

# Weathering An Economic Slowdown – Rural Idaho Style

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Articles regarding the nation's economic slowdown can be found in every magazine and newspaper on almost a daily basis. Not to worry. This is not another one of those articles sharing doom and gloom about the current economic downturn and the expected dark days still ahead. It's a look at how one rural community in southern Idaho not only finds itself well insulated from the national slide, but is one of the few regions in the country that has built a strong economic development foundation that has and will allow it to weather the downturn with less impact.

The valleys of southern Idaho find that after almost eight years of building a solid economic development program, the region find itself economically stable and leading the state in job growth. This successful program has been built on partnering closely with the ED, city and community representatives in every community, marketing the region to new business prospects, assisting and supporting established businesses with expansion efforts, and establishing an extensive workforce development program.



When Southern Idaho Economic Development Organization was formed in 2001 to help diversify and strengthen the local economies of its communities, a fortunate and unexpected result of putting numerous programs in place over the years would support the business and employment climate so much that as the national economy teeters on recession, southern Idaho continues to flourish.

**New Business:** Almost 40 new businesses have been drawn to the region in the past eight years, generating thousands of new jobs and hundreds of millions in new capital investment. Even in this shaky economy, nine of those business have located here in just the past fiscal year, including Pacific Ethanol, Hy-Line North America, Dot Foods, High Desert Milk, Packaging

Specialties, Robert Weed Plywood, Idaho Milk Products, Northwest Manufacturing, and Keystone Automotive

In turn, the region is experiencing significant commercial and retail growth with new schools, hospitals and hotels being built to support the economic base. And while the housing market has grown in past years, it now remains stable.

This impressive attraction of new businesses to a rural region is the result of a dedicated marketing campaign that promotes the many advantages of this region to new businesses looking to relocate, as well as among national site consultants. Whether it be boasting about the pro-business climate here, low energy costs, tailored training programs taught at the College of Southern Idaho, a trained and available workforce, or the innumerable quality of life factors residents here enjoy, southern Idaho's marketing efforts have positioned this region as a highly desirable one for business and employees alike.

**Business Retention & Growth:** Supporting existing businesses in their expansion efforts is an equally important goal of the regions efforts. Thirty local companies have expanded their facilities over the years, also generating jobs and investment in their communities. Seven of those have expanded just this past year, including WOW Logistics, Rite Stuff Foods, Hilex Poly, Data Solutions, Gossner Cheese and Dexter Axle.

Building partnerships – both in the public and private sector – with local business/city leaders throughout the region, community chamber executives, the College of Southern Idaho (CSI), state Commerce and Labor, and the Governor's office have paid off immensely in both business recruitment and retention.

Businesses have experienced the pro-business environment here, making any expansion efforts hassle-free. CSI plays a vital role in the community, working with businesses to design workforce training programs and curriculum that will assure they have a well-trained pool of employees to hire and support their expansion efforts.

**Workforce Training:** Business growth requires that a qualified and diversified workforce be available to meet business demands. In order to keep the labor market on pace with the needs of employers, southern Idaho has recently established the Workforce Development Alliance (WDA), an organized and ambitious effort to immediately address current and future

needs of a skilled and ready workforce, backed by a \$5 million USDOL WIRED federal grant.

This important program is a pro-active approach that is already beginning to pay off. The WDA is working with educators to inform them about the many local jobs available in their communities that don't require a four-year degree. In turn, they will share this information with students and their parents for consideration to pursue employment and job skill training locally.

Southern Idaho Economic Development Organization is also participating in a beta test campaign to promote career opportunities in Idaho called the "Comeback to Idaho" campaign.

**The Local Economy:** According to local economist Alex Sinclair, the area's strong agriculture sector, a stable housing market and lack of high-risk loans in the area have played a tandem role with economic development efforts to keep the region afloat during trying economic times. States with strong and stable agricultural industries – like Idaho – "are generally doing well and without them, we would be in a serious recession nationally," Sinclair said.

Also, higher and more conservative underwriting standards at local banks have prevented the region from the housing crisis free-fall being felt in cities around the country where standards were lax or even non-existent.

Southern Idaho has experienced steady average job growth of 2.2% for the last ten years and is expected to lead the state in job and wage growth in 2008. Although the unemployment rate has risen here in 2008 to an average of 4.2%, this is still below state and national averages.

**Ingredients to Economy Stamina:**

These many factors and strategies are the ingredients that, when put together, have created an economically

stable region, able to weather this economic downturn. And as importantly, southern Idaho is poised to quickly ramp-up when the economic recovery begins. 🏠

