

**COMMUNITY DEVELOPMENT ASSESSMENT
FOR
THE STATE OF IDAHO**

**A GUIDE TO IDAHO'S
COMMUNITY DEVELOPMENT ENVIRONMENT**

COMMUNITY DEVELOPMENT DEPARTMENT
FEDERAL RESERVE BANK OF SAN FRANCISCO

FOREWORD

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The Community Affairs Department of the Federal Reserve Bank of San Francisco has developed a new series of reports for the nine states in the Twelfth District that both detail the demographic, economic, governmental, and institutional underpinnings of each state and provide an analysis of the various community development needs within each state. These reports, which we are calling “Environmental Assessments,” are meant to provide a framework for the array of community development activities that the department undertakes across the District. The hope is that the reports will not only provide a helpful compilation of existing community development needs and resources for each state, but will also allow us to target our time and resources to those areas that both show the greatest need and offer the opportunity for the most meaningful role.

We hope that you will find these Environmental Assessments useful and that the information presented will enhance your understanding of the state of community development in each location.

We look forward to your comments and suggestions.

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METHODOLOGY

In an attempt to provide a framework for performing our own community development work, the Community Affairs Department of the Federal Reserve Bank of San Francisco has produced separate reports entitled “environmental assessments” for each of the nine states which comprise the Federal Reserve’s Twelfth District: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington, and Utah. Each report is divided into two sections: one covering the overall “Community Development Environment” in the state, and the other covering the “Community Development Needs and Resources” in the state. These environmental assessments are intended to bring together available research and information in both of these areas.

Specifically, the chapters in the “Community Development Environment” section cover the demographic, economic, governmental, and institutional underpinnings in each state, providing detail such as each state’s industrial structure, economic outlook, banking system, nonprofit groups, and government departments involved in community development. In the second section, each report delves into four separate areas of “Community Development Needs and Resources:” affordable housing, small business, poverty and asset accumulation, and issues specific to native people and immigrants.

A key resource for both the data and the approach taken in this effort was the *2002 State Asset Development Report Card*, published by an influential research and advocacy organization, CFED (formerly known as the Corporation for Enterprise Development). CFED’s report analyzes a great deal of data on a range of factors affecting asset accumulation and poverty for each state in the nation. The CFED report divides its analysis into separate evaluations of “Asset Outcomes” and “Asset Policies” for each state, producing an overall grade (A, B, C, D, or F) for each. Not only do our reports reference virtually all of the individual rankings which feed into CFED’s two overall grades, but they also follow a somewhat similar approach in dividing each of the community development areas in each state (affordable housing, small business, poverty and asset accumulation, and native people and immigrant issues) between “needs” and “resources” in a manner similar to CFED’s “Asset Outcomes” and “Asset Policies.”

The reports then build on these CFED comparisons by drawing on the considerable resources already produced by a variety of national and local organizations in these subject areas for each state, pulling together their major data, analyses, and conclusions into one single report. The reports were designed by Scott Turner, who managed the project and wrote this Idaho Environmental Assessment. This Idaho Environmental Assessment was also supported by significant data and material gathering by a member of the Community Affairs Department’s field staff, Craig Nolte, with additional oversight and editing provided by Jack Richards. Websites referenced in this report were accessed between September and December of 2004, and we have attempted to provide accurate links to content referenced, although content and/or location may change over time. We should note here that while the Federal Reserve Bank of San Francisco sponsored these environmental assessments, they reflect only the views of the author.

We gratefully acknowledge the community development practitioners in each state who agreed to review drafts of these reports and provide helpful feedback. In addition, we have attempted to ensure there are no errors or omissions in this report, but encourage you to contact us if you believe important changes are warranted. Please contact us by the end of February 2005, and we will be pleased to make appropriate revisions and post an edited version of the reports on our website in March 2005.

CONCLUSIONS

COMMUNITY DEVELOPMENT ENVIRONMENT

1. Demographics

Idaho is the 14th largest state in total area,¹ but only the 39th largest in population.² The state's population grew very quickly (increasing 28.5%, more than twice the national rate) from 1990 to 2000, and continued to grow in the years that followed, increasing another 5.6% between 2000 and 2003.³ In terms of race and ethnicity, 91% of Idaho's residents are White, a much higher percentage than nationally, and only 7.9% identify as Hispanic/Latino, a much lower percentage.⁴

2. Economy

Idaho's economy has a heavier concentration of resource-based industries than the nation overall, most importantly in timber and wood products, mining and chemicals, and agriculture and food processing. The state has witnessed a significant loss of jobs in these sectors over the past decade, and this has particularly affected the 35 rural counties in the state.⁵ In contrast, the Boise City MSA was ranked 13th in the Milken Institute's ranking of the "best performing cities," which examines U.S. metro areas based on their ability to create and sustain jobs.⁶ Idaho's small computer and electronics sector saw huge growth in the late 1990's and helped support strong overall growth in the state economy, though it suffered from the bursting of the high-tech bubble and has not yet recovered.⁷ The state followed the nation into recession in 2001 and 2002, and only last year began to post employment gains, but overall the economic outlook is moderately favorable, with job growth of 1.7% expected over the next several years.⁸

3. Governmental and Financial Sectors

Idaho enjoys reasonably strong credit ratings. In the financial sector, there are 34 separately-chartered insured depository institutions, with combined deposits in the state of \$13.8 billion.⁹ There are also 69 active credit unions, which control one third of combined bank/credit union assets, more than five times the market share of U.S. credit unions.¹⁰ According to local practitioners, Idaho's non-profit sector is struggling with

¹ Netstate.com, *The Geography of Idaho*, http://www.netstate.com/states/geography/id_geography.htm.

² Idaho Department of Labor, *State of Idaho Urban Counties Profile*, January 2004, p. 1.

³ U.S. Census Bureau, *Idaho Quickfacts*, <http://quickfacts.census.gov/qfd/>.

⁴ U.S. Census Bureau, Census 2000 Data, <http://www.census.gov/main/www/cen2000.html>.

⁵ Governor's Task Force on Rural Development, Idaho Department of Commerce, *Findings and Recommendations*, September 2000, p. 2.

⁶ Ross DeVol and Lorna Wallace, Milken Institute, *Best Performing Cities: Where America's Jobs are Created and Sustained*, November 2004, p. 2.

⁷ Governor's Task Force on Rural Development, Idaho Department of Commerce, *Findings and Recommendations*, September 2000, p. 2.

⁸ FDIC, *Idaho State Profile*, Summer 2004.

⁹ FDIC, *Deposit Market Share Report: Idaho*, June 2004.

¹⁰ Idaho Credit Union League, *Credit Union Fact Sheet*, http://www.cuna.org/download/idaho_fs.pdf.

issues of capacity and mission. Finally, Idaho has four organizations certified as Community Development Financial Institutions,¹¹ which together have \$3.2 million in financing outstanding to their customers, most of whom are located in rural areas, at the end of FY 2002.¹²

COMMUNITY DEVELOPMENT NEEDS AND RESOURCES

1. Affordable Housing

Like all states, Idaho faces a shortage of affordable housing, though **the problem seems less acute than elsewhere. The state ranks high on the affordability of its rental housing and also enjoys a high rate (and state ranking) on homeownership.** Nevertheless, an estimated 46% of renters spend 30% or more of their income on rent,¹³ and over one fifth of renters are severely cost burdened, meaning that they pay more than 50% of their income in rent. A state-commissioned study identified some of the top barriers to the creation of affordable housing, including the need to clarify the property tax relief provisions for low-income individuals, address accessibility standards for multifamily housing under the Fair Housing Act, attract new workers to the construction industry, and help smaller local governments in the development process.¹⁴ **The state can be credited with a number of supportive affordable housing programs,** including the highest ranking in the country for its allocation of private-activity bonds for mortgage revenue bonds and five separate first-time homebuyer assistance programs,¹⁵ but its housing trust fund has yet to be funded and the state allocates virtually no state funds for housing programs.

2. Small Business

Small business is extremely important to the Idaho economy and people. Very small businesses (those with fewer than 10 employees) employ a large percentage of Idaho residents, and the state has one of the highest rates of entrepreneurship in the nation. On the other hand, **small businesses face some difficulty in obtaining financing,** as evidenced by the state's average ranking in the level of private loans provided to this sector and by views expressed in surveys of local small businesses, which listed "access to capital" as their top concern.¹⁶ At the same time, Idaho receives only average grades in the areas of development capacity, business vitality, and overall economic dynamism,¹⁷ and is criticized for its general lack of supportive programs for small business,¹⁸ so additional support would be beneficial. Local sources have highlighted non-financial

¹¹ CDFI Fund, U.S. Department of the Treasury, *Certified CDFI's – Alphabetical by State and County*, November 2004.

¹² CDFI Coalition, *CDFIs in Idaho: 2004 Fact Sheet*, <http://www.cdfi.org/states/Idaho2004.pdf>.

¹³ U.S. Census Bureau, 2003 American Community Survey Data, <http://www.census.gov/acs/www/>.

¹⁴ BBCL Research and Consulting, *Barriers to Housing Affordability in Idaho-Final Report*, July 1999.

¹⁵ CFED, *State Asset Development Report Card (SADRC)*, 2002, pp. 129-133.

¹⁶ Idaho Small Business Development Center

¹⁷ CFED, *2004 Development Report Card for the States*, <http://drc.cfed.org/grades/idaho.html> and Robert Atkinson, Progressive Policy Institute, *The 2002 State New Economy Index*, June 2002.

¹⁸ CFED, *SADRC*, pp. 143-148

areas of need for Idaho's small businesses including overall operational training, basic skills development, and marketing.

3. Poverty and Asset Accumulation

Idaho ranks about in the middle of all the states in terms of its poverty rate, though poverty is especially acute in about a quarter of its counties.¹⁹ The state ranks in the bottom half in terms of the percentage of households with zero or negative net worth, and **it has a very high personal bankruptcy rate**, indicating a high amount of personal financial stress. In terms of asset policies, the state is heavily criticized, especially in the various measures of asset protection policies such as wage protection and health insurance.²⁰ The state currently has only one operating IDA program, although efforts are underway to expand them across the state.

4. Native Americans and Immigrants

Idaho has a relatively small Native American population, though given the state's small size, **it ranks fairly high in terms of the share of total population** represented by this group. Idaho's Native American population has a poverty rate more than double that of the rest of the state. **The state's immigrant population is also quite small**, about half the share nationally, although this population has grown quickly, more than doubling between 1990 and 2000 (a 121.7% increase) compared to only a 57.4% increase nationally during the same period.²¹ These foreign born residents face a high poverty rate that is also double that of the overall state, as well as linguistic and other economic challenges.²²

¹⁹ U.S. Census, Bureau, Census 2000 Data

²⁰ CFED, *SADRC*, pp. 99-119.

²¹ U.S. Census Bureau, Census 2000 Data.

²² *Ibid.*

STATE OF IDAHO
SELECTED COMMUNITY DEVELOPMENT INDICATORS

<i>Affordable Housing</i>	<i>Rate</i>	<i>State Rank</i>
Homeownership Rate ²³	73.0%	15 th
Rental Affordability Rate ²⁴	--	16 th
Severely Cost Burdened Renter Households ²⁵	20.6%	15 th
<hr/>		
<i>Small Business</i>		
Small Business Employment Rate ²⁶	14.6%	5 th
Entrepreneurship Rate ²⁷	15.8%	8 th
Level of Private Loans to Small Businesses ²⁸	--	22 nd
<hr/>		
<i>Poverty and Asset Accumulation</i>		
Poverty Rate ²⁹	11.0%	27 th
Households with Zero Net Worth ³⁰	15.3%	30 th
Personal Bankruptcy Rate ³¹	18.1	41 st
<hr/>		
<i>Native Americans and Immigrants</i>		
Native American Population ³²	1.4%	10 th
Native American Poverty Rate ³³	25.2%	--
Foreign-Born Population ³⁴	5.0%	27 th
Foreign-Born Poverty Rate ³⁵	22.0%	--

²³ U.S. Census Bureau, *U.S. Statistical Abstract 2003*; represents the percentage of housing units that are occupied by owners, ranked from highest percentage (1st)

²⁴ NLIHC; rank is calculated based on a weighted average of the state's median gross rent, renter market affordability ratio, and percent of severely cost-burdened renters, ranked from most affordable (1st)

²⁵ NLIHC; *Up Against a Wall*, November 2004; represents the percentage of renter households in the state spending more than 50% of their income on rent in 2003, ranked from lowest percentage (1st)

²⁶ U.S. Census Bureau, *County Business Patterns 2001*; represents the share of total state employment attributable to firms with fewer than 10 employees, ranked from highest share (1st)

²⁷ CFED, *SADRC*; represents the percentage of the labor force that owns employer and non-employer firms as of 2000, ranked from highest percentage (1st)

²⁸ Ibid; represents the dollar amount of private business loans under \$1 million per worker, ranked from highest amount (1st)

²⁹ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*; represents the average percent of people living below the federal poverty level during the period from 2001 to 2003, ranked from lowest percentage (1st)

³⁰ CFED, *SADRC*; represents the percentage of households with zero or negative net worth, ranked from lowest percentage (1st)

³¹ American Bankruptcy Institute; represents personal bankruptcy filings in 2003 per thousand households in the state, ranked from fewest filings (1st)

³² U.S. Census Bureau, *Census 2000*; represents the percentage of the state's population composed of Native Americans and Alaska Natives (only), ranked from highest percentage (1st)

³³ Ibid; represents the percentage of Native American/Alaska Native (only) individuals living below the federal poverty level at any time in 1999

³⁴ Ibid; represents the percentage of the state's population composed of foreign-born individuals, ranked from highest percentage (1st)

³⁵ Ibid; represents the percentage of foreign-born individuals living below the federal poverty level at any time in 1999.

I. DEMOGRAPHICS

1. Geography

Located inland in the Pacific Northwest below Canada, and surrounded by portions of Washington, Oregon, Nevada, Utah, Wyoming, and Montana, Idaho's geography varies from high desert in the southern region to beautiful forests in the north. Its 80 recognized mountain ranges provide stunning scenery, amplified by several major rivers as well as numerous lakes.³⁶ In total square miles, Idaho is somewhat above average, with its 82,751 square miles **making it the 14th largest state in the U.S. in size**³⁷



Source: Infoplease.com

³⁶ Idaho Commerce & Labor, <http://cl.idaho.gov/portal/DesktopDefault.aspx>.

³⁷ Netstate.com, *The Geography of Idaho*, http://www.netstate.com/states/geography/id_geography.htm

2. Population

Idaho's small 2003 population of only 1,366,332 makes **it the 39th most populated state in the nation.**³⁸ In terms of persons per square mile, Idaho is much less densely populated than the nation as a whole, with a figure of 15.6 compared to 79.6 in the nation.³⁹

The **state's population grew by 5.6% between 2000 and 2003**, which is a higher rate than the nation's 3.3% increase over the same period.⁴⁰ The state **also witnessed extremely strong population growth in the 1990's, with a 28.5% increase** between the 1990 and 2000 Censuses, compared to growth of only 13.1% nationally.⁴¹ Moreover, Boise was the seventh-fastest growing metropolitan area in the country between 1990 and 2000, with a 46.1% increase in population over the decade.⁴²

As the table below shows, much of Idaho's population is concentrated in Ada County, which includes the city of Boise. The county's 2000 population comprised almost a quarter (23.3%) of the state's, and only five of the other 43 counties in the state have a population greater than 50,000. Moreover, growth in the 1990's was concentrated in three of these six large counties: Ada, Canyon, and Kootenai.

1990 and 2000 Population by County

<i>County</i>	<i>1990 Population</i>	<i>2000 Population</i>	<i>% Change</i>
Statewide	1,006,734	1,293,953	29%
Ada	205,775	300,904	46%
Adams	3,254	3,476	7%
Bannock	66,026	75,565	14%
Bear Lake	6,084	6,411	5%
Benewah	7,937	9,171	16%
Bingham	37,583	41,735	11%
Blaine	13,552	18,991	40%
Boise	3,509	6,670	90%
Bonner	26,622	36,835	38%
Bonneville	72,207	82,522	14%
Boundary	8,332	9,871	18%
Butte	2,918	2,899	-1%
Camas	727	991	36%
Canyon	90,076	131,441	46%
Caribou	6,963	7,304	5%
Cassia	19,532	21,416	10%
Clark	762	1,022	34%
Clearwater	8,505	8,930	5%
Custer	4,133	4,342	5%
Elmore	21,205	29,130	37%
Franklin	9,232	11,329	23%
Fremont	10,937	11,819	8%

³⁸ Idaho Department of Labor, *State of Idaho, Urban Counties Profile*, January 2004, p. 1.

³⁹ Ibid.

⁴⁰ U.S. Census Bureau, *Idaho Quickfacts*.

⁴¹ Ibid.

⁴² Infoplease.com, *U.S. Cities*, www.infoplease.com/ipa/A0884487.

Gem	11,844	15,181	28%
Gooding	11,633	14,155	22%
Idaho	13,768	15,511	13%
Jefferson	16,543	19,155	16%
Jerome	15,138	18,342	21%
Kootenai	69,795	108,685	56%
Latah	30,617	34,935	14%
Lemhi	6,899	7,806	13%
Lewis	3,516	3,747	7%
Lincoln	3,308	4,044	22%
Madison	23,674	27,467	16%
Minidoka	19,361	20,174	4%
Nez Perce	33,754	37,410	11%
Oneida	3,492	4,125	18%
Owyhee	8,392	10,644	27%
Payette	16,434	20,578	25%
Power	7,086	7,538	6%
Shoshone	13,931	13,771	-1%
Teton	3,439	5,999	74%
Twin Falls	53,580	64,284	20%
Valley	6,109	7,651	25%
Washington	8,550	9,977	17%

Source: U.S. Census Bureau, Census 2000 Data.

Boise's population of 185,787 makes it overwhelmingly the largest city in the state. The next three largest cities have populations of just over 50,000 (Nampa, Idaho Falls, and Pocatello) and there are only five more cities with populations over 25,000.⁴³

The population in Idaho is also slightly younger than the nation's, with 28.5% of Idaho residents under 18 years old, compared to 25.7% nationally.⁴⁴

3. Metropolitan Statistical Areas

In terms of MSAs, Idaho received four of the 49 new MSAs in the nation in 2000, adding to its existing two MSAs. The two existing MSAs were *Boise City-Nampa*, containing the counties of Ada, Boise, Canyon, Gem and Owyhee, and *Pocatello*, containing the counties of Bannock and Power. The four new MSAs are *Coeur d'Alene*, comprised solely of Kootenai County, *Idaho Falls*, containing the counties of Bonneville and Jefferson, *Lewiston*, comprised of the counties of Nez Perce in Idaho as well as Asotin in Washington, and *Logan*, containing the counties of Franklin in Idaho and Cache in Utah.⁴⁵

4. Race and Ethnicity

As the table below shows, **Idaho's population is primarily White, with 91% of Idaho residents identifying as White (only) on the 2000 Census**, —a significantly larger

⁴³ *Idaho*, <http://www.citypopulation.de/USA-Idaho.html>.

⁴⁴ U.S. Census Bureau, Census 2000 Data.

⁴⁵ U.S. Office of Management and Budget, OMB Designates 49 New Metropolitan Statistical Areas, June 6, 2003; and <http://www.census.gov/po9pulation/estimate/metro-city/0312mfips.txt>

percentage than for the nation (75.1%). In addition, only **7.9% of Idaho's population reported themselves to be of Hispanic or Latino origin** in 2000 (compared to 12.5% in the nation).⁴⁶

Race and Ethnicity in Idaho

<i>Race</i>	<i>Number in Idaho Population</i>	<i>% of Idaho Population</i>	<i>% of U.S. Population</i>
White (only)	1,177,304	91.0%	75.1%
Black/African American (only)	5,456	0.4%	12.3%
Asian (only)	11,889	0.9%	3.6%
American Indian/Native Alaskan (only)	17,645	1.4%	0.9%
Native Hawaiian/Pacific Islander (only)	1,308	0.1%	0.1%
Some other race (only)	54,742	4.2%	5.5%
Two or more races	26,953	2.0%	2.4%
Persons of Hispanic or Latino Origin*	101,690	7.9%	12.5%

Source: U.S. Census Bureau, Census 2000 Data

*Persons of Hispanic or Latino Origin may be of any race

5. Educational Attainment

A high percentage of Idaho's adult population has a high school education (84.7% vs. 80.4% nationally), but **a lower percentage holds a bachelor's degree or higher** (21.7% vs. 24.4% nationally).⁴⁷ Some 11% of Idaho teens (ages 16-19) are "dropouts," defined as not enrolled in school and not high school graduates.⁴⁸

⁴⁶ U.S. Census Bureau, Census 2000 Data.

⁴⁷ Ibid.

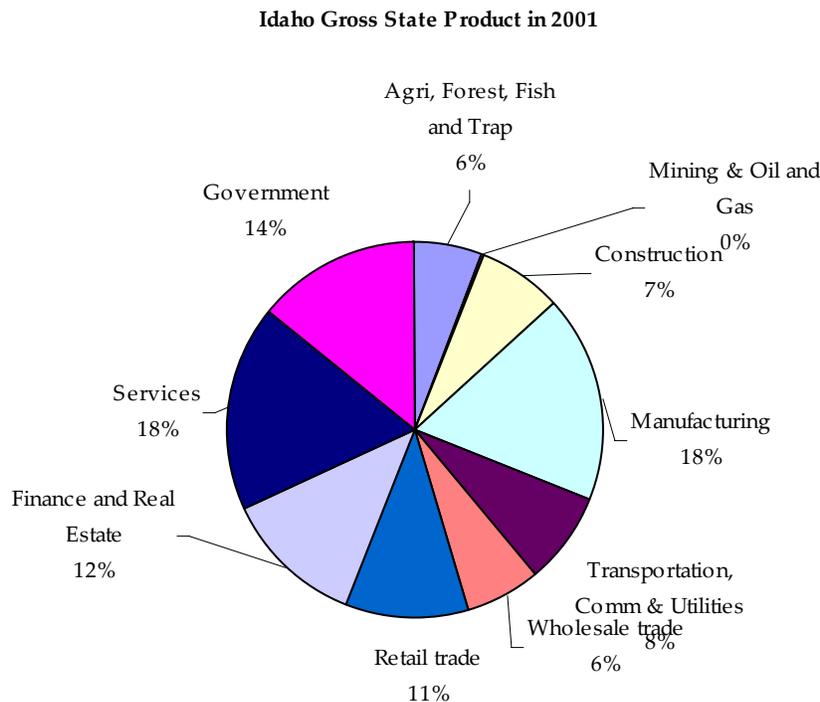
⁴⁸ The Annie E. Casey Foundation, <http://www.aecf.org/>

II. ECONOMY

A. ECONOMIC STRUCTURE

1. Major Industries

Gross state product (GSP) is one of the most-frequently used comprehensive measures of an economy. It is defined as the value added in production by the labor and property located in a state, and is derived as the sum of the GSP originating in all industries in the state. The Bureau of Economic Analysis reports GSP estimates approximately 18 months after the end of each year. Idaho's GSP for 2003, the most recent year available, was \$40.4 billion, ranking the state 43rd in the nation. **The state's per capita GSP** for the same year was \$29,570, 18.7% less than the U.S. average, ranking the state **44th in the U.S.** on that measure.⁴⁹



Like most states, wholesale and retail trade, finance and real estate, and services comprise sizeable shares of the state economy in Idaho. However, in the case of the latter two, they comprise significantly smaller shares of the Idaho economy than in the nation, especially for finance and real estate, which averages 20% in the nation.⁵⁰ Particularly significant is the disproportionately large six percent share for agriculture, forestry and fishing category in Idaho, compared to a one percent average for all states. Building on this distinction, a somewhat different way to categorize Idaho's economy is to divide its

⁴⁹ Bureau of Economic Analysis (BEA), *2003 and 2001 Gross State Product*, <http://www.bea.gov/bea/regional/data.htm>.

⁵⁰ Ibid.

old, resource-based industries, and its new, knowledge-based ones. The **resource-based industries**—primarily timber and wood products, mining and mineral extraction, and agriculture and agricultural-related activities—**have witnessed dramatic change over the past decade, most importantly with the loss of a great many high-paying jobs.**⁵¹ Moreover, these changes **have primarily impacted Idaho’s rural communities**, with 35 of Idaho’s 44 counties currently suffering from either low per capita income or high unemployment. These resource-based industries are discussed separately below, followed by the newer sectors.⁵²

a. Timber and Wood Products

Idaho’s timber industry has witnessed dramatic curtailment, not only resulting in mill closures and employment losses, but also in lower local tax bases.⁵³ The industry’s weak performance, in spite of the housing market boom of the 1990’s, is due to lower demand in export markets, a flood of imported wood products into the U.S. market, and most importantly, the dwindling supply of federal timber. According to the U.S. Department of Agriculture, harvests from national forests in Idaho fell 78% during the 1990’s, and levels are never expected to return to their original point. With additional jobs lost due to greater efficiencies in this sector since 1996, over 3,000 wood and lumber product jobs have disappeared, and another 10% of the 9,000 remaining jobs are expected to be lost by 2007,⁵⁴ though employment in this sector was up slightly in 2004 as the sector benefited from improved demand.⁵⁵

b. Mining and Chemicals

Cutbacks in the mining industry have also caused the closure of facilities, resulted in job losses, and reduced local tax bases.⁵⁶ After peaking at nearly 3,000 jobs in 1997, employment declined to under 1,800 jobs in 2002, with little relief expected. Given expected soft demand in coming years, by 2007, the sector is forecast to employ only 1,432 people.⁵⁷

c. Agriculture and Food Processing

In contrast to the situation with the timber and mining industries, the loss of agricultural-related jobs is primarily the result of consolidation in the industry and greater mechanization. In this case, not only have jobs been lost, but there are now fewer family farms as a result.⁵⁸ For food processing, which had been a cornerstone of the Idaho economy (and the state’s second largest manufacturing employer), the employment

⁵¹ Governor’s Task Force on Rural Development, Idaho Department of Commerce, *Findings and Recommendations*, September 2000, p. 2

⁵² *Ibid.*

⁵³ *Ibid.*

⁵⁴ Division of Financial Management, State of Idaho, *Idaho Economic Forecast*, January 2004, p. 16.

⁵⁵ Economy.com, *Idaho State Profile*, August 2004.

⁵⁶ Governor’s Task Force, p. 2.

⁵⁷ Division of Financial Management, p. 16.

⁵⁸ Governor’s Task Force, p. 2.

situation has been relatively stable through the recent downturn, but the sector is expected to grow slowly going forward. Chief reasons for the expected weak performance are diminishing foreign appetites for processed potatoes, competition from more efficient producers in Canada, and possible concern over a move toward low-carbohydrate diets.

Cattle, dairy products, and potatoes comprised more than two thirds of Idaho's farm receipts in 2002, with cheese an especially important growth area in south central Idaho.⁵⁹ After declining 2% last year, employment in this sector is expected to return to slight growth in 2004, and then exhibit growth of between 1.0% and 1.5% in 2005 and 2006.⁶⁰ Much of Idaho has experienced drought conditions over the past four to six years, and southern Idaho continues to suffer from a very severe drought. Through August 2004, 22 counties had received emergency drought declarations, and the drought has also dried up grasslands and impacted livestock.⁶¹

d. Computer and Electronics Sector

Like a number of other western states, Idaho has benefited from the movement toward a more knowledge-based economy. This relatively new computer and electronics sector is not dependent on specific locations, but is dependent on "new communications technology connectivity."⁶² Unfortunately, Idaho's computer and electronics sector is three years into a down cycle and has yet to show signs of recovery. The sector was boosted by a 40% increase in investment in computer equipment from 1995 through 1999, but suffered heavily in the bursting of the high-tech bubble in the beginning of this decade.

Layoffs came at a number of firms, including Jabil Circuit, MPC (formerly micronpc), SCP Global Technologies, Micron MCMS, AMI, and Hewlett-Packard. Employment growth in the sector slowed from 5.7% in 2000 to 1.0% in 2001, and then turned to a decline of 8.8% in 2002. Four of the seven Idaho companies that laid off at least 100 people in 2002 were high-tech firms.⁶³ However, Micron Technology, Idaho's largest private sector employer, experienced a 10% layoff during the winter of 2003, but has returned to its former employment level by the end of 2004.⁶⁴ According to the Governor's Task Force on Rural Development, the key to fostering such an industry is in enhancing the state's telecommunications infrastructure and improving education at all levels.⁶⁵ Others note that venture capital, which has been increasingly hard to find, is crucial to driving growth in this sector.⁶⁶ More recently, the sector has again been gradually increasing in importance, with high-tech exports increasing by 23% in 2004, and now accounting for over 70% of total exports.⁶⁷

⁵⁹ FDIC, *Idaho State Profile*, Fall 2004.

⁶⁰ Division of Financial Management, p. 19.

⁶¹ FDIC, *Idaho State Profile*, Fall 2004.

⁶² Governor's Task Force, p. 2.

⁶³ Division of Financial Management, p. 15.

⁶⁴ Information provided by Alan Porter, Idaho Department of Commerce and Labor, December 2004.

⁶⁵ Division of Financial Management, pp.4-5.

⁶⁶ Economy.com, *Idaho State Profile*, December 2003.

⁶⁷ Economy.com, *Idaho State Profile*, August 2004.

e. **Nongoods-Producing Industries**

The nongoods sector is the largest employer, providing over 80% of all nonfarm jobs in Idaho, and dominated by services and trade, which account for three-quarters of employment in this sector. Moreover, this sector is expected to account for all new employment for the next several years.

2. **Labor Force and Employment**

As of 2000, Idaho had 641,088 residents in its labor force, with more than 99% of those in the civilian labor force and the remainder in the armed services. Men outnumber women in Idaho's labor force, accounting for 55% of all workers. Median earnings in 1999 for male full-time, year-round workers were \$32,603 and for female full-time, year-round workers, \$22,939.⁶⁸

As shown below, the employment breakdown by industry in Idaho generally mirrors that of the nation, with a couple of exceptions. Most notable is the large government sector, which provides almost a fifth of the jobs (19.7%) in Idaho, compared to 16.6% in the nation. Conversely, the category of education and health services comprises only 10.9% of total jobs in Idaho compared to 12.8% in the nation. Idaho's largest employers include Albertson's, Inc., Bechtel BWXT Idaho, Micron Technology, Inc., and Mountain Home Air Force Base, all of which employ more than 5,000 people.⁶⁹

Industry Employment (% of total employment, 2003)

<i>Sector</i>	<i>% of ID Employment</i>	<i>% of US Employment</i>
Construction	6.4%	5.2%
Manufacturing	10.8%	11.2%
Transport/Utilities	3.3%	3.7%
Wholesale Trade	4.3%	4.3%
Retail Trade	12.7%	11.5%
Information	1.6%	2.5%
Financial Activities	4.7%	6.1%
Professional & Business Services	12.3%	12.3%
Education & Health Services	10.9%	12.8%
Leisure & Hospitality Services	9.5%	9.3%
Other Services	3.2%	4.2%
Government	19.7%	16.6%

Source: Economy.com, *Idaho State Profile*, August 2004.

B. **ECONOMIC PERFORMANCE**

1. **Historic Economic Performance**

As stated in the previous chapter, Idaho's population growth in the 1990's was nearly double the nation's. However, there was a dramatic difference between rural and urban

⁶⁸ U.S. Census Bureau, Census 2000 Data.

⁶⁹ Economy.com, *Idaho State Profile*, December 2003.

Idaho, as the eight urban counties saw population growth of 31% between 1992 and 2002, while the 35 rural counties had population growth of only 15%. Moreover, the urban counties have consistently had lower unemployment rates than the state over the past decade, while the rural counties have consistently had unemployment rates higher than the state or nation over the same 10 year period. In 2002, **there were five rural counties with double digit unemployment** (Adams, Benewah, Clearwater, Shoshone and Washington), signifying great economic stress.⁷⁰ In contrast, the Boise City, ID, MSA was ranked 13th best in the Milken Institute's ranking of the "best performing cities," which ranks U.S. metro areas based on their ability to create and sustain jobs.⁷¹

Overall, between 1998 and 2000, the state witnessed strong growth of between 6% and 11% in GSP and consistent growth in personal income, averaging increased of over 7% per year for those three years. The high-tech manufacturing industry was directly responsible for this performance, but oversupply and low prices led to a contraction in GSP and an increase in unemployment in 2001.⁷²

2. Recent Economic Performance

Total nonfarm employment in Idaho fell on a quarterly basis in late 2001 and early 2002, as it did the nation.⁷³ The Idaho economy began to pick up in tandem with the U.S. recovery in late 2003. Employment levels in the state began increasing in 2002, but 2003 was the first year to post a year-over-year gain, with the annual increase estimated at 1%.⁷⁴ In the first quarter of 2004, nonfarm employment grew 1.4% year-over-year, outpacing the national rate. Within this positive performance, however, manufacturing employment fell 4%, mostly driven by job losses in the wood products sector, as strong demand for lumber was insufficient to offset improvements in sawmill efficiency.⁷⁵ In the second quarter of 2004, the state added 12,400 jobs year-over-year, with Boise accounting for two thirds of that gain. This increase was led by improvements in professional and business services, government, and the construction sector.⁷⁶

3. Economic Outlook

Nonfarm employment in Idaho is expected to gradually increase as the U.S. economy accelerates, with forecast of job growth of 1.5% in 2004, and 1.7% annually in 2005 and 2006. Nevertheless, these increases are below the average job growth seen during the state's long expansion, partly due to the expectation of continued declines in the goods-

⁷⁰ Janell Hyer, Idaho Department of Labor, *Urban Counties Profile and Rural Counties Profile*, January 2004, p. 1 (for both).

⁷¹ Ross DeVol and Lorna Wallace, Milken Institute, *Best Performing Cities: Where America's Jobs are Created and Sustained*, November 2004, p. 2.

⁷² Ibid.

⁷³ Division of Financial Management, p. 50.

⁷⁴ Ibid, p.37.

⁷⁵ FDIC, *Idaho State Profile*, Fall 2004.

⁷⁶ Ibid.

producing sector over the next few years.⁷⁷ This job growth should underpin strong growth in personal income of over 4% in 2004 and about 3% in 2005 and 2006.⁷⁸

Long term, Idaho's economy is supported by low business costs, with the state ranked at 14th in the nation for its low costs. In particular, the availability of cheap and ample hydropower keeps energy costs at less than two-thirds of the national average. While growth is not expected to return to its late-1990's levels in Idaho, the state's economy is nevertheless expected to continue to outperform the nation.⁷⁹

⁷⁷ FDIC, *Idaho State Profile*, Summer 2004

⁷⁸ Division of Financial Management, p. 33

⁷⁹ Economy.com, *Idaho State Profile*, December 2003.

III. STATE AND LOCAL GOVERNMENT

A. STRUCTURE

1. State and Local Governments

As of June 2002, Idaho had 1,158 active local governments, ranking it 27th among all the states, fairly high given its population ranking of only 39th in the nation. Idaho's relatively large number of local governments stems in part from a large number of counties in the state (44 in total), each of which is governed by a board of county commissioners. Idaho also has 200 municipal governments, all designated as cities. Finally, Idaho statutes authorize the creation of special districts or authorities, and there are 798 of these in the state, including such entities as housing authorities and water and sewer districts.⁸⁰

2. Educational System

There are 116 school districts in Idaho.⁸¹ Additionally, there are 18 charter schools in Idaho, which combined serve 5,944 students.⁸²

Idaho has three state universities and four state colleges. The three universities—each with enrollments of over 10,000—are Idaho State, Boise State, and the University of Idaho.⁸³ The four state colleges are the College of Southern Idaho, Eastern Idaho Technical College, Lewis-Clark State College, and North Idaho College. There are only a few private universities and colleges in the state, including Northwest Nazarene University, Albertson College of Idaho, and Brigham Young University-Idaho.⁸⁴

B. GOVERNMENT FINANCES

Idaho enjoys a reasonably strong credit rating of Aa3 from Moody's, based upon strong fund balances, and supported by a budget stabilization fund.⁸⁵ Idaho's current budget position is solid, though there are concerns about FY 2007. Specifically, revenues are currently beating forecasts, and the FY 2006 budget (ending in June 2006) should result in a surplus of \$114 million compared to the budgeted \$54 million. However, a provision adding an extra one cent in the state sales tax sunsets in July 2005, and there are concerns that revenues will not increase the forecasted 6%.⁸⁶

⁸⁰ U.S. Census Bureau, 2002 Census of Governments, *Preliminary Profile of Idaho*, <http://ftp2.census.gov/govs/cog/gc0212id.pdf>.

⁸¹ *Ibid.*

⁸² U.S. Charter Schools, *State by State Numbers*, <http://www.uscharterschools.org/cs/sp/query/q/1595>.

⁸³ Educational On-Line, *Idaho Colleges & Universities*, <http://www.edonline.com/collegecompass/id.htm>.

⁸⁴ Idaho.gov, *Education Colleges & Universities*, <http://www.accessidaho.org/education/suniv.html>.

⁸⁵ <http://www.roncrane.com/documents/Moodysrating.pdf>.

⁸⁶ Sean Ellis, Idaho State Journal, *Economy Boosts State Budget Outlook*, December 3, 2004.

C. MAJOR GOVERNMENT AGENCIES INVOLVED IN COMMUNITY DEVELOPMENT

Several different divisions within the **Idaho Department of Commerce and Labor (IDCL)** work on community and economic development issues. **The Division of Rural and Community Development** has two separate sections within it: the **Rural Development Division**, which administers grants and technical assistance to communities, and the **Community Development Division**, which manages the state's Community Development Block Grant Program. Another part of the IDCL, the **Division of Economic Development**, also manages programs and services to support Idaho businesses and communities, including the **Business Development Section**, which serves as facilitators and project coordinators to expand and recruit businesses and help communities increase their business development capacity. The Department also oversees separate Economic Development Corporations in a number of regions in the state. The state also operates a **Community Action Program**, which is supported by several regional agencies that provide a variety of programs and services to elderly and low-income people.⁸⁷

In the area of housing and community development, **the Idaho Housing and Finance Association (HFA)** is a private, not-for-profit financial services and housing organization that provides below-market mortgage loans to first-time homebuyers. The organization uses no state funds or state employees to support its operations. Through its **Community Housing Services Division**, it also administers the various federally-funded housing programs, including Section 8 Rental Assistance and HOME. However, as noted above, the IDCL administers the Community Development Block Grant program.⁸⁸

For rural issues, the **Idaho Rural Partnership** seeks to expand access to markets for rural areas and serves as a “one stop shop” for information on rural resources. The Idaho Rural Partnership, the Association of Idaho Cities, and the Department of Commerce and Labor also conduct periodic “Community Reviews.” **The Rural Community Assistance Corporation** also provides a wide range of housing and community development services including housing, water resources, and capacity building.⁸⁹

⁸⁷Idaho Rural Partnership, Idaho Works, Job Service, and SBA, *2001-2002 Idaho Small Business and Community Development Resource Directory*, May 2001.

⁸⁸ Ibid.

⁸⁹ Ibid.

IV. NONPROFITS AND FINANCIAL INSTITUTIONS IN IDAHO

A. NONPROFITS IN IDAHO

Idaho had roughly 3,500 active 501(c)3 organizations as of 1999.⁹⁰ Utilizing focus groups in 2004, the Idaho Nonprofit Development Center found that **one of the greatest needs of nonprofits in Idaho is management training** to respond to the greater demand for nonprofits to operate in a more efficient and business-like manner. Moreover, in addition to staff development, the groups indicated a need to train volunteers in effective board management.⁹¹ More generally, some observers in the state assert that much of the community development work in Idaho results solely from the efforts of nonprofits, utilizing funding from bank and other non-governmental sources.

B. FINANCIAL INSTITUTIONS

CFED's data on bank access is strangely mixed. On the one hand, Idaho **ranks third** in the nation in **the percentage of households with checking accounts**, but on the other hand, **ranks 49th in the percentage of households with savings accounts.**⁹²

As of June 2004, the state was served by 34 FDIC-insured banks and thrifts, which together held \$13.8 billion in deposits in the state. Some 45% of the deposits were controlled by just two institutions: Wells Fargo and U.S. Bank.⁹³

Of these 34 institutions, 18 were headquartered in Idaho, roughly the same amount as in the state four years ago. Their combined assets total \$4.9 billion, which is an 82% increase since 2000.⁹⁴ These institutions are relatively young, with almost 40% having been in operation less than nine years.⁹⁵ The majority (13 of the 18) are state banks that are not members of the Federal Reserve System.⁹⁶ Idaho's annualized Commercial and Industrial loan growth rose to 15% through mid-2004, driven by the pick-up in business formation in 2003.⁹⁷

There are also **69 credit unions active in Idaho, which together control a third of the combined credit union/bank assets in the state, more than five times the market share of all U.S. credit unions** (6.5% of total bank/credit union assets).⁹⁸

C. CDFIs

⁹⁰ http://nccs2.urban.org/stcover/1999/99_IDc3.pdf

⁹¹ Idaho Nonprofit Development Center, www.idahononprofits.org.

⁹² CFED, *State Asset Development Report Card (SADRC)*, 2002, pp. 114 & 115.

⁹³ FDIC, *Deposit Market Share Report: Idaho*, June 2004.

⁹⁴ FDIC, *Idaho State Profile*, Fall 2004

⁹⁵ FDIC, *Idaho State Profile*, Spring 2004

⁹⁶ FDIC, *Idaho State Profile*, Fall 2004

⁹⁷ Ibid.

⁹⁸ U.S. Census Bureau, 2002 Census of Governments, *Preliminary Profile of Idaho*.

Idaho has five organizations that have been certified by the Community Development Financial Institutions (CDFI) Fund as of November 2004. To achieve certification, an entity must have a primary mission of promoting community development, must principally serve and maintain accountability to an eligible target market, be a financing entity, provide development services, and not be either a government entity or controlled by a government entity.⁹⁹ CDFIs in Idaho serve primarily low-income and minority individuals, and provide much-needed funding to rural areas. At the end of FY 2002, CDFIs in Idaho had over \$3.2 million in financing outstanding to their customers, with 80% of funding directed to rural areas, and more than 80% of funding supporting businesses.¹⁰⁰

Idaho's **five CDFIs** are, in Boise, **Neighborhood Housing Services Lending, Inc.**, the **Rural Collaborative**, and the **Rural Community Assistance Corporation**, and in Pocatello, **Idaho-Nevada Community Development Financial Institution**, and **Pocatello Neighborhood Housing Services, Inc.**

Certification as a CDFI also enables entities to apply for various awards from the CDFI Fund. Recent awardees in Idaho include the following:¹⁰¹

- **Neighborhood Housing Services, Inc.** received a \$720,000 Core award in 1998 to help NHS expand its homeownership support services statewide and also underwrite a new second mortgage program.
- **Pocatello Neighborhood Housing Services, Inc.** received a \$200,000 SECA award in 2001 to capitalize its revolving loan fund in order to increase its provision of home purchase and rehabilitation loans, and to provide technical assistance for a variety of strategic, analytic, and training projects.
- The **Idaho-Nevada Community Financial Institution, Inc.** received a \$178,500 SECA award in 2002 to help capitalize its loan fund, which was started in 2000 and which targets rural investment areas in both Idaho and Nevada.

⁹⁹ CDFI Fund, U.S. Department of the Treasury, *Certified CDFI's – Alphabetical by State and County*, November 2004.

¹⁰⁰ CDFI Coalition, *CDFIs in Idaho: 2004 Fact Sheet*, <http://www.cdfi.org/states/Idaho2004.pdf>.

¹⁰¹ CDFI Fund, U.S. Department of the Treasury, *Certified CDFI's – Alphabetical by State and County*, November 2004.

V. AFFORDABLE HOUSING

Like virtually every state in the nation, Idaho faces a shortage of affordable housing, although the issue appears less severe in the state than elsewhere. On the rental side, **Idaho ranks highly at 16th in the nation in the affordability of its rental housing**, though more than one fifth of all of renters spends 50% or more of their income on rent. In homeownership, **Idaho also ranks highly, with its 73% homeownership rate ranking it 15th best in the nation.** In addition, the state is credited with a number of supportive housing programs, especially for first-time homebuyers, and is trying to address identified barriers to the creation of affordable housing, but its housing trust fund has yet to be funded and the state allocates virtually no state funds for housing programs.

A. AFFORDABLE HOUSING NEEDS

1. Overall Housing Market

As of 2003, Idaho had a total of 564,000 housing units, of which 10.9% were vacant. **The vast majority—almost three quarters of this housing stock (74%)—were in single-unit structures**, although 14% were in multi-unit buildings, and a fairly large share (12%, vs. 7% nationwide) were in mobile homes. Of the total housing stock, a large percentage (29%) was built since 1990.¹⁰²

Of the 503,000 occupied housing units, 74% were owner-occupied and 26% were renter occupied. The median monthly housing costs for mortgaged owners was \$917, for nonmortgaged owners was \$258, and for renters \$565. Finally, 9% of owners without mortgages, 26% of owners with mortgages, and **46% of renters spent 30% or more of their household income on housing.**¹⁰³

On the homeownership side, the gap between incomes and home prices increased significantly between 1990 and 2000, with median home prices rising 38.6% (to \$109,328 in 2000) and incomes rising only 7.1% over the same period.¹⁰⁴ More recently, the **median value for owner-occupied homes increased to \$118,174 in 2003.**¹⁰⁵ Home sales were strong in Idaho in the first half of 2004, with existing home sales in the Boise MSA rising 14% year-over-year and the median sales price increasing by 9% to \$140,750.¹⁰⁶

2. National Low Income Housing Coalition's Analyses of Rental Housing Affordability

The National Low Income Housing Coalition (NLIHC) has for several years produced a report analyzing the country's wage-rent disparity. Specifically, the NLIHC calculates

¹⁰² U.S. Census Bureau, 2003 American Community Survey Data.

¹⁰³ Ibid.

¹⁰⁴ Data supplied by Erik Kingston, Idaho Housing and Finance Association, December 2004.

¹⁰⁵ U.S. Census Bureau, 2003 American Community Survey Data.

¹⁰⁶ U.S. Department of Housing and Urban Development, Office of Policy Development and Research, *U.S. Housing Market Conditions, 2nd Quarter 2004*, August 2004

the amount of money a household must earn in order to afford a rental unit of a range of sizes at the area's Fair Market Rent (FMR), based on the generally-accepted limit of paying no more than 30% of income for housing costs. The required income is then compared to the Area Median Income (AMI), the minimum wage, and the incomes of extremely low income households (less than 30% of AMI).¹⁰⁷

In Idaho, the **“housing wage” is \$11.20**, which is **the amount a full time** (40 hours per week) **worker must earn in order to afford a two-bedroom unit at the area's FMR**. This is **more than double the state's minimum wage** of \$5.15 per hour. Put differently, based on the FMR, a minimum wage worker must work 87 hours per week in order to afford a two-bedroom unit in Idaho.¹⁰⁸ Comparing the FMR to wages in Idaho, an estimated **41% of renters were unable to afford the 2 bedroom FMR in 2003**. Moreover, while this statistic was the same in the Boise City MSA, it rises to 48% of the renters in the Pocatello MSA. By county, Bonner and Butte Counties stand out as especially unaffordable, with wage-FMR gaps of 50% and 57%, respectively.¹⁰⁹

In addition, in 2004, the NLIHC released a report entitled *Up Against a Wall: Housing Affordability for Renters*, analyzing rental-housing related data from the 2003 American Community Survey. Using an index that takes into account the state's median gross rent, a ratio of rental costs to incomes, and the percentage of renter households in the state spending more than 50% of income on rent, **the NLIHC ranked Idaho fairly high, at 16th best in the nation, in terms of the affordability of its rental housing**. Looking at the individual measures, Nevada's median gross rent in 2003 was \$565, ranking the state as the 19th-least expensive state, but its renter affordability ratio rank was the 24th-least affordable. And, although more than one fifth of renters in the state spend more than 50% of their income on rent, that statistic still ranks the state 15th best in the country on that measure.¹¹⁰

3. Homeownership Statistics

Idaho **ranks very highly, at 15th in the nation, on its rate of homeownership**, with **73.0%** of Idaho households owning their own homes.¹¹¹ This is also an increase of 0.6 percentage points since 2000, when the homeownership rate was 72.4%.¹¹² The median value of homes in Idaho places the state slightly above the middle of the nation. In breaking down homeownership rates by different groups, CFED **ranks the state only 32nd in homeownership by race**, indicating a greater discrepancy in homeownership rates between White-headed and non-White-headed households than in many other states. However, Idaho **ranks 18th in homeownership by income**, indicating a smaller difference in homeownership rates between high-income and low-income households than in many other states, and **ranks third in homeownership by gender**, which puts

¹⁰⁷ National Low Income Housing Coalition (NLIHC), *Out of Reach 2004*, 2004, <http://nlihc.org/oor2004/>.

¹⁰⁸ Ibid.

¹⁰⁹ NLIHC, *Out of Reach 2003*, 2003, <http://nlihc.org/oor2002/>.

¹¹⁰ NLIHC, *Up Against A Wall: Housing Affordability for Renters*, Ranking Tables, 2003 ACS Renter Affordability Measures, November 2004, <http://nlihc.org/pubs/uaw04/newrankingtables.pdf>.

¹¹¹ U.S. Census Bureau, *Statistical Abstract of the United States: 2003*.

¹¹² U.S. Census Bureau, Census 2000 Data.

Idaho near the top in the nation in homeownership equality between male-headed and female-headed households.¹¹³

4. State Five Year Plan

In the state's *Five-Year Strategic Plan for Housing and Community Development, 2000-2004*, officials estimated that the state would need 839 new units each year for households below 30% of Area Median Income (AMI), with most of the residents falling into this category requiring ongoing rental assistance and very few able to purchase a home, and 775 units each year for households with incomes between 30% and 50% of AMI through a combination of rental assistance and actual production of affordable units. The state estimated that some in this latter category might also succeed in purchasing a low-cost home. The combination of the two categories conservatively yielded an estimated need for 1,614 new affordable units each year over the period just to keep pace with the growing needs for these very low-income categories. Added to this need were the 26,592 households above 50% of AMI who experienced housing problems identified in the 1990 Census.¹¹⁴

5. Barriers to Housing Affordability in Idaho

Following from the recommendations of a 1997 Governor's Affordable Housing Advisory Task Force, in 1999, the Idaho Housing and Finance Association (IHFA) and the Idaho Department of Commerce commissioned a study to identify the regulatory and procedural barriers to affordable housing in the state. The conclusions of the study were that:

- confusion about property tax relief for low-income individuals needed to be clarified, and the law itself might benefit from changes;
- accessibility standards for multifamily housing under the Fair Housing Act are a significant concern;
- skilled construction labor is becoming scarce in the state and an education campaign to attract new workers is needed;
- some smaller local governments in the state lack the experience, capacity, or willingness to deal with the various zoning and planning issues involved in affordable housing;
- neighborhood opposition to affordable housing slows down the process;
- zoning impediments such as exclusionary zoning needed to be addressed; and
- the regulatory process for residential development needed to be streamlined.¹¹⁵

¹¹³ CFED, *SADRC*, pp. 95-97

¹¹⁴ Idaho Housing and Finance Association (IHFA), *State of Idaho Five-Year Strategic Plan for Housing and Community Development, 2000-2004*, 2000, p. 13.

¹¹⁵ BBC Research and Consulting, *Barriers to Housing Affordability in Idaho*, Final Report, July 1999.

B. AFFORDABLE HOUSING RESOURCES

1. CFED's Affordable Homeownership Program Rankings

In terms of affordable homeownership policies, CFED gives credit to Idaho in a number of areas. First, Idaho **ranks highest** in the country **in its allocation of private-activity bonds for mortgage revenue bonds**. Idaho has no housing trust fund, but it does have **five separate first-time homebuyer assistance programs**. Finally, Idaho is also credited with having a property tax circuit breaker program for elderly homeowners.¹¹⁶

2. Affordable Housing Programs Using Federal Funds

In its Five-Year Strategic Plan, IHFA listed eight broad housing strategies for implementation, as follows:

- increase the supply of affordable housing for low- and very low-income Idahoans in areas of demonstrated need;
- preserve the supply of existing affordable rental housing;
- preserve and expand the affordability of homeownership;
- promote independent housing options for the special needs population;
- expand the Continuum of Care for the homeless;
- cultivate efforts to promote and enhance general housing affordability and quality;
- enhance the state's public housing programs; and
- minimize the health risks from lead-based paint.¹¹⁷

In its most recent annual action plan, IHFA details the allocation and use of its HOME, ESG, and CDBG funds. **The expected HOME allocation for 2004 is \$6.8 million**, which includes \$500,000 in American Dream Downpayment Initiative (ADDI) funds. The state does not provide any matching funds for the HOME program, but IHFA plans to leverage another \$1.4 million in match contributions from sources including Mortgage Revenue Bond funds for down payment assistance and Affordable Housing Program grants from the Federal Home Loan Bank System, as well as various donations and sweat equity. The HOME funds are **to be used for new construction and rehabilitation and other related uses, with an expected 588 units covered** by the assistance.¹¹⁸

The 2004 ESG award is \$503,919 and it, too, is expected to be matched by outside contributions, although no state funds will be used for the match. **Section 8 Rental Assistance** is administered by both IHFA and the state's 11 local public housing authorities.

Additional programs, such as the **Rural Development** housing programs administered by the **U.S. Department of Agriculture**, also provide assistance for affordable housing in the state.

¹¹⁶CFED, *SADRC*, pp. 129-133.

¹¹⁷ IHFA, pp. 94-95.

¹¹⁸ IHFA, *State of Idaho, 2004 Annual Action Plan*, May 2004, pp. 9 & 25.

Finally, Idaho's **federal Low-Income Housing Tax Credit Program** is also **administered by IHFA**, which coordinates its funding decisions with the HOME program, allowing developers to fill out one application for both types of funding.¹¹⁹ The 2004 allocation totaled \$2.4 million.¹²⁰ IHFA also houses and runs the **Housing Information Resource Center**.

3. Other Sources

To augment the direct financing provided to affordable housing projects by financial institutions in Idaho, the **Idaho Community Reinvestment Corporation (ICRC)** was formed in 1993 by ten Idaho financial institutions **to provide permanent financing for the development and acquisition of affordable rental housing** in the state. ICRC currently has 13 members and a \$35 million revolving loan pool, and works in partnership with the Idaho Housing and Finance Association, which underwrites the loan proposals as agent for the ICRC.¹²¹

The **Federal Home Loan Bank of Seattle (FHLB)** also contributes to affordable housing in Idaho through several programs, including its **Challenge Fund, Community Investment Program (CIP), Affordable Housing Program (AHP), and Home\$tart Program**. The programs are described in more detail below, and information about recent grant awardees is available on the Seattle Bank's website at <http://www.fhlbsea.com/FHLBSEA/main/communityinvestment3>.¹²²

The Challenge Fund is a recoverable grant program that provides seed money of up to \$20,000 per project. Through it, the FHLB encourages the creation of affordable housing in geographic areas where there is a lack of development capacity. FHLB awards grants to member financial institutions that typically combine them with their own financial or in-kind contributions before passing them to the sponsor developer.¹²³

Through the CIP, members can apply for advances (loans) to support affordable housing initiatives. This loan program is unique in that financial institution members can apply for advances that the Seattle Bank extends at 10 basis points below regular price, for terms from 5 - 30 years. Rate locks are also available for periods up to 24 months. These loans are especially effective when they support housing and commercial development in distressed or rural areas where financial resources are scarce.¹²⁴

The AHP offers grants to member financial institutions and their community sponsors to stimulate affordable rental and homeownership opportunities for low-income households.

¹¹⁹ IHFA, *Five-Year Strategic Plan*, pp. 117 & 120.

¹²⁰ *Tax Credits & Tax-Exempt Bonds: State by State Preview*, Affordable Housing Finance, December 2004.

¹²¹ IHFA, <http://www.ihfa.org/default.asp>.

¹²² The Federal Home Loan Bank of Seattle, *Community Investment*, <http://www.fhlbsea.com/FHLBSEA/main/communityinvestment3/>.

¹²³ Ibid.

¹²⁴ Ibid.

AHP grants have been used in a variety of ways, including to: lower the interest rate on a loan, reduce mortgage principal, fund rehabilitation and new construction, and cover down payment and closing costs. AHP is funded with 10% of the Federal Home Loan Bank of Seattle's net income each year. On average, the Seattle Bank supports about 60 projects each year and awards roughly \$7,000 for each unit developed.¹²⁵

The Home\$tart program provides first-time homebuyers with downpayment assistance and closing costs by matching their financial contributions with \$3 for every \$1 up to \$5,000. Households receiving public housing assistance qualify for a match of \$2 for every \$1 up to \$10,000. Funds for Home\$tart are available on a first-come, first-served basis, starting April 1. Approximately \$5.5 million was available to support homebuyers in Federal Home Loan Bank of Seattle's region in 2004.¹²⁶

¹²⁵ Ibid.

¹²⁶ Ibid.

VI. SMALL BUSINESS

Small business is extremely important to the Idaho economy and its people. Very small businesses (defined as those employing fewer than ten employees) comprise an outsized share of the state's employment base, **employing 15% of all workers in the state, compared to about 11% nationally**. Similarly, the **state's entrepreneurship rate is the eighth highest (best) in the country**, with almost 16% of the state's labor force owning their own business. However, **the state is ranked lower, at 22nd in the nation, in the level of private loans to small business**, and surveys have shown this to be a major concern for local small businesses. The state also receives only **average to below-average grades on various measures of business capacity and competitiveness**, and is **criticized for its general lack of supportive programs for small business**, so additional attention to this important sector would be beneficial.

A. SMALL BUSINESS NEEDS

1. General Background

In Idaho, 76.7% of all firms had fewer than ten employees, and **these small businesses employed 14.6%% of all workers in the state**. This **indicates a much greater importance of small businesses to employment in Idaho versus the nation**, where the comparable contribution of jobs equals only 10.7%, **and ranks the state fifth highest of all the states on this measure**.¹²⁷ Overall in the state, business bankruptcies declined for the second year in a row in 2003, falling by 13.5% from 260 in 2002 to 225 in 2003.¹²⁸

Overall, Idaho started 2003 with 40,633 employer firms, but had a very high rate of firm terminations during the year (16.6%), the fourth highest rate in the nation, but also had a high rate of firm formations (14.8%), the 16th highest rate in the nation, yielding a year end net total of employer firms of 41,539.¹²⁹ As of 2003, Idaho also had 69,000 self-employed individuals, which is a 2.7% increase over 2002.¹³⁰

2. CFED's Small Business Data from their Asset Development Report Card

Ranked eighth in the country, Idaho enjoys a very high rating for its **entrepreneurship rate, with 15.8% of the labor force owning their own business**. Breaking the business ownership data down by race and gender, the state's record is more mixed. Idaho ranked among the top half of states, **at 17th**, in its **minority entrepreneurship rate**, and ranked just a bit lower, **at 20th**, its **women's business ownership rate**. However, when the relative size of minority- and women-owned businesses is examined, Idaho ranks lower. For minority-owned businesses, Idaho ranks 23rd in average sales and receipts. And for

¹²⁷ U.S. Census Bureau, *Statistics of U.S. Businesses*, 2000.

¹²⁸ SBA, *Small Business Economic Indicators for 2003*, August 2004, <http://www.sba.gov/advo/stats/sbei03.pdf>.

¹²⁹ *Ibid.*, pp. 15 & 17.

¹³⁰ *Ibid.*, p. 16.

women-owned businesses, Idaho ranks near the bottom, at 46th, indicating a very small size for these firms in the state.¹³¹

The state is also ranked roughly in the middle, **at 22nd**, for its level of **private loans to small businesses. This ranking**, when compared to the state's high small business ownership rate, indicates **some possible difficulties for small business in access to credit.**¹³²

3. CFED's Data from the 2004 Development Report Card for the States

CFED's other report that ranks the 50 states, the *2004 Development Report Card for the States*, examines each state's Performance, Business Vitality, and Development Capacity. While not explicitly focused on small business, this report does provide insight into the health and vitality of the overall business sector in the state. In the 2004 report, Idaho showed marked improvement over previous years, **receiving a grade of "B" in Performance, and grades of "C" in Business Vitality and Development Capacity.** The high grade in Performance was supported by strong Quality of Life indicators, but was held down primarily by low rankings in the Earnings and Job Quality category (e.g., pay levels). The Business Vitality grade was supported by strong showings in Entrepreneurial Energy, but held down by Competitiveness of Existing Businesses (e.g., business closings) and the Development Capacity grade was supported by strong marks in Amenity Resources (e.g., energy costs) and Natural Capital, and held down by poor showings in Human Resources (e.g., education levels) and Financial Resources (e.g., SBIC financing).¹³³

4. Progressive Policy Institute's 2002 State New Economy Index

Another report, the *2002 State New Economy Index* released by the Progressive Policy Institute, attempts to use a relatively new set of economic indicators to measure the transformation of a state from a traditional manufacturing economy to a newly emerging economy based on ideas, innovation and technology. The index is composed of 17 economic indicators summarized under five primary categories: Knowledge Jobs, Globalization, Economic Dynamism and Competition, the Transformation to a Digital Economy, and Technological Innovation Capacity. In the Progressive Policy Institute's index, **Idaho fares slightly better than average, with a ranking of 20th**, a slight improvement over its 1999 ranking of 23rd.¹³⁴

¹³¹ CFED, *SADRC*, pp.107-112

¹³² *Ibid.* p. 108

¹³³ CFED, *2004 Development Report Card for the States*, <http://drc.cfed.org/grades/idaho.html>.

¹³⁴ Robert Atkinson, Progressive Policy Institute, *The 2002 State New Economy Index*, June 2002, <http://www.neweconomyindex.org/states/2002/>.

5. Small Business Survival Index

Each year, the Small Business & Entrepreneurship Council publishes its *Small Business Survival Index*, which ranks each state on its policy environment for entrepreneurship. In the most recent report, released in October 2004, **Idaho ranked right in the middle among the states at 25th, meaning it was judged to have the 25th most entrepreneur-friendly policy environment.** On individual categories provided in the appendices to the report, Idaho's rankings were as follows:¹³⁵

- Top personal income tax rate: 10th highest (worst)
- Top capital gains tax rate: 14th lowest (best)
- Top corporate income tax rate: 21st highest (worst)
- Property tax as a share of personal income: 20th lowest (best)
- Sales, gross receipts, and excise tax: 11th lowest (best)
- Adjusted unemployment tax rate: 4th highest (worst)
- Per capita health care spending: 2nd lowest (best)
- Electric utility costs: 3rd lowest (best)
- Workers compensation premiums: 26th lowest (best)
- Crime rate: 14th lowest (best)
- Number of state and local government employees: 16th highest (worst)
- State gas tax: 10th highest (worst)

6. SBDC's Small Business Needs Survey

The Small Business Development Center surveys the needs of roughly 170 of its small business clients annually. For both 2003 and 2004, **“access to capital” topped the list of financial management issues that concerned these small business clients most,** with 46.8% of respondents including it as one of the top three issues of concern to them in each year.¹³⁶

7. Idaho-Nevada CDFI Study

According to a study undertaken by the Idaho-Nevada CDFI, adequate financing for the small business sector will continue to be the biggest economic policy challenge in the coming decade. Specifically, the study estimates a demand for small business lending in the state of 1,500 loans, totaling \$50 million.¹³⁷

¹³⁵ Small Business & Entrepreneurship Council, *Small Business Survival Index 2004*, http://www.sbsc.org/Media/pdf/SBSI_2004.pdf.

¹³⁶ Idaho Small Business Development Center, <http://www.idahosbdc.org/about.html>

¹³⁷ Information supplied by Chuck Prince, Idaho-Nevada CDFI, December 2004.

B. SMALL BUSINESS RESOURCES

1. CFED's Small Business Development Policy Rankings

Idaho is criticized for **not having a capital access program, a microenterprise policy, a state CDFI program, or a self-employment option for unemployment insurance.** Idaho also ranks very low **at 45th** in the nation for the amount of **SBIC financing** provided.¹³⁸

2. U.S. Small Business Administration

The SBA district office in Boise aids, counsels, and assists small businesses in 34 counties in southern Idaho as well as six counties in eastern Oregon. The ten northernmost counties in the state are covered by the district office in Spokane, WA. Like elsewhere in the country, the SBA helps small businesses obtain loans to start, operate, and expand operations, working through participating lenders in the state, utilizing programs such as the basic 7(a) loan guaranty, the 504 loan program, and the 7(m) loan program. The SBA also offers a Business Information Center adjacent to the Boise office.

3. Regional Economic Development Organizations

There are a number of regional economic development corporations in Idaho providing various assistances to small businesses, including the following:¹³⁹

- SAGE Community Resources, Boise
- Capital Matrix, Inc., Boise
- Panhandle Area Council, Hayden
- Eastern Idaho Development Corporation, Pocatello
- East-Central Idaho Development Corporation, Rexburg
- Region IV Development Corporation, Inc., Twin Falls

4. The Small Business Development Center (SBDC) Network

The Idaho Small Business Development Center (SBDC) is a university-based organization that offers free and low-cost information to educate and support Idaho small business owners and managers. Supported by the SBA and the State of Idaho, the SBDC operates from its main office in Boise as well as six regional offices, all located within universities. Among its services, the SBDC also includes a "Technology Connection" which assists small firms in obtaining grants and other assistance with potentially patentable ideas. The Idaho SBDC served 1,875 clients with consulting and 1,841 individuals with training in 43 of the state's 44 counties in 2002.¹⁴⁰

¹³⁸ CFED, *SADRC*, pp. 143-148.

¹³⁹ Business Utility Zone Gateway, http://www.buzgate.org/id/bfh_economic.html.

¹⁴⁰ Idaho SBDC, <http://idahosbdc.org>.

5. **SCORE**

The Service Corps of Retired Executives (SCORE), with offices in both Boise and Pocatello, provides free counseling service for new small businesses and individuals interested in starting new businesses.¹⁴¹

¹⁴¹ Idaho Department of Commerce and Labor, *Starting a Business in Idaho*, 2004-2005, p. 39.

VII. POVERTY AND ASSET ACCUMULATION

Idaho ranks about in the middle, at 27th, for its poverty rate of 11.0%, with poverty especially acute (over 15.3%) in about a quarter of its counties. The state **also has the 10th highest bankruptcy rate** in the nation. The state received an overall grade of “C” from CFED on Asset Outcomes, driven in part by its rankings of 30th and 34th in the percentage of households with zero net worth and considered asset poor, respectively. **Initiatives to address poverty and assist in asset accumulation such as IDA programs would have enormous impact.**

A. POVERTY AND ASSET ACCUMULATION NEEDS

1. Poverty Statistics

Using a three year average for 2001-2003, **11.0% of Idaho residents lived in poverty, ranking the state 27th in the nation in terms of the percentage of residents at or below the poverty level.**¹⁴² Using a threshold of 200% of the poverty level, which some consider a better reflection of the true incidence of poverty, **38% of Idaho residents fell under this level** in 2002-2003.¹⁴³ Additionally, 17.5% of Idaho residents, or 239,108 individuals, lack health insurance, compared to 15.1% of the U.S. population. Using a three year average for 2001-2003, Idaho ranks ninth worst in the nation on this measure.¹⁴⁴

Breaking down the 2000 Census data on poverty by age, 20% of people 18 and under in Idaho are under the poverty level (compared to 22% nationally), 14% of the people 19-64 in Idaho are under the poverty level (compared to 15% nationally), and only 7% of the elderly in Idaho are under the poverty level (compared to 14% nationally).¹⁴⁵ Poverty also varies greatly by county, with **11 counties showing poverty rates of 15.3% and higher**, and another 11 counties with poverty rates between 13.3% and 15.2%. **Only seven counties had poverty rates below 10%.**¹⁴⁶ On the other hand, the absence of many census tracts with poverty rates in excess of 20% limits local areas from accessing several federal programs designed to mitigate poverty.¹⁴⁷

¹⁴² U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, pp. 23, 68.

¹⁴³ Henry J. Kaiser Family Foundation. *Distribution of Total Population by Federal Poverty Level, State Data 2002-2003, U.S. 2003*, <http://www.statehealthfacts.kff.org>.

¹⁴⁴ U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2003*, pp. 25, 69.

¹⁴⁵ Ibid.

¹⁴⁶ Annie E. Casey Foundation, <http://www.aecf.org>.

¹⁴⁷ Information supplied by Alan Porter, Idaho Department of Commerce and Labor, December 2004.

2. Personal Bankruptcy Filings

At 18.1 personal bankruptcy filings per thousand households for the year ending in March 2004, **Idaho had the 10th highest personal bankruptcy rate** in the nation.¹⁴⁸ Despite employment gains in 2003, the personal bankruptcy rate rose 7% year-over-year in 2003, leaving the state filing rate 24% higher than the national average. These high bankruptcy rates in turn contributed to a foreclosure rate in the state above the national level. In the fourth quarter of 2003, the foreclosure start rate was 0.52% of all mortgages, compared to 0.46% nationally.¹⁴⁹

3. CFED's Asset Outcome Ranking

In CFED's *State Asset Development Report Card*, Idaho received a **grade of "C"** for **overall asset outcomes**, held down primarily by low rankings in asset poverty and mean net worth, but supported in part by some of the measures of parity in asset distribution. While CFED looked at a range of data in reaching its "C" grade for asset outcomes in Idaho, including housing and small business related measures mentioned elsewhere in the report, the relevant asset accumulation and human capital measures are described below.¹⁵⁰

a. **CFED's Net Worth and Asset Poverty Statistics**

Idaho has a relatively low mean net worth, ranking just 37th in the nation. More relevant to the low- and moderate-income community, Idaho **ranks low, at 30th**, in terms of the **percentage of households with zero or negative net worth** (15.3% of the Idaho population compared to only 8.9% of the population in top-ranked Iowa). Idaho ranks even lower, **at 34th**, in terms of **asset poverty**, defined as the percentage of the population without sufficient net worth to subsist at the poverty level for three months without other support (23.5% of the population).¹⁵¹

b. **CFED's Human Capital and Insurance-Related Statistics**

Idaho's rankings are mixed in the areas of "human capital," which CFED also considers in its overall asset outcomes rankings. The state ranks in the middle, **at 24th**, in the **percentage of children in poverty served by Head Start**. Idaho's rankings in the area of college attainment are also mixed, with a **ranking of sixth in the percentage of the population with associate's degrees**, but a **ranking of only 34th for attainment of four years of college by household heads**. The differential in college attainment by different groups is also mixed, with rankings of only 43rd best by race and 23rd best by gender, but with an extremely high ranking of fifth for differences in college attainment by income.¹⁵²

¹⁴⁸ American Bankruptcy Institute, *Households Per Filing, Rank During the 12 Month Period Ended March 31, 2004*, <http://www.abiworld.org/statcharts/HouseRank.htm>.

¹⁴⁹ FDIC, *Idaho State Profile*, Summer 2004.

¹⁵⁰ CFED, *SADRC*, p. 43.

¹⁵¹ *Ibid*, pp. 88 & 91.

¹⁵² *Ibid*, pp. 99-105.

CFED also examines several rankings on health insurance coverage to augment its overall asset outcomes rankings in order to factor in the protection provided by such policies to loss or depletion of household assets from large medical costs. Idaho ranks only 30th in the percentage of non-elderly population covered by employer-based health plans. The state also ranks very low, at 46th, in the percentage of children living in families with income below 200% of the poverty level without health insurance and even lower, at 47th, in the percentage of parents in families below 200% of the poverty level without health insurance.¹⁵³

4. The Asset Development Institute's Asset Index

In September 2002, the Asset Development Institute at Brandeis University published a report entitled *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity*. The report presents state-by-state data on individual outcomes for job-based and related income assets, human capital, and financial assets. These outcomes are the primary indicators of the economic security people have and the opportunity they enjoy. For each of these three categories, the report presents a cluster of indicators that point to important related asset-based outcomes and provides the numerical outcome for residents on each indicator as well as a national rank on each indicator (for all indicators, 1st is “best” and 50th is “worst”).

For Idaho, the research indicates that **the state ranks among the top 10 best states for four of the 39 measured indicators, but ranks among the worst 10 states on five of the indicators.** The state's **worst rankings are in the areas of access to, and cash income gained from, jobs, and attainment of a bachelor's degree.** The study's authors conclude that “residents of Idaho, compared to those of other states, have had relatively less success in gaining job-based and related income assets, less success in building human capital, and mixed success in accumulating financial assets.”¹⁵⁴

B. POVERTY AND ASSET ACCUMULATION RESOURCES

1. State Income Support Programs

Based on the 1996 changes that established the new federal TANF program, Idaho developed its Temporary Assistance to Families in Idaho (TAFI) program in 1997. Idaho's TAFI caseload increased from 1,351 families in December 2001 to 1,739 in December 2003.¹⁵⁵ According to a 1998 Tufts University study, two features of Idaho's TAFI program—its assistance cap of \$276 per month regardless of family size, and its

¹⁵³ Ibid, pp. 117-119.

¹⁵⁴ The Asset Development Institute, *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity*, September 2002, <http://www.centeronhunger.org/pdf/ASSETINDEX.pdf>.

¹⁵⁵ U.S. Department of Health and Human Services, Administration for Children and Families, http://www.acf.hhs.gov/news/press/2003/mar03_jun03.htm.

two-year lifetime limit—made it one of the state welfare programs “most likely to push poor families into deeper poverty.”¹⁵⁶

2. **Partners for Prosperity**

Partners for Prosperity is a nonprofit organization dedicated to reducing poverty in the 16 counties in eastern Idaho through the formation of long-term community partnerships that attempt to stimulate the economy and develop effective institutions.¹⁵⁷

3. **IDA Programs**

CFED’s website lists active IDA programs operated by the following two organizations: Idaho Office of Refugees/Mountain States Group and Shoshone-Bannock Tribes.¹⁵⁸ The former has statewide responsibility for administration of the state’s federally-funded refugee resettlement program and has some 100 participants. However, in an effort to bring IDA programs to greater scale in the state, The Federal Reserve Bank of San Francisco and the United Way of Treasure Valley (which has been certified by the State IDA Advisory Board as the official IDA program operating in the state) have been working with nonprofit organizations in a number of cities in Idaho to develop a framework to provide access to IDA programs. The five-year goal of the initiative is to provide orientation to 300 people, enroll 250 of those 300, and graduate 215 of the 250 enrolled from the program.¹⁵⁹

4. **CFED’s Asset Policy Rankings**

CFED gives Idaho **an overall asset policy grade of “D”**, noting that the state only has “a few policies to protect family finances and health in the event of injury or job loss,” explicitly citing education policy as a weakness.¹⁶⁰

a. **IDA Policy**

According to CFED, Idaho provides no state support for IDA’s, does not include IDA in its TANF program, and is only now developing a state IDA program.¹⁶¹

b. **Other CFED Financial Asset Building Policy Rankings**

Idaho ranks only 21st best on its income tax threshold (the level at which residents begin paying income taxes), which is \$14,900 in Idaho, compared to a level above \$20,000 in many states. Idaho is also criticized for lacking either a state earned income tax credit or

¹⁵⁶ Idaho Women’s Network, <http://www.idahowomensnetwork.org/issues/poverty.html>.

¹⁵⁷ Partners for Prosperity, *Our History*, <http://www.easternidahoprosperty.org/aboutus.htm>.

¹⁵⁸ CFED IDA Network, <http://www.idanetwork.cfed.org>.

¹⁵⁹ Information supplied by Craig Nolte, FRBSF, December 2004.

¹⁶⁰ CFED, *SADRC*, p. 43

¹⁶¹ *Ibid*, p. 121.

a state minimum wage that is greater than the federal level. Similarly, its various rules on asset limits for public assistance are viewed negatively by CFED.¹⁶²

c. CFED’s Human Capital Development Policy Rankings

As mentioned above, Idaho’s poor grade in asset policy stems in large part from its inadequate support for education and other human capital policies. For example, CFED cites Idaho’s lack of supplementary funds for head start, its lack of a state-funded pre-kindergarten program, and its lack of a state-supported college savings plan as deficiencies. Similarly, Idaho’s rankings of sixth worst (lowest) in its per-pupil expenditures for K-12 and 11th worst (lowest) in its need-based aid to undergraduates pull down its overall policy grade. The only two areas where Idaho fares better are its ranking of 19th best in a measure of its school spending equalization, and its ranking of 13th best in state funding for customized job training.¹⁶³

d. CFED’s Wage Protection Policy Rankings

According to CFED, Idaho ranks low at 11th worst in the percentage of employees covered by workers compensation, though in other measures of wage protection policy it fares better. For example, Idaho is ranked 19th best in the nation in a workers’ compensation benefit index, and seventh best in a measure of workers compensation benefits to wages. And it also ranks seventh best in its unemployment benefits, though it has only one of three possible enhancements to its unemployment insurance reforms. Finally, the state is credited with having only one of four possible family leave benefits.¹⁶⁴

e. CFED’s Health Insurance Policy Rankings

Idaho also does poorly in CFED’s examination of its health insurance policies as they related to asset accumulation. The state ranks seventh worst in its extension of Medicaid to parents, and lacks any expansion of Medicaid for low-income adults without children, any transitional medical assistance beyond the minimum of one year, and any subsidy for small business health care coverage.¹⁶⁵

f. CFED’s Property Protection Policy

Finally, in terms of property protection measures, Idaho lacks either anti-predatory lending legislation or an anti-insurance redlining policy.¹⁶⁶

¹⁶² Ibid, pp. 122-126.

¹⁶³ Ibid, pp. 135-141.

¹⁶⁴ Ibid, pp. 154-160.

¹⁶⁵ Ibid, pp. 162-165.

¹⁶⁶ Ibid, pp. 167-169.

VIII. NATIVE AMERICANS AND IMMIGRANTS

While Idaho has neither a large Native American population nor a significant immigrant population, both populations face the problems common to these groups across the nation. While its Native American population is not large, (Idaho's Native American population ranks only 32nd in the country by population size) Idaho is ranked **tenth in the nation in terms of Native American's percentage share of the state's total population**. The state's **immigrant population is relatively small, with less than half of the share of the state's population than the nationwide average share**. However, the **poverty rate for immigrants in Idaho is higher than the national average for immigrants** (22.0%, compared to 17.9% in the U.S. as a whole) , and any initiatives to assist either group would be beneficial.

A. NATIVE AMERICAN NEEDS

1. Statistics on Native Americans

Idaho ranks only 32nd in the nation in total Native American/Alaska Native population, with a total population of 17,645 as of 2000. However, Native Americans make up 1.4% of the state's population, ranking the state **10th highest in the nation in terms of the percentage contribution**.¹⁶⁷

The **poverty rate for Idaho Native Americans is 25.2%**, more than double the poverty rate of all Idaho residents. A full third of the Native American population 16 years and older is not in the labor force. Additionally, approximately 40% of Idaho's Native Americans pay more than 30% of their income in rent, and the homeownership rate for Native Americans is only 58.6% compared to the 72.4% rate for all residents.¹⁶⁸

B. NATIVE AMERICAN RESOURCES

The federal government provides many more services specifically targeted towards the Native American community than does the state. The Bureau of Indian Affairs maintains a comprehensive list, and most major domestically-oriented federal agencies offer specialized programs:

1. Department of Health and Human Services

Under 1996's welfare reform law, federally recognized Indian tribes, or consortia of such Tribes, were granted authority to operate their own Temporary Assistance for Needy Families (TANF) programs. The final tribal TANF regulations hold tribes accountable for moving families to self-sufficiency while encouraging and supporting flexibility and innovation.

¹⁶⁷ U.S. Census Bureau, Census 2000 Data.

¹⁶⁸ Ibid.

The Indian Health Service (IHS) serves Idaho tribes from its office in Portland, OR. All members of federally recognized Indian tribes and their descendants are eligible for services provided by IHS. IHS operates a comprehensive health service delivery system for 1.6 million of the nation's estimated 2.6 million American Indians and Alaska Natives. Its annual appropriation is approximately \$3.5 billion. The IHS strives for maximum tribal involvement in meeting the needs of its service population.

2. Department of Housing and Urban Development

Idaho tribes are active participants in HUD's Section 184 Indian Housing Loan Guarantee program, which provides loan guarantees for home ownership, property rehabilitation, and new construction opportunities for eligible tribes and Native Americans seeking to own a home on their native lands. HUD lists three Idaho tribes as eligible participants as of October 2004, and seven participating lenders in Idaho as of November 2004. As of year end 2004, Idaho had 47 Section 184 loans with a total dollar value of \$3.3 million.¹⁶⁹ In addition to the Native eDGE program, HUD also hosts an interagency news site, *Code Talk*, designed specifically to deliver electronic information from government agencies and other organizations to Native American communities.¹⁷⁰

3. Department of Labor

The Department of Labor offers culturally-sensitive job training and employment programs through its office of Indian and Native American Programs.¹⁷¹

4. Small Business Administration

The task of the Office of Native Affairs is to improve awareness of SBA programs among the AIAN population and to increase the access of AIAN entrepreneurs to the business services offered by the SBA.¹⁷²

5. Department of Agriculture

The USDA American Indian Council (AIC)¹⁷³ is an employee organization, formed to give a voice to the American Indian and Alaska Native community and culture within the USDA. The AIC seeks to support the Secretary's diversity initiatives and works to promote cultural awareness among USDA employees. The USDA also provides a *Guide to Programs for American Indians and Alaska Natives*¹⁷⁴ which catalogues seven major

¹⁶⁹ HUD Office of Native American Programs, *Section 184 Loans Across the Nation*, http://www.codetalk.fed.us/OLG_184_stats.htm.

¹⁷⁰ U.S. Department of Housing and Urban Development, Office of Native American Programs, *Codetalk*, <http://www.codetalk.fed.us/>.

¹⁷¹ U.S. Department of Labor, *Division of Indian and Native American Programs*, <http://www.doleta.gov/DINAP/>.

¹⁷² SBA, *Office of Native American Affairs*, <http://www.sba.gov/naa/>.

¹⁷³ USDA, *USDA American Indian Council*, <http://www.usda.gov/da/employ/AICHomePage.htm>.

¹⁷⁴ USDA, <http://www.usda.gov/>.

types of assistance available to these communities: environment, agriculture, rural development, nutrition, food safety, economic research, and marketing.

C. IMMIGRANT NEEDS

1. Immigrant Totals

According to the 2000 Census, **only 5.0% of Idaho's population is foreign born**, accounting for roughly 64,000 of its residents. This is **less than half of the share in the national population (11.1%)**, and **ranks the state only 27th highest in the nation in this measure**. However, Idaho's foreign-born population grew 121.7% between 1990 and 2000, almost double the increase of 57.4% on the national level during the same time period. A third of Idaho's immigrants are naturalized citizens, and just under half of them entered the country between 1990 and 2000.¹⁷⁵

2. Origin and Language Skills of Immigrants

Almost 60% of Idaho's foreign-born population was born in Latin America, with another almost 20% from Europe, and about 13% from Asia.¹⁷⁶ Of Idaho's foreign born population, **79.6% speak a language other than English at home**, and of these, 25.4% speak English less than "very well" and 14.8% speak English not at all (the comparable figures on the national level are 22.9% and 12.2%, respectively).¹⁷⁷

3. Poverty Levels Among Immigrants

Among Idaho's foreign-born population, **22.0% had an income below the poverty level**. Breaking down the poverty statistics by citizenship, 27.1% of the foreign born non-citizens lived in poverty, compared to only 11.8% of Idaho's foreign born citizens.¹⁷⁸

D. IMMIGRANT RESOURCES

1. Idaho Office for Refugees

The Idaho Office for Refugees administers the state's federally-funded refugee resettlement program across the state. The Idaho Refugee Community Building Project is a special team of refugee service providers, including mental health providers and educators, working to assist refugees in southern Idaho.¹⁷⁹

¹⁷⁵ U.S. Census Bureau, Census 2000 Data.

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

¹⁷⁸ Ibid.

¹⁷⁹ Mountain States Group, <http://www.mtnstatesgroup.org/refugees.htm>

2. **Agency for New Americans**

The Agency for New Americans is a private, nonprofit provider of employment, case management, and training services for people who have fled their homeland and are unable to return. The Agency serves 200 refugees in the Treasure Valley area.¹⁸⁰

3. **College of Southern Idaho Refugee Service Center**

The College of Southern Idaho Refugee Service Center is a non-profit agency involved in the resettlement of legally-accepted refugees. Annually, between 250-275 refugees are granted admission to the U.S. by the State Department and arrive in Twin Falls, and the Center assists these individuals to become self-sufficient by helping to find housing, health resources, English classes, etc.¹⁸¹

4. **Hispanic Business Association**

While not necessarily specifically targeting the foreign-born population, the Hispanic Business Association, located in Nampa, provides business and education scholarships, mentoring programs, business assistance referrals, and other bilingual assistance to the Hispanic Community, and also operates the Hispanic Enterprise Loan Program, a source of small business financing for Hispanic entrepreneurs.

5. **Hispanic Financial Education Coalition**

Finally, the Idaho Bankers Association, Credit Union League, and mortgage lenders, title companies, realtors, and community groups have formed the Hispanic Financial Education Coalition to provide personal financial training in a variety of settings, including farm labor camps and churches.¹⁸²

¹⁸⁰ Agency for New Americans, <http://members.tripod.com/agencyfornewamerican/>.

¹⁸¹ College of Southern Idaho, www.csi.edu.

¹⁸² Information submitted by Alice Whitney, SAGE, December 2004.