Idaho Economic Forecast

Lori Wolff, Administrator   DIVISION OF FINANCIAL MANAGEMENT

2025q4   OCTOBER 31, 2025

Idaho Economic Forecast 2025–2029

State of Idaho
BRAD LITTLE
Governor

Introduction 3

Overview 4

US summary 4

Global Conditions 6

Current economic conditions and outlook 7

US GDP 7

Population 9

Employment 10

Personal Income 11

Average Wage Rate 12

Wage Bill 13

Idaho Housing 14

Idaho News 15

Costs associated with this publication are available from the Idaho Division of Financial Management in accordance with Section 60-202, Idaho Code.

10-2025/010200-180-4001 **ISSN 8756-1840**

Introduction

This document summarizes Idaho's economic forecast for 2025 through 2029. The primary national forecast in this report is the October baseline forecast for the US economy by Moody's Analytics. The Idaho economic model takes the national forecast as an input.

Idaho's Department of Labor provides monthly historical employment data. Employment data is now used at the monthly frequency, and seasonal adjustment is not performed perfunctorily. Data is complete through 2025m6. Wage data is also supplied by the Idaho Department of Labor. This data is only collected at the quarterly frequency. This is adjusted by DFM to monthly data consistent at the quarterly level.

Historical and forecast data for Idaho are available via THIS LINK[1]. The linked file includes data for broad sectors and narrower sectors of the Idaho economy at the monthly frequency.

DFM continues to streamline the contents of the *IEF*. However, additional materials are provided via a supplementary pdf.[2] These materials include discussions of our typical sources of data, some about modeling changes, forecast analysis sections, looking-ahead, and the appendix materials.

The Federal Reserve Bank of San Francisco, the regional federal reserve bank covering Idaho, publishes general economic interest articles through its *Economic Letters*.[3] Recent articles discuss trade and automation in the US economy and regional similarities in labor markets.

The FRBSF provides many publications, and other research letters can be found at their publications website.[4] Overall views of the economy are also published by the FRBSF. Those are published in their *Fed Views*[5] series, and one was just published on Oct 16, updating the view from July 17.

Readers with any questions should contact Greg Piepmeyer or Erin Phipps at (208) 334-3900 or via email using `greg.piepmeyer@dfm.idaho.gov` or `erin.phipps@dfm.idaho.gov`.

Idaho Division of Financial Management
304 N. 8th St.
P.O. Box 83720
Boise, ID 83720-0032

Economic Analysis Bureau
Greg Piepmeyer, Chief Economist
Erin Phipps, Economist
(208) 334-3900

[1] We duplicate the main links in full for screen readers here:
https://dfm.idaho.gov/wp-content/uploads/publications/eab/ief/ief_oct2025.xlsx
[2] https://dfm.idaho.gov/wp-content/uploads/publications/eab/ief/ief_oct2025_supplements.pdf
[3] https://www.frbsf.org/research-and-insights/publications/economic-letter/
[4] https://www.frbsf.org/research-and-insights/publications/
[5] https://www.frbsf.org/research-and-insights/publications/fedviews/

Overview

US summary. The following data tables quickly describe a lot about the national and state economies.

The first tables record variables key to the national economy. All of the forecast data in the national table is due to Moody's; historical data in the table is reported by US statistical agencies such as the Census Bureau, Bureau of Labor Statistics, or Bureau of Economic Analysis.

US	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
inflation, CPI	1.8%	1.3%	4.7%	8.0%	4.1%	3.0%	2.8%	3.5%	2.7%	2.1%
Federal Funds rate	2.2%	0.4%	0.1%	1.7%	5.0%	5.1%	4.2%	3.3%	2.8%	3.0%
mortgage rates	3.9%	3.1%	3.0%	5.3%	6.8%	6.7%	6.6%	6.3%	6.3%	6.3%

US	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
real GDP growth	2.6%	-2.1%	6.2%	2.5%	2.9%	2.8%	1.9%	1.7%	1.7%	2.1%
employment growth	1.4%	-5.8%	2.9%	4.3%	2.2%	1.3%	1.0%	0.3%	0.3%	0.5%

DFM uses multiple sources of information and data when looking at projections for the economy. While the Moody's forecast is officially used in the model, we also consider other projections as an understanding for how other experts are considering future economic conditions. One of those is the Federal Open Market Committee (FOMC). The FOMC releases a publication four times a year, called the dot-plot, that shows the members projections as they compare to the last release of the publication. The most recent dot-plot[6] was released in September, with the June dot-plot as the comparison.

Since their last meeting, the expectation for real GDP and unemployment has gone up for the current year, with real GDP and inflation being expected to rise in 2026 above the June expectation. The FOMC members expect the 2025 federal funds rate and inflation to be lower than their June projection. Unemployment and the federal funds rate expectations from the FOMC are also lower for 2026.

For the first time since the end of 2024, the FOMC voted to decrease the federal funds rate 25 basis points (0.25 percentage points) in September. They voted again in October to reduce the rate by another 25 basis points. They cited the weakening labor market as the main driver for the rate decrease. While the FOMC is still concerned that inflation has been sticky around 3.0%, the concern for the labor market became the top priority to address.

[6] These are available from the links under "Projection Materials" on https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm

Moody's tends to accept the Federal Reserve's statements about long-term federal funds rates as implying 'in a few years', and generally follows the FOMC guidance.

Moody's also revises their forecast monthly, so we are able to compare changes in key economic measures based on the economic climate of certain months.

A summary of the FOMC and Moody's forecast changes for four key economic variables are

FOMC Projections Summary:
Revision direction for 2025 and 2026 between the June 2025 publication and September 2025 publication.

	2025	2026
Real GDP	↑	↑
Unemployment	↑	↓
Headline Inflation	↓	↑
FFR	↓	↓

Moody's Projections Summary:
Revision direction for 2025 and 2026 between the July 2025 forecast and October 2025 forecast.

	2025	2026
Real GDP	↑	↑
Unemployment	↑	→
Headline Inflation	↓	↑
FFR	↓	↓

Since the October *Idaho Economic Forecast* (*IEF*), there have been three releases for inflation and two releases for unemployment. One unemployment release has been missed due to the government shutdown.

According to the BLS, the projected growth in total employment is 3.1% between 2024 and 2034. This is a decrease from the actual growth experienced between 2014 and 2024, which was calculated at 13%. Healthcare and social assistance is projected to have the largest job growth. The industry "services for the elderly and persons with disabilities" is projected to add more jobs than any other detailed industry.

Unemployment			
	July	**August**	**September**
US	4.2%	4.3%	*
Idaho	3.7%	3.7%	*

*data unavailable at time of publishing

Inflation*			
	July	**August**	**September**
Headline	0.2%	0.4%	0.4%
Core	0.3%	0.3%	0.2%

*compared to same month in previous year

DFM has a dashboard that shows how the *IEF* for key economic indicators, published HERE.[7] On the dashboard, you can filter through the following indicators at the state level:

- Average Annual Wage per Job
- Total Employment
- Housing Completions
- Monthly Wage Bill
- Personal Income

[7] the url is https://dfm.idaho.gov/about-dfm/about-the-economic-analysis-bureau/key-indicators-dashboard/

There are three forecast lines shown on the dashboard, each representing a different forecast published quarterly in the *IEF*. The main take-aways from these indicators are:

Key Indicator Changes from previous *IEF*: October 2025 compared to July 2025		
Idaho Forecast	**2025**	**2025**
Average Annual Wage	↓	↓
Employment	↑	↑
Housing Completions	↑	↑
Monthly Wage Bill	↓	↓
Personal Income	↑	↓

Global Conditions. The OECD's[8] September publication cited major risks to the global economy:

- Increases in tariff rates
- Resurgence of inflationary pressure
- Financial stability risks in the equity market
- Concern about fiscal risk

The IMF also cited similar risks in their World Economic Outlook:

- Prolonged trade policy uncertainty and increased protectionist trade measures
- Shocks to labor supply from reduced immigration
- Fiscal vulnerabilities

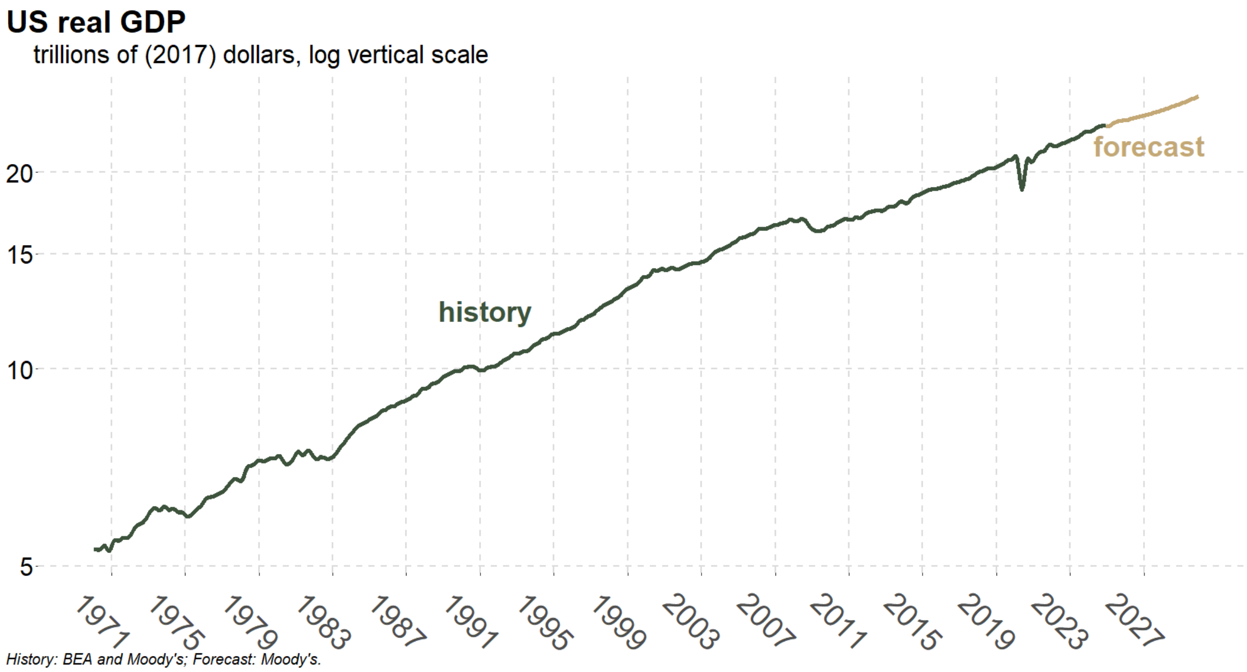
The OECD's interim report gives an update to their full June publication and gives a chance to revise their estimates. The OECD increased their global growth outlook for 2025 by 0.3 percentage points to a total of 3.2% in the interim September report. The 2026 global growth projection was unchanged at 2.9%. For North America, the OEDC forecasts for real GDP growth are:

- Canada: 2025 increased to 1.1% from 1.0%. 2026 increased to 1.2% from 1.1%.
- United States: 2025 increased to 1.8% from 1.6%. 2026 unchanged at 1.5%.
- Mexico: 2025 increased to 0.8% from 0.4%. 2026 increased to 1.3% from 1.1%.

[8] Material discussing sources, including the OECD, is available in a supplement
https://dfm.idaho.gov/wp-content/uploads/publications/eab/ief/ief_jul2025_supplement.pdf

Current economic conditions and outlook

US GDP. The graph gives Moody's forecast for real US GDP growth.



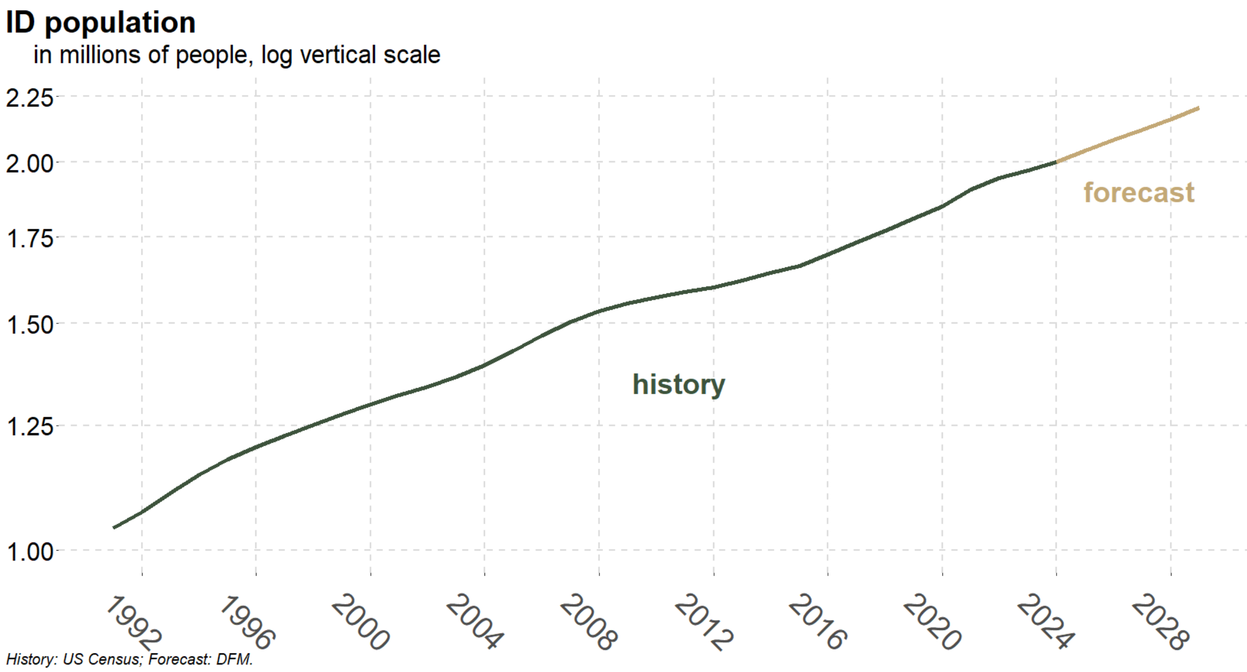
- Moody's projects higher GDP in their October release than in their July release.
- The OECD revised real GDP projections slighty up by 0.1%.
- The IMF is projecting 2.0% growth for the US.
- The U.S. Census Bureau reported that e-commerce sales accounted for 16.3% of total sales and increased from quarter one to quarter two by 1.4% seasonally adjusted.

US (in 2017 dollars)	2021	2022	2023	2024	2025	2026	2027	2028	2029
Real GDP (in trillions)	$21.53	22.08	22.72	23.36	23.81	24.22	24.64	25.16	25.79
Change from Prior Year	*3.9%*	*2.5%*	*2.9%*	*2.8%*	*1.9%*	*1.7%*	*1.7%*	*2.1%*	*2.5%*
Real GDP per capita	$64,793	66,025	67,387	68,608	69,462	70,381	71,449	72,832	74,507
Change from Prior Year	*5.9%*	*1.9%*	*2.1%*	*1.8%*	*1.2%*	*1.3%*	*1.5%*	*1.9%*	*2.3%*

Moody's and the FOMC's projections for Real GDP have become slightly more optimistic from the last time the *IEF* was published. While the Moody's expectation of US GDP is slightly higher compared to the July forecast, they do note that the overall growth in GDP is still below the typical trend of 2% through 2027.

The Producer Price Index (PPI), which tracks prices at the first transaction point, was last released in September. The August PPI for final demand showed a 0.1% decrease. This was due to a 0.2% decrease in final demand for services, while final demand for goods increased 0.1%. In June, final demand prices increased 0.1% and 0.7% in July.

Population. The graph gives Idaho's population forecast through 2029.

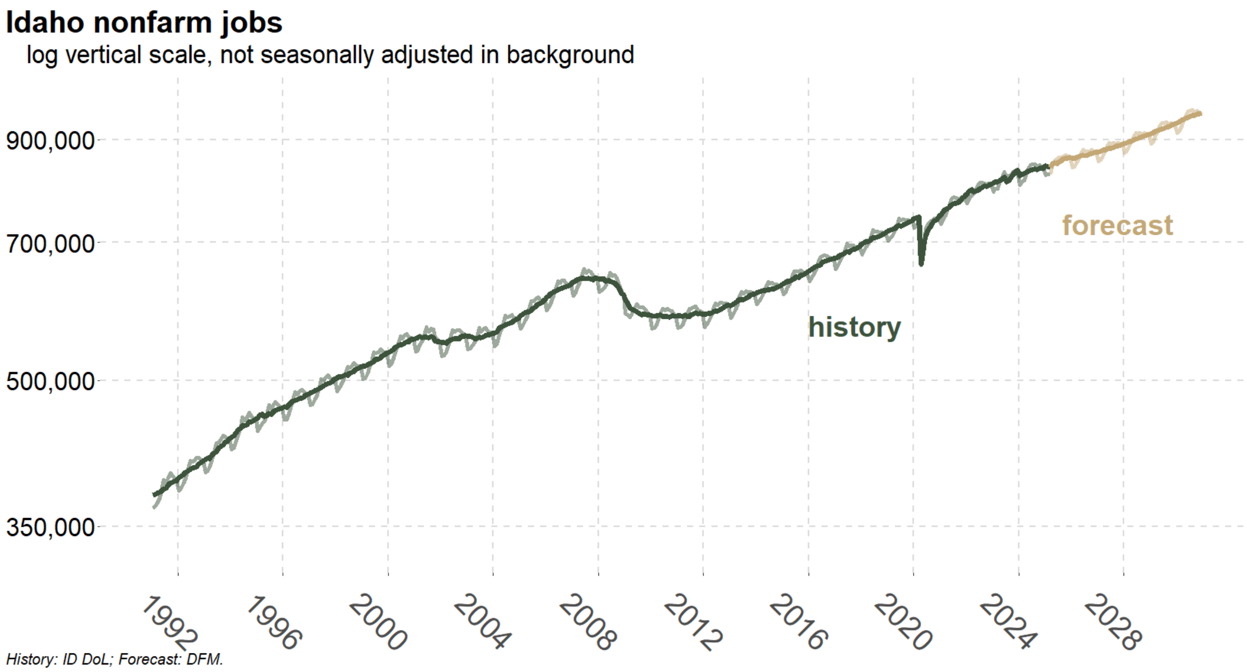


- Idaho population is expected to grow around a steady 2.0% over the forecast period.
- This would add about 38k net people to Idaho during 2026.
- The slight baby boom in the early 2000s are helping increase college enrollments.
- As the baby boomer generation continues to age, there is an expectation for more demand in the medical labor market.

US	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Population (m)	331.6	332.3	334.4	337.2	340.5	342.8	344.1	344.8	345.5	346.1
Change from Prior Year	*0.4%*	*0.2%*	*0.6%*	*0.9%*	*1.0%*	*0.7%*	*0.4%*	*0.2%*	*0.2%*	*0.2%*
Idaho										
Population (m)	1.85	1.90	1.94	1.97	2.00	2.04	2.08	2.12	2.16	2.20
Change from Prior Year	*2.3%*	*3.0%*	*2.1%*	*1.4%*	*1.5%*	*2.1%*	*1.9%*	*1.9%*	*1.9%*	*2.0%*

Moody's reports that deportations of foreign immigrants has increased in 2025. This has decreased net migration to the United States, and Moody's projects a continuation of lower-than-historical immigration over the next four years. While there is evidence that people are still moving to Idaho, the decrease is foreign migration will certainly affect Idaho.

Employment. This graph gives Idaho's employment forecast.



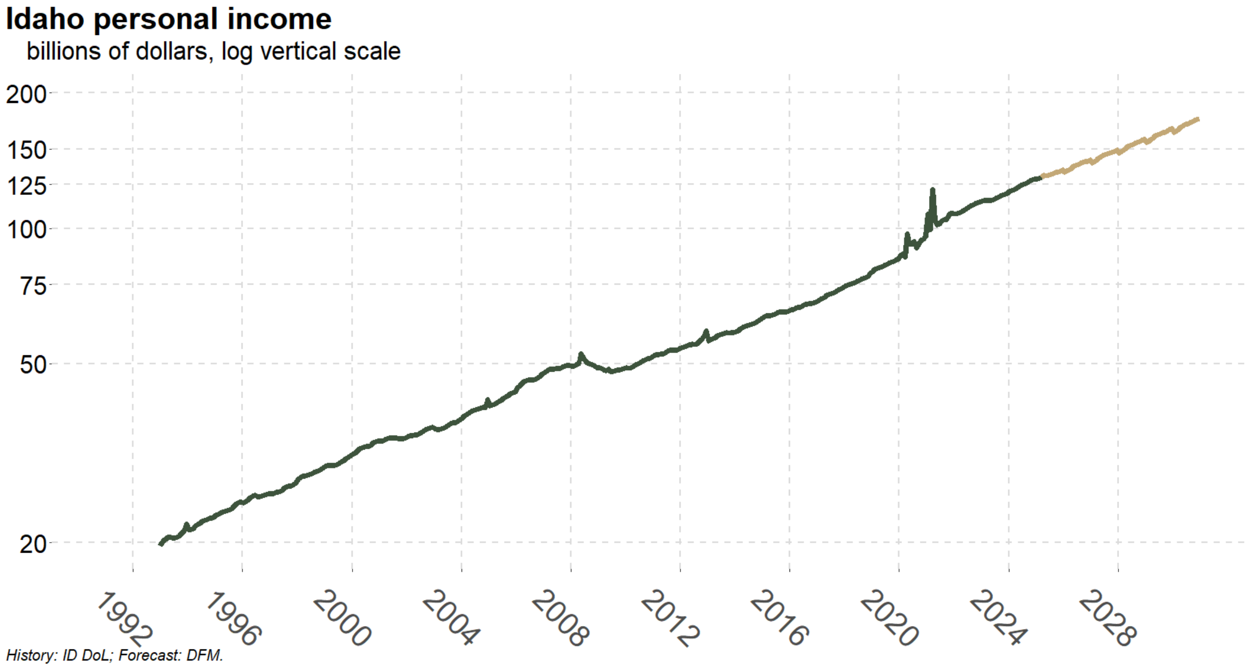
- ➜ According to the BLS, the nonfarm business sector labor productivity increased 3.3% in quarter two of 2025.
- ➜ Output increased 4.4% and hours worked increased 1.1%, resulting in the overall increase in productivity.
- ➜ Additionally, unit labor costs increased 1.0%.
- ➜ The BLS released a report on unemployment rates in metropolitan areas. Idaho did not see a change in unemployment rate from July of 2024 to July of 2025.

US	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Nonfarm jobs (m)	142.2	146.3	152.5	155.9	158.0	159.5	160.0	160.4	161.2	162.2
Change from Prior Year	*-5.8%*	*2.9%*	*4.3%*	*2.2%*	*1.3%*	*1.0%*	*0.3%*	*0.3%*	*0.5%*	*0.7%*
Idaho										
Nonfarm jobs (k)	725.0	767.2	798.1	818.5	834.1	851.9	865.8	881.4	901.5	924.5
Change from Prior Year	*-0.6%*	*5.8%*	*4.0%*	*2.6%*	*1.9%*	*2.1%*	*1.6%*	*1.8%*	*2.3%*	*2.5%*

The BLS released a significant revision[9] for the total nonfarm job employment. The revision reduced the originally reported jobs by 911,000, or -0.6%. This was outside of the average revision of 0.2% for the past ten years. The final benchmark revision will come in February of 2026. The revision for Idaho was 12,600 jobs, which was a 1.5% downward correction. The percent of the Idaho revision is larger than the national revision.

[9]called their Current Employment Statistics Preliminary Benchmark. It covers March 2024 through March 2025

Personal Income. The graph shows average annual personal income in the state. The table shows personal income per capita.

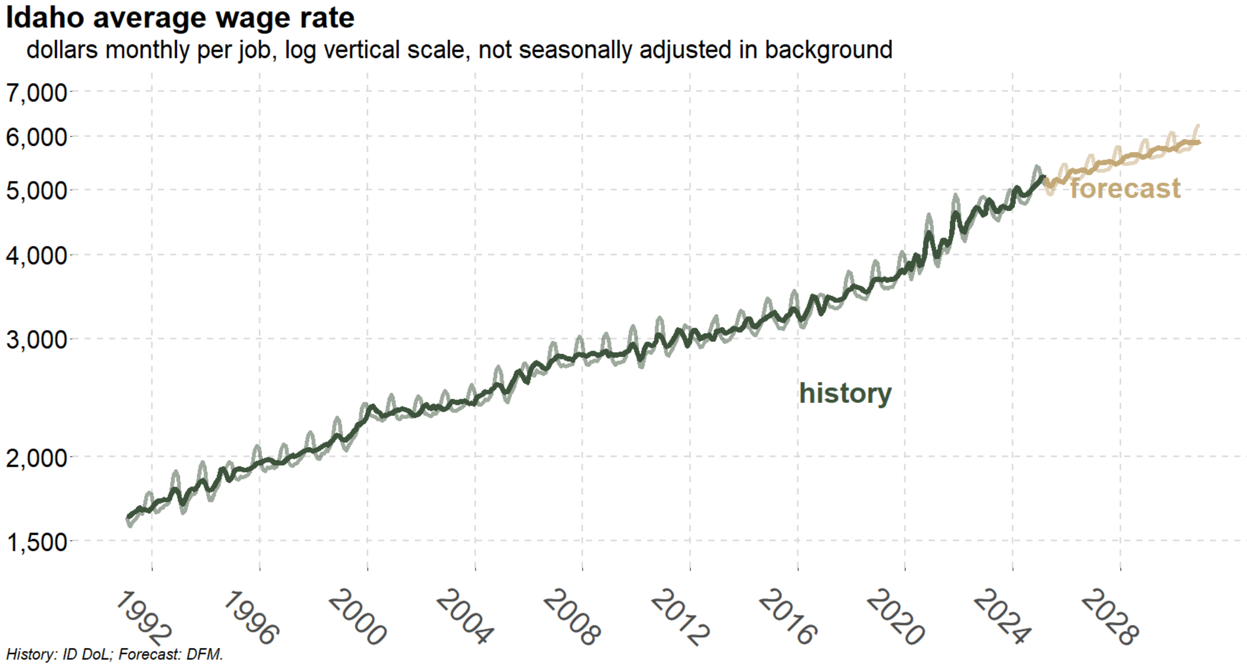


- Personal income per job is forecast to increase over the outlook period.
- The spikes in personal income following 2020 are from stimulus payments to households.
- When compared to July, personal income per capita was revised upwards for 2025 but downwards in 2026.
- The forecast expects to see a 2.9% growth from 2025 to 2026.

US	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Per capita personal income	$64,692	66,258	69,941	73,153	76,307	79,433	82,630	85,721	89,173
Change from Prior Year	*9.3%*	*2.4%*	*5.6%*	*4.6%*	*4.3%*	*4.1%*	*4.0%*	*3.7%*	*4.0%*
Idaho									
Per capita personal income	$55,656	57,034	59,201	62,324	64,417	66,295	68,382	70,709	73,185
Change from Prior Year	*11.9%*	*2.5%*	*3.8%*	*5.3%*	*3.4%*	*2.9%*	*3.1%*	*3.4%*	*3.5%*

According to the U.S. Census Bureau, median household income in 2024 did not rise in a statistically significant way from the median income in 2023. When looking at different percentiles of income, there were significant changes in income, but only at the 90th percentile. This means that incomes that are higher than 90% of other incomes rose significantly. The Wall Street Journal also published an article about the U.S. Census Bureau income publication and reported that inflation ate into wage gains last year.

Average Wage Rate. The graph and table show average wages per job, with the graph being at the monthly frequency and the table being on an annual frequency.

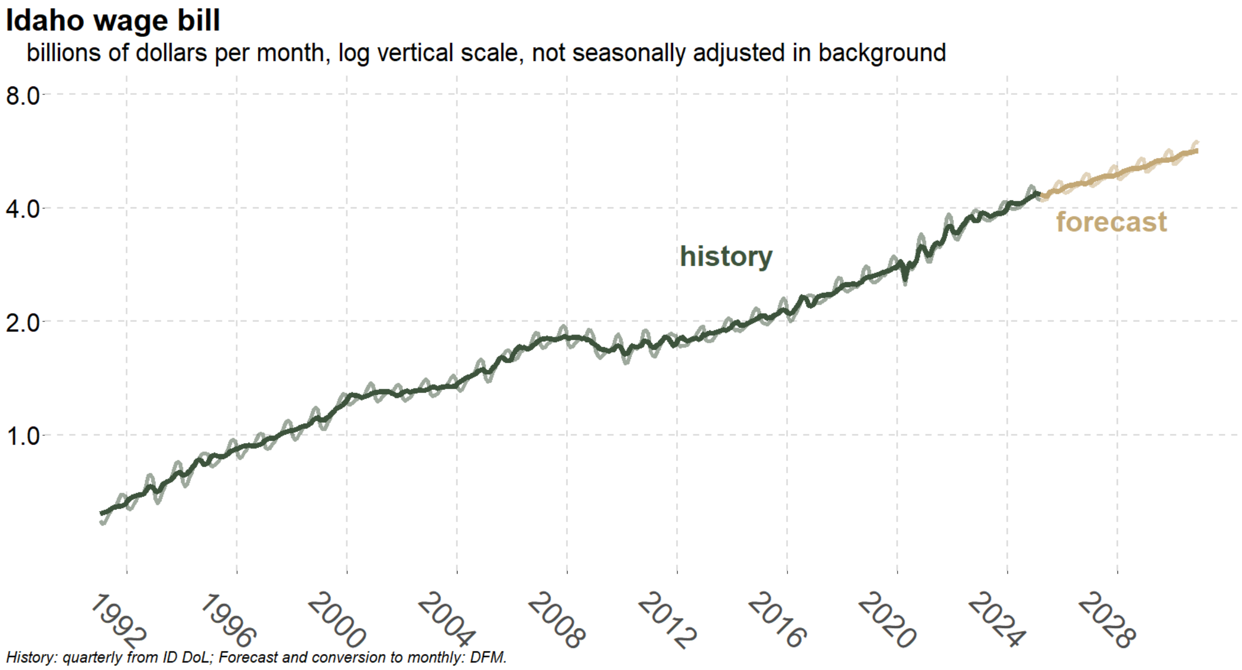


- ➜ The monthly wages paid out per job have increase across history and is expected to increase over the forecast period.
- ➜ Right before the forecast period, average wages rose above $5,000 per month, or $60k per year.
- ➜ Following Covid-19, Idaho wages rose at a higher rate than was typically seen in history. This growth is projected to slow but remain positive.
- ➜ Idaho wages are projected to grow at a higher rate than US wages.

US	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Wage and salary per job	$64,714	62,811	62,455	63,417	64,263	64,790	65,379	65,770	66,527
Change from Prior Year	*1.7%*	*-2.9%*	*-0.6%*	*1.5%*	*1.3%*	*0.8%*	*0.9%*	*0.6%*	*1.2%*
Idaho									
Wage and salary per job	$51,036	54,530	56,586	59,929	61,793	63,868	65,656	67,256	68,796
Change from Prior Year	*6.4%*	*6.8%*	*3.8%*	*5.9%*	*3.1%*	*3.4%*	*2.8%*	*2.4%*	*2.3%*

In a BLS report on earnings, real average hourly earnings for all employees decreased 0.1% from July to August. Real average hourly earnings increased from June to July by 0.1%.

Wage Bill. The graph and table show the total monthly wages paid out to all workers in Idaho.



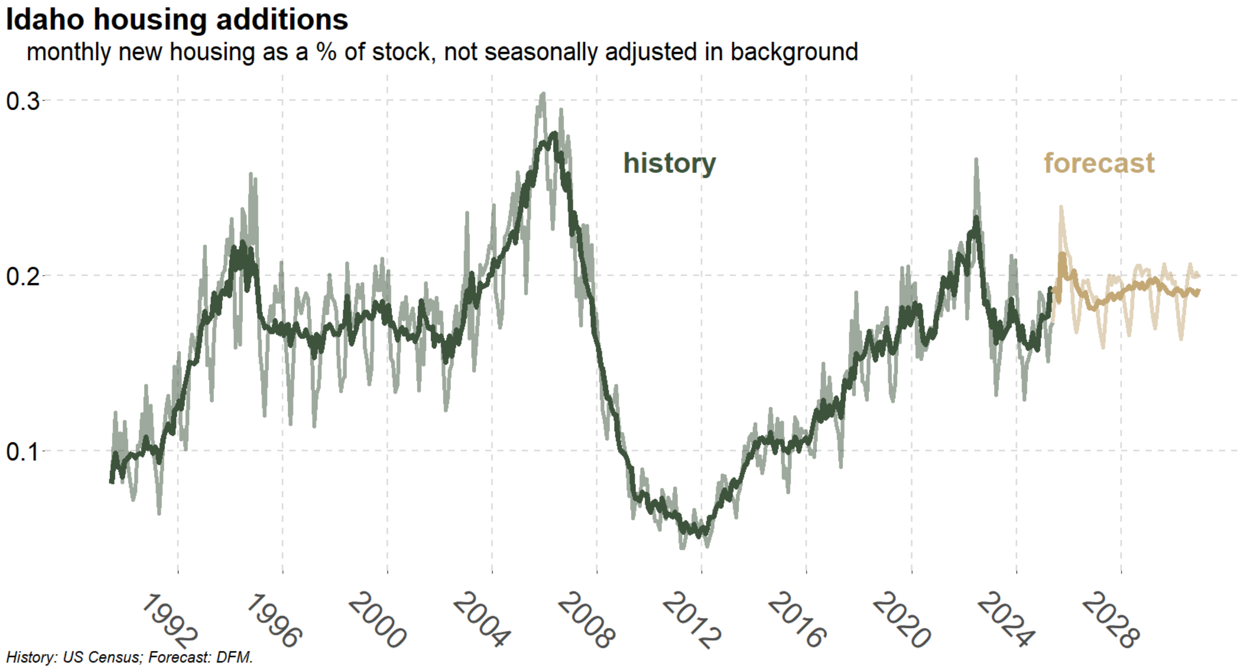
- Wages grew at a faster rate than is typical in 2021 and 2022.
- When considering all of the covered jobs in Idaho, this means nearly \$50 b in wages paid out in Idaho in 2024.
- Forecast monthly wages are growing around 5% per year between 2025 and 2029. This is a revision down form the July *IEF*.

Total Monthly Wage Bill: total annual average wages paid out monthly in wages in Idaho										
Year	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Wages	\$2.90 b	3.26 b	3.63 b	3.86 b	4.17 b	4.39 b	4.61 b	4.82 b	5.05 b	5.30 b
% chng	*7.2%*	*12.6%*	*11.1%*	*6.4%*	*7.9%*	*5.3%*	*5.0%*	*4.7%*	*4.8%*	*4.9%*

This data is the source for the previous page, as we now discuss. The Department of Labor provides quarterly wage bills and monthly employment. Combining this monthly employment with some monthly national wage information from the BLS, we are able to obtain estimates for monthly wage bills consistent with the quarterly data provided by the Department of Labor.[10] The graph shows the average monthly amount paid out in wages to workers in Idaho. Each month, an average of over \$4 b is paid out in wages in Idaho. The forecast period shows that average monthly wages are projected to increase. The Idaho Department of Labor reported that average hourly wages grew to \$28.10, up 5.1% between 2023 and 2024.

[10] To get the monthly wage rate: Divide monthly wage bills by monthly employment to produce monthly wage rates.

Idaho Housing. The graph shows the monthly percent of new housing stock out of total housing stock. The table shows housing permits, starts, and completions. Both single family homes and multifamily homes (like apartment complexes) are shown. When a building permit is approved, not all but most become housing starts, meaning that the builder broke ground to build the house. Most, but not all, housing starts become a finished unit that can be occupied.



- The new housing completions forecast was increased in October compared to the July *IEF*. This amounts to about 800 more expected housing completions in 2026.
- National rents held steady in September, with Mountain Region cities, including Boise, seeing year-over-year declines as new housing supply is reducing rental costs.

ID housing units	2012	2013	2014	2015	2016	2017	2018	2019	2020
permits	7,651	9,845	10,163	10,857	13,183	15,123	17,061	17,786	19,277
starts	6,656	8,522	9,106	9,362	11,540	13,265	14,841	15,985	16,842
completions	5,362	7,077	8,656	8,618	10,009	11,653	13,690	14,792	15,255

ID housing units	2021	2022	2023	2024	2025	2026	2027	2028	2029
permits	21,921	20,660	19,436	20,847	20,343	19,549	20,502	21,529	22,561
starts	19,310	19,020	18,264	17,480	18,280	20,204	21,420	22,465	23,545
completions	18,200	19,849	16,636	16,169	19,592	19,676	19,982	21,392	22,050

Idaho News.

Agriculture and allied industry.

- Idaho's 2025 crop profitability outlook is generally soft, with lower prices for several key crops and mixed input costs, though potatoes and feed barley growers remain optimistic.
- Southwest Idaho peach growers reported strong, slightly early, harvests driven by favorable weather and healthy yields.
- Idaho agriculture hit a record $11.3 billion in production in 2024, but rising input costs drove net farm income lower.
- Idaho's sugar industry faces mixed prospects, with potential for steady growth tempered by uncertainty.
- U.S. retail potato sales volume rose 2.3% in 2024–25, with growth in fresh and frozen products reflecting consumer demand amid lower prices.
- Idaho's 2025 potato harvest is ahead of schedule with strong yields, supported by favorable weather, for both fresh and processing markets.
- Idaho and Taiwan signed a three-year, $1.2 billion wheat export agreement, reinforcing a decades-long trade partnership and supporting Idaho's agricultural export sector.

Commerce.

- Idaho businesses paid an estimated $41 million more in tariffs in early 2025 than in 2024, reflecting higher import costs.
- Out-of-state private equity firms have been acquiring Boise-area HVAC and plumbing businesses, reflecting a national consolidation trend that may improve efficiency but raises concerns about competition and pricing in local service markets.
- Eagle-based Alturas is consolidating 250 employees into the former Intuit building as the company expands its operations across construction, real estate, and business services.
- Micron posted record quarterly revenue and profits on surging AI-chip demand and is continuing major Boise expansion plans, including a second fab supported by federal CHIPS Act funding and set to begin production in 2027.
- St. Joseph Regional Medical Center is acquiring Catalyst Medical Group, expanding its provider network and workforce to strengthen coordinated healthcare services in the Lewiston region.
- Idaho and Taiwan signed a three-year wheat trade deal as part of broader U.S. and Taiwan agricultural purchases.
- Micron advanced plans for its $100 billion semiconductor campus in New York, with construction on the first fabrication plant expected to begin in late 2025 as part of its broader U.S. manufacturing expansion.
- Mountain West Farm Bureau Mutual Insurance and Idaho Farm Bureau Insurance are merging to form a larger regional insurer.

- A study conducted by two University of Idaho professors finds that uncertainty in Lake Pend Oreille water levels could negatively affect tourism and local businesses for Bonner County where recreation drives a large share of the economy.

Construction.

- Idaho's revamped Public School Facilities Cooperative Fund approved $30 million in construction loans for five districts to address aging school infrastructure and support statewide facility improvements.
- Boise led the nation in rent growth in July 2025, with rising demand and limited housing supply driving a 1.5% monthly increase and highlighting ongoing affordability pressures despite rents remaining below the U.S. average.
- Meridian approved two new housing developments totaling nearly 500 unitsamid resident concerns about traffic, schools, and construction impacts.
- The new $80 million Downtown YMCA in Boise remains on track for a late-2026 opening, expanding community recreation, childcare, and wellness facilities.
- Tamarack Resort has begun building a public marina on Lake Cascade, expanding recreational amenities as part of its broader year-round development plans.
- Boise Airport has selected a contractor for a major expansion that will add up to 10 gates and upgrade key facilities, a $700 million project funded by airport revenues to support continued passenger growth.
- Magic Valley Regional Airport in Twin Falls will receive $20–25 million in FAA-funded runway upgrades to maintain safety and support long-term regional growth.
- A new joint fire station in Eagle along Highway 55 will house federal and local crews to improve wildfire response and coordination, with operations expected to begin by 2027.

Education.

- The College of Western Idaho opened a new 60,000-square-foot Health & Science Center in Nampa, expanding capacity for healthcare training.
- BYU–Idaho enrolled a record 6,500 new students for Fall 2025, contributing to total enrollment of about 25,000 as demand for the university's programs grows.

Employment.

- A federal government shutdown is affecting roughly 11,000 Idaho federal workers, with essential services continuing but unpaid staff and contractors going unpaid until funding is restored.

Energy.

- Idaho Power's 20-year plan projects significant customer and energy demand growth, prompting major investments in renewable energy and infrastructure, with rates expected to rise about 13% as the utility moves toward its 2045 clean energy goal.

- Idaho National Laboratory and Western states are partnering to advance small modular reactors and other nuclear technologies.
- Idaho utility regulators approved a reduced reimbursement rate for newer rooftop solar customer and freezing further changes until 2028.

Grants.

- Boise State received a record $7.4 million NSF grant to launch a semiconductor research and workforce center, supporting the state's growing microchip industry.
- Federal grants totaling over $11 million will support Idaho organizations working to reduce veteran homelessness, expanding housing and support services across the state.
- The National Park Service is investing about $15 million in upgrades at three Southern Idaho parks: Minidoka, Craters of the Moon, and Hagerman Fossil Beds.
- The Idaho Department of Lands secured a record $7.5 million federal grant to reduce wildfire risks in the Silver Valley, supporting fuels mitigation and community protection efforts.
- Idaho National Laboratory received three federal commercialization awards totaling $1.4 million to advance grid resilience, nuclear reliability, and modeling technologies.