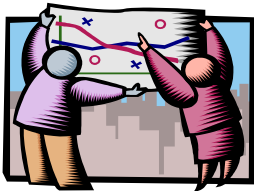




June 2013

Special points of interest:

- Boise City unemployment remains at 5.9%, much lower than the 7.8% U.S. average.
- Construction activity up.
- State sales tax collection up year-over-year.



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# Division of Strategic Planning & Budget Management Economic and Financial Brief

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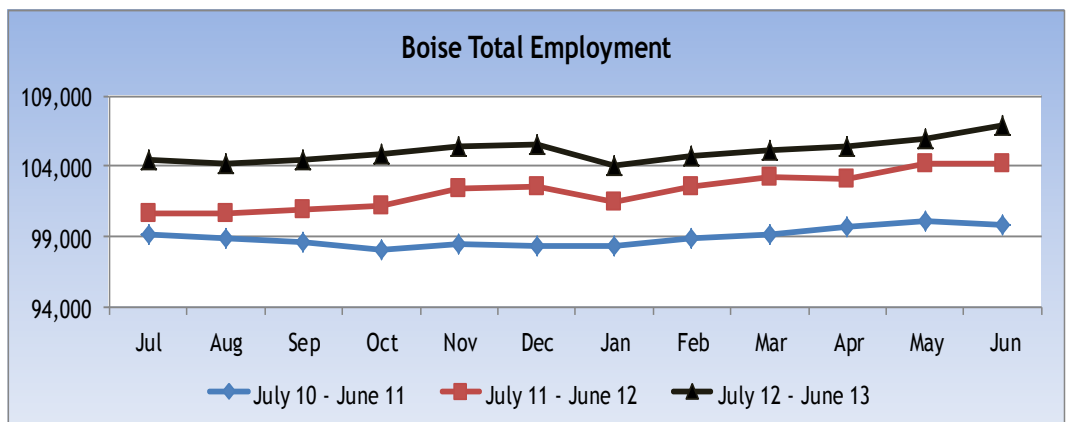
## Quarterly Summary

- Employment (Boise MSA)** ↑ Consistently high employment rates appear to be encouraging more people to enter the workforce.
- Construction** ↑ Total value of permits issued, total revenue of permits issued, and total amount of permits issued have all increased significantly year-over-year (YOY). Expectations are that these trends will continue.
- Airport Traffic** ↑ The trend for airport traffic in Calendar Year (CY) Q2 for 2013 has increased to high levels, which remains a positive indicator of a good economic outlook.
- Sales Tax** ↑ Although sales tax numbers this quarter have followed the expected seasonal patterns, they are consistently improving on a YOY basis.
- Housing** ↑ Continually low foreclosure rates amid high expectations for the new housing market are key components to the positive outlook on Boise's economy.

NOTE: Signs indicate a general economic outlook compared to the previous month and/or year.

## Employment Data ↑

Boise City total employment is at its highest level in several years and continues to trend upwards. The Boise City and Boise MSA (metropolitan statistical area) unemployment rates are staying fairly constant—the slight increase for Boise City from 5.8% to 5.9% can be explained by the recent influx of people entering the workforce. Year-over-year numbers continue to stay strong and are encouraging indications of continued economic growth.



**Employment cont.**

Unadjusted Data Area	Jun '13 (Preliminary)				Jun '12 (Actual)			
	Labor Force	Total Employed	# u/e	% u/e	Labor Force	Total Employed	# u/e	% u/e
U.S. Unemployment				7.8%				8.4%
Idaho	785,437	735,209	50,228	6.4%	783,054	728,746	54,308	6.9%
Ada County	208,786	196,721	12,065	5.8%	204,613	191,711	12,902	6.3%
Boise MSA	312,303	292,828	19,475	6.2%	306,774	285,370	21,404	7.0%
Boise City	113,625	106,897	6,728	5.9%	111,312	104,175	7,137	6.4%

Source: Idaho Department of Labor, June 2013 Data

**Boise MSA Non-Farm Employment Sector Information**

The Boise MSA has 54 different employment sectors, all of which have reacted differently to the current economic condition. The following table highlights the 4 best and worst performing sectors on both a month-over-month (current month vs. last month) and 12-month rolling comparison. Of particular interest is the increase in service jobs, particularly business and employment support services, and jobs related to building construction. These fields can be indicators of an economy that is getting stronger. Job growth is one of the many keys to economic sustainability and growth.

<u>Month-over-Month (July to June)</u>		# Jobs	% Change	<u>Rolling 12-Month Comparison</u>		# Jobs	% Change
<u>Gains</u>				<u>Gains</u>			
Services to buildings and dwellings	2,500	21.7%	Employment services	1,400	18.2%		
Foundation, structure, and building	700	13.0%	Business support services	800	11.8%		
Mining, logging, and, construction	4,200	10.9%	Admin and support services	2,500	11.2%		
Construction of building	700	9.0%	Admin, support, and waste mgmt	2,500	10.9%		
<u>Losses</u>				<u>Losses</u>			
Local government education	(300)	-0.7%	Computer and electronic mfg	(300)	-2.9%		
Mgmt of companies and enterprises	(100)	-0.7%	General merchandise stores	(300)	-4.4%		
Computer and electronic mfg	(300)	-1.0%	Grocery stores	(200)	-5.9%		
General merchandise stores	(400)	-2.0%	Computer and peripheral mfg	(300)	-12.0%		

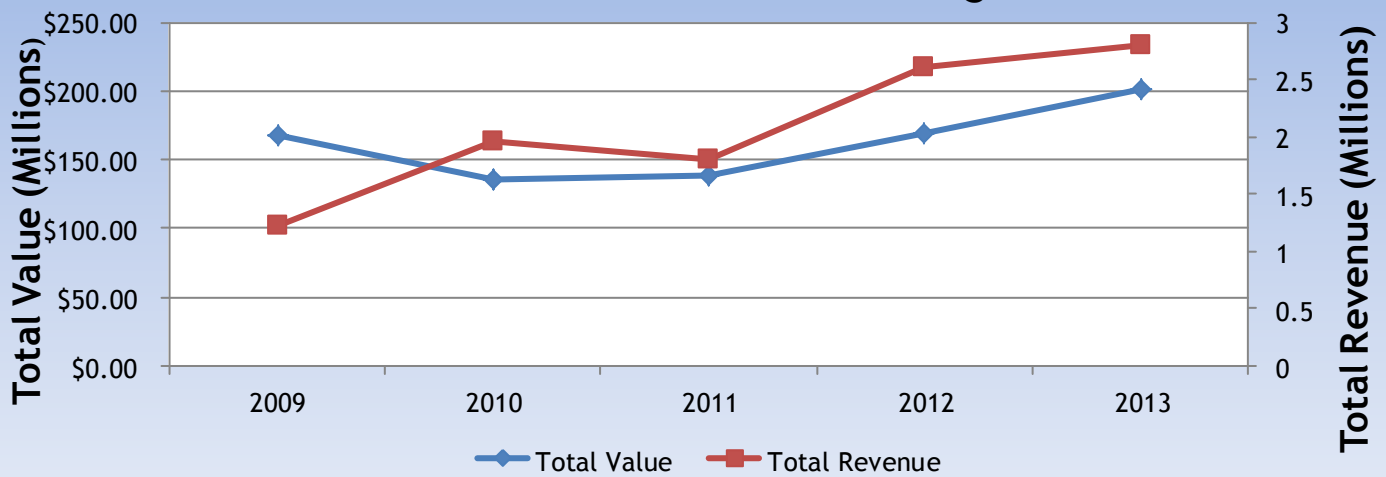
Data through June 2013

Data is not seasonally adjusted.

**Construction Activity** (Data based on Calendar Year) ↑

Construction activity is reported on a CY basis. Results for YOY comparisons in construction activity for Boise continue to stay impressive: total value of permits issued increased 19.4% YOY, total revenue of permits issued increased 7% YOY, and total amount of permits issued increased by 9.4% YOY. Construction activity has been the fuel for the recent boost in the economy. The State of Idaho expects continued growth in construction activity for the next several years and the City of Boise should follow those same trends.

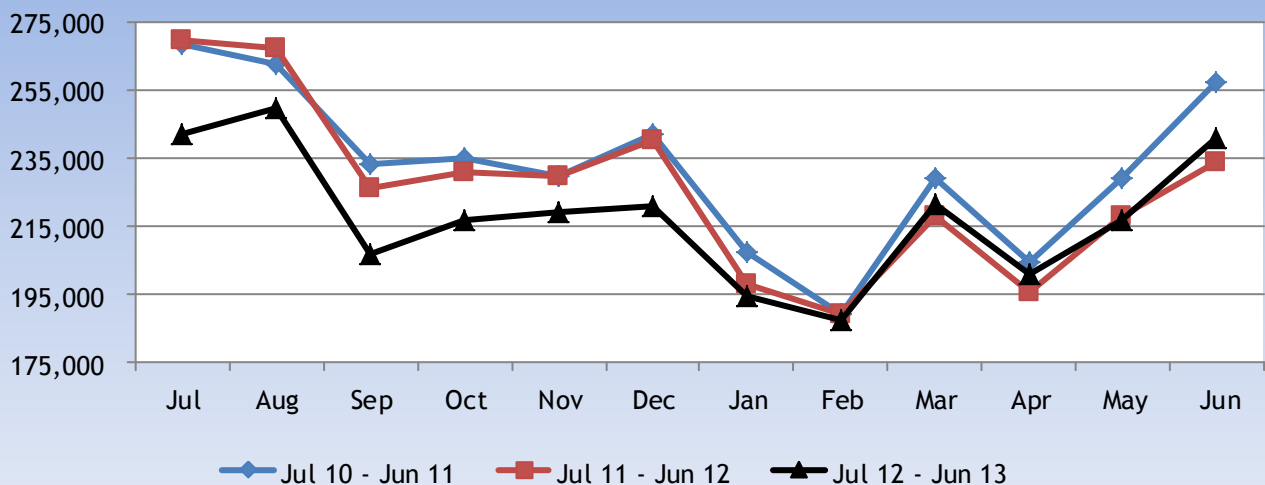
**Total Value vs. Revenue Received  
2013 Calendar Year Data through June**



**Airport Passenger Traffic** ↑

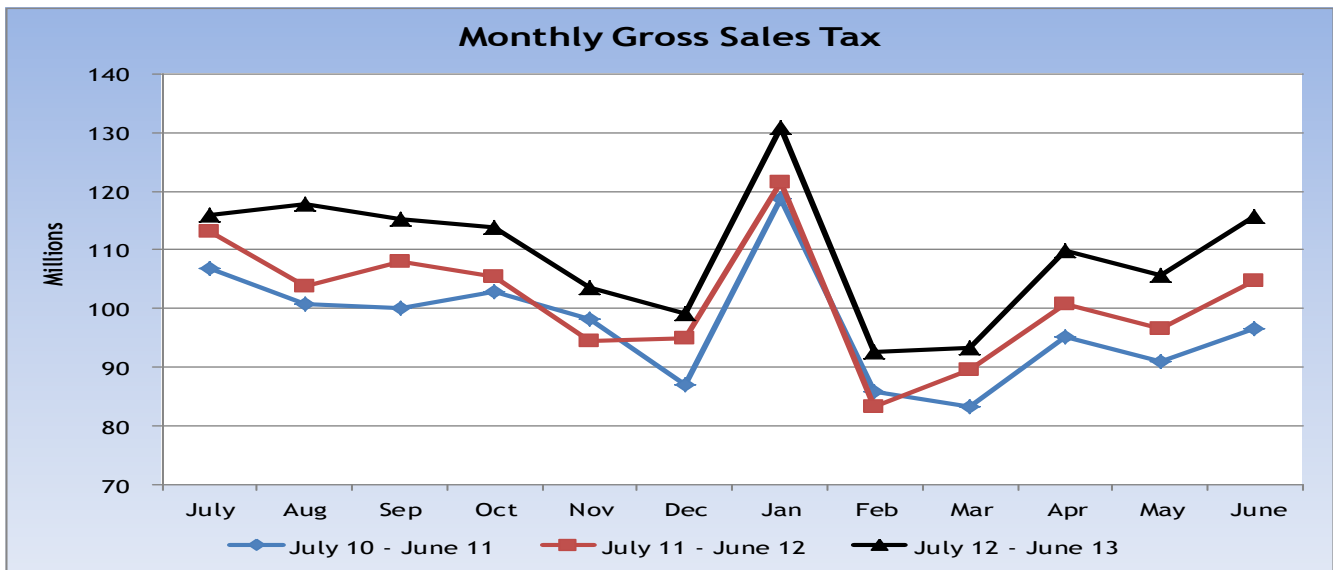
Airport passenger traffic can be a good economic indicator. More travelers typically indicates that businesses are growing and individuals have higher levels of discretionary funds. CY Q2 depicts high increases of total passenger traffic for both YOY and month-over-month metrics. YOY percentage increases are the highest they have been since 2010.

**Total Passenger Traffic**



## State Sales Tax ↑

The City shares sales tax revenue with the State and receives its portion on a quarterly basis. The chart below reflects the gross sales tax collected by the State. Gross sales tax collected for June 2013 was \$115,695,964, which was 10.5%, or \$10,974,410 more than one year ago. When looking at the quarter as a whole, sales tax numbers have followed the usual seasonal trends, which is expected. High YOY sales tax collection numbers are encouraging signs that the economy is continuing to improve.



## Housing Trends (latest available data) ↑

The housing market continued to grow apace with relatively high inventory levels, which are the highest they have been since the end of CY 2011. As of July 10th, the number of foreclosures has decreased by 365 homes YOY, or 40.8%, while total inventory increased by 138 homes YOY, or 9.5%. House prices have continued to increase due to a decrease of foreclosures; however, the additional housing inventory levels are slowing that increase. Most analysts agree, with some caution, that housing trends will continue to be positive.

