

Jobs in North Central Idaho - South Fork Clearwater

Changes in the Area's Economy

The overall Idaho economy has performed quite well since 1988. Non-farm payroll jobs expanded at a rapid pace of 4-5 per-cent annually and population increases put the state in the top three fastest growing in the nation. Within the past two years, the economy cooled off somewhat, but it is still robust compared to other states and is projected to grow at a sustainable rate above 2 percent per year.

Region II economic performance lags behind the state and other regions, since the beginning of Idaho's economic expansion in 1987. In 1995, non-farm employment grew 1.5 percent. Recently released data for 1996 show a decline of almost 1 per-cent, the only region in the state to turn downward. Job loss in the five counties continues to be driven by reductions in lumber and wood products employment. However, service producing employment is not immune from reductions. Federal government administration, wholesale trade, and the transportation and public utility sectors have consolidated over the last few years leading to job declines. Bank mergers in the area mean the closure of more rural branches, which adversely affects financial services employment.

Strong job producers over the last few years include the small but well paying manufacturing sectors of industrial machinery (for example, precision machine tools, power driven hand tools) and transportation equipment (jetboats, engine and aircraft parts.) The fabricated metals sector (ammunition) has fluctuated, but trended upward. However, these sectors are not prevalent outside of Nez Perce County. Three sectors; services, retail trade and public education, dominate with 60 percent of total no-farm employment. Service producing employment growth continues to sustain overall employment expansion in Region II.

Table 3.10 - Number of Non Agricultural Jobs in North Central Idaho

				Average Growth	Change
Industry	1996	1995	1994	1980-1995	1990-1995
All Non Agricultural	42,639	43,019	42,363	0.3%	276
Goods-Producing Industries	7,722	8,136	8,433	-4.3%	-711
Mining	254	234	257	-0.1%	-3
Construction	1,502	1,480	1,492	4%	10
Manufacturing	5,944	6,399	6,664	-5.5%	-721
Food & Kindred Products	154	203	183	-6.7%	-29
Lumber & Wood Products	2,454	2,749	2,932	-8.5%	-479
Paper & Allied Products	1,692	1,712	1,800	-3%	-108
Chemicals & Allied Products	12	12	11	4.5%	1
Fabricated Metals	689	759	778	-5.8%	-89
Industrial Mach. & Computers	210	199	183	7.1%	27
Transportation Equipment	41	40	28	22.7%	13
All Other Manufacturing	458	478	500	-4.3%	-42
Service-Producing Industries	34,917	34,880	33,928	1.5%	989
Transport, Comm.i, & Utilities	1,743	1,825	1,851	-3%	-108
Trade	9,994	10,712	9,932	0.3%	62
Wholesale	1,489	1,555	1,536	-1.5%	-47
Retail	8,505	8,615	8,392	7%	113
Finance, Insurance & Real Estate	1,981	1,962	1,904	2%	77
Service & Miscellaneous	8,506	7,997	7,645	5.5%	861
Government	12,694	12,913	12,592	0.4%	102
Administration	4,172	4,369	4,421	-2.8%	-249
Education	8,522	8,542	8,167	2.2%	355

Economic Summary

The continued risks to regional economic stability include: 1) the dominance of natural resource industries and concentration in fewer firms, 2) further reductions in federal agency employment, particularly the Forest Service, 3) risks to transportation linkages such as rail and barge, and 4) the constraints of isolation. Several ways to offset these risks include:

- ❑ Diversification in manufacturing. The manufacturing job composition in the region is about 70 percent timber related. The other 30 percent is a mix of light manufacturing. Efforts to increase the light industrial base by another 10 percent would spread the base. Manufacturing centers, incubators and producer associations are some tools to increase the industrial mix. Secondary service opportunities to complement primary jobs are needed as well.
- ❑ Tourism development. Building on natural assets in the region for the service and trade sectors would further diversify the economy. Region II has not been as successful as other regions in building a tourism base. Efforts by promotion and economic development groups, including CEDA, are improving that situation through processes such as the Corridor Management Plan.
- ❑ Develop and promote the telecommunications infrastructure. Official job numbers don't capture hundreds of one to three employee businesses in cities and remote areas. The advent of telecommunications (computer, fax, modem, Internet) for small businesses has an unaccounted impact on rural economies offsetting the effect of isolation. Region II, however, is at a competitive disadvantage in the quality and cost of that access.
- ❑ Improve the region's roads. Transportation improvements on U.S. highways 95 and 12, including visitor facilities are critical to economic progress in Region II. Preserving linkages such as air, barge and rail are another priority.
- ❑ Many circumstances causing employment declines are outside of local factors. Federal government downsizing, banking and utility mergers and other off-site corporate decisions should not cloud local development efforts.