward pressure on the price of imports, but it was not ultimately enough to entice many businesses to increase nonresidential investing. Construction on both the consumer side and the business side saw a higher level of activity in the second quarter, with increased spending in both commercial and residential.

Despite the chaotic conditions in many of the world's financial markets, consumers maintained a fairly optimistic outlook on the US economy and continued to spend on goods and services in the second quarter of 2015. Real consumer expenditures grew at an annualized rate of 3.1% in the second quarter, with a monthly increase of 0.2% in September, alone. Spending on durable goods grew at an 8.2% pace in the second quarter, and nondurable goods spending grew at a 4.1% pace. The third leg of the consumer spending stool, services, grew at an annualized rate of 2.0% in the same quarter. Looking forward, a combination of low inflation, an improving job market, and a projected growth in real disposable income is expected to lead to continued growth in consumer spending in the US for the foreseeable future.

The same favorable economic conditions that have been driving consumer spending have also been reinforcing growth in the US housing market. Unseasonably cold weather contributed to a deceleration in new and used home sales in the first quarter, but warmer spring weather invigorated the housing market in the second quarter of this year. Housing starts advanced from just under a one million units per year pace in the first quarter to nearly 1.2 million units per year in the second quarter. Similarly, the growth rate of existing homes sales also accelerated in the second quarter, advancing to a rate of 5.3 million units per year versus the 5.0 million units per year pace in the first quarter. For the last four quarters housing prices have grown at an average rate of just over 5.0%, which held in the second quarter when the purchase price of homes grew at a 5.4% clip.

Businesses also spent more in the second quarter of 2015. Business investment in structures, which struggled for most of the last year under the pressure of receding energy prices, grew in the second quarter. The decline in the price of petroleum products did have an impact on investment in new mining and petroleum structures, which contracted at a 68.3% annualized pace. Investments in the other types of nonresidential structures grew enough to offset the decrease in investments in mining and petroleum structures, leading to annualized investment growth of 3.1% for all structures in the second quarter. Businesses also held back on investing in certain types of equipment in the second quarter, namely transportation equipment. Investment in intellectual property products made up for any sluggishness in other categories, growing at a rate of 8.6%. Total nonresidential investment increased at a 3.2% clip in the second quarter.

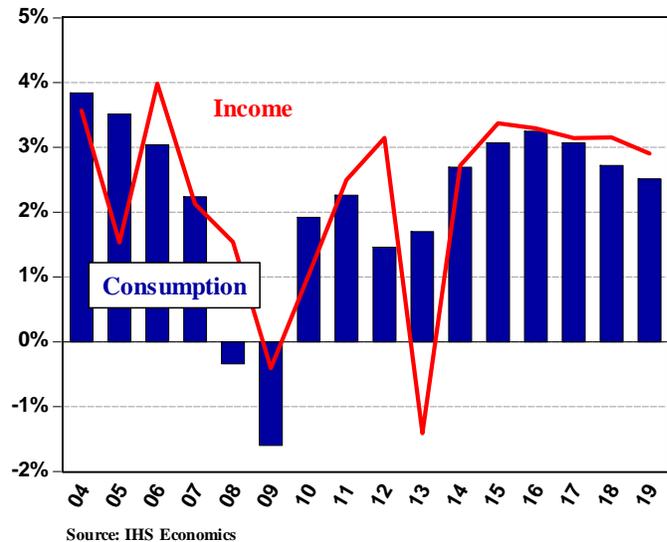
International and domestic financial markets are beginning to show a potential risk to the forecast, but are not yet assumed to have a major impact. With consumer and business spending growing, relatively timid inflation, and a stable job market, the US is on track to have real GDP growth of 2.5% in 2015, which is slightly faster than the 2.4% growth in 2014. Real GDP growth is then expected to accelerate to 2.8% in both 2016 and 2017, and then ease back to 2.6% in both 2018 and 2019.

## SELECTED NATIONAL ECONOMIC INDICATORS

**Consumer Spending:** Rising uncertainty in world financial markets has contributed to a recent decline in consumer sentiment, though it has not had a tangible impact on consumer spending in the US. In September 2015 the University of Michigan’s Consumer Sentiment Index declined to its lowest level since September 2014 as worries over stock market volatility and global financial turmoil took their toll on consumer confidence. In spite of the recent hits to consumer sentiment, spending has continued to grow through the second quarter of 2015. Real consumer expenditures grew at an annualized rate of 3.1% in the second quarter and expected annualized growth of 3.0% in the third quarter, with a monthly increase of 0.2% in September alone. Much of the second quarter strength was due to a surge in durable goods spending, which grew at an 8.2% rate in the

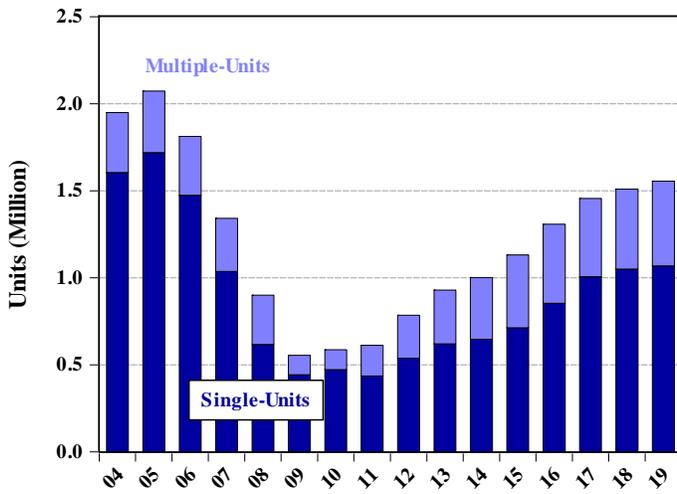
second quarter. Durable goods are items that have a relatively long shelf life, such as automobiles and furniture. Some durable goods that consumers increased spending on in the second quarter were new and used motor vehicles, and recreational goods. Nondurable goods spending also grew in the second quarter, but at a more modest rate of 4.1%. Nondurable goods are items that have a shorter shelf life, typically less than three years, such as perishable food products. Some nondurable goods categories that had the strongest growth in the second quarter were clothing products and medical products, which grew at rates of 5.3% and 9.4%, respectively. Looking forward, a combination of low inflation, an improving job market, and anticipated growth in real disposable income is expected to lead to solid growth rates in consumer spending in the US. Real personal consumption expenditures are forecast to grow at a 3.1% pace for all of 2015, followed by 3.2% in 2016, 3.1% in 2017, 2.7% in 2018, and 2.5% in 2019.

**US Real Consumption and Disposable Personal Income Growth**



**Housing:** Warm weather and favorable economic conditions led to a bounce back in housing market activity that largely made up for a mundane first quarter that occurred as a result of unseasonably cold winter weather. Total US housing starts grew at a rate that exceeded one million units per year through the last half of 2014, but fell below that threshold in the first quarter of 2015, when housing starts grew at a 978,000 unit pace. That growth rate accelerated back above the one million unit mark again in the second quarter, with starts growing at a 1.2 million unit pace. Similarly, the sales of existing homes in the US dropped below a 5 million unit per year rate in mid-2007 and did not exceed that pace again until mid-2013. It held just above the 5 million units per year pace for two quarters before dropping back below. It broke the 5 million units per year pace again in the third quarter of 2014 and held it through the fourth quarter of 2014 before dropping back below in the first quarter of 2015. The growth rate of sales of existing homes also accelerated in the second quarter, advancing to a rate of 5.3 million units per year. It is important to note that, while housing starts and existing home sales are showing some strength, the level of growth is still considered modest when compared to the early 2000s when housing starts exceeded 2 million units per year and sales of existing homes eclipsed 7 million units per year. However, the recent modest building and sales rates may be considered more stable and more conducive to sustainable growth. As the demand for homes continues to grow, so do prices of homes. The Federal Housing Finance Agency’s Purchase Price Only Index, which is based on more than six million actual

## US Housing Starts



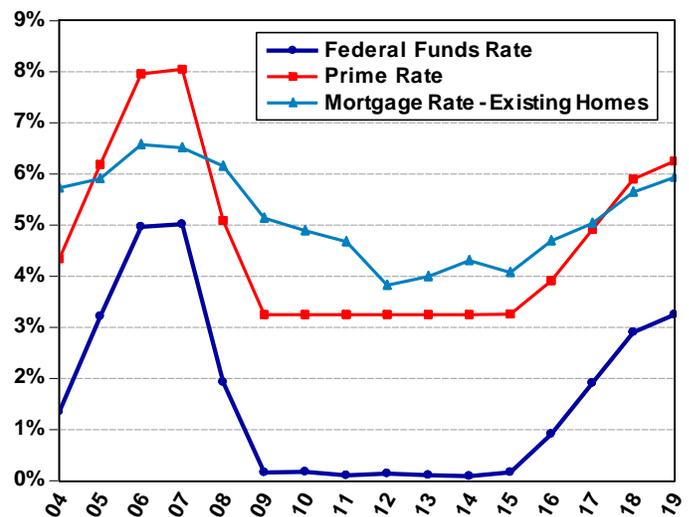
Source: IHS Global Insight

0.7% in 2017 before decreasing by 0.3% in 2018 and 0.2% in 2019. New housing starts are anticipated to grow by 13.0% in 2015, 15.6% in 2016, 11.3% in 2017, 3.6% in 2018, and 3.1% in 2019.

**Monetary Policy:** There has been much speculation about whether or not the Federal Reserve’s Federal Open Market Committee (FOMC) would begin to normalize US monetary policy by raising the federal funds rate in September 2015. Economic data received by the FOMC at their September meeting suggested that GDP, housing, and labor markets all showed signs of economic growth, but international equity market troubles and an appreciating dollar have injected additional risks into the scenario. Consistent with IHS Economics assumptions, the FOMC did not raise the federal funds rate target in September. IHS Economics assumes that the Committee will likely make the first increase to the target rate in December 2015. The federal funds rate is the rate at which depository institutions lend reserve balances to other depository institutions overnight and is used by the Federal Reserve as a tool to guide the short-term interest rates. Because the federal funds rate is set by the market the Federal Reserve cannot set a specific rate for these transactions, but it has the ability to sway the rate close to their target through various monetary tools, such as buying and selling treasuries to depository institutions in order to vary the supply and demand for liquid money in those institutions. The FOMC has attempted to hold the federal funds rate between 0.0% and 0.25% since early in 2009, but a strengthening economy has led to discussions about lifting that rate target. Some of the members of the Committee believe that tame inflation and strength in the labor market is justification for an increase to the federal funds rate target. Others believe that in order to solidify the progress made towards maintaining the Federal Reserve’s dual mandate of maximum employment and price level stability in the US economy, it is best to leave the rate

repeat transactions on the same, single-family dwellings, grew at a 5.4% pace in the second quarter of 2015. Following the housing industry collapse the US experienced in the Great Recession, it is assumed that a key housing market indicator, such as home purchase prices, would have a short-term period of growth that would exceed the trend before equalizing and growing at a more sustainable pace. It is likely that this more rapid rate of growth has already largely occurred in US home prices and will begin to level off in the coming years. The purchase price of homes grew by 5.5% in 2014 and is forecast to grow by 4.0% in 2015, 1.7% in 2016, 4.2% in 2017, 3.5% in 2018, and 3.2% in 2019. Existing home sales are expected to increase by 8.7% in 2015, 5.2% in 2016, and

## Selected US Interest Rates

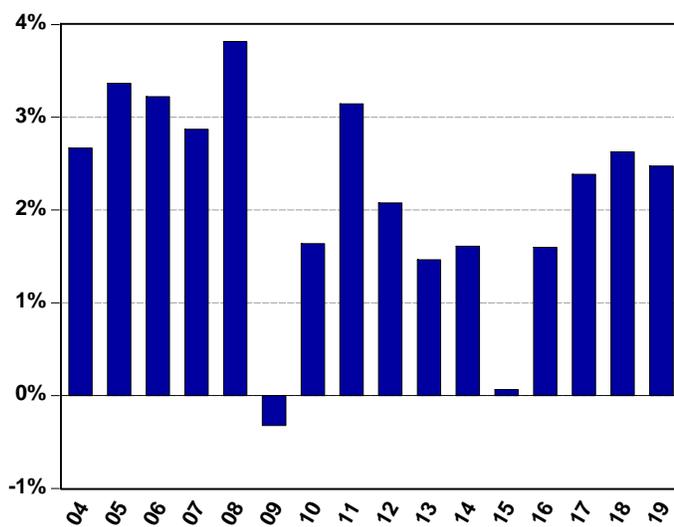


Source: IHS Economics

target at its current position and to revisit the issue in subsequent meetings. Although the Federal Reserve currently has the luxury of low inflation, it will likely bring new policy into effect at a slow pace in order to preserve steady price level growth. As such, the FOMC has made it clear that even after economic conditions warrant an increased rate target, the range that the Committee will target will likely be below levels that may be considered normal in the long run. By maintaining a relatively conservative rate, the Committee hopes to continue to safely foster accommodative financial markets. This forecast assumes that the federal funds rate will average 0.2% in 2015, 0.9% in 2016, 1.9% in 2017, 2.9% in 2018, and 3.3% in 2019.

**Inflation:** Price level growth remained tame in the second quarter of 2015 for consumers, producers, and employers. Indicators for the third quarter also show a subdued growth in price level inflation, with initial reports showing slight deflation in some consumer and producer price categories in August 2015. Consumer prices did grow at a rate of 3.0% in the second quarter, largely due to a partial rebound in energy costs. Consumer energy costs rose at a 13.8% pace in the second quarter, with most of the growth coming from its commodities portion that grew at a 40.2% pace. While the growth in energy commodity prices seems steep, it does follow an annualized contraction of nearly 65% in the first quarter, which could indicate more of a correction than a new growth trend. Core consumer inflation, which is equal to total inflation minus the more volatile food and energy components, grew at a rate of only 2.5% in the second quarter. Producer prices, which can be an indicator of future consumer prices, grew at a 3.7% pace in the second quarter. Again, the increase was largely concentrated in energy prices, which inflated at a 15.3% clip in the second quarter. Core producer prices grew at a more subdued rate of 2.0% in the same quarter. One of the most influential price level indicators, employment costs, tells a different story than consumer and producer costs. These employment costs, which include the cost of wages and benefits that comprise some of the largest costs that employers pay, were flat in the second quarter. While wages and salaries grew at a 0.7% pace, the cost of employee benefits contracted at a 1.0% rate. Employment costs are anticipated to pick up through the rest of the year, ending 2015 with

**US Consumer Price Inflation**

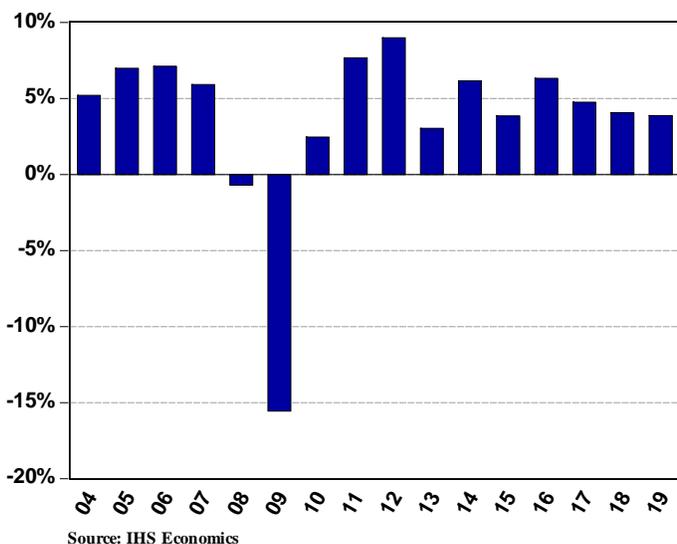


Source: IHS Economics

year-over-year growth of 2.1%, followed by 2.4% in 2016, 3.0% in 2017, 3.1% in 2018, and 3.2% in 2019 as the labor market improves. An expected decrease in industrial commodity prices over the next several months is anticipated to put downward pressure on producer prices, leading to a forecasted contraction of 3.5% for all of 2015. This decrease is then expected to be followed by growth of 0.6% in 2016 as commodity prices begin to lift. Producer prices are then forecast to grow by 2.5% in 2017, 2.6% in 2018, and 2.5% in 2019. Consumer inflation is anticipated to be almost flat in 2015, growing by just 0.1% over 2014 levels. Then price level growth for consumers is likely to pick up, growing by an estimated 1.6% in 2016, 2.4% in 2017, 2.6% in 2018, and 2.5% in 2019.

**Business Investment:** Real nonresidential fixed investment in the US grew at a rate of 3.2% in the second quarter of 2015, which was a result of strong spending by businesses on the structures and intellectual property products investment categories. Business investment in structures, which struggled

### Real US Business Investment Growth

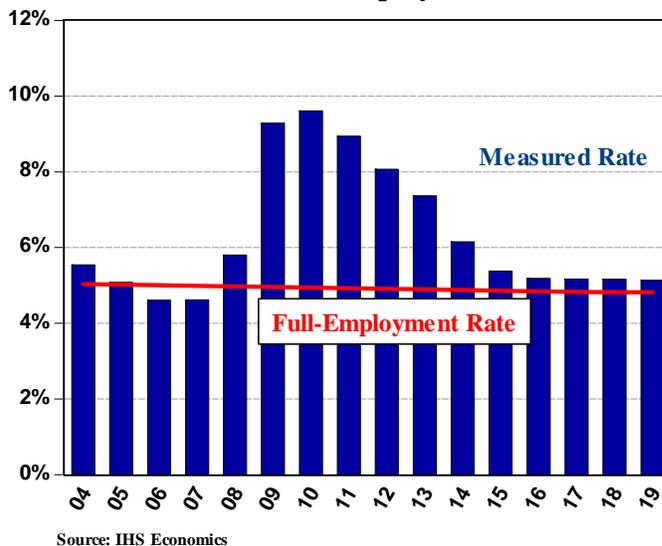


for most of the last year under the pressure of receding energy prices, grew at an annualized rate of 3.1% in the second quarter. This rate of growth might have been stronger if not for business spending on mining and petroleum structures that contracted at a 68.3% pace in the same quarter. With the steep decline in energy prices since mid-2014, this decrease was largely expected. The structures investment category was lifted by robust growth in other types of structures, such as manufacturing structures, which grew at a 60.5% rate in the second quarter. Businesses also increased spending on intellectual property products in the second quarter. Intellectual property products are typically products with copyrights, patents, and/or industrial design rights. Business spending on

these products accelerated from a 7.4% growth rate in the first quarter of 2015 to an 8.6% clip in the second quarter. Business investment on equipment was the only category to lose ground in the second quarter, declining at a 0.4% rate. The equipment investment decline was due to a decrease in spending on equipment categories like information processing equipment, transportation equipment, and other equipment, which decreased at rates of 5.2%, 5.4%, and 7.1% in the second quarter, respectively. The only equipment category that gained ground was industrial equipment, which grew at a 22.0% annual rate in the second quarter. Even with the second quarter decrease, business investment in equipment is still anticipated to grow by 3.6% this year, followed by 7.0% in 2016, 5.9% in 2017, 4.1% in 2018, and 3.7% in 2019. Intellectual property product investments are forecast to grow 7.2% this year, 5.8% in 2016, 4.3% in 2017, and 3.8% in both 2018 and 2019. Business investment in structures is expected to decline by 0.1% this year, and is then forecast to grow by 5.5% in 2016, 2.9% in 2017, 4.4% in 2018, and 4.2% in 2019. Total real gross private nonresidential investment is anticipated to advance by 3.9% in 2015, 6.3% in 2016, 4.7% in 2017, 4.1% in 2018, and 3.9% in 2019.

**Employment:** Employment in the US is approaching the natural level of unemployment which will likely lead to slower, albeit more sustainable growth in payrolls over the next few years. The natural rate of unemployment is a theoretical level of unemployment that is necessary in an economy for sustainable, long-term growth. IHS Economics assumes that the natural rate of unemployment is 4.9% in 2015. The unemployment rate in the US grew from 4.6% at the beginning of the recession in 2007 to 9.6% in 2010. Since then nonfarm employment has grown steadily each year while the unemployment rate has decreased each year. The headline unemployment rate decreased to 5.1% in August 2015 from the 5.3% unemployment that was reported in July 2015.

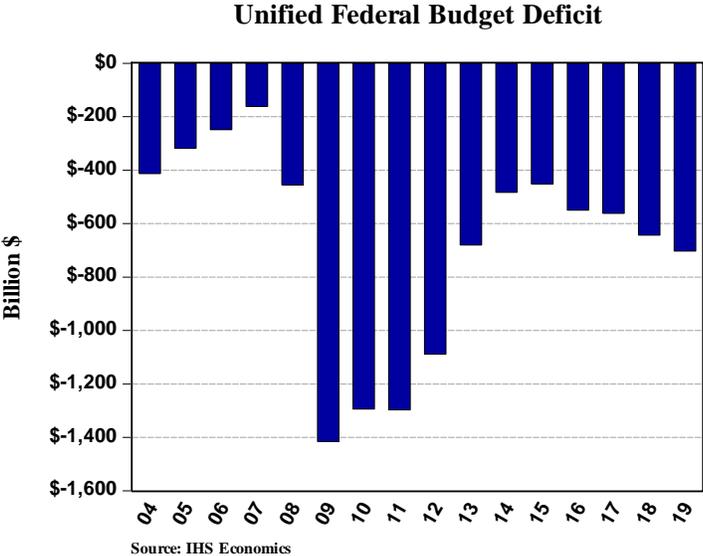
### US Civilian Unemployment Rate



The August report by the US Bureau of Labor Statistics noted that there was a gain of 173,000 jobs, which was somewhat low compared to the average payroll gain per month of 243,000 over the last year. Although the report also noted a slight decrease in the number of unemployed, the lower unemployment rate was more to do with a drop in the labor force of roughly 44,000 month-over-month. The report also included upward revisions for the past two months, which still puts the US on a solid growth trajectory. In the second quarter of 2015, total nonfarm payrolls in the US grew at a rate of 1.7%. Much of the growth in payrolls occurred in service sectors such as professional and business services employment, which grew at a 3.7% pace in the second quarter, and in leisure and hospitality payrolls, which increased at a 2.1% clip in the same quarter. Manufacturing employment also added to the growth, but at a more modest rate of 0.3% in the second quarter. Similarly, government payrolls grew at a 0.1% pace over the same period. Total nonfarm payrolls were 139.0 million in 2014 and are expected to increase to 141.9 million in 2015. Total US nonfarm payrolls are then expected to grow to 144.3 million in 2016, 146.4 million in 2017, 148.1 million in 2018, and 149.2 million in 2019. The civilian unemployment rate is forecast to hover near 5.2% over most of the forecast period.

**Government:** Discussions on Capitol Hill have been largely focused on putting together a federal budget for the new fiscal year. A temporary funding bill was passed through Congress just seven hours before the September deadline that would have triggered another federal government shutdown. In late October, Congressional leaders and the White House reached an agreement on a two-year budget that would increase federal spending by \$80 billion over that period and raise the debt ceiling through 2017. The proposed budget stills needs to be approved by Congress and signed by the President. Congress is expected to vote on the matter after this forecast has been published. At the current pace, the unified federal budget deficit is expected to end FY 2015 at -\$451 billion, which is approximately 2.5% of GDP. This would be the lowest ratio of US federal government budget deficit to nominal GDP since 2007, when the ratio was 1.1%. The smaller deficit in FY 2015 is partly due to a number of expired tax deductions, credits, and other incentives that ended late in 2014. The revenue from these expirations is currently being counted in the unified federal budget but could potentially be reinstated, retroactively, for the entire tax year of 2015, which is what occurred in tax year 2014. In order for the revenue to be excluded from the federal budget surplus calculation the deductions and credits will need to be reinstated by December 31, 2015. Another element that could potentially lead to increased revenues is a

renewed discussion about increasing the federal gasoline tax. If it were to happen, it would be the first federal gasoline tax increase since 1993. It has been proposed that the additional revenue would be used to fund a longer-term resolution to the funding of the Highway Trust Fund. IHS Economics assumes that this increase is likely, so a \$0.05 per gallon increase in the federal gasoline tax is built into its economic forecast. This increase is not expected to have a significant impact on the overall outlook. The unified federal budget deficit is expected to grow to -\$550 billion in FY 2016, -\$562 billion in FY 2017, -\$644 billion in FY 2018, and -\$703 billion in FY 2019.



**International:** US exports have been low most of the year due to a mix of volatile currency and oil prices abroad, a dollar that continues to grow in value against many other currencies, swings in many foreign financial markets, and softening international economic growth. The value of the US dollar has been growing against the currencies of important trade partners for most of the last year. In September 2015 the broadly based trade-weighted US dollar index rose to its highest level since 2003. IHS Economics anticipates a continued swell in the exchange rate of the dollar for the next three quarters before the world economic climate begins to improve and currency growth in other

key trade partners begin to catch up to the US dollar. The rising value of the currency has the unfortunate side effect of decreasing US exports. In September 2015 US exports were growing at a pace that was roughly 4% lower than it was late in 2014. Imports are also slightly lower, though, which helps to offset some of the decline in exports. Petroleum prices were one of the driving forces behind lower US imports. Petroleum products carry a 10.9% weight in the overall index of import prices, so swings in prices of petroleum products can have a tangible impact on the whole index. It was not just petroleum product imports that have been losing ground, though. Most goods categories declined in August 2015, including foods, feeds, and beverages. This decrease in both imports and exports spending has been further exacerbated by turmoil in some international economies. Most notably is the deceleration in economic growth that China is currently facing and the deliberate policy that has led to a partial devaluation of its currency. This is most likely to impact the US in the mining and heavy manufacturing categories, as the slowdown in China has left an overcapacity in basic materials and heavy machinery. This, along with other factors are expected to lead to a slight decrease in US net exports in the third quarter of 2015, from -\$532.7 billion in the second quarter to an anticipated -\$555.4 billion in the third quarter. Real net exports are expected to be -\$550.0 billion for all of 2015, -\$618.2 billion in 2016, -\$683.6 billion in 2017, -\$693.0 billion in 2018, and -\$654.7 billion in 2019.



## IDAHO FORECAST DESCRIPTION

### **The Forecast Period is the Third Quarter of 2015 through the Fourth Quarter of 2019**

The Gem State's economy has been on the rise since the end of the Great Recession. Many segments of the economy expanded at a fairly rapid pace during the recovery, but are expected to begin to slow to a more sustainable pace over the next few years. Most employment categories in the state have recovered fully from the impacts of the recession. As employment continues to improve, income and wage growth in Idaho are forecast to accelerate. Idaho's housing market is also expected to see gains over the forecast period, but probably not as expansive as the growth over the last few years.

An important part of Idaho's economy that did not recover as quickly after the Great Recession was the employment sector. Total nonfarm employment was stuck below the prerecession level until mid-2014. With total nonfarm payrolls in the state back above 2007 levels and unemployment below 4.0%, the slow recovery is beginning to feel a little more like a traditional economic expansion. Although nonfarm payrolls have recovered in Idaho, the composition of Idaho employees is slightly different now than it was before the recession. The number of employees in goods-producing industries is still below the prerecession level by nearly 19,000, while there are more than 36,000 additional employees working in nongoods-producing industries than in 2007. This modest restructuring of the composition of Idaho workers doesn't appear to be reversing, which indicates that it could be a permanent shift.

The recovering economy has led to a tightening local labor market. As the supply of available workers declines, business will be pressured to pay more to attract and retain employees. That already seems to be the case. The average annual wage in Idaho increased 2.9% in 2014, which was the fastest pace since 2006. It is expected to slow to 2.1% this year, but accelerate thereafter. Real personal income in the state, which includes wages along and other income sources, grew by 3.0% in the same year, and it is expected to accelerate to 3.3% in 2015. That rate might have been higher if not for an expected 38.8% decrease in nominal farm proprietors' income in 2015 from a record level in 2014. The loss in farm proprietors' income was more than made up for by stronger growth in other income categories, such as nonfarm proprietors' income and dividends, interest, and rent.

With solid employment and income growth returning in the state, a corresponding uptick in housing would typically be expected. While some growth is expected in Idaho's housing market, it will likely be relatively subdued. Following the housing collapse, several years of stronger-than-typical growth were expected before demand in the housing market began to equalize with the supply of homes. The recovery in the housing market did not take a firm hold in Idaho until 2012, but when it began to take off in that year it made up for lost time. Housing starts grew by 56.2% in 2012 and 27.0% in 2013. The point when the supply of housing starts began to match the market demand for new homes likely occurred around 2014 (sooner than originally expected), when growth slowed to a 8.3% pace. While housing growth over the next few years is not expected to match the last few years, it is likely that the forecast rate of growth will be more sustainable.

The state's economy is on a positive path, with forecasted growth occurring in most sectors of Idaho's economy over the next few years. Housing starts are forecast to grow by 6.7% in 2015, 10.7% in 2016, 10.2% in 2017, 1.5% in 2018, and 2.0% in 2019. Total nonfarm payrolls are anticipated to increase by 2.7% in 2015, 2.3% in 2016, and 2.2% in 2017, 2018, and 2019. Idaho's average annual wage is on track to grow by 2.1% in 2015, which is forecast to bump up to 3.2% in both 2016 and 2017, 3.4% in 2018, and 3.8% in 2019. Idaho real personal income is expected to benefit from the growth, with a predicted increase of 3.3% in 2015, 3.4% in 2016, 3.0% in 2017, and 3.1% in both 2018 and 2019.

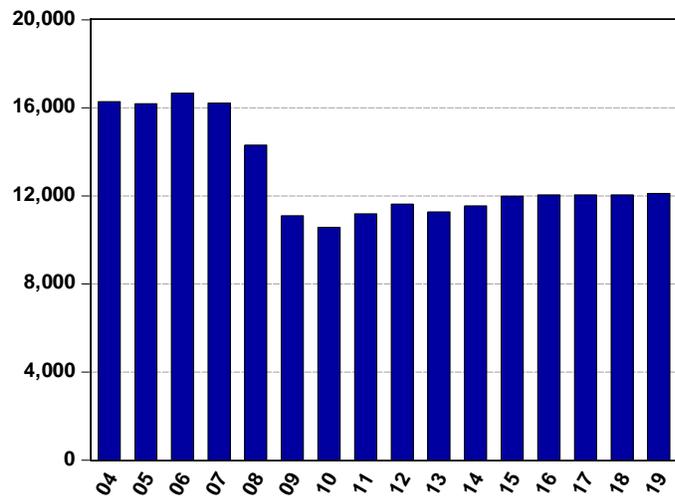
## SELECTED IDAHO ECONOMIC INDICATORS

### Computer and Electronics Manufacturing:

Computer and electronics manufacturing employment in Idaho has grown in every quarter since the beginning of 2014, which is a reversal from its downward trend over the last several years. The industry's employment began to take hold in Idaho in the 1970s. It then grew by leaps and bounds over the next 20 years, leading to payrolls of roughly 10,700 by 1991. The number of jobs in this sector almost doubled during the 1990s, with payrolls growing to more than 19,000 by 1998, overtaking the food processing sector as the state's largest source of manufacturing jobs. It maintained healthy job gains through 2000 before a recession narrowed growth to only 1.0% in 2001. Then a series of contractions took place over much of the next decade. In 2008 the

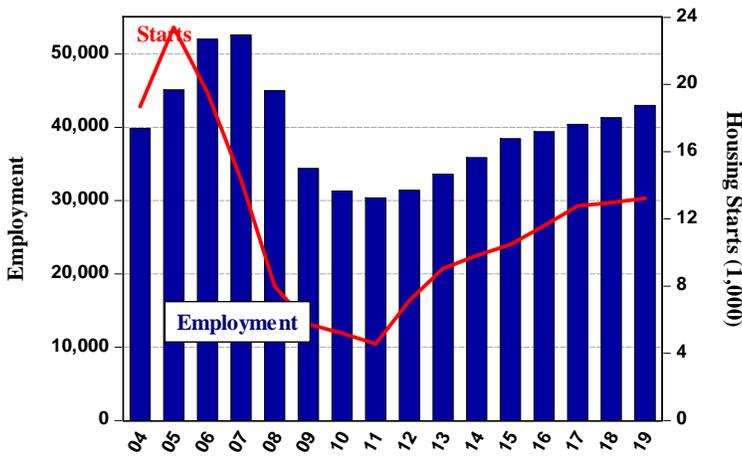
sector returned the title of the state's largest manufacturing employer back to the food processing sector. By 2010 there were less than 10,600 computer and electronics manufacturing jobs in the state, which was nearly the same employment level as in 1991. Employment continued to fluctuate after 2010, but with more years of growth than contraction. Much of the fluctuation that occurred between 2007 and 2013 was due to a combination of weak demand during the Great Recession and of a glut of commodity memory products that caused prices to collapse. The price of memory products began to rise again in mid-2013 as the producers of memory products tightened supply, partially due to merging of some of the major global manufacturers. This helped Idaho computer and electronics manufacturers, such as Micron Technology, Inc., which is headquartered in Boise. Micron is one of the largest producers of NAND flash memory chips in the world, especially after merging with Elpida Memory, Inc. in 2013, which was a manufacturer of memory products from Japan. As a result of Micron's reach within the Treasure Valley, global memory prices often have a tangible impact in Idaho. The 2013 increase in memory prices was not felt until the first quarter of 2014, when payrolls in the sector grew at a 5.7% annualized rate. Employment growth in the industry in Idaho persisted through 2014 and so far into 2015, though employment is expected to decrease at an annual rate of 2.5% in the fourth quarter. This is partially due to some memory commodity prices that began to decline again in late-2014 and have not yet recovered. In addition, layoffs of 25,000 to 30,000 company-wide jobs from Hewlett Packard's HP Enterprise Company were announced in September 2015. It is not yet known what portion of the layoffs will come from the Idaho workforce. While the combination of lower memory prices, along with Hewlett Packard layoffs, are expected to contribute to an employment decrease of 2.5% in the fourth quarter, it is not expected to be enough to offset gains earlier in the year. Industry payrolls are forecast to grow by 3.8% for all of 2015, but are then expected to decelerate to 0.4% growth in 2016 and 0.1% in 2017 before flattening out in 2018 and then growing by 0.5% in 2019.

Idaho Computer and Electronic Products Employment



**Construction:** The impact of construction on Idaho's economy cannot be understated. When construction activity ramps up in the state, it drives new employment in the construction sector and in other sectors that support construction. So it is no coincidence that some of the biggest economic growth years in Idaho were some of the biggest construction years. New home construction in Idaho was one of the forces behind the economic boom of the 1990s and early 2000s in the state. Housing starts in Idaho

**Idaho Construction Employment and Housing Starts**

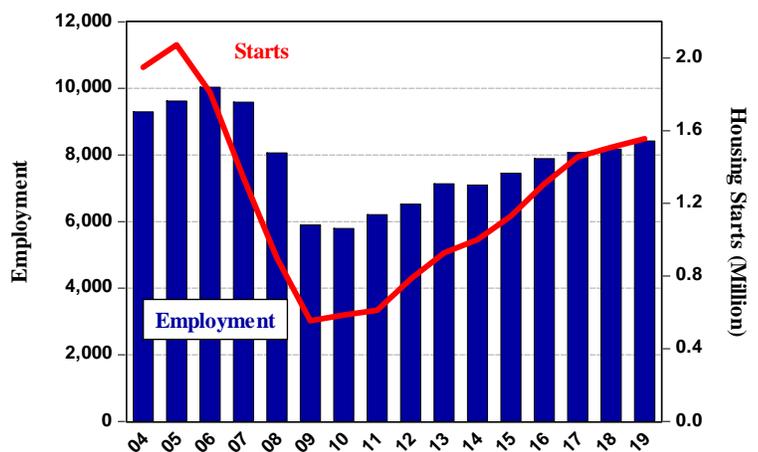


grew from a rate of just under 6,000 units in 1990 to more than 23,000 units by 2005. During that same period construction employment more than doubled, from about 20,000 in 1991 to more than 45,000 in 2005. Housing starts fell by 16.5% in 2006 and 26.6% in 2007. Gem State construction employment growth persisted into 2007 before falling in 2008. In 2008 housing starts contracted another 44.4%, leading to a 14.4% drop in construction payrolls that year. The housing sector continued to languish for the next few years, with starts dropping as low as 4,560 units in 2011 and construction employment falling to

30,350 jobs in the same year. By 2012 there was renewed activity in the market, as housing starts rose by 56.2% to a level of 7,130 units. Construction employment also revived that year, but by a more modest rate of 3.5%. The industry heated up from a simmer to a slow boil. Housing starts grew at a rate of 27.0% in 2013 and 8.3% in 2014. Construction employment accelerated in 2013, growing by 7.0%, and an additional 6.7% in 2014. Initially, the stronger rebound in housing starts was expected to last longer than it did. It is assumed that the quicker-than-anticipated leveling off of housing start growth represents a return to more sustainable long-term growth. Housing starts in the state are forecast to grow by 6.7% in 2015, 10.7% in 2016, 10.2% in 2017, 1.5% in 2018, and 2.0% in 2019. Construction employment in the state is also expected to grow in each year of the forecast, albeit at a more modest pace than in recent years. Idaho construction payrolls are anticipated to increase by 7.1% in 2015, 2.5% in both 2016 and 2017, 2.3% in 2018, and 4.0% in 2019.

**Logging and Wood Products:** Logging was one of the major industries in Idaho at the end of the nineteenth century. Since then the portion of Idahoans working in logging and wood products manufacturing has decreased as Idaho’s economy has shifted some focus to other manufacturing and service sectors. However, logging and wood products are still a major source of employment for some Idaho locales. Because the logging and wood products manufacturing sector in the state is dependent on domestic construction, the housing slump in the US that occurred from 2007 through 2011 resulted in a loss of approximately 35% of Idaho logging and wood product payrolls during that period. The recovery in the US housing market began to pick up in 2012, which helped to drive demand for lumber and contributed to the state’s revived employment growth of 5.2% that year and 9.3% in 2013. However, employment stumbled last year; it is estimated payrolls in the industry contracted by 0.5% in 2014. An issue that continues to have a major impact on logging and wood product manufacturers is the limited supply of

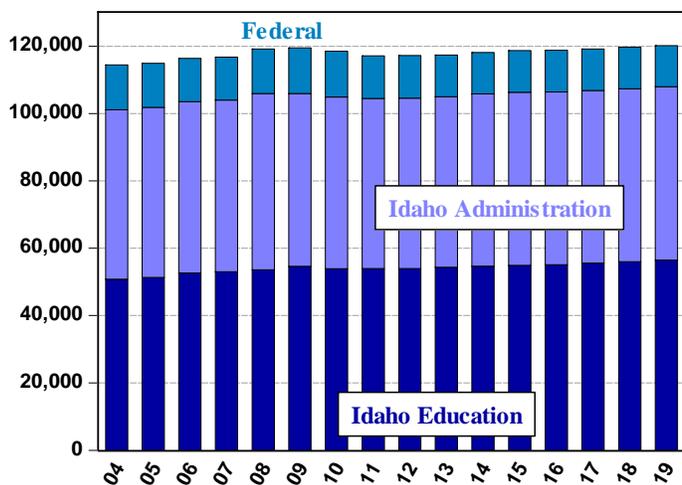
**Idaho Wood Product Employment and US Housing Starts**



timber from federal lands in Idaho. There are three main sources from which timber is harvested in Idaho: state, federal, and private land. Timber harvested from private and state lands has been fairly steady over the past several decades, with between 800 million board feet to one billion board feet harvested per year (Scribner log scale). The harvest from federal lands has dwindled significantly over the same time period. Nearly half of all logs harvested in Idaho came from federal lands as of the mid-1970s, but that portion has been reduced to roughly 10% as of 2014. The timber harvest from all sources was just over one billion board feet in 2014, which is still far from the high of nearly two billion board feet in the mid-1970s. However, it is an improvement from the last recession when the total timber harvest in the state dropped to nearly 700 million board feet. The steady US housing market should create a construction-driven demand for lumber that will partially offset the impacts of the limited supply of logs on federal lands. Industry payrolls are forecast to increase by 5.0% in 2015, 5.9% in 2016, 2.3% in 2017, 1.3% in 2018, and 3.0% in 2019.

**Government:** Government employment in Idaho was volatile during the recession and throughout much of the recovery, but is anticipated to return to modest growth over the next few years. Federal government employment in Idaho is the smallest portion of government employment in the state, with just over 12,300 jobs. Federal government employment in Idaho is heavily influenced by national budget policies. The labor compensation component of the federal budget is forecast to show modest growth over the forecast period. Idaho is not expected to benefit from this growth after 2015. As a result, federal government payrolls in Idaho are forecast to grow by 0.7% in 2015, and then decline by 0.6% in 2016, 0.3% in 2017, 0.4% in 2018, and 0.5% in 2019. Idaho state and local government employment, the largest government employment category in the state, is less influenced by national events than federal government employment. There were almost 106,000 state and local government jobs in Idaho in 2014 compared to about 12,300 federal jobs. State and local government employment is dependent on population growth and local budgets. Population growth results from the combination of births, deaths, and net migration. Historically, birth and death rates maintain a fairly consistent pace over time, which makes predicting them relatively straight forward. The more volatile population growth variable is net migration, which equals the number of individuals that move into the state minus the number of individuals that leave it. Idaho has been a net positive migration state for decades, with net migration of at least 10,000 per year in 14 of the last 20 years. The Great Recession, along with the years of sluggish recovery that followed, accounted for 5 of the 6 years in which net migration was less than 10,000 per year. Net migration's recent flow dwindled from a near flood of almost 26,000 persons in 2006 to a trickle of just 340 persons in 2011. During this same period state revenues began to falter under the weight of the recession. Idaho General Fund revenue increased into FY 2008, but fell sharply in FY 2009 and FY 2010. The combination of slower population growth and tighter budgets led to a decrease in state and local government employment in 2010 and 2011 when those payrolls decreased by 1.1% and 0.3%, respectively. Following 2011, both net migration and tax receipts have risen, which has led to modest employment growth in each year since 2011. State and local government employment is forecast to grow at an average annual rate of 0.4% through 2019.

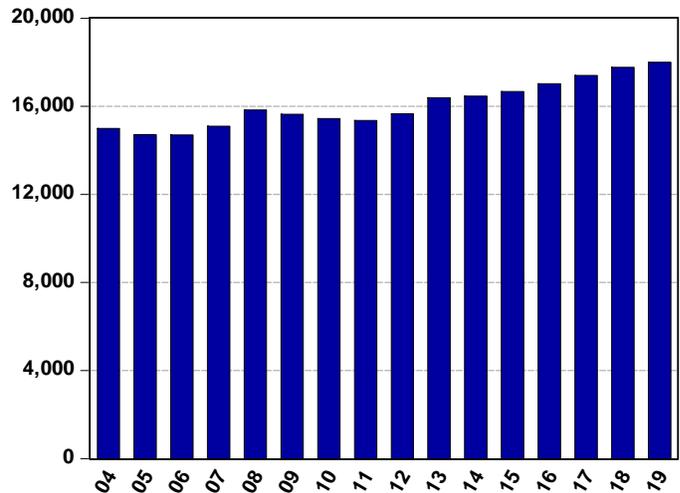
**Idaho Government Employment**



**Food Processing:** Idaho’s abundance and diversity of agricultural products has proven attractive to food processing manufacturers. Over the past few years several food processing manufacturers have either expanded operations in Idaho or have moved operations to the state. The growth in this sector has made it the largest manufacturing employment sector in the Gem State. The state’s vast and growing milk supply was a major plus for some of these companies. According to the United States Department of Agriculture, in 2013 Idaho’s 580,000 dairy cows produced 13.4 billion pounds of milk, or about 6.7% of total US milk production—the fourth highest in the nation.

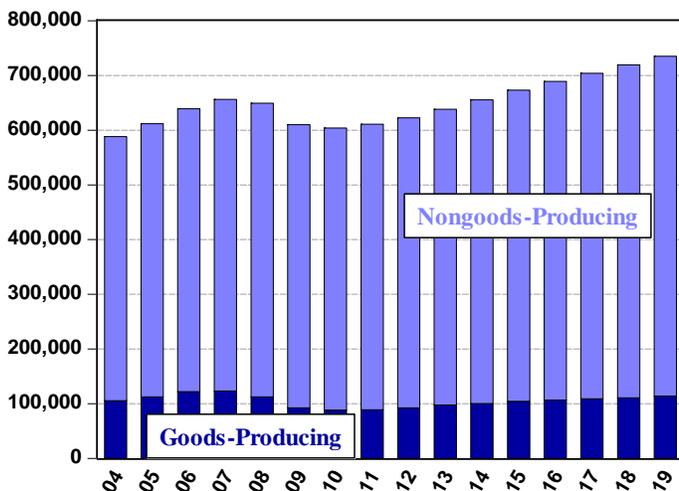
Southern Idaho’s Magic Valley has been particularly attractive to food processors. Some of the notable food processing companies that reside in the Magic Valley include Chobani, Glanbia, and Idaho Milk Products. More recently, it has added Clif Bar and Frulact to its growing roster of companies that add value to several of the state’s agricultural commodities. Other areas of the state have also seen food processing changes. For example, GoGo squeeZ, known for producing and selling applesauce products that are packaged in a resealable tube, has opened a plant in Nampa. Sorrento Lactalis, a top producer of Mozzarella cheese also recently expanded in Nampa, which gave the plant the ability to ramp up production of cheese from 7 million pounds per year to 31 million pounds per year. Not all food processors are expanding at the moment, though. The J. R. Simplot Company announced that it would cut costs by closing three of its outdated potato processing facilities (in Nampa, Caldwell, and Aberdeen), and replace them with a new, state-of-the-art processing facility that would be located in Caldwell. This new plant will be more efficient than the shuttered plants, with its expected output equal to the combined output of the closed plants. Overall, hiring is outpacing any industry layoffs in the state. Idaho food processing payrolls are forecast to grow by 1.3% in 2015, 2.1% in 2016, 2.2% in 2017, 2.1% in 2018, and 1.3% in 2019.

**Idaho Food Processing Employment**



**Nongoods Producing:** Approximately 85% of Idaho’s nonfarm payrolls are in its nongoods-producing sectors. Nongoods-producing sectors can be subdivided into service and trade categories. Service

**Idaho Nonfarm Employment**



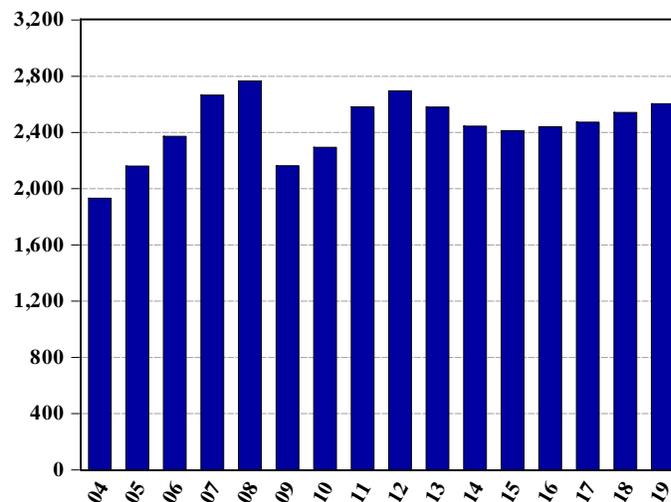
categories make up the largest portion of the nongoods-producing payrolls, and even make up the largest portion of all nonfarm payrolls in the state of Idaho. One of every two nonfarm payroll employees in the state works in a service sector. Of the service industries in Idaho, private education and healthcare payrolls are the largest, at roughly 98,000 jobs. This industry is unique because it was the only industry in the state to weather the Great Recession and the recovery without contracting in any quarter. Private education and healthcare payrolls are forecast to grow in each year of the forecast, ultimately reaching a level of nearly 112,000 by 2019. The second largest of the service industry

category is professional and business services. This sector’s payrolls shrank by about 11% during the recession, which might have been worse if not for a series of call center openings and expansions in the state over the past few years. Payrolls in professional and business service industries were nearly 81,000 jobs in the second quarter of 2015. They are also expected to grow in each year of the forecast to an anticipated 93,400 jobs in 2019. The other portion of the nongoods-producing equation is the trade sector. It is slightly smaller than the service portion, with roughly 17% of all nonfarm payroll jobs in Idaho. The largest trade category is retail trade, which accounts for nearly three-quarters of all trade employment in the state. The other trade category is wholesale trade, which supports businesses that typically sell in larger quantities to resellers and other retailers. Total trade payrolls in Idaho are forecast to grow by an estimated 2.9% in 2015, 2.3% in both 2016 and 2017, 3.1% in 2018, and 2.8% in 2019. Service employment is anticipated to expand by 3.1% in both 2015 and 2016, 2.7% in both 2017 and 2018, and 2.4% in 2019. Total nongoods-producing payrolls are expected to grow 2.5% in 2015, 2.3% in 2016, 2.2% in 2017, 2.3% in 2018, and 2.1% in 2019.

**Other Manufacturing Sectors:** While most of Idaho’s manufacturing employees can be categorized into specific sectors, about 24% of all nonfarm manufacturing employees do not fit neatly into one of those defined manufacturing sectors. Other manufacturing payroll jobs are split between two categories: other durable goods manufacturing and other nondurable goods manufacturing. Other durable manufacturing is the larger of the two categories, with roughly twice the jobs of its nondurable counterpart. Durable goods are goods with a relatively long shelf life, and are not necessarily meant for immediate consumption, like furniture. Employment in other durable manufacturing sectors began to recover from the recession in 2011 and has grown in each year since. While other durable manufacturing payrolls decreased by 0.2% in 2014, employment in this category is anticipated to grow by 3.0% in 2015, 2.9% in 2016, 3.5% in 2017, 2.6% in 2018, and 1.9% in 2019. The other nondurable manufacturing category bounced back a year earlier than durable manufacturing, posting its first post-recession gains in 2010. Nondurable manufacturing payrolls have expanded at a rapid pace over the last few years, increasing by more than 9% in 2013 alone. Nondurable manufacturers produce goods that are typically consumed more immediately or are only useable for a short period of time before becoming worn out or useless, such as perishable food products. Unlike the other durables manufacturing category, other nondurable manufacturing payrolls had robust growth in 2014, expanding by 5.9%. Growth in this sector is also expected to continue over the forecast period. Other nondurable manufacturing payrolls are expected to grow by 3.7% in 2015, 2.6% in 2016, and 1.8% in 2017, 2018, and 2019.

**Mining:** Idaho’s unique geology makes the state one of the most diverse mining states in the nation. Some of the mined materials in the state include molybdenum, silver, lead, copper, and gold. A number of these metals and minerals have faced steep price declines over the last few years, which have put a strain on employment in the sector. Molybdenum, a metal that is used to strengthen steel alloys, is selling at the lowest price since the early 2000s. Molybdenum was selling at more than \$45 per pound in 2005, and even as much as \$15 per pound as recently as mid-2014, but has sunk to a price of less than \$5 per pound as of October 2015. This has made it difficult for Idaho molybdenum mining to remain

**Idaho Mining Employment**



profitable. As a result, a major operation in central Idaho has decreased its staff and operations. With weak global demand for molybdenum expected to linger, there is no major price increase expected in the near term that would help to lift employment in molybdenum mining. Prices for precious metals, such as gold and silver, are also down from recent highs. It is possible that some silver mines in the state are operating at a loss, which is not necessary atypical. It can be less expensive to operate at a loss for a short period of time than it would be to incur the costs of halting operations when prices are low and ramping production back up when higher prices return. Some mining operations in the state are in the beginning stages to explore new metal deposits, which would become more valuable when prices increase. With higher levels of construction in the state, one mining sector that is thriving is gravel mines, or gravel pits, which typically dig up gravel from sites like old river beds. The gravel is often used in construction projects and sees higher demand during periods of increased residential and nonresidential construction. A decrease in employment as the result of low metal prices is expected to outweigh any potential growth in gravel pit employment in 2015, so mining employment in Idaho is expected to decrease by 1.3% this year. Employment in the sector is then expected to begin to rebound in 2016, with a modest payroll increase of 1.1%, followed by 1.3% in 2017, 2.8% in 2018, and 2.4% in 2019.

## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, this issue of the *Idaho Economic Forecast* uses IHS Economics September 2015 forecast of the US economy. Additional data, such as company-specific expansions and/or contractions are also considered.

This section's comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2015 to the October 2015 *Idaho Economic Forecast*. The July 2015 *Idaho Economic Forecast* was based on IHS Economics June 2015 baseline US macroeconomic forecast and the October 2015 *Idaho Economic Forecast* is driven by IHS Economics September 2015 baseline forecast.

Since the previous *Idaho Economic Forecast* the US economy has improved in some categories, but has also slowed in other areas. Total nonfarm employment in the US is expected to be slightly higher in each year of this forecast than was previously expected. The employment improvement is in the nongoods-producing sectors of the national economy, which is expected to be 619,000 jobs higher in 2019 than was previously forecast. On the other hand, employment in the goods-producing sectors is expected to be slightly lower in each year of this forecast. Most of these decreases occur in durable manufacturing sectors, with an especially large revision to the construction employment forecast. Employment in US construction is expected to be 45,000 lower in 2015 in this forecast, which declines to 373,000 fewer construction jobs by 2019. The main reason for the lower expectation in construction employment is a downward shift in national housing starts. The outlook for total US housing is 2.8% higher in 2015 in this forecast, but is lower in every year thereafter. As a result, there are roughly 15,000 fewer starts anticipated in 2019 of this forecast. This decrease is entirely due to lower growth of single-family housing starts in each year of the forecast. An offsetting factor is multiple-family starts, which are expected to be higher in each year. The acceleration in multiple-family starts is enough to push the forecast for all housing starts higher in this forecast in 2015, but fails to continue that trend into any other years in this forecast. This overall downward revision in housing starts is part of the reason that real US GDP is expected to be 0.4% lower in 2015, 0.6% lower in 2016, 0.4% lower in 2017, and 0.3% lower in both 2018 and 2019 than was expected in the July 2015 *Idaho Economic Forecast*.

Because Idaho's economy typically tracks the US economy very closely, it is no surprise that the forecast for the state has similar changes to those that occurred at the national level. Both employment and income are lower in this forecast than in the previous forecast. Total nonfarm employment in Idaho is slightly lower in each year when compared to the previous *Idaho Economic Forecast*. It is important to note that even though the employment forecast is lower each year, total employment is still expected to grow through 2019, just at a more modest rate in this forecast. Also, some historic employment, income, and wage data were revised down slightly, which lowers the starting point of the new outlook. The slower employment growth impacts Idaho real personal income, which is \$1.6 billion lower in 2015 of this forecast versus the previous forecast. The outlook for real personal income is lower in each year of this forecast, but the decrease eases in each year, until real personal income is expected to be only \$1.2 billion lower in 2019 than was previously forecast.

**IDAHO ECONOMIC FORECAST  
FORECASTS COMPARISON  
DIFFERENCES BETWEEN  
OCTOBER 2015 vs. JULY 2015 FORECASTS**

	2012	2013	2014	2015	2016	2017	2018	2019
<b>U.S. GDP (BILLIONS)</b>								
Current \$	-8	-105	-71	17	-70	-79	-68	-70
% Difference	0.0%	-0.6%	-0.4%	0.1%	-0.4%	-0.4%	-0.3%	-0.3%
2009 Chain-Weighted	-15	-127	-124	-59	-105	-75	-59	-61
% Difference	-0.1%	-0.8%	-0.8%	-0.4%	-0.6%	-0.4%	-0.3%	-0.3%
<b>PERSONAL INCOME - CURR \$</b>								
Idaho (Millions)	-473	-788	-1,424	-1,521	-1,203	-1,127	-997	-699
% Difference	-0.8%	-1.4%	-2.3%	-2.4%	-1.8%	-1.6%	-1.4%	-0.9%
U.S. (Billions)	27	-99	-40	-44	-18	-42	-56	-50
% Difference	0.2%	-0.7%	-0.3%	-0.3%	-0.1%	-0.2%	-0.3%	-0.3%
<b>PERSONAL INCOME - 2009 \$</b>								
Idaho (Millions)	-475	-853	-1,482	-1,619	-1,229	-1,126	-1,026	-803
% Difference	-0.9%	-1.6%	-2.6%	-2.8%	-2.0%	-1.8%	-1.6%	-1.2%
U.S. (Billions)	19	-121	-79	-95	-51	-68	-88	-93
% Difference	0.1%	-0.9%	-0.6%	-0.7%	-0.3%	-0.5%	-0.6%	-0.6%
<b>TOTAL NONFARM EMPLOYMENT</b>								
Idaho	13	10	-497	-3,684	-3,594	-3,160	-2,916	-3,151
% Difference	0.0%	0.0%	-0.1%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%
U.S. (Thousands)	0	0	0	57	273	456	523	288
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.4%	0.2%
<b>GOODS PRODUCING SECTOR</b>								
Idaho	2	0	-84	-1,407	-1,723	-1,419	-1,152	-1,039
% Difference	0.0%	0.0%	-0.1%	-1.3%	-1.6%	-1.3%	-1.0%	-0.9%
U.S. (Thousands)	0	0	0	-34	-83	-219	-308	-331
% Difference	0.0%	0.0%	0.0%	-0.2%	-0.4%	-1.1%	-1.4%	-1.5%
<b>NONGOODS PRODUCING SECTOR</b>								
Idaho	11	11	-413	-2,277	-1,871	-1,741	-1,764	-2,112
% Difference	0.0%	0.0%	-0.1%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%
U.S. (Thousands)	0	0	0	91	356	674	831	619
% Difference	0.0%	0.0%	0.0%	0.1%	0.3%	0.5%	0.7%	0.5%
<b>SELECTED INTEREST RATES</b>								
Federal Funds Rate	0.0%	0.0%	0.0%	-0.1%	-0.3%	-1.0%	-0.8%	-0.5%
Bank Prime Rate	0.0%	0.0%	0.0%	-0.1%	-0.3%	-1.0%	-0.8%	-0.5%
Existing Home Mortgage Rate	0.0%	0.0%	0.0%	-0.1%	-0.3%	-0.8%	-0.5%	-0.2%
<b>INFLATION</b>								
GDP Price Deflator	0.047	0.196	0.374	0.494	0.282	0.038	-0.002	0.013
Personal Cons Deflator	0.059	0.238	0.341	0.426	0.265	0.234	0.293	0.376
Consumer Price Index	0.000	0.000	0.000	0.001	-0.003	-0.005	-0.005	-0.005

## ALTERNATIVE FORECASTS

IHS Economics has assigned a 70% probability of occurrence to its September 2015 baseline macroeconomic scenario, which is the same as the June 2015 baseline forecast. The probabilities of the two alternative scenarios occurring are each 15%.

The major features of the *Baseline Scenario* include:

- Real GDP expands 2.5% in 2015, 2.8% in both 2016 and 2017, and 2.6% in both 2018 and 2019.
- US nonfarm employment increases 2.1% in 2015, 1.7% in 2016, 1.5% in 2017, 1.1% in 2018, and 0.8% in 2019.
- The US civilian unemployment rate falls from 5.4% in 2015 to 5.1% in 2019.
- Consumer prices are fairly flat in 2015, but then grow 1.6% in 2016, 2.4% in 2017, 2.6% in 2018, and 2.5% in 2019.
- The unified federal budget deficit increases from about -\$451 billion in 2015 to -\$703 billion in 2019.
- The current account deficit rises from -\$396 billion in 2015 to -\$552 billion in 2019.
- Housing starts grow from 1.1 million units in 2015 to 1.6 million units in 2019.

## PESSIMISTIC SCENARIO

In the *Pessimistic Scenario* panic in the global financial markets lead to a sharp downturn in the US stock market. The S&P 500 contracts by more than 25% between the second quarter of 2015 and the second quarter of 2016, which is roughly the same magnitude of contraction that occurred during the recession of 2000. One of the main shocks of the stock market dips is a decrease in consumer confidence that leads to lower aggregate demand. As a result, real consumer spending expands just 2.3% in 2016, versus 3.2% in the baseline. Nonfarm payroll growth slows to an average rate of only 50,000 per month (compared with 190,000 in the baseline). Layoffs in the energy sector continue as the global oversupply of petroleum products hold the price at a low level. The unemployment rate creeps back above 6.0% by 2017 and holds there for the foreseeable future. Meanwhile, global equity turmoil drives many investors to hold their money in less volatile US financial instruments, which puts upward pressure on the value of the dollar. National exports continue to fall as the highly valued dollar scares away some trade partners. The economic slowdown hits young people especially hard, with a tightening job market and the burden of debt. This reduces household formations, which takes a toll on US housing starts.

The sputtering economy encourages the Federal Reserve to delay raising interest rates. The low demand will continue to suppress inflation, especially core inflation. Demand will return over the next few years and inflation will bump up, eventually surpassing the Federal Reserve's 2% target. The recovery will eventually resume and the Federal Reserve reacts by slowly raising the interest rate from 2018 through 2020. Real GDP grows by 2.3% in 2015, 1.1% in 2016, 2.1% in both 2017 and 2018, and 1.7% in 2019.

The weight of the struggling US economy puts pressure on many portions of Idaho's economy over the forecast period. Total nonfarm employment still grows through 2019, as forecast in the *Baseline Scenario*, but at a more modest rate. Goods-producing payrolls grow at an average annual rate of 1.6% from 2015 through 2019 in the *Pessimistic Scenario*, versus 2.2% in the baseline. Interestingly, nongoods-producing payrolls also grow at a 1.6% clip over the forecast period in this scenario, versus 2.2% in the baseline. By 2019 the goods-producing employment sectors in the state are forecast to have 2,800 fewer jobs than in the *Baseline Scenario*, whereas nongoods-producing sectors are expected to have 13,900 fewer jobs. Total

**IDAHO ECONOMIC FORECAST  
BASELINE AND ALTERNATIVE FORECASTS  
OCTOBER 2015**

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
<b>U.S. GDP (BILLIONS)</b>															
Current \$	17,985	18,808	19,683	20,572	21,507	18,015	19,098	20,271	21,274	22,251	17,953	18,424	19,068	19,830	20,615
% Ch	3.7%	4.6%	4.7%	4.5%	4.5%	3.8%	6.0%	6.1%	4.9%	4.6%	3.5%	2.6%	3.5%	4.0%	4.0%
2009 Chain-Weighted	16,360	16,816	17,293	17,744	18,202	16,389	17,043	17,712	18,255	18,745	16,336	16,523	16,868	17,214	17,512
% Ch	2.5%	2.8%	2.8%	2.6%	2.6%	2.7%	4.0%	3.9%	3.1%	2.7%	2.3%	1.1%	2.1%	2.1%	1.7%
<b>PERSONAL INCOME - CURR \$</b>															
Idaho (Millions)	62,194	65,116	68,366	71,998	75,787	62,201	65,368	69,264	73,841	78,501	62,189	64,782	67,460	70,279	73,619
% Ch	3.6%	4.7%	5.0%	5.3%	5.3%	3.6%	5.1%	6.0%	6.6%	6.3%	3.6%	4.2%	4.1%	4.2%	4.8%
U.S. (Billions)	15,316	16,020	16,838	17,690	18,567	15,328	16,213	17,329	18,389	19,337	15,305	15,789	16,314	16,991	17,822
% Ch	4.2%	4.6%	5.1%	5.1%	5.0%	4.3%	5.8%	6.9%	6.1%	5.2%	4.2%	3.2%	3.3%	4.2%	4.9%
<b>PERSONAL INCOME - 2009 \$</b>															
Idaho (Millions)	56,867	58,784	60,554	62,443	64,395	56,797	58,577	61,040	64,092	66,910	56,902	58,783	60,156	61,190	62,519
% Ch	3.3%	3.4%	3.0%	3.1%	3.1%	3.2%	3.1%	4.2%	5.0%	4.4%	3.4%	3.3%	2.3%	1.7%	2.2%
U.S. (Billions)	14,004	14,462	14,914	15,343	15,776	13,996	14,528	15,272	15,961	16,482	14,004	14,326	14,548	14,794	15,135
% Ch	4.0%	3.3%	3.1%	2.9%	2.8%	3.9%	3.8%	5.1%	4.5%	3.3%	4.0%	2.3%	1.5%	1.7%	2.3%
<b>TOTAL NONFARM EMPLOYMENT</b>															
Idaho	673,011	688,691	703,523	719,283	734,931	673,192	690,138	707,012	729,854	754,525	673,029	687,249	699,518	710,020	718,255
% Ch	2.7%	2.3%	2.2%	2.2%	2.2%	2.7%	2.5%	2.4%	3.2%	3.4%	2.7%	2.1%	1.8%	1.5%	1.2%
U.S. (Thousands)	141,940	144,294	146,411	148,083	149,214	142,039	145,355	148,817	151,179	152,276	141,891	143,027	143,969	145,025	145,598
% Ch	2.1%	1.7%	1.5%	1.1%	0.8%	2.2%	2.3%	2.4%	1.6%	0.7%	2.1%	0.8%	0.7%	0.7%	0.4%
<b>GOODS-PRODUCING SECTOR</b>															
Idaho	104,100	106,517	108,798	110,920	113,757	104,387	108,927	110,935	112,126	115,578	104,056	105,109	106,820	109,147	110,938
% Ch	4.0%	2.3%	2.1%	2.0%	2.6%	4.3%	4.3%	1.8%	1.1%	3.1%	4.0%	1.0%	1.6%	2.2%	1.6%
U.S. (Thousands)	19,579	19,994	20,529	20,960	21,295	19,623	20,361	21,104	21,559	21,807	19,575	19,759	19,973	20,316	20,590
% Ch	1.9%	2.1%	2.7%	2.1%	1.6%	2.1%	3.8%	3.7%	2.2%	1.2%	1.8%	0.9%	1.1%	1.7%	1.4%
<b>NONGOODS-PRODUCING SECTOR</b>															
Idaho	568,912	582,174	594,726	608,363	621,174	568,805	581,211	596,078	617,729	638,947	568,973	582,140	592,698	600,873	607,317
% Ch	2.5%	2.3%	2.2%	2.3%	2.1%	2.5%	2.2%	2.6%	3.6%	3.4%	2.5%	2.3%	1.8%	1.4%	1.1%
U.S. (Thousands)	122,361	124,300	125,881	127,123	127,919	122,415	124,994	127,713	129,621	130,469	122,315	123,268	123,996	124,710	125,008
% Ch	2.1%	1.6%	1.3%	1.0%	0.6%	2.2%	2.1%	2.2%	1.5%	0.7%	2.1%	0.8%	0.6%	0.6%	0.2%
<b>SELECTED INTEREST RATES</b>															
Federal Funds	0.2%	0.9%	1.9%	2.9%	3.3%	0.3%	1.8%	3.2%	4.0%	4.0%	0.1%	0.0%	0.0%	0.8%	2.9%
Bank Prime	3.3%	3.9%	4.9%	5.9%	6.3%	3.4%	4.8%	6.2%	7.0%	7.0%	3.2%	3.0%	3.0%	3.8%	5.9%
Existing Home Mortgage	4.1%	4.7%	5.0%	5.6%	5.9%	4.1%	5.2%	6.0%	6.7%	6.7%	4.1%	4.4%	4.4%	5.0%	6.2%
<b>INFLATION</b>															
GDP Price Deflator	1.1%	1.7%	1.8%	1.9%	1.9%	1.1%	1.9%	2.1%	1.8%	1.9%	1.1%	1.5%	1.4%	1.9%	2.2%
Personal Cons Deflator	0.2%	1.3%	1.9%	2.1%	2.1%	0.4%	1.9%	1.7%	1.5%	1.8%	0.2%	0.8%	1.8%	2.4%	2.5%
Consumer Price Index	0.1%	1.6%	2.4%	2.6%	2.5%	0.2%	2.3%	2.0%	1.9%	2.2%	0.0%	1.1%	2.3%	3.0%	2.9%

state nonfarm payrolls are nearly 17,000 lower in this scenario than in the baseline. The slack in Idaho's job market puts downward pressure on wage and income growth. Real personal income in the Gem State grows at an average annual rate of 2.4% through 2019 in this scenario, versus 3.2% in the *Baseline Scenario*.

## OPTIMISTIC SCENARIO

In the *Optimistic Scenario* the job growth accelerates, household formations increase, and stronger global growth helps the US economy to gain momentum. The US equity market still suffers a correction in this scenario, but it is milder and rebounds faster than in the other scenarios. The S&P 500 raises 8% above the baseline by 2018. Less financial uncertainty causes confidence to rise and fosters an increase in real consumer spending. It grows by 3.5% in 2016 (versus 3.2% in the baseline). Higher spending and aggregate demand heat up the labor market, and the US economy adds jobs at a rate of roughly 300,000 jobs per month by the second half of 2016. The unemployment rate drops below 5.0% in 2016 and reaches 4.0% later in 2017. Meanwhile, foreign monetary policies implemented in some struggling economies successfully strengthen global growth and outpace gains in the baseline. More rapid global economic growth initially weakens the dollar as other currencies strengthen, but the growth in the US economy more than offsets this force and the value of the dollar moves above the baseline by the second half of 2017. Favorable economic conditions open the path for a more robust housing recovery to continue. Formations accelerate and residential construction picks up.

In anticipation of the accelerating growth in the US economy, the Federal Reserve raises the federal funds rate for the first time since before the Great Recession. Sustained growth in the labor markets, increases in total factor productivity, and modest inflation lead the Federal Reserve to choose December 2015 as the appropriate time for the increase. Financial markets accept the timing of the rate hike. The US economy grows by 2.7% in 2015, 4.0% in 2016, 3.9% in 2017, 3.1% in 2018, and 2.7% in 2019.

Idaho's economy benefits from favorable economic conditions in the US. Stronger business activity in the economic expansion prompts hiring, and total nonfarm employment in the Gem State grows by 2.5% in 2016, 2.4% in 2017, 3.2% in 2018, and 3.4% in 2019 (versus 2.3% in 2016 and 2.2% in 2017, 2018, and 2019 in the *Baseline Scenario*). The increase in nonfarm employment is larger in the goods-producing sectors at first, but grows at a much faster pace in the later years of the forecast. Nongoods-producing employment in the state grows at an average annual rate of 2.9% between 2015 and 2019 in this scenario, whereas employment in these sectors grows at a more modest rate of 2.2% in the *Baseline Scenario*. Goods-producing employment in Idaho increases at an average annual pace of 2.6% in the *Optimistic Scenario*, versus 2.2% in the baseline. By 2019 Idaho would have nearly 20,000 more nonfarm workers in this scenario than in the baseline. The increase in employment has a positive impact on real personal income in the out-years of the forecast. By 2019 real personal income is \$66.9 billion, which is \$2.5 billion more than the \$64.4 billion forecast in the *Baseline Scenario*.

# Is China's Growth Miracle Over?

Zheng Liu<sup>1</sup>

China's economy grew 10% per year for over 30 years beginning in the early 1980s. No other country in modern history has achieved such exceptional growth for so long. Before the global financial crisis, China's growth was primarily driven by productivity gains. Since 2008, however, growth has slowed and become increasingly dependent on investment.

Because China has been a large and expanding market for other countries, its growth prospects have important implications not just for the Chinese people but also for the global economy. This *Letter* examines the sources of China's growth and some factors contributing to the recent slowdown, and offers a cautiously optimistic view of China's future growth.

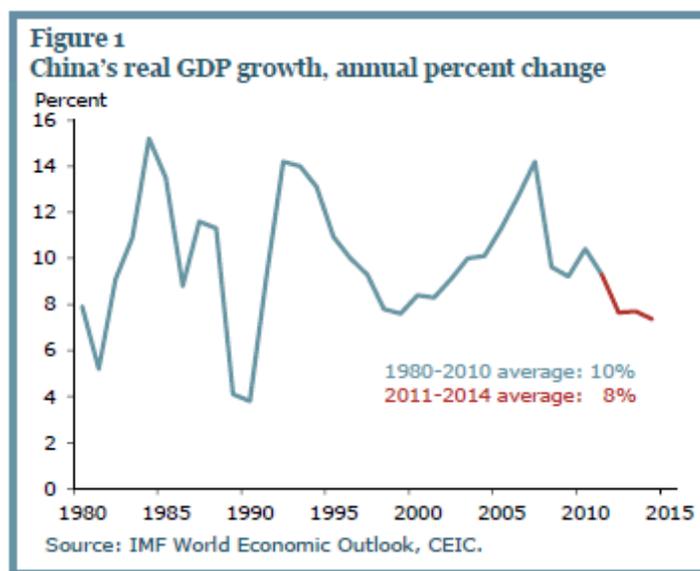
## China's growth miracle

Since the early 1980s, China's open-door policy and economic reforms have led to a remarkable growth performance. As Figure 1 shows, China's real GDP grew about 10% per year on average for 30 years before the recent slowdown. At that rate, national income doubles every seven years. No other country in modern history has achieved such high growth for so long.

Rapid economic growth has significantly raised the living standards of the Chinese people. According to data from the Penn World Tables, China's real GDP per person rose steadily from around 5% of the U.S. level in 1980 to about 20% in 2011. The World Bank estimates that, during the same period, over 600 million people in China have been lifted out of extreme poverty, defined as living for under \$1.25 per day.

## Engines of China's growth

Theory suggests that three factors contribute to economic growth: capital accumulation, labor force expansion, and productivity improvement. Empirical evidence in China's case suggests that growth in the third factor, known as total factor productivity, has been an important contributor to the three-decade growth miracle (see Zhu 2012). A series of domestic economic reforms beginning in the 1980s led to more efficient allocations of capital and labor and also better aligned private incentives. The open-door policy attracted foreign direct investment, which in turn brought new management practices, technological know-how, and access to the world market for Chinese businesses. These policy changes boosted productivity. As productivity improved over time, investment and production expanded. Although capital investment also contributed to growth, its contribution is limited by diminishing returns and thus, investment cannot be the main driving force of sustainable growth.



<sup>1</sup>This article originally appeared in the Number 2015-26; August 10, 2015 *FRBSF Economic Letter*. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or of the Board of Governors of the Federal Reserve System.

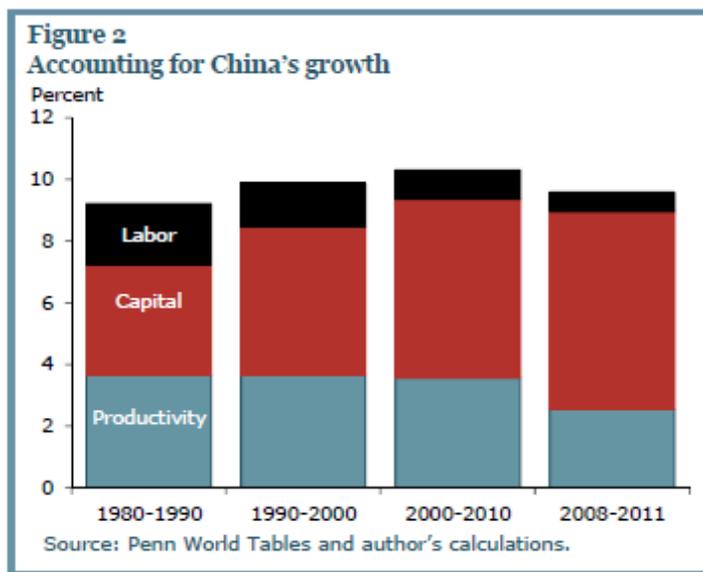


Figure 2 shows the contribution of each of the three factors to China's growth since 1980. The calculation follows the growth accounting approach described by Zhu (2012), with China's labor income share fixed at 0.5. The data for real GDP, employment adjusted for human capital levels measured by years of schooling, and capital stocks are taken from the latest version of the Penn World Tables (version 8.1; see Feenstra, Inklaar, and Timmer 2015 for a summary of the data).

As shown in Figure 2, China's rapid growth was driven mostly by productivity gains and investment rather than employment growth. For example, out of the roughly 10

percentage points of average growth in the 1990s, capital accumulation accounts for about half of it, productivity improvement accounts for another 4 percentage points, and employment gains account for the remaining 1 percentage point. Labor's limited role in part reflects China's one-child policy that limits population growth and restrictive policies on internal migration, such as the "Hukou" system that restricts citizens' abilities to work in cities other than where they were born. The figure also reveals a significant decline in the contribution of total factor productivity since 2008. Accordingly, China's growth has become more dependent on capital investment in this more recent period.

### The recent slowdown and new policy measures

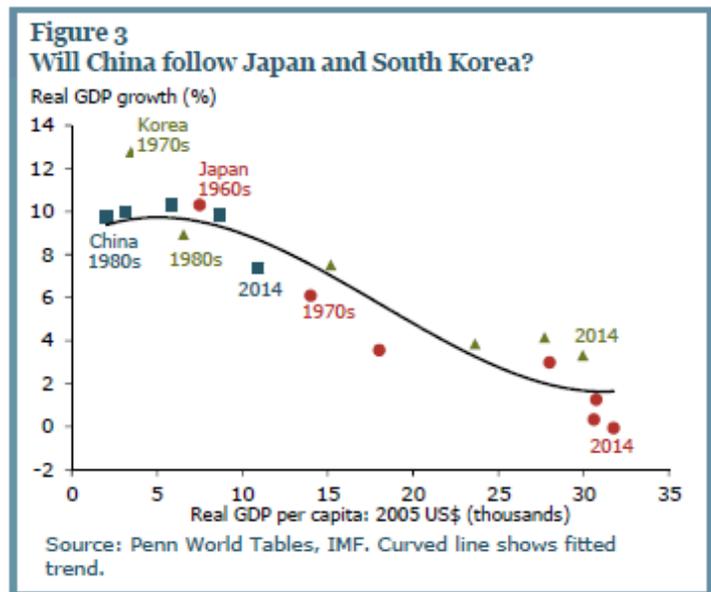
During the global financial crisis, demand for Chinese exports fell substantially. Meanwhile, waning productivity gains presented further challenges for sustaining high growth. The Chinese government responded to the crisis by adopting a large-scale fiscal stimulus package, which was announced in November 2008 and implemented quickly in 2009 and early 2010 (Wong 2011; Faust, Lin, and Luo 2012). This policy accommodation significantly boosted investment growth, especially in targeted areas such as infrastructure and construction, and led to short-run booms in output in 2009 and 2010. Nonetheless, growth has slowed substantially since 2011. The average growth rate between 2011 and 2014 was about 8% (see Figure 1). Growth slowed further to 7% in the first two quarters of 2015, and the Chinese government officially lowered its growth target to 7% for the year. Although this rate is still quite remarkable by international standards, it is significantly lower than the 10% average recorded in the previous three decades.

The recent slowdown has raised the concern that China might be falling into a pattern commonly referred to as the "middle-income trap" (see, for example, Eichengreen, Park, and Shin 2011). Historically, fast-growing countries have often fallen into such a trap, in which growth slows sharply as income reaches a threshold level and wages rise sufficiently to erode a country's comparative advantage.

However, some countries have successfully avoided the middle-income trap and moved to high-income status, which the Organization for Economic Co-operation and Development defines as GDP per capita of \$12,500 based on 2011 constant international prices. These include China's neighboring countries Japan and South Korea. In the 1960s, Japan had per capita real GDP of about \$6,000 and an average growth rate of over 10% (see Figure 3). In subsequent decades, however, Japan's GDP per capita rose and its growth slowed. By 2011, Japan's GDP reached over \$30,000 per capita and growth slowed to about 1.25%. South Korea has followed a similar path since the 1980s.

China had a real GDP per capita of about \$2,000 in the 1980s, which rose steadily to about \$5,000 in the 2000s and to over \$10,000 in 2014. If China continues to grow at a rate of 6 or 7%, it could move into high-income status in the not-so-distant future. However, if China's experience mirrors that of its neighbors, it could slow to about 3% average growth by the 2020s, when its per capita income is expected to rise to about \$25,000.

This may appear to be quite a pessimistic scenario for China, but China's long-term growth prospects are challenged by a number of structural imbalances. These include financial repression, the lack of a social safety net, an export-oriented growth strategy, and capital account restrictions, all of which contributed to excessively high domestic savings and trade imbalances. According to the National Bureau of Statistics of China, the household saving rate increased from 15% in 1990 to over 30% in 2014. High savings have boosted domestic investment, but allocations of credit and capital remain highly inefficient. The banking sector is largely state-controlled, and bank loans disproportionately favor state-owned enterprises (SOEs) at the expense of more productive private firms. According to one estimate, the misallocation of capital has significantly depressed productivity in China. If efficiency of capital allocations could be improved to a level similar to that in the United States, then China's total factor productivity could be increased 30–50% (Hsieh and Klenow 2009).



To address structural imbalances and thus achieve sustainable long-term growth, the Chinese government announced a blueprint of economic reforms at the Third Plenum in November 2013. The proposed reforms include (1) financial sector reforms—liberalizing interest rates, establishing deposit insurance, and strengthening financial supervision and regulation; (2) fiscal reforms—strengthening social safety nets, introducing more efficient and redistributive taxes, and improving health insurance and pension coverage; (3) structural reforms—reforming the SOEs and the Hukou system and further opening up markets; and (4) external sector reforms—liberalizing the exchange rate and capital account controls.

If these reform blueprints can be successfully implemented, then China should be able to avoid the middle-income trap and sustain long-term growth at a reasonable pace. In the transition process, however, structural reforms may contribute to a slowdown in economic growth.

### Growth prospects

China's growth is expected to slow further in the coming years. The International Monetary Fund (IMF) forecasts that growth will be about 6.8% for 2015. With an aging population, slowing productivity growth, and the policy adjustments required to implement structural reforms, growth is projected to slow further to 6.3% in 2016 and 6% by 2017.

Despite the slowdown, there are several reasons for optimism. First, China's existing allocations of capital and labor leave a lot of room to improve efficiency. If the proposals for financial liberalization and fiscal and labor market reforms can be successfully put in place, improved resource allocations

could provide a much-needed boost to productivity. Second, China's technology is still far behind advanced countries'. According to the Penn World Tables, China's total factor productivity remains about 40% of the U.S. level. If trade policies such as exchange rate pegs and capital controls are liberalized—as intended in the reform blueprints—then China could boost its productivity through catching up with the world technology frontier. Third, China is a large country, with highly uneven regional development. While the coastal area has been growing rapidly in the past 35 years, its interior region has lagged. As policy focus shifts to interior region development, growth in the less-developed regions should accelerate. With the high-speed rails, airports, and highways already built in the past few years, China has paved the way for this development. As the interior area catches up with the coastal region, convergence within the country should also help boost China's overall growth (Malkin and Spiegel 2012).

Continued robust growth in China would be beneficial for the global economy as well. China's market for U.S. exports has grown steadily from 4% in 2004 to over 7% in 2014. According to an IMF estimate, China contributed about one-third of the world's growth in 2013.

### **Conclusion**

China's growth miracle since the early 1980s has significantly raised the standards of living in China. It has also made China an increasingly important contributor to world economic growth and a large and growing market for U.S. exports. The rapid growth was driven primarily by productivity gains and capital investment. The recent growth slowdown has raised the concern that China's growth miracle could be ending.

However, if the structural reform plans from China's Third Plenum can be successfully implemented, then the recent slowdown could be a smooth transition rather than a hard landing. This gives a reason for optimism that China will avoid the middle-income trap and follow the paths of Japan and South Korea to achieve high-income status.

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# IDAHO ECONOMIC FORECAST

October 2015

## FORECAST DETAIL

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### Reporting Conventions

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compounded annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### Data Sources

National forecast data is provided by IHS Economics, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic and housing), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and US Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST  
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**DEMOGRAPHICS**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>POPULATION</b>									
Idaho (Thousands)	1,340.7	1,365.1	1,392.1	1,426.9	1,466.3	1,502.2	1,530.9	1,550.5	1,572.4
% Ch	1.6%	1.8%	2.0%	2.5%	2.8%	2.4%	1.9%	1.3%	1.4%
National (Millions)	288.436	291.116	293.758	296.460	299.282	302.227	304.948	307.580	310.110
% Ch	1.0%	0.9%	0.9%	0.9%	1.0%	1.0%	0.9%	0.9%	0.8%
<b>BIRTHS</b>									
Idaho (Thousands)	21.002	21.735	22.526	23.069	24.150	25.053	25.122	23.607	23.240
% Ch	1.5%	3.5%	3.6%	2.4%	4.7%	3.7%	0.3%	-6.0%	-1.6%
National (Thousands)	4,038	4,105	4,113	4,150	4,280	4,322	4,269	4,152	4,031
% Ch	0.2%	1.6%	0.2%	0.9%	3.1%	1.0%	-1.2%	-2.7%	-2.9%
<b>DEATHS</b>									
Idaho (Thousands)	9.935	10.308	10.020	10.413	10.471	10.742	10.938	11.078	11.300
% Ch	1.3%	3.8%	-2.8%	3.9%	0.6%	2.6%	1.8%	1.3%	2.0%
National (Thousands)	2,451	2,457	2,405	2,456	2,433	2,432	2,479	2,444	2,479
% Ch	1.2%	0.3%	-2.1%	2.1%	-0.9%	-0.1%	1.9%	-1.4%	1.5%
<b>NET MIGRATION</b>									
Idaho (Thousands)	10.377	13.016	14.450	22.198	25.725	21.611	14.503	7.037	9.987
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	13,231	16,397	18,679	23,409	19,535	14,347	7,979	5,727	5,189
% Ch	8.4%	23.9%	13.9%	25.3%	-16.5%	-26.6%	-44.4%	-28.2%	-9.4%
National (Millions)	1.710	1.854	1.950	2.073	1.812	1.342	0.900	0.554	0.586
% Ch	6.8%	8.4%	5.2%	6.3%	-12.6%	-25.9%	-32.9%	-38.4%	5.7%
<b>SINGLE UNITS</b>									
Idaho	11,144	13,865	16,168	20,939	17,521	12,014	7,132	4,950	4,650
% Ch	7.4%	24.4%	16.6%	29.5%	-16.3%	-31.4%	-40.6%	-30.6%	-6.1%
National (Millions)	1.363	1.505	1.604	1.719	1.474	1.036	0.616	0.442	0.471
% Ch	7.2%	10.4%	6.6%	7.1%	-14.3%	-29.7%	-40.5%	-28.2%	6.6%
<b>MULTIPLE UNITS</b>									
Idaho	2,087	2,532	2,511	2,471	2,014	2,333	847	777	539
% Ch	14.1%	21.3%	-0.8%	-1.6%	-18.5%	15.8%	-63.7%	-8.2%	-30.7%
National (Millions)	0.347	0.349	0.345	0.354	0.338	0.306	0.284	0.112	0.114
% Ch	5.3%	0.5%	-1.0%	2.6%	-4.5%	-9.5%	-7.3%	-60.7%	2.2%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	443.6	457.6	473.8	494.4	514.8	529.3	537.9	542.3	546.4
% Ch	2.5%	3.2%	3.5%	4.3%	4.1%	2.8%	1.6%	0.8%	0.8%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
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**DEMOGRAPHICS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>POPULATION</b>									
Idaho (Thousands)	1,583.3	1,595.7	1,612.5	1,634.5	1,659.0	1,684.0	1,709.5	1,735.1	1,761.8
% Ch	0.7%	0.8%	1.1%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Millions)	312.467	314.790	317.130	319.464	321.871	324.498	327.128	329.759	332.385
% Ch	0.8%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>									
Idaho (Thousands)	22.475	22.978	24.000	22.938	22.571	23.075	23.592	24.110	24.668
% Ch	-3.3%	2.2%	4.4%	-4.4%	-1.6%	2.2%	2.2%	2.2%	2.3%
National (Thousands)	3,968	3,966	3,932	3,993	4,005	4,033	4,061	4,086	4,110
% Ch	-1.6%	0.0%	-0.9%	1.5%	0.3%	0.7%	0.7%	0.6%	0.6%
<b>DEATHS</b>									
Idaho (Thousands)	11.900	12.111	12.340	12.610	12.832	13.013	13.196	13.380	13.573
% Ch	5.3%	1.8%	1.9%	2.2%	1.8%	1.4%	1.4%	1.4%	1.4%
National (Thousands)	2,523	2,550	2,605	2,614	2,623	2,654	2,685	2,716	2,747
% Ch	1.7%	1.1%	2.1%	0.3%	0.4%	1.2%	1.2%	1.2%	1.1%
<b>NET MIGRATION</b>									
Idaho (Thousands)	0.342	1.508	5.106	11.671	14.763	15.009	15.095	14.803	15.692
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	4,563	7,129	9,057	9,813	10,469	11,590	12,774	12,967	13,228
% Ch	-12.1%	56.2%	27.0%	8.3%	6.7%	10.7%	10.2%	1.5%	2.0%
National (Millions)	0.612	0.784	0.928	1.001	1.131	1.308	1.456	1.509	1.555
% Ch	4.5%	28.1%	18.4%	7.8%	13.0%	15.6%	11.3%	3.6%	3.1%
<b>SINGLE UNITS</b>									
Idaho	3,959	6,027	7,734	7,359	8,210	9,163	10,558	10,867	11,120
% Ch	-14.9%	52.2%	28.3%	-4.8%	11.6%	11.6%	15.2%	2.9%	2.3%
National (Millions)	0.434	0.537	0.620	0.647	0.712	0.853	1.006	1.050	1.067
% Ch	-7.9%	23.6%	15.5%	4.3%	10.1%	19.8%	17.9%	4.4%	1.6%
<b>MULTIPLE UNITS</b>									
Idaho	604	1,102	1,323	2,453	2,259	2,426	2,216	2,100	2,107
% Ch	12.1%	82.4%	20.1%	85.4%	-7.9%	7.4%	-8.7%	-5.2%	0.3%
National (Millions)	0.178	0.247	0.308	0.354	0.419	0.455	0.450	0.459	0.488
% Ch	55.7%	38.9%	24.8%	14.8%	18.4%	8.5%	-0.9%	1.9%	6.4%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	549.2	553.7	560.3	568.4	576.8	586.2	596.8	607.9	619.2
% Ch	0.5%	0.8%	1.2%	1.4%	1.5%	1.6%	1.8%	1.9%	1.9%

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**OUTPUT, INCOME, & WAGES**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	10,978	11,511	12,275	13,094	13,856	14,478	14,719	14,419	14,964
% Ch	3.3%	4.9%	6.6%	6.7%	5.8%	4.5%	1.7%	-2.0%	3.8%
2009 Chain-Weighted	12,909	13,271	13,773	14,234	14,614	14,874	14,830	14,419	14,784
% Ch	1.8%	2.8%	3.8%	3.3%	2.7%	1.8%	-0.3%	-2.8%	2.5%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	35,419	36,853	40,102	42,583	46,916	49,596	50,409	48,797	50,340
% Ch	2.9%	4.0%	8.8%	6.2%	10.2%	5.7%	1.6%	-3.2%	3.2%
Idaho Nonfarm (Millions)	34,345	36,013	38,764	41,416	45,870	48,054	48,686	47,715	48,858
% Ch	3.1%	4.9%	7.6%	6.8%	10.8%	4.8%	1.3%	-2.0%	2.4%
National (Billions)	9,154	9,491	10,053	10,614	11,394	12,000	12,502	12,095	12,477
% Ch	1.8%	3.7%	5.9%	5.6%	7.3%	5.3%	4.2%	-3.3%	3.2%
<b>PERSONAL INCOME - 2009 \$</b>									
Idaho (Millions)	41,244	42,081	44,702	46,151	49,525	51,077	50,378	48,798	49,520
% Ch	1.5%	2.0%	6.2%	3.2%	7.3%	3.1%	-1.4%	-3.1%	1.5%
Idaho Nonfarm (Millions)	39,993	41,122	43,209	44,885	48,421	49,489	48,655	47,717	48,063
% Ch	1.7%	2.8%	5.1%	3.9%	7.9%	2.2%	-1.7%	-1.9%	0.7%
National (Billions)	10,660	10,838	11,206	11,504	12,028	12,358	12,494	12,095	12,274
% Ch	0.5%	1.7%	3.4%	2.7%	4.6%	2.7%	1.1%	-3.2%	1.5%
<b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	26,418	26,996	28,806	29,840	31,994	33,015	32,928	31,472	32,014
% Ch	1.3%	2.2%	6.7%	3.6%	7.2%	3.2%	-0.3%	-4.4%	1.7%
National	31,736	32,601	34,220	35,801	38,070	39,705	40,998	39,323	40,233
% Ch	0.8%	2.7%	5.0%	4.6%	6.3%	4.3%	3.3%	-4.1%	2.3%
<b>PER CAPITA PERS INC - 2009 \$</b>									
Idaho	30,764	30,826	32,111	32,343	33,774	34,002	32,908	31,474	31,492
% Ch	-0.1%	0.2%	4.2%	0.7%	4.4%	0.7%	-3.2%	-4.4%	0.1%
National	36,957	37,227	38,146	38,802	40,188	40,890	40,973	39,324	39,578
% Ch	-0.5%	0.7%	2.5%	1.7%	3.6%	1.7%	0.2%	-4.0%	0.6%
<b>AVERAGE ANNUAL WAGE</b>									
Idaho	29,546	30,290	31,520	32,469	34,327	35,246	35,563	35,838	36,598
% Ch	2.2%	2.5%	4.1%	3.0%	5.7%	2.7%	0.9%	0.8%	2.1%
National	38,249	39,426	41,156	42,476	44,407	46,363	47,621	47,646	48,955
% Ch	2.0%	3.1%	4.4%	3.2%	4.5%	4.4%	2.7%	0.1%	2.7%

**IDAHO ECONOMIC FORECAST  
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**OUTPUT, INCOME, & WAGES**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	15,518	16,155	16,663	17,348	17,985	18,808	19,683	20,572	21,507
% Ch	3.7%	4.1%	3.1%	4.1%	3.7%	4.6%	4.7%	4.5%	4.5%
2009 Chain-Weighted	15,021	15,355	15,583	15,962	16,360	16,816	17,293	17,744	18,202
% Ch	1.6%	2.2%	1.5%	2.4%	2.5%	2.8%	2.8%	2.6%	2.6%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	53,127	55,599	57,484	60,041	62,194	65,116	68,366	71,998	75,787
% Ch	5.5%	4.7%	3.4%	4.4%	3.6%	4.7%	5.0%	5.3%	5.3%
Idaho Nonfarm (Millions)	51,019	53,497	55,075	57,510	60,346	63,379	66,716	70,333	74,094
% Ch	4.4%	4.9%	2.9%	4.4%	4.9%	5.0%	5.3%	5.4%	5.3%
National (Billions)	13,255	13,915	14,068	14,694	15,316	16,020	16,838	17,690	18,567
% Ch	6.2%	5.0%	1.1%	4.4%	4.2%	4.6%	5.1%	5.1%	5.0%
<b>PERSONAL INCOME - 2009 \$</b>									
Idaho (Millions)	51,010	52,389	53,436	55,029	56,867	58,784	60,554	62,443	64,395
% Ch	3.0%	2.7%	2.0%	3.0%	3.3%	3.4%	3.0%	3.1%	3.1%
Idaho Nonfarm (Millions)	48,986	50,408	51,197	52,709	55,178	57,216	59,093	60,999	62,956
% Ch	1.9%	2.9%	1.6%	3.0%	4.7%	3.7%	3.3%	3.2%	3.2%
National (Billions)	12,726	13,112	13,078	13,468	14,004	14,462	14,914	15,343	15,776
% Ch	3.7%	3.0%	-0.3%	3.0%	4.0%	3.3%	3.1%	2.9%	2.8%
<b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	33,554	34,842	35,648	36,733	37,488	38,665	39,990	41,494	43,014
% Ch	4.8%	3.8%	2.3%	3.0%	2.1%	3.1%	3.4%	3.8%	3.7%
National	42,418	44,203	44,361	45,995	47,584	49,368	51,471	53,645	55,857
% Ch	5.4%	4.2%	0.4%	3.7%	3.5%	3.7%	4.3%	4.2%	4.1%
<b>PER CAPITA PERS INC - 2009 \$</b>									
Idaho	32,217	32,830	33,139	33,667	34,278	34,906	35,421	35,989	36,549
% Ch	2.3%	1.9%	0.9%	1.6%	1.8%	1.8%	1.5%	1.6%	1.6%
National	40,728	41,652	41,238	42,156	43,509	44,567	45,590	46,527	47,462
% Ch	2.9%	2.3%	-1.0%	2.2%	3.2%	2.4%	2.3%	2.1%	2.0%
<b>AVERAGE ANNUAL WAGE</b>									
Idaho	37,061	37,350	38,055	39,173	39,986	41,265	42,567	44,003	45,688
% Ch	1.3%	0.8%	1.9%	2.9%	2.1%	3.2%	3.2%	3.4%	3.8%
National	50,311	51,679	52,159	53,785	54,809	56,461	58,357	60,477	62,970
% Ch	2.8%	2.7%	0.9%	3.1%	1.9%	3.0%	3.4%	3.6%	4.1%

**IDAHO ECONOMIC FORECAST  
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**PERSONAL INCOME--CURRENT \$\$**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	17,449	17,991	19,246	20,655	22,716	24,013	23,955	22,821	22,974
% Ch	2.7%	3.1%	7.0%	7.3%	10.0%	5.7%	-0.2%	-4.7%	0.7%
National (Billions)	4,996	5,138	5,422	5,692	6,057	6,395	6,532	6,251	6,378
% Ch	0.8%	2.8%	5.5%	5.0%	6.4%	5.6%	2.1%	-4.3%	2.0%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	643	450	908	667	551	949	1,151	449	929
% Ch	-10.6%	-29.9%	101.5%	-26.5%	-17.4%	72.2%	21.3%	-61.0%	107.0%
National (Billions)	20	38	50	46	36	38	47	35	46
% Ch	-37.9%	91.0%	32.7%	-8.1%	-22.4%	6.0%	23.3%	-24.5%	29.7%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	3,944	4,069	4,374	4,527	5,063	4,587	3,938	4,568	4,659
% Ch	5.9%	3.2%	7.5%	3.5%	11.8%	-9.4%	-14.2%	16.0%	2.0%
National (Billions)	851	862	912	933	1,018	941	979	938	987
% Ch	5.8%	1.3%	5.8%	2.3%	9.1%	-7.5%	4.1%	-4.3%	5.2%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	6,610	7,127	7,812	8,384	9,507	10,247	10,380	9,141	8,995
% Ch	-0.6%	7.8%	9.6%	7.3%	13.4%	7.8%	1.3%	-11.9%	-1.6%
National (Billions)	1,608	1,658	1,759	1,905	2,146	2,356	2,429	2,152	2,142
% Ch	-2.5%	3.2%	6.1%	8.3%	12.7%	9.8%	3.1%	-11.4%	-0.4%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	4,225	4,487	4,863	5,259	5,852	6,124	6,188	6,017	6,220
% Ch	4.7%	6.2%	8.4%	8.2%	11.3%	4.6%	1.0%	-2.8%	3.4%
National (Billions)	779	844	909	967	998	1,041	1,075	1,077	1,115
% Ch	6.2%	8.3%	7.7%	6.4%	3.2%	4.4%	3.2%	0.2%	3.4%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	5,019	5,336	5,716	6,175	6,705	7,278	8,477	9,318	10,241
% Ch	8.3%	6.3%	7.1%	8.0%	8.6%	8.5%	16.5%	9.9%	9.9%
National (Billions)	1,285	1,347	1,421	1,517	1,615	1,728	1,957	2,148	2,325
% Ch	7.7%	4.9%	5.5%	6.7%	6.5%	7.0%	13.2%	9.8%	8.3%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	2,978	3,100	3,309	3,588	3,998	4,190	4,211	4,122	4,329
% Ch	2.9%	4.1%	6.7%	8.4%	11.4%	4.8%	0.5%	-2.1%	5.0%
National (Billions)	752	779	829	873	923	961	988	964	984
% Ch	2.5%	3.7%	6.4%	5.3%	5.6%	4.2%	2.8%	-2.4%	2.0%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	508	493	493	504	521	590	531	606	651
% Ch	-8.3%	-3.0%	0.0%	2.2%	3.4%	13.2%	-9.9%	14.1%	7.5%

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**IDAHO ECONOMIC FORECAST  
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**PERSONAL INCOME--CURRENT \$\$**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	23,495	24,163	25,274	26,704	27,967	29,516	31,073	32,796	34,690
% Ch	2.3%	2.8%	4.6%	5.7%	4.7%	5.5%	5.3%	5.5%	5.8%
National (Billions)	6,633	6,930	7,114	7,478	7,780	8,147	8,544	8,956	9,396
% Ch	4.0%	4.5%	2.7%	5.1%	4.0%	4.7%	4.9%	4.8%	4.9%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	1,553	1,469	1,698	1,761	1,077	989	899	911	934
% Ch	67.2%	-5.4%	15.6%	3.7%	-38.8%	-8.2%	-9.1%	1.4%	2.5%
National (Billions)	76	62	89	78	62	64	61	62	64
% Ch	64.2%	-18.5%	44.2%	-12.0%	-20.1%	1.8%	-3.7%	2.0%	2.8%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	4,564	4,778	5,056	5,393	5,770	6,128	6,400	6,628	6,885
% Ch	-2.0%	4.7%	5.8%	6.7%	7.0%	6.2%	4.4%	3.6%	3.9%
National (Billions)	1,068	1,180	1,196	1,269	1,332	1,419	1,488	1,546	1,611
% Ch	8.2%	10.5%	1.4%	6.0%	5.0%	6.5%	4.8%	3.9%	4.2%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	10,318	11,677	11,928	12,429	12,996	13,466	14,374	15,465	16,408
% Ch	14.7%	13.2%	2.2%	4.2%	4.6%	3.6%	6.7%	7.6%	6.1%
National (Billions)	2,399	2,649	2,624	2,728	2,845	2,944	3,142	3,373	3,577
% Ch	12.0%	10.4%	-1.0%	4.0%	4.3%	3.5%	6.7%	7.3%	6.0%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	6,114	6,232	6,554	6,439	6,591	6,819	7,098	7,325	7,566
% Ch	-1.7%	1.9%	5.2%	-1.7%	2.4%	3.5%	4.1%	3.2%	3.3%
National (Billions)	1,142	1,165	1,198	1,224	1,263	1,313	1,375	1,430	1,480
% Ch	2.5%	2.0%	2.8%	2.2%	3.2%	3.9%	4.7%	4.0%	3.5%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	10,297	10,441	10,782	11,209	11,805	12,396	12,965	13,567	14,302
% Ch	0.6%	1.4%	3.3%	4.0%	5.3%	5.0%	4.6%	4.6%	5.4%
National (Billions)	2,360	2,366	2,427	2,529	2,666	2,795	2,923	3,056	3,214
% Ch	1.5%	0.2%	2.5%	4.2%	5.4%	4.8%	4.6%	4.5%	5.2%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	3,970	4,081	4,693	4,846	5,010	5,249	5,537	5,834	6,189
% Ch	-8.3%	2.8%	15.0%	3.3%	3.4%	4.8%	5.5%	5.4%	6.1%
National (Billions)	918	952	1,107	1,159	1,197	1,252	1,316	1,384	1,465
% Ch	-6.7%	3.7%	16.3%	4.7%	3.2%	4.6%	5.1%	5.2%	5.8%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	755	920	885	952	994	1,023	1,051	1,086	1,126
% Ch	15.9%	21.8%	-3.8%	7.6%	4.4%	2.9%	2.8%	3.3%	3.7%

**National Variables Forecast by IHS Economics  
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**EMPLOYMENT**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	568,045	572,547	588,056	611,684	638,840	656,228	648,914	610,008	603,697
% Ch	0.0%	0.8%	2.7%	4.0%	4.4%	2.7%	-1.1%	-6.0%	-1.0%
National (Thousands)	130,628	130,315	131,732	133,996	136,403	137,935	137,169	131,220	130,269
% Ch	-1.1%	-0.2%	1.1%	1.7%	1.8%	1.1%	-0.6%	-4.3%	-0.7%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	105,031	102,384	105,446	112,317	122,253	123,319	112,229	92,404	88,023
% Ch	-4.7%	-2.5%	3.0%	6.5%	8.8%	0.9%	-9.0%	-17.7%	-4.7%
National (Thousands)	22,555	21,816	21,878	22,186	22,530	22,229	21,331	18,559	17,752
% Ch	-5.5%	-3.3%	0.3%	1.4%	1.6%	-1.3%	-4.0%	-13.0%	-4.3%
<b>MANUFACTURING</b>									
Idaho	66,804	63,860	63,676	65,031	67,837	68,062	64,452	55,838	54,432
% Ch	-5.1%	-4.4%	-0.3%	2.1%	4.3%	0.3%	-5.3%	-13.4%	-2.5%
National (Thousands)	15,327	14,578	14,382	14,291	14,221	13,938	13,460	11,898	11,579
% Ch	-7.2%	-4.9%	-1.3%	-0.6%	-0.5%	-2.0%	-3.4%	-11.6%	-2.7%
<b>DURABLE MANUFACTURING</b>									
Idaho	42,320	39,947	40,544	42,104	44,603	44,201	39,869	32,204	31,172
% Ch	-6.2%	-5.6%	1.5%	3.8%	5.9%	-0.9%	-9.8%	-19.2%	-3.2%
National (Thousands)	9,555	9,032	8,992	9,020	9,046	8,868	8,519	7,335	7,114
% Ch	-8.2%	-5.5%	-0.4%	0.3%	0.3%	-2.0%	-3.9%	-13.9%	-3.0%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	9,553	9,046	9,294	9,618	10,035	9,584	8,065	5,899	5,792
% Ch	-3.0%	-5.3%	2.7%	3.5%	4.3%	-4.5%	-15.8%	-26.9%	-1.8%
National (Thousands)	628	609	619	626	625	577	514	411	392
% Ch	-3.4%	-3.0%	1.7%	1.1%	-0.2%	-7.7%	-10.9%	-20.1%	-4.6%
<b>METAL FABRICATION</b>									
Idaho	3,636	3,537	3,636	3,905	4,376	4,659	4,676	4,376	4,443
% Ch	-6.2%	-2.7%	2.8%	7.4%	12.1%	6.5%	0.4%	-6.4%	1.5%
National (Thousands)	1,549	1,479	1,497	1,522	1,553	1,562	1,527	1,312	1,282
% Ch	-7.6%	-4.5%	1.2%	1.7%	2.0%	0.6%	-2.2%	-14.1%	-2.3%
<b>MACHINERY</b>									
Idaho	2,832	2,632	2,569	2,606	2,864	2,992	3,133	2,717	2,501
% Ch	-7.3%	-7.1%	-2.4%	1.4%	9.9%	4.5%	4.7%	-13.3%	-8.0%
National (Thousands)	1,232	1,152	1,145	1,164	1,183	1,187	1,187	1,029	996
% Ch	-10.1%	-6.5%	-0.6%	1.7%	1.6%	0.3%	0.0%	-13.3%	-3.2%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	17,933	16,297	16,286	16,181	16,663	16,216	14,305	11,098	10,574
% Ch	-8.8%	-9.1%	-0.1%	-0.6%	3.0%	-2.7%	-11.8%	-22.4%	-4.7%
National (Thousands)	1,507	1,355	1,323	1,316	1,308	1,272	1,244	1,137	1,094
% Ch	-13.8%	-10.1%	-2.4%	-0.5%	-0.7%	-2.7%	-2.2%	-8.6%	-3.7%
<b>OTHER DURABLES</b>									
Idaho	8,366	8,435	8,759	9,794	10,664	10,749	9,689	8,113	7,861
% Ch	-3.4%	0.8%	3.8%	11.8%	8.9%	0.8%	-9.9%	-16.3%	-3.1%
National (Thousands)	4,640	4,438	4,408	4,391	4,378	4,269	4,046	3,446	3,349
% Ch	-6.5%	-4.3%	-0.7%	-0.4%	-0.3%	-2.5%	-5.2%	-14.8%	-2.8%

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**EMPLOYMENT**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	610,751	622,277	638,095	655,233	673,011	688,691	703,523	719,283	734,931
% Ch	1.2%	1.9%	2.5%	2.7%	2.7%	2.3%	2.2%	2.2%	2.2%
National (Thousands)	131,843	134,098	136,394	139,023	141,940	144,294	146,411	148,083	149,214
% Ch	1.2%	1.7%	1.7%	1.9%	2.1%	1.7%	1.5%	1.1%	0.8%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	88,981	92,366	97,322	100,057	104,100	106,517	108,798	110,920	113,757
% Ch	1.1%	3.8%	5.4%	2.8%	4.0%	2.3%	2.1%	2.0%	2.6%
National (Thousands)	18,044	18,418	18,738	19,222	19,579	19,994	20,529	20,960	21,295
% Ch	1.6%	2.1%	1.7%	2.6%	1.9%	2.1%	2.7%	2.1%	1.6%
<b>MANUFACTURING</b>									
Idaho	56,043	58,250	61,121	61,740	63,256	64,667	65,920	67,055	68,173
% Ch	3.0%	3.9%	4.9%	1.0%	2.5%	2.2%	1.9%	1.7%	1.7%
National (Thousands)	11,774	11,977	12,070	12,240	12,390	12,482	12,620	12,753	12,867
% Ch	1.7%	1.7%	0.8%	1.4%	1.2%	0.7%	1.1%	1.1%	0.9%
<b>DURABLE MANUFACTURING</b>									
Idaho	32,679	34,233	35,869	36,232	37,439	38,394	39,119	39,698	40,397
% Ch	4.8%	4.8%	4.8%	1.0%	3.3%	2.5%	1.9%	1.5%	1.8%
National (Thousands)	7,321	7,520	7,598	7,738	7,847	7,890	8,008	8,108	8,170
% Ch	2.9%	2.7%	1.0%	1.8%	1.4%	0.5%	1.5%	1.3%	0.8%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	6,207	6,526	7,132	7,096	7,448	7,890	8,071	8,177	8,421
% Ch	7.1%	5.2%	9.3%	-0.5%	5.0%	5.9%	2.3%	1.3%	3.0%
National (Thousands)	386	390	405	424	429	442	479	503	521
% Ch	-1.6%	1.1%	3.9%	4.8%	1.1%	3.0%	8.4%	4.9%	3.7%
<b>METAL FABRICATION</b>									
Idaho	4,593	4,859	5,417	5,500	5,544	5,662	5,807	5,957	6,078
% Ch	3.4%	5.8%	11.5%	1.5%	0.8%	2.1%	2.6%	2.6%	2.0%
National (Thousands)	1,348	1,409	1,431	1,455	1,471	1,495	1,526	1,548	1,572
% Ch	5.1%	4.6%	1.6%	1.6%	1.1%	1.7%	2.0%	1.4%	1.6%
<b>MACHINERY</b>									
Idaho	2,567	2,717	2,934	2,992	3,090	3,164	3,216	3,280	3,360
% Ch	2.7%	5.8%	8.0%	2.0%	3.3%	2.4%	1.6%	2.0%	2.4%
National (Thousands)	1,055	1,098	1,104	1,129	1,131	1,122	1,135	1,162	1,188
% Ch	5.9%	4.0%	0.6%	2.2%	0.2%	-0.8%	1.2%	2.4%	2.2%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	11,192	11,626	11,275	11,550	11,991	12,041	12,050	12,046	12,110
% Ch	5.8%	3.9%	-3.0%	2.4%	3.8%	0.4%	0.1%	0.0%	0.5%
National (Thousands)	1,103	1,089	1,065	1,051	1,053	1,060	1,081	1,091	1,100
% Ch	0.8%	-1.3%	-2.2%	-1.4%	0.3%	0.7%	2.0%	0.9%	0.8%
<b>OTHER DURABLES</b>									
Idaho	8,120	8,504	9,111	9,093	9,366	9,637	9,975	10,237	10,429
% Ch	3.3%	4.7%	7.1%	-0.2%	3.0%	2.9%	3.5%	2.6%	1.9%
National (Thousands)	3,429	3,533	3,592	3,679	3,763	3,771	3,787	3,804	3,789
% Ch	2.4%	3.0%	1.7%	2.4%	2.3%	0.2%	0.4%	0.5%	-0.4%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
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**EMPLOYMENT**

**MANUFACTURING (continued)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>NONDURABLE MANUFACTURING</b>									
Idaho	24,484	23,912	23,131	22,927	23,234	23,861	24,583	23,634	23,261
% Ch	-3.2%	-2.3%	-3.3%	-0.9%	1.3%	2.7%	3.0%	-3.9%	-1.6%
National (Thousands)	5,773	5,546	5,390	5,271	5,175	5,070	4,941	4,563	4,465
% Ch	-5.4%	-3.9%	-2.8%	-2.2%	-1.8%	-2.0%	-2.6%	-7.6%	-2.2%
<b>FOOD PROCESSING</b>									
Idaho	16,354	15,900	14,999	14,714	14,700	15,094	15,835	15,642	15,443
% Ch	-1.0%	-2.8%	-5.7%	-1.9%	-0.1%	2.7%	4.9%	-1.2%	-1.3%
National (Thousands)	1,525	1,517	1,494	1,478	1,479	1,484	1,480	1,457	1,451
% Ch	-1.6%	-0.5%	-1.5%	-1.1%	0.1%	0.3%	-0.2%	-1.6%	-0.4%
<b>PRINTING</b>									
Idaho	2,033	2,030	1,921	1,899	1,907	1,891	1,807	1,433	1,283
% Ch	-8.6%	-0.2%	-5.3%	-1.2%	0.4%	-0.8%	-4.4%	-20.7%	-10.5%
National (Thousands)	707	680	663	646	634	622	594	522	488
% Ch	-8.0%	-3.7%	-2.6%	-2.5%	-1.9%	-1.9%	-4.5%	-12.2%	-6.5%
<b>CHEMICALS</b>									
Idaho	1,926	1,832	1,878	1,938	2,117	2,267	2,367	2,275	2,200
% Ch	-17.1%	-4.9%	2.6%	3.2%	9.2%	7.1%	4.4%	-3.9%	-3.3%
National (Thousands)	927	906	887	872	866	861	847	804	786
% Ch	-3.3%	-2.3%	-2.1%	-1.7%	-0.7%	-0.6%	-1.7%	-5.1%	-2.2%
<b>OTHER NONDURABLES</b>									
Idaho	4,172	4,151	4,332	4,376	4,511	4,610	4,574	4,284	4,336
% Ch	-1.2%	-0.5%	4.4%	1.0%	3.1%	2.2%	-0.8%	-6.3%	1.2%
National (Thousands)	2,614	2,442	2,346	2,275	2,195	2,104	2,020	1,781	1,740
% Ch	-7.5%	-6.6%	-3.9%	-3.0%	-3.5%	-4.2%	-4.0%	-11.8%	-2.3%
<b>MINING</b>									
Idaho	1,759	1,785	1,931	2,160	2,372	2,665	2,767	2,163	2,295
% Ch	-10.9%	1.5%	8.2%	11.8%	9.8%	12.3%	3.8%	-21.8%	6.1%
National (Thousands)	512	503	523	562	620	663	709	643	655
% Ch	-3.8%	-1.9%	4.0%	7.5%	10.3%	7.0%	6.9%	-9.3%	1.8%
<b>CONSTRUCTION</b>									
Idaho	36,468	36,739	39,839	45,127	52,043	52,592	45,010	34,403	31,295
% Ch	-3.7%	0.7%	8.4%	13.3%	15.3%	1.1%	-14.4%	-23.6%	-9.0%
National (Thousands)	6,715	6,736	6,973	7,333	7,690	7,627	7,162	6,017	5,518
% Ch	-1.6%	0.3%	3.5%	5.2%	4.9%	-0.8%	-6.1%	-16.0%	-8.3%
<b>NONGOODS PRODUCING</b>									
Idaho	463,015	470,163	482,610	499,366	516,588	532,909	536,686	517,604	515,674
% Ch	1.1%	1.5%	2.6%	3.5%	3.4%	3.2%	0.7%	-3.6%	-0.4%
National (Thousands)	108,073	108,499	109,853	111,810	113,873	115,706	115,838	112,661	112,517
% Ch	-0.1%	0.4%	1.2%	1.8%	1.8%	1.6%	0.1%	-2.7%	-0.1%
<b>SERVICES</b>									
Idaho	253,631	260,020	269,014	280,741	292,713	304,463	307,045	295,846	296,269
% Ch	1.6%	2.5%	3.5%	4.4%	4.3%	4.0%	0.8%	-3.6%	0.1%
National (Thousands)	65,883	66,393	67,514	68,963	70,638	71,955	72,107	70,001	70,130
% Ch	-0.3%	0.8%	1.7%	2.1%	2.4%	1.9%	0.2%	-2.9%	0.2%
<b>INFORMATION</b>									
Idaho	9,156	9,181	9,935	11,072	10,592	10,913	11,028	10,012	9,626
% Ch	-4.6%	0.3%	8.2%	11.4%	-4.3%	3.0%	1.1%	-9.2%	-3.9%
National (Thousands)	3,394	3,189	3,117	3,061	3,038	3,032	2,983	2,804	2,707
% Ch	-6.5%	-6.1%	-2.2%	-1.8%	-0.8%	-0.2%	-1.6%	-6.0%	-3.4%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	25,824	26,945	27,937	29,653	31,744	32,529	31,659	29,622	29,169
% Ch	3.2%	4.3%	3.7%	6.1%	7.1%	2.5%	-2.7%	-6.4%	-1.5%
National (Thousands)	7,956	8,077	8,105	8,197	8,366	8,347	8,204	7,838	7,695
% Ch	0.7%	1.5%	0.3%	1.1%	2.1%	-0.2%	-1.7%	-4.5%	-1.8%

National Variables Forecast by IHS Economics  
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**IDAHO ECONOMIC FORECAST  
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**EMPLOYMENT**

**MANUFACTURING (continued)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>NONDURABLE MANUFACTURING</b>									
Idaho	23,364	24,017	25,252	25,508	25,817	26,273	26,801	27,358	27,776
% Ch	0.4%	2.8%	5.1%	1.0%	1.2%	1.8%	2.0%	2.1%	1.5%
National (Thousands)	4,453	4,457	4,472	4,503	4,542	4,591	4,612	4,645	4,697
% Ch	-0.3%	0.1%	0.3%	0.7%	0.9%	1.1%	0.5%	0.7%	1.1%
<b>FOOD PROCESSING</b>									
Idaho	15,355	15,659	16,393	16,458	16,676	17,031	17,399	17,768	18,003
% Ch	-0.6%	2.0%	4.7%	0.4%	1.3%	2.1%	2.2%	2.1%	1.3%
National (Thousands)	1,459	1,469	1,473	1,481	1,500	1,531	1,558	1,585	1,619
% Ch	0.5%	0.7%	0.3%	0.5%	1.3%	2.1%	1.8%	1.7%	2.1%
<b>PRINTING</b>									
Idaho	1,232	1,208	1,217	1,175	1,112	1,096	1,099	1,102	1,108
% Ch	-3.9%	-2.0%	0.7%	-3.4%	-5.4%	-1.4%	0.3%	0.3%	0.5%
National (Thousands)	472	462	452	453	446	445	440	437	441
% Ch	-3.3%	-2.1%	-2.1%	0.1%	-1.4%	-0.1%	-1.3%	-0.5%	0.9%
<b>CHEMICALS</b>									
Idaho	2,374	2,541	2,599	2,533	2,487	2,458	2,512	2,590	2,665
% Ch	7.9%	7.0%	2.3%	-2.6%	-1.8%	-1.1%	2.2%	3.1%	2.9%
National (Thousands)	783	784	793	804	812	812	814	819	822
% Ch	-0.4%	0.0%	1.2%	1.4%	1.0%	0.1%	0.3%	0.6%	0.4%
<b>OTHER NONDURABLES</b>									
Idaho	4,402	4,609	5,043	5,342	5,542	5,687	5,790	5,897	6,000
% Ch	1.5%	4.7%	9.4%	5.9%	3.7%	2.6%	1.8%	1.8%	1.8%
National (Thousands)	1,739	1,743	1,754	1,765	1,785	1,803	1,800	1,803	1,815
% Ch	0.0%	0.2%	0.6%	0.7%	1.1%	1.0%	-0.1%	0.2%	0.6%
<b>MINING</b>									
Idaho	2,582	2,696	2,581	2,445	2,413	2,440	2,472	2,541	2,603
% Ch	12.5%	4.4%	-4.2%	-5.3%	-1.3%	1.1%	1.3%	2.8%	2.4%
National (Thousands)	739	797	811	843	791	743	764	793	814
% Ch	12.9%	7.8%	1.8%	4.0%	-6.2%	-6.1%	2.8%	3.9%	2.6%
<b>CONSTRUCTION</b>									
Idaho	30,356	31,420	33,620	35,872	38,431	39,410	40,405	41,323	42,981
% Ch	-3.0%	3.5%	7.0%	6.7%	7.1%	2.5%	2.5%	2.3%	4.0%
National (Thousands)	5,531	5,645	5,857	6,138	6,398	6,769	7,145	7,414	7,613
% Ch	0.2%	2.1%	3.7%	4.8%	4.2%	5.8%	5.6%	3.8%	2.7%
<b>NONGOODS PRODUCING</b>									
Idaho	521,770	529,912	540,773	555,176	568,912	582,174	594,726	608,363	621,174
% Ch	1.2%	1.6%	2.0%	2.7%	2.5%	2.3%	2.2%	2.3%	2.1%
National (Thousands)	113,799	115,680	117,656	119,801	122,361	124,300	125,881	127,123	127,919
% Ch	1.1%	1.7%	1.7%	1.8%	2.1%	1.6%	1.3%	1.0%	0.6%
<b>SERVICES</b>									
Idaho	302,712	307,723	315,973	327,320	337,354	347,970	357,450	366,983	375,916
% Ch	2.2%	1.7%	2.7%	3.6%	3.1%	3.1%	2.7%	2.7%	2.4%
National (Thousands)	71,495	73,259	74,999	76,756	78,835	80,543	81,904	82,867	83,518
% Ch	1.9%	2.5%	2.4%	2.3%	2.7%	2.2%	1.7%	1.2%	0.8%
<b>INFORMATION</b>									
Idaho	9,466	9,366	9,291	9,299	9,285	9,387	9,637	9,874	10,092
% Ch	-1.7%	-1.1%	-0.8%	0.1%	-0.2%	1.1%	2.7%	2.5%	2.2%
National (Thousands)	2,673	2,675	2,706	2,740	2,792	2,783	2,849	2,863	2,855
% Ch	-1.3%	0.1%	1.2%	1.3%	1.9%	-0.3%	2.4%	0.5%	-0.3%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	29,872	30,330	31,181	32,993	33,897	34,300	34,716	35,098	35,414
% Ch	2.4%	1.5%	2.8%	5.8%	2.7%	1.2%	1.2%	1.1%	0.9%
National (Thousands)	7,697	7,783	7,886	7,978	8,135	8,163	8,091	7,983	7,900
% Ch	0.0%	1.1%	1.3%	1.2%	2.0%	0.3%	-0.9%	-1.3%	-1.0%

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**EMPLOYMENT**

**SERVICES (Continued)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	18,677	18,764	18,947	19,294	20,242	21,032	21,723	20,690	20,690
% Ch	-2.5%	0.5%	1.0%	1.8%	4.9%	3.9%	3.3%	-4.8%	0.0%
National (Thousands)	4,820	4,761	4,814	4,917	5,017	5,095	5,067	4,797	4,744
% Ch	-3.1%	-1.2%	1.1%	2.1%	2.0%	1.5%	-0.6%	-5.3%	-1.1%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	69,017	70,004	73,138	76,899	81,346	83,191	80,542	74,681	73,957
% Ch	2.0%	1.4%	4.5%	5.1%	5.8%	2.3%	-3.2%	-7.3%	-1.0%
National (Thousands)	15,975	15,985	16,388	16,952	17,572	17,947	17,741	16,574	16,723
% Ch	-3.1%	0.1%	2.5%	3.4%	3.7%	2.1%	-1.2%	-6.6%	0.9%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	59,809	62,552	65,220	67,997	70,119	74,073	77,738	81,004	83,832
% Ch	5.0%	4.6%	4.3%	4.3%	3.1%	5.6%	4.9%	4.2%	3.5%
National (Thousands)	16,380	16,806	17,188	17,629	18,098	18,613	19,157	19,548	19,888
% Ch	3.7%	2.6%	2.3%	2.6%	2.7%	2.8%	2.9%	2.0%	1.7%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	53,281	54,405	55,566	57,347	59,650	63,256	63,200	58,664	57,947
% Ch	0.4%	2.1%	2.1%	3.2%	4.0%	6.0%	-0.1%	-7.2%	-1.2%
National (Thousands)	11,986	12,175	12,492	12,813	13,109	13,428	13,441	13,074	13,042
% Ch	-0.4%	1.6%	2.6%	2.6%	2.3%	2.4%	0.1%	-2.7%	-0.2%
<b>OTHER SERVICES</b>									
Idaho	17,867	18,168	18,272	18,479	19,021	19,469	21,155	21,174	21,047
% Ch	-1.5%	1.7%	0.6%	1.1%	2.9%	2.4%	8.7%	0.1%	-0.6%
National (Thousands)	5,372	5,401	5,409	5,395	5,438	5,493	5,515	5,366	5,331
% Ch	2.2%	0.5%	0.2%	-0.3%	0.8%	1.0%	0.4%	-2.7%	-0.7%
<b>TRADE</b>									
Idaho	97,343	97,120	99,131	103,675	107,465	111,651	110,453	102,269	100,836
% Ch	-0.8%	-0.2%	2.1%	4.6%	3.7%	3.9%	-1.1%	-7.4%	-1.4%
National (Thousands)	20,681	20,525	20,722	21,043	21,260	21,532	21,228	20,108	19,897
% Ch	-1.6%	-0.8%	1.0%	1.5%	1.0%	1.3%	-1.4%	-5.3%	-1.0%
<b>RETAIL TRADE</b>									
Idaho	72,397	72,625	73,725	76,801	80,514	83,552	82,614	76,282	74,836
% Ch	-0.3%	0.3%	1.5%	4.2%	4.8%	3.8%	-1.1%	-7.7%	-1.9%
National (Thousands)	15,027	14,917	15,060	15,281	15,356	15,516	15,285	14,522	14,445
% Ch	-1.4%	-0.7%	1.0%	1.5%	0.5%	1.0%	-1.5%	-5.0%	-0.5%
<b>WHOLESALE TRADE</b>									
Idaho	24,946	24,496	25,406	26,875	26,951	28,099	27,839	25,987	26,000
% Ch	-2.0%	-1.8%	3.7%	5.8%	0.3%	4.3%	-0.9%	-6.7%	0.1%
National (Thousands)	5,653	5,608	5,661	5,762	5,904	6,016	5,943	5,586	5,452
% Ch	-2.1%	-0.8%	0.9%	1.8%	2.5%	1.9%	-1.2%	-6.0%	-2.4%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	98,489	99,398	101,149	101,867	103,531	103,976	105,987	105,993	104,878
% Ch	1.7%	0.9%	1.8%	0.7%	1.6%	0.4%	1.9%	0.0%	-1.1%
National (Thousands)	17,925	18,357	18,744	18,820	18,887	19,073	19,742	19,484	19,742
% Ch	2.2%	2.4%	2.1%	0.4%	0.4%	1.0%	1.3%	-1.3%	1.3%
<b>EDUCATION</b>									
Idaho	49,657	49,910	50,817	51,306	52,653	53,021	53,610	54,617	53,928
% Ch	1.3%	0.5%	1.8%	1.0%	2.6%	0.7%	1.1%	1.9%	-1.3%
<b>NONEDUCATION</b>									
Idaho	48,832	49,488	50,332	50,560	50,878	50,955	52,377	51,376	50,950
% Ch	2.1%	1.3%	1.7%	0.5%	0.6%	0.2%	2.8%	-1.9%	-0.8%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,552	13,625	13,316	13,084	12,879	12,820	13,200	13,496	13,691
% Ch	2.0%	0.5%	-2.3%	-1.7%	-1.6%	-0.5%	3.0%	2.2%	1.4%
National (Thousands)	2,766	2,760	2,731	2,732	2,733	2,735	2,761	2,831	2,976
% Ch	0.1%	-0.2%	-1.1%	0.0%	0.0%	0.1%	0.9%	2.5%	5.1%

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**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	21,185	21,512	21,511	22,424	23,443	23,987	24,522	25,176	25,766
% Ch	2.4%	1.5%	0.0%	4.2%	4.5%	2.3%	2.2%	2.7%	2.3%
National (Thousands)	4,855	4,968	5,048	5,188	5,345	5,485	5,636	5,746	5,771
% Ch	2.3%	2.3%	1.6%	2.8%	3.0%	2.6%	2.7%	2.0%	0.4%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	75,163	75,462	77,505	79,560	81,266	85,090	88,185	90,991	93,438
% Ch	1.6%	0.4%	2.7%	2.7%	2.1%	4.7%	3.6%	3.2%	2.7%
National (Thousands)	17,328	17,934	18,522	19,095	19,754	20,635	21,440	21,864	22,186
% Ch	3.6%	3.5%	3.3%	3.1%	3.5%	4.5%	3.9%	2.0%	1.5%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	86,553	88,360	91,000	94,254	98,055	101,777	105,102	108,529	111,908
% Ch	3.2%	2.1%	3.0%	3.6%	4.0%	3.8%	3.3%	3.3%	3.1%
National (Thousands)	20,231	20,697	21,096	21,473	22,026	22,556	22,886	23,179	23,409
% Ch	1.7%	2.3%	1.9%	1.8%	2.6%	2.4%	1.5%	1.3%	1.0%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	59,296	61,173	63,506	66,125	67,849	69,324	70,713	72,208	73,702
% Ch	2.3%	3.2%	3.8%	4.1%	2.6%	2.2%	2.0%	2.1%	2.1%
National (Thousands)	13,351	13,773	14,259	14,709	15,139	15,289	15,414	15,665	15,855
% Ch	2.4%	3.2%	3.5%	3.2%	2.9%	1.0%	0.8%	1.6%	1.2%
<b>OTHER SERVICES</b>									
Idaho	21,177	21,519	21,978	22,664	23,560	24,105	24,575	25,107	25,595
% Ch	0.6%	1.6%	2.1%	3.1%	4.0%	2.3%	2.0%	2.2%	1.9%
National (Thousands)	5,361	5,430	5,483	5,573	5,644	5,632	5,588	5,568	5,543
% Ch	0.6%	1.3%	1.0%	1.6%	1.3%	-0.2%	-0.8%	-0.4%	-0.4%
<b>TRADE</b>									
Idaho	101,885	104,943	107,373	109,663	112,801	115,430	118,086	121,724	125,085
% Ch	1.0%	3.0%	2.3%	2.1%	2.9%	2.3%	2.3%	3.1%	2.8%
National (Thousands)	20,211	20,503	20,808	21,189	21,606	21,768	21,799	21,852	21,828
% Ch	1.6%	1.4%	1.5%	1.8%	2.0%	0.7%	0.1%	0.2%	-0.1%
<b>RETAIL TRADE</b>									
Idaho	75,200	77,123	78,736	80,627	83,771	85,844	87,834	90,595	93,138
% Ch	0.5%	2.6%	2.1%	2.4%	3.9%	2.5%	2.3%	3.1%	2.8%
National (Thousands)	14,668	14,836	15,075	15,362	15,688	15,769	15,693	15,657	15,579
% Ch	1.5%	1.1%	1.6%	1.9%	2.1%	0.5%	-0.5%	-0.2%	-0.5%
<b>WHOLESALE TRADE</b>									
Idaho	26,685	27,819	28,637	29,036	29,031	29,586	30,252	31,129	31,947
% Ch	2.6%	4.2%	2.9%	1.4%	0.0%	1.9%	2.3%	2.9%	2.6%
National (Thousands)	5,543	5,667	5,734	5,826	5,917	5,999	6,106	6,194	6,248
% Ch	1.7%	2.2%	1.2%	1.6%	1.6%	1.4%	1.8%	1.4%	0.9%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	104,519	104,607	105,016	105,857	106,331	106,421	106,877	107,396	107,975
% Ch	-0.3%	0.1%	0.4%	0.8%	0.4%	0.1%	0.4%	0.5%	0.5%
National (Thousands)	19,233	19,096	19,079	19,130	19,186	19,273	19,503	19,768	19,972
% Ch	-1.4%	-0.7%	-0.1%	0.3%	0.3%	0.5%	1.2%	1.4%	1.0%
<b>EDUCATION</b>									
Idaho	54,010	53,972	54,361	54,701	54,947	55,156	55,545	56,012	56,452
% Ch	0.2%	-0.1%	0.7%	0.6%	0.4%	0.4%	0.7%	0.8%	0.8%
<b>NONEDUCATION</b>									
Idaho	50,509	50,635	50,655	51,156	51,385	51,264	51,332	51,384	51,522
% Ch	-0.9%	0.2%	0.0%	1.0%	0.4%	-0.2%	0.1%	0.1%	0.3%
<b>FEDERAL GOVERNMENT</b>									
Idaho	12,653	12,640	12,411	12,336	12,425	12,353	12,313	12,260	12,197
% Ch	-7.6%	-0.1%	-1.8%	-0.6%	0.7%	-0.6%	-0.3%	-0.4%	-0.5%
National (Thousands)	2,860	2,822	2,770	2,727	2,735	2,717	2,675	2,636	2,601
% Ch	-3.9%	-1.3%	-1.8%	-1.6%	0.3%	-0.7%	-1.5%	-1.5%	-1.3%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2015**

**MISCELLANEOUS**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	85.041	86.736	89.118	91.985	94.812	97.340	99.218	100.000	101.226
% Ch	1.5%	2.0%	2.7%	3.2%	3.1%	2.7%	1.9%	0.8%	1.2%
<b>Consumption Expenditures</b>	85.874	87.572	89.703	92.261	94.729	97.101	100.065	100.000	101.653
% Ch	1.3%	2.0%	2.4%	2.9%	2.7%	2.5%	3.1%	-0.1%	1.7%
<b>Durable Goods</b>	115.035	110.885	108.752	107.669	105.916	103.764	101.758	100.000	98.622
% Ch	-2.5%	-3.6%	-1.9%	-1.0%	-1.6%	-2.0%	-1.9%	-1.7%	-1.4%
<b>Nondurable Goods</b>	83.538	85.264	88.214	91.592	94.438	97.214	102.653	100.000	103.085
% Ch	0.0%	2.1%	3.5%	3.8%	3.1%	2.9%	5.6%	-2.6%	3.1%
<b>Services</b>	81.969	84.533	87.058	89.934	92.977	95.981	98.947	100.000	101.661
% Ch	2.6%	3.1%	3.0%	3.3%	3.4%	3.2%	3.1%	1.1%	1.7%
<b>Consumer Price Index (1982-84=1.000)</b>	1.799	1.840	1.889	1.953	2.016	2.073	2.153	2.146	2.181
% Ch	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	-0.3%	1.6%
<b>SELECTED INTEREST RATES</b>									
<b>Federal Funds</b>	1.7%	1.1%	1.3%	3.2%	5.0%	5.0%	1.9%	0.2%	0.2%
<b>NY Fed Discount</b>	1.2%	2.1%	2.3%	4.2%	6.0%	5.9%	2.4%	0.5%	0.7%
<b>Prime</b>	4.7%	4.1%	4.3%	6.2%	8.0%	8.1%	5.1%	3.3%	3.3%
<b>Existing Home Mortgage</b>	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.2%	5.1%	4.9%
<b>U.S. Govt. 3-Month Bills</b>	1.6%	1.0%	1.4%	3.1%	4.7%	4.4%	1.4%	0.2%	0.1%
<b>U.S. Govt. 6-Month Bills</b>	1.7%	1.1%	1.6%	3.4%	4.8%	4.4%	1.6%	0.3%	0.2%
<b>U.S. Govt. 5-Year Notes</b>	3.8%	3.0%	3.4%	4.0%	4.7%	4.4%	2.8%	2.2%	1.9%
<b>U.S. Govt. 10-Year Notes</b>	4.6%	4.0%	4.3%	4.3%	4.8%	4.6%	3.7%	3.3%	3.2%
<b>EXCHANGE RATES (2009=1.000)</b>									
<b>Major Currency Trading Partners</b>	1.360	1.192	1.097	1.073	1.047	0.980	0.928	1.000	0.995
% Ch	-0.3%	-12.4%	-8.0%	-2.2%	-2.4%	-6.4%	-5.3%	7.8%	-0.5%
<b>Other Important Trading Partners</b>	1.343	1.321	1.261	1.184	1.123	1.040	0.941	1.000	0.948
% Ch	2.6%	-1.6%	-4.5%	-6.2%	-5.1%	-7.4%	-9.5%	6.3%	-5.2%
<b>SELECTED US PRODUCTION INDICES</b>									
<b>Wood Products</b>	135.2	135.0	138.5	147.7	148.9	139.3	119.0	90.9	94.1
% Ch	4.3%	-0.2%	2.6%	6.7%	0.8%	-6.5%	-14.6%	-23.6%	3.6%
<b>Computers &amp; Electronic Products</b>	40.9	46.8	53.3	60.4	68.9	79.2	85.1	75.7	85.9
% Ch	-2.2%	14.5%	14.0%	13.2%	14.1%	14.9%	7.4%	-11.0%	13.5%
<b>Food</b>	96.8	97.5	97.4	100.5	101.3	101.9	100.6	100.0	100.4
% Ch	2.4%	0.7%	0.0%	3.1%	0.9%	0.5%	-1.3%	-0.6%	0.5%
<b>Agricultural Chemicals</b>	90.8	94.9	98.9	102.6	107.0	98.5	85.2	89.7	93.5
% Ch	3.2%	4.5%	4.3%	3.8%	4.2%	-7.9%	-13.5%	5.2%	4.3%
<b>Metal Ore Mining</b>	98.0	93.4	95.5	101.1	103.2	100.6	103.6	90.8	97.0
% Ch	-8.4%	-4.6%	2.2%	5.9%	2.1%	-2.5%	3.0%	-12.3%	6.8%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2015**

**MISCELLANEOUS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	103.316	105.220	106.936	108.694	109.936	111.846	113.817	115.932	118.154
% Ch	2.1%	1.8%	1.6%	1.6%	1.1%	1.7%	1.8%	1.9%	1.9%
<b>Consumption Expenditures</b>	104.149	106.121	107.572	109.105	109.364	110.768	112.895	115.296	117.687
% Ch	2.5%	1.9%	1.4%	1.4%	0.2%	1.3%	1.9%	2.1%	2.1%
<b>Durable Goods</b>	97.725	96.413	94.666	92.495	90.651	89.036	87.763	86.700	85.762
% Ch	-0.9%	-1.3%	-1.8%	-2.3%	-2.0%	-1.8%	-1.4%	-1.2%	-1.1%
<b>Nondurable Goods</b>	109.188	111.841	112.032	112.688	108.758	109.540	112.270	115.600	118.517
% Ch	5.9%	2.4%	0.2%	0.6%	-3.5%	0.7%	2.5%	3.0%	2.5%
<b>Services</b>	103.524	105.840	108.292	110.818	112.877	115.102	117.738	120.574	123.521
% Ch	1.8%	2.2%	2.3%	2.3%	1.9%	2.0%	2.3%	2.4%	2.4%
<b>Consumer Price Index (1982-84=100)</b>	2.249	2.296	2.330	2.367	2.369	2.407	2.464	2.529	2.591
% Ch	3.1%	2.1%	1.5%	1.6%	0.1%	1.6%	2.4%	2.6%	2.5%
<b>SELECTED INTEREST RATES</b>									
<b>Federal Funds</b>	0.1%	0.1%	0.1%	0.1%	0.2%	0.9%	1.9%	2.9%	3.3%
<b>NY Fed Discount</b>	0.8%	0.8%	0.8%	0.8%	0.8%	1.7%	2.9%	3.9%	4.3%
<b>Prime</b>	3.3%	3.3%	3.3%	3.3%	3.3%	3.9%	4.9%	5.9%	6.3%
<b>Existing Home Mortgage</b>	4.7%	3.8%	4.0%	4.3%	4.1%	4.7%	5.0%	5.6%	5.9%
<b>U.S. Govt. 3-Month Bills</b>	0.1%	0.1%	0.1%	0.0%	0.1%	0.8%	1.8%	2.7%	3.0%
<b>U.S. Govt. 6-Month Bills</b>	0.1%	0.1%	0.1%	0.1%	0.2%	0.9%	1.9%	2.9%	3.2%
<b>U.S. Govt. 5-Year Notes</b>	1.5%	0.8%	1.2%	1.6%	1.6%	1.9%	2.4%	3.2%	3.4%
<b>U.S. Govt. 10-Year Notes</b>	2.8%	1.8%	2.4%	2.5%	2.2%	2.6%	2.9%	3.4%	3.6%
<b>EXCHANGE RATES (2009=1.000)</b>									
<b>Major Currency Trading Partners</b>	0.917	0.952	0.996	1.039	1.241	1.256	1.171	1.105	1.075
% Ch	-7.9%	3.8%	4.6%	4.4%	19.4%	1.3%	-6.8%	-5.6%	-2.7%
<b>Other Important Trading Partners</b>	0.870	0.866	0.856	0.874	0.967	1.001	0.984	0.965	0.947
% Ch	-8.2%	-0.5%	-1.2%	2.2%	10.7%	3.5%	-1.7%	-1.9%	-1.9%
<b>SELECTED US PRODUCTION INDICES</b>									
<b>Wood Products</b>	94.3	100.0	105.8	109.7	109.9	115.7	123.2	126.4	129.0
% Ch	0.2%	6.0%	5.8%	3.7%	0.2%	5.3%	6.5%	2.6%	2.0%
<b>Computers &amp; Electronic Products</b>	93.1	100.0	99.7	102.7	104.7	110.8	118.3	123.5	127.9
% Ch	8.4%	7.4%	-0.3%	2.9%	2.0%	5.9%	6.8%	4.4%	3.5%
<b>Food</b>	100.2	100.0	101.7	103.0	104.9	106.8	109.2	111.5	113.6
% Ch	-0.2%	-0.2%	1.7%	1.3%	1.9%	1.8%	2.2%	2.1%	1.9%
<b>Agricultural Chemicals</b>	88.5	100.0	114.5	110.1	110.1	118.1	134.7	147.0	152.9
% Ch	-5.4%	13.0%	14.5%	-3.8%	0.1%	7.2%	14.1%	9.2%	4.0%
<b>Metal Ore Mining</b>	99.1	100.0	102.0	104.1	98.3	98.1	99.3	100.6	101.5
% Ch	2.2%	0.9%	2.0%	2.1%	-5.6%	-0.2%	1.2%	1.3%	0.9%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**DEMOGRAPHICS**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,604.1	1,609.2	1,615.0	1,621.5	1,625.7	1,631.4	1,637.3	1,643.5	1,649.6	1,655.9	1,662.1	1,668.3
% Ch	0.9%	1.3%	1.5%	1.6%	1.0%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Millions)	316.220	316.799	317.470	318.032	318.552	319.133	319.804	320.367	320.887	321.542	322.198	322.855
% Ch	0.7%	0.7%	0.9%	0.7%	0.7%	0.7%	0.8%	0.7%	0.7%	0.8%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	23.950	24.070	24.060	23.920	23.640	23.230	22.680	22.200	22.382	22.510	22.634	22.758
% Ch	5.7%	2.0%	-0.2%	-2.3%	-4.6%	-6.8%	-9.1%	-8.2%	3.3%	2.3%	2.2%	2.2%
National (Thousands)	3,930	3,927	3,932	3,941	3,978	3,990	4,000	4,006	3,998	4,002	4,007	4,014
% Ch	-2.9%	-0.3%	0.4%	0.9%	3.8%	1.2%	1.0%	0.6%	-0.8%	0.4%	0.5%	0.6%
<b>DEATHS</b>												
Idaho (Thousands)	12.250	12.310	12.370	12.430	12.500	12.570	12.650	12.720	12.765	12.810	12.855	12.900
% Ch	3.9%	2.0%	2.0%	2.0%	2.3%	2.3%	2.6%	2.2%	1.4%	1.4%	1.4%	1.4%
National (Thousands)	2,592	2,602	2,611	2,616	2,610	2,612	2,615	2,617	2,616	2,620	2,625	2,632
% Ch	3.9%	1.7%	1.3%	0.8%	-0.9%	0.3%	0.4%	0.3%	-0.2%	0.6%	0.8%	1.0%
<b>NET MIGRATION</b>												
Idaho (Thousands)	1.220	3.400	6.288	9.516	10.455	11.480	12.248	12.499	14.275	14.839	15.007	14.929
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	8,092	8,814	9,090	10,231	10,307	9,632	9,006	10,307	10,344	10,206	10,413	10,914
% Ch	30.2%	40.8%	13.1%	60.5%	3.0%	-23.7%	-23.6%	71.6%	1.4%	-5.2%	8.4%	20.7%
National (Millions)	0.952	0.866	0.883	1.012	0.934	0.984	1.029	1.055	0.978	1.155	1.181	1.210
% Ch	21.0%	-31.6%	8.1%	72.3%	-27.3%	23.2%	19.6%	10.6%	-26.2%	94.7%	9.1%	10.3%
<b>SINGLE UNITS</b>												
Idaho	7,063	7,822	7,950	8,099	7,694	7,217	6,887	7,640	8,483	7,678	8,156	8,524
% Ch	34.6%	50.4%	6.7%	7.7%	-18.5%	-22.6%	-17.1%	51.4%	52.0%	-32.9%	27.3%	19.3%
National (Millions)	0.632	0.595	0.601	0.653	0.610	0.624	0.654	0.700	0.643	0.708	0.746	0.751
% Ch	24.5%	-21.4%	4.3%	38.8%	-23.7%	9.7%	20.2%	31.3%	-28.7%	47.3%	22.9%	3.0%
<b>MULTIPLE UNITS</b>												
Idaho	1,028	992	1,140	2,132	2,612	2,415	2,119	2,668	1,861	2,527	2,257	2,390
% Ch	4.5%	-13.5%	74.7%	1122.7%	125.2%	-26.9%	-40.8%	151.3%	-76.3%	240.5%	-36.4%	25.8%
National (Millions)	0.320	0.271	0.282	0.359	0.324	0.360	0.375	0.356	0.335	0.447	0.435	0.458
% Ch	14.5%	-48.8%	16.7%	163.9%	-33.7%	51.9%	18.6%	-19.4%	-21.3%	217.0%	-10.5%	23.7%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	557.5	559.3	561.1	563.3	565.4	567.4	569.2	571.4	573.5	575.7	577.8	580.1
% Ch	1.2%	1.3%	1.3%	1.5%	1.5%	1.4%	1.3%	1.5%	1.5%	1.5%	1.5%	1.6%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**DEMOGRAPHICS**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,674.5	1,680.8	1,687.2	1,693.7	1,700.0	1,706.4	1,712.7	1,719.0	1,725.4	1,731.8	1,738.3	1,744.7
% Ch	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
National (Millions)	323.512	324.169	324.826	325.484	326.142	326.799	327.457	328.115	328.772	329.430	330.087	330.744
% Ch	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	22.881	23.008	23.140	23.271	23.400	23.528	23.656	23.784	23.914	24.045	24.176	24.307
% Ch	2.2%	2.2%	2.3%	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
National (Thousands)	4,023	4,030	4,037	4,044	4,051	4,058	4,065	4,071	4,077	4,083	4,089	4,095
% Ch	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
<b>DEATHS</b>												
Idaho (Thousands)	12.944	12.989	13.036	13.082	13.128	13.173	13.219	13.265	13.311	13.357	13.403	13.449
% Ch	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
National (Thousands)	2,642	2,650	2,658	2,666	2,673	2,681	2,689	2,697	2,705	2,712	2,720	2,728
% Ch	1.7%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%
<b>NET MIGRATION</b>												
Idaho (Thousands)	14.983	14.863	15.042	15.151	15.270	15.235	15.009	14.868	14.789	14.796	14.824	14.805
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	11,097	11,391	11,732	12,138	12,459	12,713	12,937	12,985	12,935	12,946	12,960	13,027
% Ch	6.9%	11.0%	12.5%	14.6%	11.0%	8.4%	7.3%	1.5%	-1.5%	0.4%	0.4%	2.1%
National (Millions)	1.257	1.267	1.321	1.385	1.423	1.457	1.464	1.480	1.500	1.504	1.511	1.521
% Ch	16.6%	3.1%	18.1%	21.1%	11.2%	9.9%	2.2%	4.3%	5.4%	1.1%	2.0%	2.7%
<b>SINGLE UNITS</b>												
Idaho	8,625	8,941	9,339	9,747	10,182	10,523	10,734	10,792	10,752	10,831	10,882	11,000
% Ch	4.8%	15.5%	19.0%	18.7%	19.1%	14.1%	8.3%	2.2%	-1.5%	3.0%	1.9%	4.4%
National (Millions)	0.783	0.823	0.873	0.934	0.974	1.002	1.017	1.030	1.044	1.055	1.052	1.048
% Ch	18.2%	21.6%	26.7%	30.9%	18.5%	11.8%	6.2%	5.1%	5.8%	4.1%	-1.1%	-1.4%
<b>MULTIPLE UNITS</b>												
Idaho	2,472	2,450	2,393	2,390	2,278	2,190	2,203	2,193	2,182	2,115	2,077	2,026
% Ch	14.4%	-3.5%	-9.0%	-0.4%	-17.6%	-14.6%	2.5%	-1.9%	-1.9%	-11.8%	-6.9%	-9.4%
National (Millions)	0.474	0.444	0.448	0.452	0.449	0.455	0.448	0.450	0.455	0.449	0.459	0.473
% Ch	14.1%	-22.8%	3.4%	3.5%	-2.9%	5.7%	-6.3%	2.5%	4.3%	-5.6%	9.6%	12.7%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	582.5	584.9	587.4	590.0	592.6	595.4	598.2	600.9	603.7	606.5	609.3	612.1
% Ch	1.6%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.9%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**OUTPUT, INCOME, & WAGES**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	16,441	16,527	16,728	16,958	16,984	17,270	17,522	17,616	17,649	17,902	18,115	18,273
% Ch	3.6%	2.1%	4.9%	5.6%	0.6%	6.9%	6.0%	2.2%	0.8%	5.9%	4.8%	3.5%
2009 Chain-Weighted	15,457	15,500	15,614	15,762	15,725	15,902	16,069	16,151	16,177	16,324	16,418	16,519
% Ch	1.9%	1.1%	3.0%	3.8%	-0.9%	4.6%	4.3%	2.1%	0.6%	3.7%	2.3%	2.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	56,435	57,281	57,916	58,304	58,762	59,882	60,244	61,276	61,072	61,753	62,566	63,384
% Ch	-7.2%	6.1%	4.5%	2.7%	3.2%	7.8%	2.4%	7.0%	-1.3%	4.5%	5.4%	5.3%
Idaho Nonfarm (Millions)	54,042	54,857	55,449	55,953	56,562	57,156	57,674	58,646	59,250	59,939	60,746	61,450
% Ch	-8.9%	6.2%	4.4%	3.7%	4.4%	4.3%	3.7%	6.9%	4.2%	4.7%	5.5%	4.7%
National (Billions)	13,891	14,025	14,136	14,221	14,434	14,613	14,775	14,956	15,080	15,221	15,405	15,558
% Ch	-11.4%	3.9%	3.2%	2.4%	6.1%	5.1%	4.5%	5.0%	3.4%	3.8%	4.9%	4.0%
<b>PERSONAL INCOME - 2009 \$</b>												
Idaho (Millions)	52,661	53,392	53,761	53,931	54,138	54,878	55,047	56,051	56,135	56,455	57,023	57,854
% Ch	-8.5%	5.7%	2.8%	1.3%	1.5%	5.6%	1.2%	7.5%	0.6%	2.3%	4.1%	6.0%
Idaho Nonfarm (Millions)	50,428	51,132	51,471	51,757	52,111	52,380	52,699	53,646	54,460	54,797	55,365	56,089
% Ch	-10.1%	5.7%	2.7%	2.2%	2.8%	2.1%	2.5%	7.4%	6.2%	2.5%	4.2%	5.3%
National (Billions)	12,962	13,073	13,122	13,154	13,298	13,392	13,500	13,680	13,861	13,915	14,040	14,201
% Ch	-12.6%	3.5%	1.5%	1.0%	4.4%	2.9%	3.3%	5.4%	5.4%	1.6%	3.6%	4.7%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	35,182	35,596	35,861	35,955	36,146	36,707	36,795	37,283	37,023	37,293	37,643	37,993
% Ch	-8.1%	4.8%	3.0%	1.1%	2.1%	6.4%	1.0%	5.4%	-2.8%	2.9%	3.8%	3.8%
National	43,929	44,272	44,528	44,715	45,310	45,789	46,200	46,683	46,994	47,338	47,813	48,189
% Ch	-12.0%	3.2%	2.3%	1.7%	5.4%	4.3%	3.6%	4.3%	2.7%	3.0%	4.1%	3.2%
<b>PER CAPITA PERS INC - 2009 \$</b>												
Idaho	32,829	33,179	33,288	33,259	33,302	33,640	33,621	34,104	34,030	34,094	34,308	34,678
% Ch	-9.3%	4.3%	1.3%	-0.4%	0.5%	4.1%	-0.2%	5.9%	-0.9%	0.8%	2.5%	4.4%
National	40,992	41,266	41,334	41,361	41,745	41,963	42,214	42,702	43,195	43,277	43,577	43,985
% Ch	-13.1%	2.7%	0.7%	0.3%	3.8%	2.1%	2.4%	4.7%	4.7%	0.8%	2.8%	3.8%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	37,331	37,992	38,261	38,637	38,720	38,840	39,136	39,995	39,672	39,789	40,077	40,421
% Ch	-1.9%	7.3%	2.9%	4.0%	0.9%	1.2%	3.1%	9.1%	-3.2%	1.2%	2.9%	3.5%
National	51,582	52,158	52,283	52,614	53,322	53,481	53,909	54,429	54,481	54,585	54,922	55,246
% Ch	-7.6%	4.5%	1.0%	2.6%	5.5%	1.2%	3.2%	3.9%	0.4%	0.8%	2.5%	2.4%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**OUTPUT, INCOME, & WAGES**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	18,492	18,704	18,910	19,127	19,359	19,582	19,789	20,002	20,246	20,462	20,679	20,901
% Ch	4.9%	4.7%	4.5%	4.7%	5.0%	4.7%	4.3%	4.4%	5.0%	4.3%	4.3%	4.4%
2009 Chain-Weighted	16,631	16,748	16,875	17,009	17,132	17,241	17,344	17,455	17,581	17,691	17,798	17,907
% Ch	2.7%	2.9%	3.1%	3.2%	2.9%	2.6%	2.4%	2.6%	2.9%	2.5%	2.4%	2.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	64,131	64,773	65,420	66,138	67,091	67,886	68,769	69,720	70,658	71,539	72,418	73,377
% Ch	4.8%	4.1%	4.1%	4.5%	5.9%	4.8%	5.3%	5.6%	5.5%	5.1%	5.0%	5.4%
Idaho Nonfarm (Millions)	62,292	63,031	63,740	64,454	65,406	66,289	67,152	68,017	68,986	69,885	70,771	71,688
% Ch	5.6%	4.8%	4.6%	4.6%	6.0%	5.5%	5.3%	5.2%	5.8%	5.3%	5.2%	5.3%
National (Billions)	15,754	15,918	16,106	16,302	16,533	16,740	16,938	17,141	17,379	17,587	17,793	18,002
% Ch	5.1%	4.2%	4.8%	5.0%	5.8%	5.1%	4.8%	4.9%	5.7%	4.9%	4.8%	4.8%
<b>PERSONAL INCOME - 2009 \$</b>												
Idaho (Millions)	58,284	58,546	58,894	59,410	59,963	60,255	60,708	61,292	61,776	62,216	62,643	63,139
% Ch	3.0%	1.8%	2.4%	3.6%	3.8%	2.0%	3.0%	3.9%	3.2%	2.9%	2.8%	3.2%
Idaho Nonfarm (Millions)	56,612	56,971	57,381	57,897	58,457	58,838	59,281	59,795	60,314	60,778	61,218	61,686
% Ch	3.8%	2.6%	2.9%	3.6%	3.9%	2.6%	3.0%	3.5%	3.1%	3.1%	2.9%	3.1%
National (Billions)	14,318	14,388	14,499	14,644	14,777	14,858	14,952	15,069	15,195	15,295	15,391	15,490
% Ch	3.3%	2.0%	3.1%	4.1%	3.7%	2.2%	2.6%	3.2%	3.4%	2.7%	2.5%	2.6%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	38,299	38,538	38,773	39,051	39,465	39,784	40,153	40,557	40,951	41,308	41,661	42,057
% Ch	3.3%	2.5%	2.5%	2.9%	4.3%	3.3%	3.8%	4.1%	3.9%	3.5%	3.5%	3.9%
National	48,698	49,105	49,582	50,086	50,693	51,223	51,725	52,241	52,861	53,387	53,904	54,429
% Ch	4.3%	3.4%	3.9%	4.1%	4.9%	4.2%	4.0%	4.1%	4.8%	4.0%	3.9%	4.0%
<b>PER CAPITA PERS INC - 2009 \$</b>												
Idaho	34,807	34,833	34,906	35,078	35,272	35,312	35,446	35,654	35,804	35,925	36,037	36,189
% Ch	1.5%	0.3%	0.8%	2.0%	2.2%	0.5%	1.5%	2.4%	1.7%	1.4%	1.3%	1.7%
National	44,258	44,384	44,636	44,991	45,308	45,465	45,662	45,926	46,217	46,429	46,627	46,835
% Ch	2.5%	1.1%	2.3%	3.2%	2.8%	1.4%	1.7%	2.3%	2.6%	1.8%	1.7%	1.8%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	40,806	41,154	41,487	41,793	42,115	42,453	42,814	43,149	43,502	43,882	44,255	44,653
% Ch	3.9%	3.4%	3.3%	3.0%	3.1%	3.2%	3.4%	3.2%	3.3%	3.5%	3.4%	3.6%
National	55,748	56,211	56,704	57,183	57,661	58,108	58,578	59,080	59,635	60,180	60,748	61,346
% Ch	3.7%	3.4%	3.6%	3.4%	3.4%	3.1%	3.3%	3.5%	3.8%	3.7%	3.8%	4.0%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**PERSONAL INCOME -- CURR \$\$**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	24,631	25,160	25,402	25,905	26,239	26,426	26,720	27,430	27,528	27,772	28,085	28,483
% Ch	1.5%	8.9%	3.9%	8.2%	5.3%	2.9%	4.5%	11.1%	1.4%	3.6%	4.6%	5.8%
National (Billions)	6,991	7,099	7,144	7,224	7,350	7,415	7,514	7,633	7,682	7,730	7,814	7,893
% Ch	-5.7%	6.3%	2.6%	4.5%	7.2%	3.6%	5.5%	6.5%	2.6%	2.5%	4.4%	4.1%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	1,682	1,720	1,760	1,630	1,451	1,958	1,791	1,845	1,033	1,019	1,071	1,186
% Ch	41.6%	9.4%	9.6%	-26.5%	-37.2%	231.9%	-30.1%	12.6%	-90.2%	-5.1%	21.8%	50.5%
National (Billions)	94	90	94	77	72	89	77	75	61	58	61	70
% Ch	338.2%	-14.9%	17.4%	-54.5%	-25.2%	135.3%	-42.9%	-11.9%	-57.2%	-16.1%	22.7%	78.9%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	5,072	5,034	5,029	5,088	5,230	5,345	5,439	5,558	5,666	5,722	5,802	5,889
% Ch	20.6%	-3.0%	-0.4%	4.7%	11.6%	9.1%	7.3%	9.0%	8.0%	4.0%	5.8%	6.1%
National (Billions)	1,195	1,190	1,194	1,207	1,233	1,258	1,281	1,303	1,309	1,319	1,340	1,361
% Ch	-2.0%	-1.8%	1.4%	4.6%	8.8%	8.2%	7.6%	7.2%	1.8%	3.1%	6.4%	6.5%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	11,611	11,886	12,120	12,096	12,264	12,426	12,450	12,575	12,714	12,948	13,114	13,208
% Ch	-32.5%	9.8%	8.1%	-0.8%	5.6%	5.4%	0.8%	4.1%	4.5%	7.6%	5.2%	2.9%
National (Billions)	2,588	2,614	2,647	2,646	2,694	2,727	2,733	2,759	2,783	2,833	2,874	2,890
% Ch	-30.6%	4.1%	5.1%	-0.1%	7.4%	5.1%	0.9%	3.8%	3.5%	7.4%	6.0%	2.2%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	6,474	6,572	6,586	6,583	6,492	6,417	6,395	6,453	6,499	6,564	6,636	6,695
% Ch	6.9%	6.2%	0.9%	-0.2%	-5.4%	-4.5%	-1.4%	3.7%	2.8%	4.1%	4.5%	3.6%
National (Billions)	1,186	1,195	1,202	1,208	1,213	1,219	1,227	1,236	1,247	1,258	1,270	1,279
% Ch	2.8%	3.0%	2.4%	2.0%	1.7%	2.1%	2.5%	3.0%	3.4%	3.7%	3.8%	2.8%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	10,712	10,718	10,831	10,867	10,964	11,173	11,324	11,375	11,616	11,732	11,884	11,991
% Ch	4.3%	0.2%	4.3%	1.3%	3.6%	7.8%	5.5%	1.8%	8.7%	4.1%	5.3%	3.7%
National (Billions)	2,406	2,416	2,438	2,446	2,476	2,513	2,557	2,571	2,626	2,653	2,682	2,705
% Ch	2.9%	1.7%	3.8%	1.3%	4.9%	6.1%	7.1%	2.3%	8.8%	4.2%	4.4%	3.4%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	4,622	4,690	4,703	4,757	4,807	4,808	4,833	4,935	4,962	4,995	5,026	5,076
% Ch	57.5%	6.0%	1.0%	4.7%	4.3%	0.0%	2.2%	8.7%	2.2%	2.7%	2.5%	4.1%
National (Billions)	1,089	1,105	1,112	1,122	1,145	1,151	1,163	1,177	1,186	1,191	1,201	1,209
% Ch	57.4%	6.2%	2.5%	3.7%	8.3%	2.4%	4.1%	5.0%	3.0%	1.6%	3.5%	2.8%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	876	881	890	891	929	944	959	975	979	992	1,000	1,008
% Ch	-22.2%	2.6%	4.1%	0.5%	18.2%	6.7%	6.3%	6.8%	1.8%	5.4%	3.2%	3.3%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**PERSONAL INCOME -- CURR \$\$**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	28,925	29,333	29,724	30,082	30,473	30,860	31,274	31,686	32,119	32,572	33,013	33,478
% Ch	6.4%	5.8%	5.4%	4.9%	5.3%	5.2%	5.5%	5.4%	5.6%	5.8%	5.5%	5.8%
National (Billions)	7,998	8,095	8,196	8,300	8,403	8,497	8,590	8,687	8,795	8,903	9,010	9,116
% Ch	5.5%	4.9%	5.1%	5.1%	5.1%	4.5%	4.5%	4.6%	5.1%	5.0%	4.9%	4.8%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	1,093	995	932	935	934	845	865	950	919	900	893	933
% Ch	-27.7%	-31.5%	-23.0%	1.4%	-0.4%	-33.0%	9.5%	46.0%	-12.5%	-8.0%	-3.2%	19.1%
National (Billions)	67	63	61	63	62	59	60	63	63	62	62	63
% Ch	-16.1%	-23.9%	-12.3%	13.3%	-4.1%	-17.7%	4.2%	25.4%	-2.7%	-5.8%	-2.9%	11.5%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	5,995	6,108	6,165	6,243	6,316	6,386	6,423	6,477	6,538	6,607	6,655	6,712
% Ch	7.4%	7.7%	3.8%	5.1%	4.8%	4.5%	2.3%	3.4%	3.8%	4.3%	2.9%	3.5%
National (Billions)	1,387	1,414	1,429	1,448	1,466	1,484	1,494	1,508	1,523	1,541	1,553	1,568
% Ch	7.8%	8.1%	4.2%	5.5%	5.1%	4.9%	2.8%	3.8%	4.2%	4.6%	3.3%	3.9%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	13,287	13,372	13,510	13,694	13,961	14,242	14,509	14,783	15,057	15,328	15,604	15,871
% Ch	2.4%	2.6%	4.2%	5.6%	8.0%	8.3%	7.7%	7.8%	7.6%	7.4%	7.4%	7.0%
National (Billions)	2,907	2,915	2,955	2,999	3,052	3,114	3,173	3,231	3,288	3,345	3,402	3,457
% Ch	2.4%	1.1%	5.6%	6.0%	7.3%	8.4%	7.8%	7.6%	7.3%	7.1%	7.0%	6.7%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	6,768	6,836	6,911	6,978	7,054	7,139	7,216	7,288	7,329	7,394	7,451	7,518
% Ch	4.4%	4.1%	4.5%	3.9%	4.4%	4.9%	4.4%	4.1%	2.3%	3.6%	3.2%	3.6%
National (Billions)	1,291	1,305	1,321	1,336	1,352	1,368	1,383	1,397	1,411	1,424	1,436	1,448
% Ch	3.9%	4.3%	5.1%	4.8%	4.8%	4.8%	4.4%	4.2%	3.9%	3.7%	3.5%	3.6%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	12,220	12,355	12,471	12,564	12,797	12,924	13,043	13,152	13,422	13,521	13,635	13,759
% Ch	7.9%	4.5%	3.8%	3.0%	7.6%	4.0%	3.7%	3.4%	8.5%	3.0%	3.4%	3.7%
National (Billions)	2,754	2,785	2,810	2,832	2,883	2,911	2,937	2,962	3,020	3,042	3,067	3,094
% Ch	7.5%	4.5%	3.7%	3.0%	7.4%	4.0%	3.7%	3.3%	8.2%	2.9%	3.3%	3.6%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	5,176	5,253	5,327	5,400	5,494	5,568	5,626	5,690	5,811	5,876	5,936	6,009
% Ch	8.1%	6.1%	5.8%	5.6%	7.1%	5.5%	4.2%	4.7%	8.8%	4.5%	4.2%	5.0%
National (Billions)	1,229	1,244	1,260	1,275	1,296	1,310	1,322	1,335	1,363	1,377	1,391	1,406
% Ch	6.8%	4.9%	5.1%	5.2%	6.5%	4.5%	3.6%	4.2%	8.7%	4.2%	4.0%	4.4%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	1,018	1,027	1,035	1,041	1,049	1,057	1,066	1,075	1,084	1,094	1,104	1,114
% Ch	3.9%	3.4%	3.1%	2.7%	3.1%	3.0%	3.4%	3.3%	3.5%	3.8%	3.6%	3.8%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	633,223	636,358	638,154	644,644	651,251	653,688	656,132	659,861	667,655	671,576	674,364	678,451
% Ch	2.6%	2.0%	1.1%	4.1%	4.2%	1.5%	1.5%	2.3%	4.8%	2.4%	1.7%	2.4%
National (Thousands)	135,541	136,097	136,640	137,298	137,842	138,638	139,381	140,232	141,010	141,615	142,267	142,869
% Ch	2.1%	1.7%	1.6%	1.9%	1.6%	2.3%	2.2%	2.5%	2.2%	1.7%	1.9%	1.7%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	96,215	97,249	97,594	98,231	99,389	99,381	99,958	101,501	103,583	103,945	104,184	104,686
% Ch	10.0%	4.4%	1.4%	2.6%	4.8%	0.0%	2.3%	6.3%	8.5%	1.4%	0.9%	1.9%
National (Thousands)	18,640	18,699	18,740	18,872	19,029	19,159	19,279	19,421	19,547	19,554	19,591	19,625
% Ch	3.3%	1.3%	0.9%	2.9%	3.4%	2.8%	2.5%	3.0%	2.6%	0.2%	0.8%	0.7%
<b>MANUFACTURING</b>												
Idaho	60,529	61,272	61,302	61,382	61,508	61,406	61,666	62,379	62,720	63,157	63,413	63,734
% Ch	9.1%	5.0%	0.2%	0.5%	0.8%	-0.7%	1.7%	4.7%	2.2%	2.8%	1.6%	2.0%
National (Thousands)	12,047	12,058	12,056	12,118	12,170	12,209	12,256	12,326	12,376	12,386	12,400	12,397
% Ch	1.4%	0.4%	-0.1%	2.1%	1.7%	1.3%	1.5%	2.3%	1.6%	0.3%	0.5%	-0.1%
<b>DURABLE MANUFACTURING</b>												
Idaho	35,413	35,979	36,010	36,074	36,163	35,927	36,202	36,637	37,139	37,446	37,498	37,675
% Ch	9.2%	6.5%	0.3%	0.7%	1.0%	-2.6%	3.1%	4.9%	5.6%	3.3%	0.6%	1.9%
National (Thousands)	7,577	7,590	7,590	7,636	7,665	7,711	7,759	7,816	7,854	7,855	7,842	7,838
% Ch	1.8%	0.7%	0.0%	2.4%	1.5%	2.4%	2.5%	3.0%	2.0%	0.0%	-0.6%	-0.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	7,001	7,228	7,118	7,180	7,164	6,983	7,074	7,165	7,344	7,491	7,406	7,550
% Ch	16.2%	13.7%	-6.0%	3.6%	-0.9%	-9.7%	5.4%	5.2%	10.4%	8.2%	-4.5%	8.0%
National (Thousands)	399	403	406	413	418	423	427	430	433	431	428	424
% Ch	4.3%	3.4%	3.5%	6.6%	5.3%	4.7%	4.0%	2.6%	3.1%	-2.2%	-2.2%	-4.1%
<b>METAL FABRICATION</b>												
Idaho	5,183	5,468	5,481	5,537	5,547	5,466	5,484	5,503	5,513	5,516	5,564	5,582
% Ch	11.8%	23.9%	0.9%	4.1%	0.8%	-5.7%	1.3%	1.4%	0.7%	0.2%	3.5%	1.3%
National (Thousands)	1,423	1,429	1,432	1,441	1,446	1,451	1,456	1,467	1,475	1,471	1,470	1,467
% Ch	2.1%	1.7%	0.9%	2.4%	1.3%	1.4%	1.4%	3.2%	2.0%	-1.0%	-0.3%	-0.7%
<b>MACHINERY</b>												
Idaho	2,836	2,910	2,952	3,038	2,967	2,978	2,986	3,038	3,064	3,077	3,097	3,124
% Ch	16.0%	10.8%	6.0%	12.1%	-9.0%	1.5%	1.1%	7.3%	3.4%	1.6%	2.7%	3.5%
National (Thousands)	1,104	1,103	1,104	1,107	1,114	1,125	1,134	1,143	1,141	1,132	1,128	1,123
% Ch	1.5%	-0.4%	0.3%	1.2%	2.6%	4.1%	3.1%	3.3%	-0.7%	-3.1%	-1.5%	-1.7%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	11,364	11,291	11,271	11,176	11,331	11,422	11,632	11,816	11,934	12,023	12,042	11,966
% Ch	-7.0%	-2.6%	-0.7%	-3.3%	5.7%	3.3%	7.5%	6.5%	4.1%	3.0%	0.7%	-2.5%
National (Thousands)	1,071	1,069	1,064	1,057	1,051	1,048	1,049	1,054	1,057	1,057	1,050	1,048
% Ch	-1.8%	-1.1%	-1.6%	-2.7%	-2.3%	-1.3%	0.6%	1.6%	1.5%	-0.3%	-2.3%	-0.8%
<b>OTHER DURABLES</b>												
Idaho	9,030	9,083	9,188	9,143	9,155	9,078	9,025	9,115	9,284	9,339	9,389	9,453
% Ch	23.8%	2.4%	4.7%	-1.9%	0.5%	-3.3%	-2.3%	4.1%	7.6%	2.4%	2.1%	2.8%
National (Thousands)	3,579	3,587	3,584	3,618	3,636	3,664	3,693	3,722	3,748	3,764	3,766	3,775
% Ch	2.6%	0.8%	-0.3%	3.9%	2.0%	3.1%	3.2%	3.2%	2.8%	1.7%	0.2%	1.0%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	682,823	686,915	690,775	694,251	698,026	701,542	705,257	709,269	713,291	717,397	721,259	725,183
% Ch	2.6%	2.4%	2.3%	2.0%	2.2%	2.0%	2.1%	2.3%	2.3%	2.3%	2.2%	2.2%
National (Thousands)	143,475	144,016	144,544	145,142	145,737	146,223	146,651	147,031	147,484	147,940	148,314	148,595
% Ch	1.7%	1.5%	1.5%	1.7%	1.6%	1.3%	1.2%	1.0%	1.2%	1.2%	1.0%	0.8%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	105,509	106,167	106,882	107,511	108,164	108,618	109,048	109,361	109,946	110,540	111,195	111,998
% Ch	3.2%	2.5%	2.7%	2.4%	2.5%	1.7%	1.6%	1.2%	2.2%	2.2%	2.4%	2.9%
National (Thousands)	19,765	19,910	20,072	20,227	20,341	20,468	20,605	20,703	20,801	20,906	21,022	21,112
% Ch	2.9%	3.0%	3.3%	3.1%	2.3%	2.5%	2.7%	1.9%	1.9%	2.0%	2.2%	1.7%
<b>MANUFACTURING</b>												
Idaho	64,176	64,479	64,835	65,179	65,478	65,731	66,096	66,377	66,605	66,866	67,221	67,530
% Ch	2.8%	1.9%	2.2%	2.1%	1.8%	1.6%	2.2%	1.7%	1.4%	1.6%	2.1%	1.9%
National (Thousands)	12,427	12,453	12,499	12,548	12,564	12,598	12,649	12,671	12,696	12,726	12,775	12,815
% Ch	1.0%	0.9%	1.5%	1.6%	0.5%	1.1%	1.6%	0.7%	0.8%	0.9%	1.5%	1.3%
<b>DURABLE MANUFACTURING</b>												
Idaho	38,050	38,283	38,529	38,715	38,885	38,997	39,222	39,373	39,468	39,609	39,772	39,942
% Ch	4.0%	2.5%	2.6%	1.9%	1.8%	1.2%	2.3%	1.5%	1.0%	1.4%	1.7%	1.7%
National (Thousands)	7,847	7,865	7,903	7,946	7,959	7,989	8,032	8,051	8,071	8,089	8,123	8,149
% Ch	0.5%	0.9%	1.9%	2.2%	0.7%	1.6%	2.2%	0.9%	1.0%	0.9%	1.7%	1.3%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	7,746	7,851	7,970	7,991	8,033	8,053	8,096	8,101	8,095	8,143	8,205	8,265
% Ch	10.8%	5.5%	6.2%	1.1%	2.1%	1.0%	2.2%	0.3%	-0.3%	2.4%	3.1%	3.0%
National (Thousands)	430	437	445	456	465	476	485	491	494	499	506	512
% Ch	5.9%	6.8%	7.7%	9.5%	8.7%	9.4%	8.1%	4.7%	3.0%	4.1%	5.4%	4.5%
<b>METAL FABRICATION</b>												
Idaho	5,615	5,643	5,673	5,716	5,749	5,781	5,819	5,880	5,911	5,941	5,971	6,006
% Ch	2.4%	2.0%	2.2%	3.1%	2.3%	2.7%	2.2%	4.3%	2.1%	2.0%	2.0%	2.4%
National (Thousands)	1,478	1,488	1,500	1,515	1,516	1,521	1,530	1,535	1,540	1,544	1,551	1,556
% Ch	2.9%	2.8%	3.2%	4.0%	0.3%	1.5%	2.3%	1.4%	1.1%	1.0%	1.9%	1.4%
<b>MACHINERY</b>												
Idaho	3,142	3,153	3,172	3,189	3,198	3,212	3,222	3,231	3,248	3,270	3,292	3,311
% Ch	2.4%	1.4%	2.3%	2.2%	1.2%	1.7%	1.2%	1.1%	2.1%	2.8%	2.7%	2.3%
National (Thousands)	1,122	1,120	1,122	1,124	1,125	1,131	1,140	1,145	1,151	1,158	1,167	1,175
% Ch	-0.3%	-0.8%	0.8%	0.8%	0.4%	2.2%	3.1%	1.6%	2.2%	2.3%	3.1%	2.8%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	12,016	12,047	12,043	12,058	12,052	12,013	12,067	12,070	12,060	12,041	12,037	12,044
% Ch	1.7%	1.0%	-0.1%	0.5%	-0.2%	-1.3%	1.8%	0.1%	-0.3%	-0.6%	-0.1%	0.2%
National (Thousands)	1,050	1,053	1,065	1,072	1,076	1,080	1,084	1,084	1,086	1,088	1,093	1,098
% Ch	0.6%	1.4%	4.6%	2.5%	1.6%	1.2%	1.6%	0.1%	0.8%	0.7%	1.7%	1.9%
<b>OTHER DURABLES</b>												
Idaho	9,530	9,588	9,670	9,761	9,852	9,939	10,018	10,091	10,154	10,214	10,266	10,316
% Ch	3.3%	2.5%	3.5%	3.8%	3.8%	3.6%	3.2%	2.9%	2.5%	2.4%	2.1%	1.9%
National (Thousands)	3,768	3,766	3,770	3,779	3,776	3,781	3,793	3,796	3,800	3,801	3,807	3,809
% Ch	-0.8%	-0.1%	0.4%	1.0%	-0.4%	0.6%	1.3%	0.3%	0.4%	0.1%	0.7%	0.2%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	25,116	25,292	25,292	25,308	25,345	25,479	25,465	25,742	25,581	25,712	25,914	26,059
% Ch	9.1%	2.8%	0.0%	0.3%	0.6%	2.1%	-0.2%	4.4%	-2.5%	2.1%	3.2%	2.3%
National (Thousands)	4,470	4,469	4,466	4,483	4,505	4,499	4,496	4,510	4,522	4,531	4,558	4,559
% Ch	0.8%	-0.1%	-0.2%	1.5%	2.0%	-0.6%	-0.2%	1.2%	1.1%	0.8%	2.3%	0.1%
<b>FOOD PROCESSING</b>												
Idaho	16,215	16,467	16,469	16,422	16,454	16,510	16,314	16,554	16,524	16,600	16,724	16,856
% Ch	3.9%	6.4%	0.0%	-1.1%	0.8%	1.4%	-4.7%	6.0%	-0.7%	1.9%	3.0%	3.2%
National (Thousands)	1,470	1,473	1,470	1,480	1,491	1,480	1,475	1,479	1,493	1,495	1,506	1,507
% Ch	-0.2%	0.8%	-0.7%	2.8%	2.9%	-2.9%	-1.5%	1.3%	3.7%	0.5%	2.9%	0.4%
<b>PRINTING</b>												
Idaho	1,234	1,214	1,195	1,223	1,133	1,212	1,195	1,160	1,134	1,111	1,105	1,099
% Ch	15.7%	-6.3%	-6.1%	9.7%	-26.3%	30.9%	-5.6%	-11.1%	-8.8%	-7.9%	-2.2%	-2.1%
National (Thousands)	455	452	450	451	454	454	452	450	448	446	445	446
% Ch	-1.0%	-3.4%	-1.6%	1.6%	1.9%	0.6%	-1.9%	-1.6%	-2.3%	-1.8%	-0.8%	1.4%
<b>CHEMICALS</b>												
Idaho	2,582	2,584	2,606	2,624	2,519	2,553	2,537	2,521	2,521	2,489	2,476	2,462
% Ch	3.5%	0.2%	3.6%	2.8%	-15.1%	5.6%	-2.5%	-2.5%	-0.1%	-5.0%	-2.0%	-2.4%
National (Thousands)	791	794	793	793	797	801	806	810	810	812	814	811
% Ch	3.0%	1.1%	-0.4%	0.3%	1.9%	2.0%	2.4%	2.0%	-0.1%	1.2%	1.0%	-1.7%
<b>OTHER NONDURABLES</b>												
Idaho	5,085	5,028	5,022	5,039	5,239	5,203	5,419	5,506	5,402	5,512	5,610	5,642
% Ch	29.8%	-4.4%	-0.5%	1.3%	16.9%	-2.7%	17.6%	6.6%	-7.3%	8.4%	7.3%	2.4%
National (Thousands)	1,753	1,751	1,754	1,757	1,764	1,763	1,764	1,770	1,772	1,779	1,793	1,795
% Ch	1.2%	-0.6%	0.7%	0.9%	1.4%	-0.1%	0.1%	1.5%	0.3%	1.6%	3.3%	0.4%
<b>MINING</b>												
Idaho	2,648	2,614	2,544	2,519	2,535	2,443	2,395	2,408	2,313	2,439	2,443	2,455
% Ch	11.5%	-5.1%	-10.2%	-3.8%	2.5%	-13.8%	-7.7%	2.3%	-14.8%	23.6%	0.7%	2.0%
National (Thousands)	807	807	812	818	826	837	852	859	838	795	776	756
% Ch	7.0%	-0.1%	2.6%	2.8%	4.0%	5.5%	7.6%	3.3%	-9.6%	-18.8%	-9.4%	-10.1%
<b>CONSTRUCTION</b>												
Idaho	33,038	33,364	33,748	34,329	35,346	35,532	35,897	36,714	38,550	38,349	38,328	38,497
% Ch	11.4%	4.0%	4.7%	7.1%	12.4%	2.1%	4.2%	9.4%	21.6%	-2.1%	-0.2%	1.8%
National (Thousands)	5,786	5,834	5,871	5,936	6,033	6,113	6,171	6,236	6,333	6,373	6,415	6,472
% Ch	6.8%	3.3%	2.6%	4.5%	6.7%	5.4%	3.8%	4.3%	6.4%	2.6%	2.7%	3.6%
<b>NONGOODS PRODUCING</b>												
Idaho	537,009	539,109	540,561	546,414	551,862	554,307	556,174	558,360	564,072	567,630	570,180	573,765
% Ch	1.3%	1.6%	1.1%	4.4%	4.0%	1.8%	1.4%	1.6%	4.2%	2.5%	1.8%	2.5%
National (Thousands)	116,900	117,398	117,900	118,425	118,813	119,479	120,103	120,811	121,463	122,061	122,676	123,244
% Ch	1.9%	1.7%	1.7%	1.8%	1.3%	2.3%	2.1%	2.4%	2.2%	2.0%	2.0%	1.9%
<b>SERVICES</b>												
Idaho	312,362	314,662	315,966	320,901	324,951	326,728	327,823	329,776	333,835	335,898	338,416	341,270
% Ch	1.9%	3.0%	1.7%	6.4%	5.1%	2.2%	1.3%	2.4%	5.0%	2.5%	3.0%	3.4%
National (Thousands)	74,355	74,827	75,203	75,612	75,953	76,488	77,005	77,578	78,103	78,609	79,096	79,530
% Ch	2.7%	2.6%	2.0%	2.2%	1.8%	2.8%	2.7%	3.0%	2.7%	2.6%	2.5%	2.2%
<b>INFORMATION</b>												
Idaho	9,245	9,360	9,259	9,299	9,253	9,288	9,295	9,361	9,290	9,252	9,293	9,306
% Ch	-2.6%	5.1%	-4.2%	1.7%	-1.9%	1.5%	0.3%	2.9%	-3.0%	-1.7%	1.8%	0.6%
National (Thousands)	2,689	2,705	2,706	2,724	2,722	2,729	2,750	2,761	2,777	2,789	2,795	2,805
% Ch	2.5%	2.4%	0.1%	2.7%	-0.3%	0.9%	3.2%	1.6%	2.4%	1.7%	0.9%	1.5%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	30,937	30,995	31,162	31,630	32,497	32,974	33,220	33,282	33,663	33,930	33,973	34,020
% Ch	2.7%	0.8%	2.2%	6.1%	11.4%	6.0%	3.0%	0.8%	4.7%	3.2%	0.5%	0.6%
National (Thousands)	7,849	7,880	7,902	7,912	7,927	7,954	7,996	8,035	8,078	8,109	8,153	8,200
% Ch	1.6%	1.6%	1.1%	0.5%	0.8%	1.3%	2.1%	2.0%	2.2%	1.5%	2.2%	2.3%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	26,126	26,196	26,306	26,464	26,592	26,733	26,874	27,004	27,138	27,257	27,448	27,588
% Ch	1.0%	1.1%	1.7%	2.4%	1.9%	2.1%	2.1%	2.0%	2.0%	1.8%	2.8%	2.1%
National (Thousands)	4,579	4,588	4,596	4,602	4,605	4,608	4,616	4,620	4,625	4,637	4,652	4,666
% Ch	1.8%	0.8%	0.7%	0.5%	0.3%	0.3%	0.7%	0.3%	0.4%	1.0%	1.3%	1.2%
<b>FOOD PROCESSING</b>												
Idaho	16,924	16,983	17,052	17,166	17,252	17,347	17,452	17,546	17,635	17,697	17,828	17,913
% Ch	1.6%	1.4%	1.6%	2.7%	2.0%	2.2%	2.5%	2.2%	2.1%	1.4%	3.0%	1.9%
National (Thousands)	1,518	1,527	1,535	1,544	1,550	1,555	1,562	1,567	1,573	1,581	1,590	1,599
% Ch	2.8%	2.6%	2.0%	2.4%	1.5%	1.2%	1.9%	1.3%	1.4%	2.1%	2.3%	2.3%
<b>PRINTING</b>												
Idaho	1,097	1,093	1,097	1,099	1,098	1,099	1,102	1,097	1,096	1,101	1,105	1,108
% Ch	-0.5%	-1.7%	1.6%	0.7%	-0.2%	0.4%	0.9%	-1.7%	-0.3%	1.6%	1.5%	1.3%
National (Thousands)	447	446	445	444	442	440	439	438	437	437	437	437
% Ch	0.5%	-0.5%	-1.0%	-1.4%	-1.6%	-1.5%	-1.1%	-0.7%	-0.7%	-0.1%	0.1%	0.1%
<b>CHEMICALS</b>												
Idaho	2,450	2,449	2,460	2,474	2,489	2,506	2,520	2,534	2,550	2,576	2,605	2,629
% Ch	-1.8%	-0.3%	1.9%	2.3%	2.3%	2.8%	2.2%	2.2%	2.7%	4.0%	4.6%	3.8%
National (Thousands)	812	813	812	812	813	814	815	816	816	818	820	822
% Ch	0.8%	0.1%	-0.3%	0.0%	0.4%	0.6%	0.5%	0.4%	0.3%	0.8%	1.1%	0.8%
<b>OTHER NONDURABLES</b>												
Idaho	5,655	5,672	5,697	5,725	5,753	5,781	5,800	5,828	5,856	5,884	5,911	5,937
% Ch	0.9%	1.2%	1.7%	2.0%	2.0%	2.0%	1.3%	2.0%	1.9%	1.9%	1.9%	1.8%
National (Thousands)	1,802	1,802	1,804	1,802	1,800	1,800	1,801	1,799	1,799	1,801	1,804	1,808
% Ch	1.7%	-0.1%	0.4%	-0.4%	-0.4%	-0.2%	0.2%	-0.3%	-0.1%	0.5%	0.7%	0.7%
<b>MINING</b>												
Idaho	2,444	2,439	2,438	2,440	2,451	2,464	2,479	2,497	2,516	2,533	2,549	2,567
% Ch	-1.8%	-0.8%	-0.3%	0.4%	1.8%	2.1%	2.4%	3.0%	3.2%	2.6%	2.6%	2.8%
National (Thousands)	744	738	742	747	753	759	767	775	782	790	797	804
% Ch	-6.1%	-3.2%	2.0%	2.8%	3.5%	3.0%	4.4%	4.4%	3.5%	3.9%	4.0%	3.1%
<b>CONSTRUCTION</b>												
Idaho	38,889	39,248	39,610	39,891	40,235	40,424	40,474	40,487	40,824	41,141	41,425	41,901
% Ch	4.1%	3.7%	3.7%	2.9%	3.5%	1.9%	0.5%	0.1%	3.4%	3.1%	2.8%	4.7%
National (Thousands)	6,595	6,719	6,831	6,933	7,024	7,111	7,189	7,257	7,323	7,390	7,449	7,493
% Ch	7.8%	7.7%	6.9%	6.1%	5.4%	5.0%	4.5%	3.8%	3.7%	3.7%	3.2%	2.4%
<b>NONGOODS PRODUCING</b>												
Idaho	577,314	580,748	583,892	586,741	589,862	592,924	596,209	599,908	603,345	606,858	610,064	613,185
% Ch	2.5%	2.4%	2.2%	2.0%	2.1%	2.1%	2.2%	2.5%	2.3%	2.3%	2.1%	2.1%
National (Thousands)	123,709	124,106	124,472	124,915	125,396	125,756	126,046	126,328	126,683	127,033	127,293	127,483
% Ch	1.5%	1.3%	1.2%	1.4%	1.5%	1.2%	0.9%	0.9%	1.1%	1.1%	0.8%	0.6%
<b>SERVICES</b>												
Idaho	344,099	346,876	349,334	351,573	353,863	356,147	358,635	361,154	363,623	365,968	368,143	370,198
% Ch	3.4%	3.3%	2.9%	2.6%	2.6%	2.6%	2.8%	2.8%	2.8%	2.6%	2.4%	2.3%
National (Thousands)	79,974	80,368	80,715	81,116	81,523	81,802	82,021	82,269	82,544	82,807	82,987	83,132
% Ch	2.3%	2.0%	1.7%	2.0%	2.0%	1.4%	1.1%	1.2%	1.3%	1.3%	0.9%	0.7%
<b>INFORMATION</b>												
Idaho	9,331	9,384	9,412	9,421	9,552	9,621	9,666	9,707	9,775	9,845	9,909	9,967
% Ch	1.1%	2.3%	1.2%	0.4%	5.7%	2.9%	1.9%	1.7%	2.8%	2.9%	2.6%	2.3%
National (Thousands)	2,780	2,798	2,790	2,766	2,822	2,859	2,859	2,858	2,859	2,863	2,867	2,862
% Ch	-3.6%	2.6%	-1.1%	-3.4%	8.3%	5.4%	0.1%	-0.2%	0.2%	0.5%	0.5%	-0.6%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	34,202	34,278	34,319	34,401	34,540	34,675	34,775	34,875	34,983	35,083	35,136	35,191
% Ch	2.2%	0.9%	0.5%	1.0%	1.6%	1.6%	1.2%	1.2%	1.2%	1.1%	0.6%	0.6%
National (Thousands)	8,197	8,173	8,142	8,141	8,128	8,105	8,081	8,050	8,031	8,001	7,966	7,932
% Ch	-0.2%	-1.2%	-1.5%	0.0%	-0.6%	-1.1%	-1.2%	-1.5%	-0.9%	-1.5%	-1.7%	-1.7%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

SERVICES (Continued)	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	21,595	21,391	21,378	21,681	22,034	22,268	22,506	22,888	23,254	23,452	23,458	23,609
% Ch	-1.0%	-3.7%	-0.2%	5.8%	6.7%	4.3%	4.3%	7.0%	6.6%	3.4%	0.1%	2.6%
National (Thousands)	5,026	5,033	5,040	5,095	5,122	5,162	5,206	5,260	5,291	5,323	5,365	5,402
% Ch	1.3%	0.6%	0.5%	4.4%	2.2%	3.2%	3.5%	4.2%	2.4%	2.4%	3.2%	2.8%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	76,319	76,879	77,636	79,187	80,200	79,749	79,001	79,290	80,225	80,685	81,423	82,730
% Ch	1.1%	3.0%	4.0%	8.2%	5.2%	-2.2%	-3.7%	1.5%	4.8%	2.3%	3.7%	6.6%
National (Thousands)	18,295	18,479	18,598	18,714	18,830	19,012	19,178	19,359	19,505	19,681	19,836	19,992
% Ch	3.7%	4.1%	2.6%	2.5%	2.5%	3.9%	3.6%	3.8%	3.0%	3.7%	3.2%	3.2%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	89,798	90,669	91,180	92,354	93,280	93,795	94,535	95,408	96,783	97,491	98,497	99,448
% Ch	2.3%	3.9%	2.3%	5.2%	4.1%	2.2%	3.2%	3.7%	5.9%	3.0%	4.2%	3.9%
National (Thousands)	20,963	21,061	21,142	21,216	21,281	21,405	21,540	21,665	21,815	21,974	22,106	22,209
% Ch	1.9%	1.9%	1.6%	1.4%	1.2%	2.4%	2.6%	2.3%	2.8%	3.0%	2.4%	1.9%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	62,751	63,477	63,202	64,594	65,373	66,092	66,453	66,581	67,382	67,592	68,077	68,346
% Ch	4.4%	4.7%	-1.7%	9.1%	4.9%	4.5%	2.2%	0.8%	4.9%	1.3%	2.9%	1.6%
National (Thousands)	14,078	14,201	14,322	14,434	14,528	14,658	14,754	14,897	15,015	15,092	15,184	15,266
% Ch	4.5%	3.5%	3.5%	3.2%	2.6%	3.6%	2.6%	3.9%	3.2%	2.1%	2.4%	2.2%
<b>OTHER SERVICES</b>												
Idaho	21,716	21,890	22,150	22,155	22,313	22,562	22,813	22,966	23,237	23,496	23,695	23,810
% Ch	-0.2%	3.2%	4.8%	0.1%	2.9%	4.5%	4.5%	2.7%	4.8%	4.5%	3.4%	2.0%
National (Thousands)	5,455	5,469	5,492	5,516	5,542	5,569	5,580	5,602	5,623	5,641	5,656	5,655
% Ch	0.5%	1.0%	1.7%	1.7%	1.9%	2.0%	0.8%	1.6%	1.5%	1.3%	1.1%	-0.1%
<b>TRADE</b>												
Idaho	106,429	107,107	107,844	108,113	108,963	109,649	109,768	110,272	111,790	112,677	113,003	113,736
% Ch	1.3%	2.6%	2.8%	1.0%	3.2%	2.5%	0.4%	1.9%	5.6%	3.2%	1.2%	2.6%
National (Thousands)	20,665	20,727	20,861	20,980	21,040	21,144	21,229	21,340	21,455	21,540	21,653	21,775
% Ch	1.4%	1.2%	2.6%	2.3%	1.1%	2.0%	1.6%	2.1%	2.2%	1.6%	2.1%	2.3%
<b>RETAIL TRADE</b>												
Idaho	77,847	78,556	79,184	79,358	79,930	80,594	80,677	81,308	82,737	83,750	84,022	84,574
% Ch	-0.2%	3.7%	3.2%	0.9%	2.9%	3.4%	0.4%	3.2%	7.2%	5.0%	1.3%	2.7%
National (Thousands)	14,948	15,006	15,118	15,225	15,253	15,328	15,390	15,477	15,559	15,632	15,728	15,835
% Ch	1.4%	1.6%	3.0%	2.9%	0.7%	2.0%	1.6%	2.3%	2.1%	1.9%	2.5%	2.7%
<b>WHOLESALE TRADE</b>												
Idaho	28,581	28,551	28,660	28,754	29,033	29,055	29,090	28,964	29,053	28,926	28,981	29,162
% Ch	5.4%	-0.4%	1.5%	1.3%	3.9%	0.3%	0.5%	-1.7%	1.2%	-1.7%	0.8%	2.5%
National (Thousands)	5,716	5,720	5,743	5,755	5,787	5,817	5,839	5,863	5,897	5,907	5,925	5,940
% Ch	1.5%	0.3%	1.6%	0.9%	2.2%	2.1%	1.6%	1.7%	2.3%	0.7%	1.2%	1.0%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	105,614	104,974	104,452	105,026	105,708	105,668	106,158	105,894	106,025	106,580	106,340	106,381
% Ch	0.3%	-2.4%	-2.0%	2.2%	2.6%	-0.2%	1.9%	-1.0%	0.5%	2.1%	-0.9%	0.2%
National (Thousands)	19,077	19,064	19,083	19,091	19,091	19,120	19,143	19,165	19,174	19,178	19,188	19,203
% Ch	0.1%	-0.3%	0.4%	0.2%	0.0%	0.6%	0.5%	0.5%	0.2%	0.1%	0.2%	0.3%
<b>EDUCATION</b>												
Idaho	54,658	54,400	54,011	54,375	54,875	54,683	54,680	54,567	54,668	55,137	54,947	55,035
% Ch	-1.0%	-1.9%	-2.8%	2.7%	3.7%	-1.4%	0.0%	-0.8%	0.7%	3.5%	-1.4%	0.6%
<b>NONEDUCATION</b>												
Idaho	50,956	50,574	50,440	50,650	50,833	50,985	51,478	51,327	51,357	51,443	51,393	51,346
% Ch	1.7%	-3.0%	-1.1%	1.7%	1.4%	1.2%	3.9%	-1.2%	0.2%	0.7%	-0.4%	-0.4%
<b>FEDERAL GOVERNMENT</b>												
Idaho	12,604	12,366	12,299	12,375	12,241	12,262	12,426	12,417	12,422	12,476	12,421	12,379
% Ch	-4.7%	-7.3%	-2.1%	2.5%	-4.3%	0.7%	5.5%	-0.3%	0.2%	1.7%	-1.8%	-1.3%
National (Thousands)	2,803	2,780	2,754	2,743	2,729	2,726	2,725	2,727	2,731	2,734	2,738	2,736
% Ch	-1.5%	-3.3%	-3.6%	-1.6%	-1.9%	-0.5%	-0.1%	0.2%	0.5%	0.5%	0.6%	-0.3%

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Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**EMPLOYMENT**

**SERVICES (Continued)**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	23,798	23,930	24,062	24,159	24,275	24,439	24,605	24,769	24,932	25,098	25,261	25,415
% Ch	3.2%	2.2%	2.2%	1.6%	1.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.4%
National (Thousands)	5,434	5,464	5,499	5,542	5,585	5,622	5,654	5,682	5,713	5,748	5,759	5,765
% Ch	2.4%	2.2%	2.6%	3.2%	3.1%	2.7%	2.3%	2.0%	2.2%	2.4%	0.8%	0.4%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	83,608	84,632	85,606	86,513	87,143	87,749	88,518	89,331	90,022	90,709	91,334	91,898
% Ch	4.3%	5.0%	4.7%	4.3%	2.9%	2.8%	3.6%	3.7%	3.1%	3.1%	2.8%	2.7%
National (Thousands)	20,261	20,501	20,742	21,036	21,277	21,395	21,485	21,602	21,744	21,848	21,910	21,954
% Ch	5.5%	4.8%	4.8%	5.8%	4.7%	2.2%	1.7%	2.2%	2.7%	1.9%	1.1%	0.8%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	100,432	101,469	102,250	102,959	103,797	104,639	105,545	106,427	107,362	108,167	108,925	109,663
% Ch	4.0%	4.2%	3.1%	2.8%	3.3%	3.3%	3.5%	3.4%	3.6%	3.0%	2.8%	2.7%
National (Thousands)	22,345	22,520	22,636	22,723	22,774	22,861	22,913	22,995	23,080	23,150	23,208	23,279
% Ch	2.5%	3.2%	2.1%	1.5%	0.9%	1.5%	0.9%	1.4%	1.5%	1.2%	1.0%	1.2%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	68,798	69,136	69,523	69,839	70,177	70,521	70,888	71,267	71,630	72,023	72,407	72,772
% Ch	2.7%	2.0%	2.3%	1.8%	2.0%	2.1%	2.0%	2.2%	2.1%	2.2%	2.2%	2.0%
National (Thousands)	15,308	15,276	15,280	15,292	15,334	15,370	15,446	15,505	15,541	15,628	15,712	15,779
% Ch	1.1%	-0.8%	0.1%	0.3%	1.1%	0.9%	2.0%	1.5%	0.9%	2.2%	2.2%	1.7%
<b>OTHER SERVICES</b>												
Idaho	23,929	24,047	24,162	24,281	24,379	24,502	24,638	24,779	24,919	25,044	25,171	25,293
% Ch	2.0%	2.0%	1.9%	2.0%	1.6%	2.0%	2.2%	2.3%	2.3%	2.0%	2.0%	2.0%
National (Thousands)	5,649	5,636	5,627	5,616	5,604	5,589	5,582	5,577	5,575	5,569	5,566	5,562
% Ch	-0.4%	-0.9%	-0.6%	-0.8%	-0.8%	-1.0%	-0.5%	-0.4%	-0.2%	-0.4%	-0.2%	-0.3%
<b>TRADE</b>												
Idaho	114,419	115,110	115,777	116,414	117,041	117,661	118,315	119,326	120,268	121,302	122,222	123,103
% Ch	2.4%	2.4%	2.3%	2.2%	2.2%	2.1%	2.2%	3.5%	3.2%	3.5%	3.1%	2.9%
National (Thousands)	21,782	21,772	21,758	21,759	21,787	21,811	21,814	21,785	21,811	21,844	21,875	21,877
% Ch	0.1%	-0.2%	-0.3%	0.0%	0.5%	0.4%	0.1%	-0.5%	0.5%	0.6%	0.6%	0.0%
<b>RETAIL TRADE</b>												
Idaho	85,086	85,605	86,105	86,581	87,050	87,513	88,003	88,772	89,488	90,276	90,974	91,642
% Ch	2.4%	2.5%	2.4%	2.2%	2.2%	2.1%	2.3%	3.5%	3.3%	3.6%	3.1%	3.0%
National (Thousands)	15,823	15,787	15,748	15,717	15,714	15,715	15,696	15,647	15,648	15,657	15,669	15,656
% Ch	-0.3%	-0.9%	-1.0%	-0.8%	-0.1%	0.0%	-0.5%	-1.2%	0.0%	0.2%	0.3%	-0.4%
<b>WHOLESALE TRADE</b>												
Idaho	29,333	29,505	29,672	29,833	29,991	30,148	30,313	30,554	30,780	31,026	31,248	31,461
% Ch	2.4%	2.4%	2.3%	2.2%	2.1%	2.2%	3.2%	3.0%	3.2%	3.2%	2.9%	2.8%
National (Thousands)	5,959	5,985	6,009	6,043	6,072	6,096	6,117	6,138	6,164	6,187	6,205	6,221
% Ch	1.3%	1.8%	1.6%	2.2%	2.0%	1.6%	1.4%	1.4%	1.7%	1.5%	1.2%	1.0%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	106,415	106,401	106,438	106,428	106,625	106,793	106,951	107,137	107,168	107,318	107,447	107,650
% Ch	0.1%	-0.1%	0.1%	0.0%	0.7%	0.6%	0.6%	0.7%	0.1%	0.6%	0.5%	0.8%
National (Thousands)	19,221	19,243	19,287	19,341	19,395	19,462	19,540	19,614	19,678	19,742	19,800	19,852
% Ch	0.4%	0.5%	0.9%	1.1%	1.1%	1.4%	1.6%	1.5%	1.3%	1.3%	1.2%	1.1%
<b>EDUCATION</b>												
Idaho	55,077	55,114	55,181	55,254	55,355	55,472	55,597	55,756	55,825	55,959	56,063	56,202
% Ch	0.3%	0.3%	0.5%	0.5%	0.7%	0.8%	0.9%	1.1%	0.5%	1.0%	0.7%	1.0%
<b>NONEDUCATION</b>												
Idaho	51,338	51,287	51,257	51,175	51,270	51,321	51,355	51,381	51,344	51,359	51,385	51,449
% Ch	-0.1%	-0.4%	-0.2%	-0.6%	0.7%	0.4%	0.3%	0.2%	-0.3%	0.1%	0.2%	0.5%
<b>FEDERAL GOVERNMENT</b>												
Idaho	12,380	12,362	12,343	12,325	12,332	12,323	12,307	12,290	12,287	12,269	12,252	12,234
% Ch	0.0%	-0.6%	-0.6%	-0.6%	0.2%	-0.3%	-0.5%	-0.5%	-0.1%	-0.6%	-0.6%	-0.6%
National (Thousands)	2,732	2,724	2,712	2,699	2,690	2,681	2,671	2,659	2,650	2,640	2,631	2,622
% Ch	-0.6%	-1.2%	-1.7%	-1.9%	-1.3%	-1.4%	-1.6%	-1.7%	-1.4%	-1.5%	-1.3%	-1.4%

National Variables Forecast by IHS Economics  
Forecast Begins the THIRD Quarter of 2015

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**MISCELLANEOUS**

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	106.333	106.625	107.154	107.630	108.025	108.621	109.049	109.081	109.112	109.675	110.337	110.618
% Ch	1.5%	1.1%	2.0%	1.8%	1.5%	2.2%	1.6%	0.1%	0.1%	2.1%	2.4%	1.0%
<b>Consumption Expenditures</b>	107.166	107.284	107.728	108.108	108.540	109.117	109.441	109.322	108.795	109.384	109.720	109.558
% Ch	1.4%	0.4%	1.7%	1.4%	1.6%	2.1%	1.2%	-0.4%	-1.9%	2.2%	1.2%	-0.6%
<b>Durable Goods</b>	95.494	94.983	94.370	93.815	93.229	92.860	92.331	91.558	90.993	90.953	90.546	90.113
% Ch	-1.1%	-2.1%	-2.6%	-2.3%	-2.5%	-1.6%	-2.3%	-3.3%	-2.4%	-0.2%	-1.8%	-1.9%
<b>Nondurable Goods</b>	112.404	111.449	112.166	112.107	112.400	113.187	113.346	111.818	108.417	109.442	109.548	107.626
% Ch	-0.8%	-3.4%	2.6%	-0.2%	1.0%	2.8%	0.6%	-5.3%	-11.6%	3.8%	0.4%	-6.8%
<b>Services</b>	107.398	107.988	108.539	109.241	109.911	110.598	111.143	111.620	112.051	112.618	113.181	113.659
% Ch	2.5%	2.2%	2.1%	2.6%	2.5%	2.5%	2.0%	1.7%	1.6%	2.0%	2.0%	1.7%
<b>Consumer Price Index</b>	2.322	2.321	2.334	2.342	2.354	2.368	2.375	2.370	2.352	2.369	2.381	2.372
% Ch	1.4%	-0.1%	2.3%	1.4%	2.1%	2.4%	1.2%	-0.9%	-3.1%	3.0%	2.0%	-1.4%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%
<b>NY Fed Discount</b>	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>Prime</b>	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
<b>Existing Home Mortgage</b>	3.6%	3.6%	4.4%	4.4%	4.5%	4.3%	4.2%	4.2%	4.0%	3.9%	4.1%	4.3%
<b>U.S. Govt. 3-Month Bills</b>	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
<b>U.S. Govt. 6-Month Bills</b>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%
<b>U.S. Govt. 5-Year Notes</b>	0.8%	0.9%	1.5%	1.4%	1.6%	1.7%	1.7%	1.6%	1.5%	1.5%	1.6%	1.7%
<b>U.S. Govt. 10-Year Notes</b>	2.0%	2.0%	2.7%	2.7%	2.8%	2.6%	2.5%	2.3%	2.0%	2.2%	2.2%	2.4%
<b>EXCHANGE RATES (2009=1.000)</b>												
<b>Major Currency Trading Partners</b>	0.977	1.003	1.005	0.998	1.015	1.009	1.032	1.100	1.201	1.219	1.255	1.288
% Ch	10.6%	10.7%	0.8%	-2.8%	7.3%	-2.3%	9.1%	29.3%	42.0%	6.2%	12.3%	11.0%
<b>Other Important Trading Partners</b>	0.851	0.851	0.863	0.858	0.870	0.865	0.865	0.898	0.939	0.946	0.981	1.003
% Ch	-3.6%	0.0%	6.1%	-2.3%	5.5%	-2.3%	0.2%	15.9%	20.0%	3.0%	15.6%	8.9%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	105.6	103.9	105.6	108.0	105.7	108.8	111.6	112.6	110.4	108.4	109.6	111.1
% Ch	12.5%	-6.5%	6.7%	9.6%	-8.4%	12.4%	10.5%	3.8%	-7.7%	-6.8%	4.3%	5.5%
<b>Computers &amp; Electronic Products</b>	99.5	99.2	99.7	100.6	101.1	102.3	103.1	104.2	104.2	103.4	105.1	106.1
% Ch	-6.1%	-1.1%	2.0%	3.6%	2.0%	5.1%	2.8%	4.3%	0.0%	-3.0%	6.8%	3.9%
<b>Food</b>	100.6	101.5	102.0	102.6	102.6	103.1	102.2	103.9	104.7	104.6	105.0	105.4
% Ch	2.9%	3.4%	2.0%	2.3%	0.2%	1.8%	-3.2%	6.6%	3.1%	-0.1%	1.5%	1.5%
<b>Agricultural Chemicals</b>	111.0	115.2	114.9	116.7	112.8	106.3	109.3	111.8	107.6	108.9	111.5	112.6
% Ch	25.2%	15.8%	-0.9%	6.3%	-12.8%	-21.1%	12.0%	9.5%	-14.3%	4.9%	10.0%	4.0%
<b>Metal Ore Mining</b>	102.6	101.5	102.7	101.1	102.6	104.8	109.2	99.9	99.5	97.6	98.2	97.8
% Ch	-11.6%	-4.5%	5.0%	-6.1%	5.8%	9.1%	17.9%	-30.0%	-1.8%	-7.3%	2.4%	-1.3%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2015**

**MISCELLANEOUS**

	2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	111.193	111.677	112.062	112.452	113.003	113.578	114.098	114.588	115.159	115.664	116.188	116.719
% Ch	2.1%	1.8%	1.4%	1.4%	2.0%	2.1%	1.8%	1.7%	2.0%	1.8%	1.8%	1.8%
<b>Consumption Expenditures</b>	110.032	110.637	111.081	111.324	111.886	112.665	113.279	113.751	114.377	114.986	115.606	116.215
% Ch	1.7%	2.2%	1.6%	0.9%	2.0%	2.8%	2.2%	1.7%	2.2%	2.1%	2.2%	2.1%
<b>Durable Goods</b>	89.608	89.208	88.855	88.473	88.152	87.893	87.645	87.364	87.081	86.818	86.573	86.327
% Ch	-2.2%	-1.8%	-1.6%	-1.7%	-1.4%	-1.2%	-1.1%	-1.3%	-1.3%	-1.2%	-1.1%	-1.1%
<b>Nondurable Goods</b>	108.599	109.809	110.143	109.611	110.542	112.231	113.045	113.261	114.306	115.200	116.042	116.852
% Ch	3.7%	4.5%	1.2%	-1.9%	3.4%	6.3%	2.9%	0.8%	3.7%	3.2%	3.0%	2.8%
<b>Services</b>	114.166	114.773	115.418	116.050	116.674	117.366	118.096	118.816	119.498	120.200	120.934	121.664
% Ch	1.8%	2.1%	2.3%	2.2%	2.2%	2.4%	2.5%	2.5%	2.3%	2.4%	2.5%	2.4%
<b>Consumer Price Index</b>	2.387	2.404	2.415	2.420	2.436	2.458	2.475	2.487	2.504	2.520	2.537	2.553
% Ch	2.5%	2.8%	2.0%	0.8%	2.6%	3.7%	2.8%	1.9%	2.8%	2.6%	2.6%	2.5%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	0.5%	0.8%	1.0%	1.3%	1.5%	1.8%	2.0%	2.3%	2.5%	2.8%	3.0%	3.3%
<b>NY Fed Discount</b>	1.1%	1.5%	1.9%	2.3%	2.5%	2.8%	3.0%	3.3%	3.5%	3.8%	4.1%	4.2%
<b>Prime</b>	3.5%	3.8%	4.0%	4.3%	4.5%	4.8%	5.0%	5.3%	5.5%	5.8%	6.1%	6.2%
<b>Existing Home Mortgage</b>	4.5%	4.6%	4.7%	4.9%	4.9%	5.0%	5.1%	5.1%	5.3%	5.6%	5.8%	5.9%
<b>U.S. Govt. 3-Month Bills</b>	0.5%	0.7%	1.0%	1.2%	1.4%	1.7%	1.9%	2.2%	2.4%	2.7%	2.9%	3.0%
<b>U.S. Govt. 6-Month Bills</b>	0.5%	0.8%	1.0%	1.2%	1.5%	1.7%	1.9%	2.3%	2.6%	2.8%	3.0%	3.1%
<b>U.S. Govt. 5-Year Notes</b>	1.8%	1.9%	1.9%	2.0%	2.2%	2.3%	2.4%	2.7%	2.9%	3.1%	3.3%	3.4%
<b>U.S. Govt. 10-Year Notes</b>	2.5%	2.6%	2.6%	2.7%	2.8%	2.8%	2.9%	2.9%	3.1%	3.3%	3.5%	3.6%
<b>EXCHANGE RATES (2009=1.000)</b>												
<b>Major Currency Trading Partners</b>	1.292	1.268	1.241	1.224	1.201	1.179	1.161	1.142	1.124	1.111	1.098	1.089
% Ch	1.3%	-7.5%	-8.1%	-5.4%	-7.4%	-6.9%	-6.1%	-6.3%	-6.4%	-4.6%	-4.3%	-3.4%
<b>Other Important Trading Partners</b>	1.006	1.003	0.997	0.997	0.993	0.985	0.982	0.978	0.975	0.970	0.960	0.956
% Ch	1.3%	-1.0%	-2.4%	0.0%	-1.8%	-3.0%	-1.4%	-1.6%	-1.2%	-2.0%	-3.9%	-1.9%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	112.8	114.6	116.6	118.9	121.1	123.0	124.0	124.7	125.3	126.0	126.9	127.5
% Ch	6.2%	6.7%	7.2%	8.0%	7.8%	6.2%	3.5%	2.2%	1.8%	2.4%	2.9%	2.0%
<b>Computers &amp; Electronic Products</b>	107.8	109.8	111.8	113.8	115.8	117.6	119.3	120.5	121.8	123.0	124.1	125.2
% Ch	6.6%	7.5%	7.6%	7.4%	7.1%	6.5%	5.7%	4.4%	4.2%	4.1%	3.7%	3.5%
<b>Food</b>	105.9	106.5	107.1	107.7	108.3	108.9	109.5	110.1	110.6	111.2	111.7	112.3
% Ch	1.8%	2.3%	2.4%	2.3%	2.2%	2.2%	2.1%	2.1%	2.1%	2.0%	2.0%	2.1%
<b>Agricultural Chemicals</b>	113.6	115.5	119.4	123.7	128.5	132.9	136.8	140.4	143.5	146.0	148.2	150.2
% Ch	3.7%	6.7%	14.4%	15.1%	16.5%	14.4%	12.3%	10.8%	9.3%	7.1%	6.1%	5.5%
<b>Metal Ore Mining</b>	97.8	97.9	98.2	98.4	98.7	99.1	99.5	99.8	100.2	100.5	100.7	101.0
% Ch	-0.2%	0.5%	1.0%	1.1%	1.3%	1.5%	1.5%	1.4%	1.4%	1.2%	1.1%	1.1%

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## APPENDIX

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## THE IHS ECONOMICS US MACROECONOMIC MODEL

IHS Economics Macroeconomic Model is a multiple-equation model of the US economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The IHS Economics model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

IHS Economics divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the US exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the US and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The IHS Economics model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the IHS Economics US Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor  
income + farm proprietors' income + nonfarm proprietors'  
income + property income + transfer payments - contributions  
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of endogenous variables. They are more often subject to change as expectations regarding future economic

behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from IHS Economics US macroeconomic model.

Since the output of the IEM depends in large part upon the output of the IHS Economics model, an understanding of the IHS Economics model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the IHS Economics model are discussed in the National Forecast section.

# IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 3464.93132812 + 13.2859808433* @MOVAV(ID0IP2122\_2123(-1),4) - 2665.32469442*JEICWSP/WPI10 - 966.824640466* @MOVAV(JEXCHOITPREAL(-1),2)$$

$$EEA\_ID\_2300 = -14957.5470735 + 291.610685258*ID0HSPRS1\_A + 249.952015936*ID0HSPRS1\_A(-1) + 208.293346613*ID0HSPRS1\_A(-2) + 166.63467729*ID0HSPRS1\_A(-3) + 124.976007968*ID0HSPRS1\_A(-4) + 83.3173386452*ID0HSPRS1\_A(-5) + 41.6586693226*ID0HSPRS1\_A(-6) + 0.137067668233*EEA\_ID\_44\_45 + 0.117486572771*EEA\_ID\_44\_45(-1) + 0.0979054773093*EEA\_ID\_44\_45(-2) + 0.0783243818474*EEA\_ID\_44\_45(-3) + 0.0587432863856*EEA\_ID\_44\_45(-4) + 0.0391621909237*EEA\_ID\_44\_45(-5) + 0.0195810954619*EEA\_ID\_44\_45(-6)$$

$$EEA\_ID\_3110 = 26271.4257588 + 311.406808795* @MOVAV(IPSG311(-1),4) - 673.013933064* @MOVAV((IPSG311/EMN311),6) - 2389.17940221* @MOVAV(JEXCHOITPREAL(-1),2) + 38.4083570148* @TREND$$

$$EEA\_ID\_3230 = 1274.03422807 + 20.4153821539* @MOVAV(IPSG323,4) - 8.47754775711* @MOVAV((IPSG323/EMN323),8) - 312.739008681* @MOVAV(JEXCHMTPREAL(-1),2)$$

$$EEA\_ID\_3250 = 3688.87062158 + 12.5725624458* @MOVAV(IPSG3253(-1),8) - 1888.6564061* DUM951ON - 712.74478178* @MOVAV(JEXCHMTPREAL(-1),2)$$

$$EEA\_ID\_3320 = 1950.90592283 + 28.038392923* @MOVAV(IPSG332,2) + 11.4259188403* @TREND - 1975.74282326* @MOVAV(JEXCHOITPREAL(-1),2)$$

$$EEA\_ID\_3330 = 3669.19867417 + 0.110731935416* @MOVAV(IPSG333,8)* @TREND - 12.2367998527* @TREND - 807.146723654* @MOVAV(JEXCHOITPREAL(-1),4)$$

$$EEA\_ID\_3340 = 17518.3530787 + 181.44887791* @MOVAV(IPSG334,4) - 240.138203047* @MOVAV(IPSG334,8)/ @MOVAV(EMD334,8) - 32.1173034174* DUM991ON*IPSG334$$

$$EEA\_ID\_4200 = 5661.79911752 + 0.274322338921*EEA\_ID\_44\_45$$

$$EEA\_ID\_44\_45 = 45152.8196225 + 223.136693912* @MOVAV(YPADJ\_ID,4)/ @MOVAV(JPC,4) - 477.462766731* @TREND$$

$$EEA\_ID\_48\_49\_22 = -4295.63077629 + 0.646501519585* @MOVAV(EEA\_ID\_4200,2) + 5118.97890901* @MOVAV(ID0NPT(-1),8)$$

$$EEA\_ID\_5100 = -11354.5928573 + 54.8590383949* @MOVAV(IPSG51111,4) + 102.019918342* @TREND - 2399.24251005* @MOVAV(JEXCHMTPREAL(-1),2)$$

$$EEA\_ID\_52\_53 = 8796.76271881 - 4251.41502875* DUM981ON + 49.0558358913* YPADJ\_ID/JPC + 130.610177932* @MOVAV(ID0HSPR(-1),4)$$

$$EEA\_ID\_54\_55\_56 = -5900.45844368 + 1.68241018529* @MOVAV(ID0YP(-1),4)$$

$$EEA\_ID\_61\_62 = -38351.4232709 + 55578.4837664* @MOVAV(ID0NPT,4) + 0.678347067513* @MOVAV(ID0YPS(-1),2)$$

EEA\_ID\_71\_72 = -4575.55150342 + 1.45472416892\*@MOVAV((ID0YP/ID0NPT),4) + 109.749863401\*@TREND

EEA\_ID\_8100 = 5114.12025194 + 31.4594702395\*@MOVAV(YPADJ\_ID,4)/@MOVAV(JPC,4)

EEA\_ID\_DMANU = EEA\_ID\_WOOD + EEA\_ID\_3320 + EEA\_ID\_3330 + EEA\_ID\_3340 + EEA\_ID\_MFDNEC

EEA\_ID\_GOODS = EEA\_ID\_MANU + EEA\_ID\_2300 + EEA\_ID\_2100

EEA\_ID\_GV = EEA\_ID\_GVSL + EEA\_ID\_GVF

EEA\_ID\_GVF = 10561.843838 + 75.8986098222\*GFOCWSS - 0.360593596326\*GFOCWSS\*@TREND + 578.900500509\*DUMCENSUS + [AR(1)=0.585761488647]

EEA\_ID\_GVSL = EEA\_ID\_GVSLAD + EEA\_ID\_GVSLED

EEA\_ID\_GVSLAD = 9975.03177767 + 9247.30185603\*@MOVAV(ID0NPT,4) + 0.713759076204\*@MOVAV(ID0YPTXB(-4),4) + 4000.54682412\*DUM911062

EEA\_ID\_GVSLED = -1538.01753742 + 139362.104397\*ID0NPT\*((N-N16A)/N) + 0.256328313412\*ID0YPTXB

EEA\_ID\_MANU = EEA\_ID\_DMANU + EEA\_ID\_NMANU

EEA\_ID\_MFDNEC = -4083.14377725 + 82.5903462156\*@MOVAV(IPSG339,2) + 15.163328497\*@MOVAV(IPSG337,2) + 44.7939483485\*@MOVAV(IPSG335,2) - 1879.18015304\*@MOVAV(JEXCHMTPREAL(-1),2)

EEA\_ID\_MFNNEC = 934.571240628 + 15.4009022565\*@MOVAV(IPSG322,2) - 256.109211405\*@MOVAV(JEXCHMTPREAL(-1),2) + 14.513641771\*@TREND

EEA\_ID\_NMANU = EEA\_ID\_3110 + EEA\_ID\_3230 + EEA\_ID\_3250 + EEA\_ID\_MFNNEC

EEA\_ID\_NONGOODS = EEA\_ID\_SV + EEA\_ID\_4200 + EEA\_ID\_44\_45 + EEA\_ID\_GV

EEA\_ID\_SV = EEA\_ID\_48\_49\_22 + EEA\_ID\_5100 + EEA\_ID\_52\_53 + EEA\_ID\_54\_55\_56 + EEA\_ID\_61\_62 + EEA\_ID\_71\_72 + EEA\_ID\_8100

EEA\_ID\_WOOD = 20525.0696315 + 59.1844867722\*@MOVAV(IPSG321,2) - 14218.014534\*JECIWSP/WPI08 - 16.0190145077\*IPSG321/EMD321 - 3306.12997642\*@MOVAV(JEXCHOITPREAL(-1),2) - 25.0252250416\*@TREND

ID0AHEMF = -2.51629754917 + 11.7552407699\*EEA\_ID\_DMANU(-1)/EEA\_ID\_MANU(-1)\*@MOVAV(JECIWSP(-1),4) + 32.8108040867\*EEA\_ID\_NMANU(-1)/EEA\_ID\_MANU(-1)\*@MOVAV(JECIWSP(-1),4)

ID0CRCROP = 107185.126761 + 0.0147162775449\*CRCROP + 1728.05189716\*@TREND

ID0CRLVSTK = -1931119.91346 + 0.0297238620851\*CRCATCVS + 0.0530738506482\*CRDAIRY + 13660.6251113\*@TREND

ID0EXFP = -720561.148754 + 1535260.18772\*WPI01 + 14303.4062759\*@TREND + 0.00532569598347\*EXPUS\$

ID0HSPR = ID0HSPRS1\_A + ID0HSPRS2A\_A

ID0HSPRS1\_A = -438.205586763 - 0.942099015769\*(RMMTGEXIST(-1)-@MOVAV(RMMTGEXIST(-1),4)) + 436.453690171\*ID0KHU1(-1)/ID0KHU1(-4) + 0.0179782071049\*@TREND\*@MOVAV(ID0NPT(-1),4)

ID0HSPRS2A\_A = 10.0984194234 + 28034.9113549\*(@MOVAV(ID0NPT(-1),4)-@MOVAV(ID0NPT(-5),4))/ID0KHU1 - 0.73103121947\*RMMTGEXIST - 0.0388126979803\*@TREND

ID0KHU = ID0KHU1 + ID0KHU2A

ID0KHU1 = ((0.997)^0.25) \* ID0KHU1(-1) + ID0HSPRS1\_A/4

ID0KHU2A = ((0.997)^0.25) \* ID0KHU2A(-1) + ID0HSPRS2A\_A/4

ID0NB = -6.61259182764 + 31.428952273\*ID0NPT - 0.111020218642\*@TREND

ID0ND = 0.256135064161 + 7.16461079439\*ID0NPT

ID0NMG = (ID0NPT - ID0NPT(-4)) - (ID0NB - ID0ND)/1000

ID0NPT = 0.426477447922 + 2.96477200702e-07\*@MOVAV(EEA\_ID,4) + 0.0056976460215\*@TREND

ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$

ID0WBBCC\$ = (ID0WRWCC\$ \* EEA\_ID\_2300)/1000000

ID0WBBF\$ = -184.711239439 + 380.086846122\*WPI02

ID0WBBMF\$ = (ID0WRWMF\$ \* EEA\_ID\_MANU)/1000000

ID0WBBMIL\$ = 22.7934567228 + 289.814552885\*(ID0NPT/N)\*GFMLCWSS

ID0WBBOTH\$ = ID0WRWOTH\$ \* (EEA\_ID - EEA\_ID\_2300 - EEA\_ID\_MANU)/1000000

ID0WRWCC\$ = 11346.0960668 + 1367.01081368\*ID0AHEMF

ID0WRWMF\$ = 9916.20439741 + 1998.18969375\*ID0AHEMF

ID0WRWOTH\$ = 5188.93622363 + 1489.98818755\*ID0AHEMF

ID0YDIR\$ = -66.9466722096 + 1.07963731198\*(YPAIN+ZADIV+YPRENTADJ)\*@MOVAV(ID0YPS(-1),4)/@MOVAV(YP(-1),4)

ID0YFC\$ = -7083.7325679 + 0.82731818625\*ID0YFC\$(-1) + 374.481553861\*@TREND

ID0YINV\_R\$ = 1195.94210861 + 0.685241963217\*ID0YINV\_R\$(-1) + 622.349829643\*@TREND

ID0YP = ID0YPS/JPC\*100

$$\text{ID0YP\$} = \text{ID0WBB\$} + \text{ID0YSUP\$} + \text{ID0YDIR\$} + \text{ID0YPRNF\$} + \text{ID0YPRF\$} + \text{ID0YTR\$} + \text{ID0YRA\$} - \text{ID0YSIS\$}$$

$$\text{ID0YPC\$} = \text{ID0YP\$} / \text{ID0NPT}$$

$$\text{ID0YPNF} = \text{ID0YPNF\$} / \text{JPC} * 100$$

$$\text{ID0YPNF\$} = \text{ID0YP\$} - \text{ID0YPRF\$} - \text{ID0WBBF\$}$$

$$\text{ID0YPNFPC} = \text{ID0YPNF\$} / \text{JPC} * 100 / \text{ID0NPT}$$

$$\text{ID0YPPC} = \text{ID0YP} / \text{ID0NPT}$$

$$\text{ID0YPRF\$} = 22.494343816 + 0.271285354105 * (\text{ID0CRCROP} + \text{ID0CRLVSTK} + \text{ID0YTRF\$} + \text{ID0YINV\_R\$} - \text{ID0YFC\$} - \text{ID0EXFP}) / 1000 + 4.41984954207 * @TREND$$

$$\text{ID0YPRNF\$} = 71.2467261867 + 4.43753383939 * \text{YPPROPADJNF}$$

$$\text{ID0YPTXB} = (\text{ID0YP\$} - \text{ID0YSIS\$} - \text{ID0YTR\$}) / \text{JPC} * 100$$

$$\text{ID0YRA\$} = -79.6054487765 + 0.0332008565704 * \text{ID0WBB\$}$$

$$\text{ID0YSIS\$} = -23.7011360028 + 1.18144894337 * \text{TXSIDOM} * \text{ID0WBB\$} / \text{YPCOMPWSD}$$

$$\text{ID0YSUP\$} = 99.3128028141 + 1.51618950519 * \text{YPCOMPSUPPAI} * (\text{ID0WBB\$} / \text{YPCOMPWSD})$$

$$\text{ID0YTR\$} = -85.7636953103 + 883.088860401 * (\text{YPTRFGF} + \text{YPTRFGSL}) * (\text{ID0NPT} / \text{N})$$

$$\text{ID0YTRF\$} = 24979.6527565 + 0.00967692418288 * \text{TRF\$}$$

$$\text{IDWAGE} = (\text{ID0WBB\$} - \text{ID0WBBF\$} - \text{ID0WBBMIL\$}) / \text{EEA\_ID} * 1000000$$

$$\text{YPADJ\_ID} = \text{ID0YPNF\$} + @\text{MOVAV}(\text{ID0YPRF\$}, 4) + @\text{MOVAV}(\text{ID0WBBF\$}, 4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in nongoods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops
ID0CRLVSTK	Cash receipts, livestock
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Housing starts, single units
ID0HSPRS2A_A	Housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBBS	Wage and salary disbursements

ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, military, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except farm, manufacturing, military, and construction
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_RS	Farm inventory value changes, imputed rent, and income
ID0YP	Total real personal income, 2005 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2005 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2005 dollars
ID0YPPC	Real per capita personal income, 2005 dollars
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2005 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to individuals
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Idaho average annual wage
YPADJ_ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCSR	Personal consumption expenditures, clothing and shoes, 2005 dollars, chain weighted
CNOOR	Personal consumption expenditures, other nondurable goods, 2005 dollars, chain weighted
CRCATCVS	Cash receipts, US cattle and calves
CRCROP	Cash receipts, US crops
CRDAIRY	Cash receipts, US dairy

DUM071ON  
DUM911062  
DUM931964  
DUM951ON  
DUM981ON  
DUMCENSUS  
TREND

These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.

EG91	Employment in federal government
EMD321	Employment in wood products
EMD334	Employment in computer and electronic products
EMN311	Employment in food manufacturing
EMN323	Employment in printing and related support activities
EXPUS\$	Agricultural production expenses, US
GFMLCWSS	Federal government defense personnel outlays
GFOR	Real federal nondefense purchases of goods and services
GFR	Real federal purchases of goods and services
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2007=100.0
IPSG311	Industrial production index, food, 2007=100.0
IPSG321	Industrial production index, wood products, 2007=100.0
IPSG322	Industrial production index, paper, 2007=100.0
IPSG323	Industrial production index, printing, 2007=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2007=100.0
IPSG332	Industrial production index, fabricated metal products, 2007=100.0
IPSG3332	Industrial production index, industrial machinery, 2007=100.0
IPSG334	Industrial production index, computer and electronic products, 2007=100.0
IPSG337	Industrial production index, furniture and related products, 2007=100.0
IPSG339	Industrial production index, miscellaneous manufacturers, 2007=100.0
IPSG51111	Industrial production index, newspaper publishing, 2007=100.0
JECIWSP	Employment cost index—private sector wages and salaries, December 2005=1.00
JEXCHMTPREAL	Real US trade-weighted exchange rate with major currency trading partners, 2005=1.00
JEXCHMOITPREAL	Real US trade-weighted exchange rate with other important trading partners, 2005=1.00
JPC	Implicit price deflator, personal consumption, 2005=100.0, chain weighted
N	Population, US
N16A	Population, US, aged 16 and older

RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to US farms
TXSIEC	Personal contributions for social insurance, US
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, US
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends