

ECONOMIC/DEMOGRAPHIC OUTLOOK

Idaho's economy is affected by many local, national, and international factors. Chief among current factors are a permanent restructuring by Idaho's largest private employer, Micron Technology, and a decline in new housing construction.

Electronics Sector

Economists expect the computer and electronics sector to shed jobs over the next three years. This spring, Micron Technology permanently laid-off approximately 10 percent of its 11,000-person local workforce and announced a planned reduction of another 5 percent later in 2007. A reasonable estimate is that for each Micron job loss, another job will be lost elsewhere in the economy. Some good news for the high-tech sector is Hoku Materials' start of a polysilicon production plant in Pocatello. Polysilicon is used by the solar market. The plant is expected to have 200 employees by late summer or fall of 2008.

Construction Sector

Construction is expected to respond to the decline in new housing starts. Housing starts suffered a 17 percent drop in 2006, but construction employment expanded during that period due to nonresidential building. Idaho housing starts should decline another 17 percent in 2007. This should result in fewer local construction jobs. Economists predict the number of construction jobs to decline 1.4 percent in 2007. Construction is expected to gradually improve after 2007, with construction employment seeing job gains in 2010.

Nongoods-Producing Sector

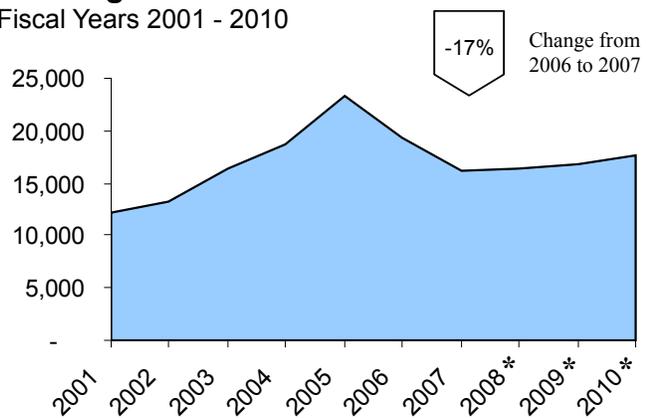
Idaho's economy is expected to slow, but not stop, largely due to the nongoods-producing sector. Economists project this sector to sustain the State's economy from 2007 to 2010. The private nongoods-producing sector is Idaho's largest private employment sector. It accounted for roughly two-thirds of the 2006 jobs gain, with the service sector claiming the majority of those jobs. Service industries include information services; financial activities; transportation, warehousing, and utilities; professional and business services; education and health services; and leisure and hospitality services. Nongoods-producing industries also include retail and wholesale trade.

Idaho's Population

Idaho's population increased 2.6 percent in 2006. In 2007 Idaho's population is expected to total 1.5 million people, an increase of 2.3 percent from 2006. The population is expected to increase 1.9 percent in 2008.

Housing Starts

Fiscal Years 2001 - 2010



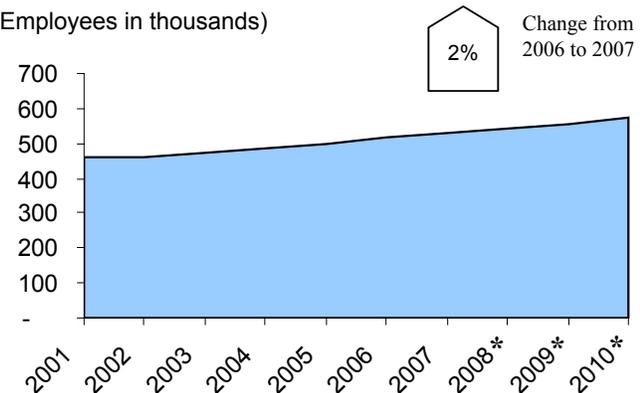
Data Source: Idaho Economic Forecast, October 2007

* estimated figures

Nongoods-Producing Sector Employment

Fiscal Years 2001 - 2010

(Employees in thousands)



Data Source: Idaho Economic Forecast, October 2007

* estimated figures