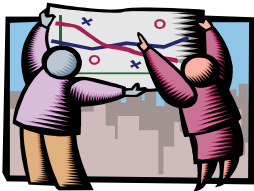




March 2013

Special points of interest:

- **Foreclosures have decreased significantly**
- **Construction activity posted positive results**
- **Unemployment levels have stayed consistently lower than 2012**



Inside this Issue:

Quarterly Summary	1
Employment Data	1-2
Construction Activity	3
Airport Passenger Traffic	3
State Sales Tax	4
Housing Trends	4

Division of Strategic Planning & Budget Management

Economic and Financial Brief

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Quarterly Summary

Employment — The labor force continued to decrease for the State of Idaho in calendar year QR1 and essentially stayed level at the City of Boise. The local unemployment rate is holding steady at 6.2% for Boise MSA and 5.8% for Boise City, but modest Job growth is expected in the near future.

Construction ↑ The number of building permits issued and the total permit revenue have both passed 2009 numbers for the first time. Total calendar year QR1 permit value increased 69.5% since calendar year QR1 2012.

Airport Traffic — Airport passenger traffic ended the quarter at a slightly higher number than in March 2012, although the numbers are still down from March 2011. High fuel prices seem to be offset by increased direct flight travel options for Boise.

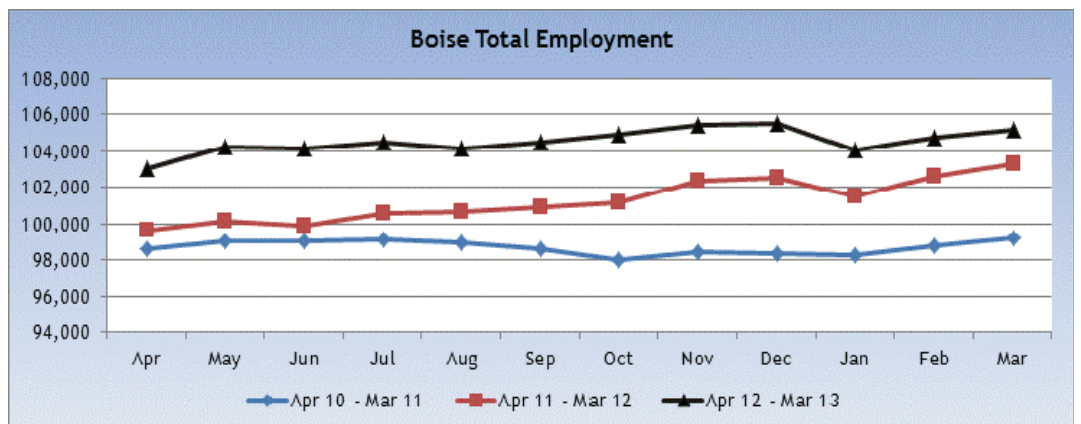
Sales Tax ↑ Sales tax collections have stayed high this quarter relative to calendar year QR1 for both 2011 and 2012. A good employment outlook for Boise is encouraging for local spending and, consequently, sales tax collections.

Housing ↑ The outlook for housing continues to be very positive. Expect the sharp drop in foreclosures to push up home values and prices.

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

Employment

Idaho's unemployment levels increased since December and its labor force continued to contract; however, Boise City employment numbers have been much more stable. Total employment numbers for Boise in March of 2013 had decreased a marginal 0.3% in comparison to December of 2012, but the data is trending upward. Boise MSA (metropolitan statistical area) unemployment levels for March 2013 are consistent with levels from December, which are still substantially lower than March 2012.



Employment cont.

Unadjusted Data Area	Mar '13 (Revised)				Mar '12 (Actual)			
	Labor Force	Total Employed	# u/e	% u/e	Labor Force	Total Employed	# u/e	% u/e
U.S. Unemployment				7.6%				8.4%
Idaho	766,177	714,145	52,032	6.8%	769,338	706,788	62,550	8.1%
Ada County	205,031	193,735	11,504	5.6%	203,671	190,064	13,607	6.7%
Boise MSA	306,975	288,073	18,902	6.2%	306,225	282,918	23,307	7.6%
Boise City	111,634	105,161	6,473	5.8%	110,828	103,280	7,548	6.8%

Source: Idaho Department of Labor, March 2013 Data

Boise MSA Non-Farm Employment Sector Information

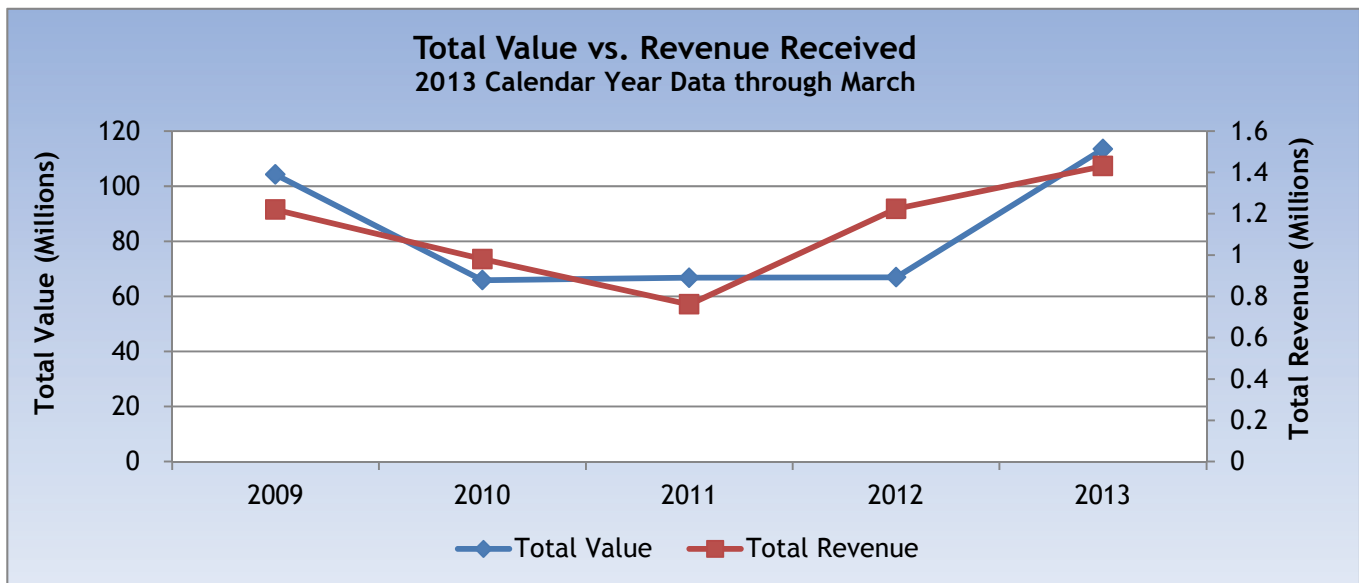
The Boise MSA (metropolitan statistical area) has 54 different employment sectors, all of which have reacted differently to the current economic condition. The following table highlights the 4 best and worst performing sectors on both a month-over-month (current month vs. last month) and 12-month rolling comparison. When combining the 54 sectors, total employment increased 2.94% since calendar year QR1 of 2012. Continued job growth is a priority for the City of Boise.

<u>Month-over-Month</u>			<u>Rolling 12-Month Comparison</u>		
	# Jobs	% Change		# Jobs	% Change
<u>Gains</u>			<u>Gains</u>		
Services to Buildings & Dwellings	300	7.9%	Employment Services	1,200	16.7%
Mining, Logging & Construction	600	4.7%	General Medical & Surgical Facilities	900	8.1%
Employment Services	300	3.7%	Food Mfg.	300	6.8%
Grocery Stores	100	3.2%	Professional, Scientific, & Tech. Svcs	800	6.3%
<u>Losses</u>			<u>Losses</u>		
Federal Government	0	0.0%	Food & Beverage Stores	(100)	-2.5%
Retail Trade	(100)	-0.3%	Grocery Stores	(100)	-3.0%
Professional, Scientific, & Tech. Svcs	(100)	-0.7%	Construction of Building	(100)	-3.7%
Business Support Services	(100)	-1.3%	Computer & Peripheral Mfg.	(300)	-12.0%

Data through March 2013
Data is not seasonally adjusted.

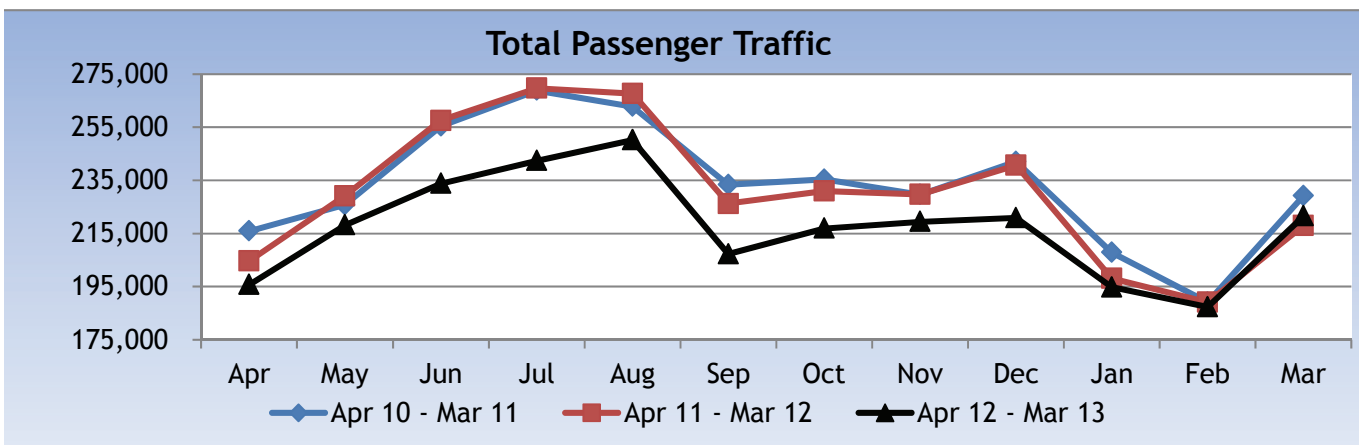
Construction Activity (Data based on Calendar Year) ↑

Construction activity is reported on a calendar year (CY) basis. This analysis is based on the three-month period ending March 2013. The total number of permits issued as of March 2013 has increased 17%, or 537 permits, compared to CY 2012. Permit revenue collected as of March 2013 has increased 16.9%, \$206,613 and total permit value YTD has increased 69.5%, or \$46,509,87, over the same time frame in CY 2012.



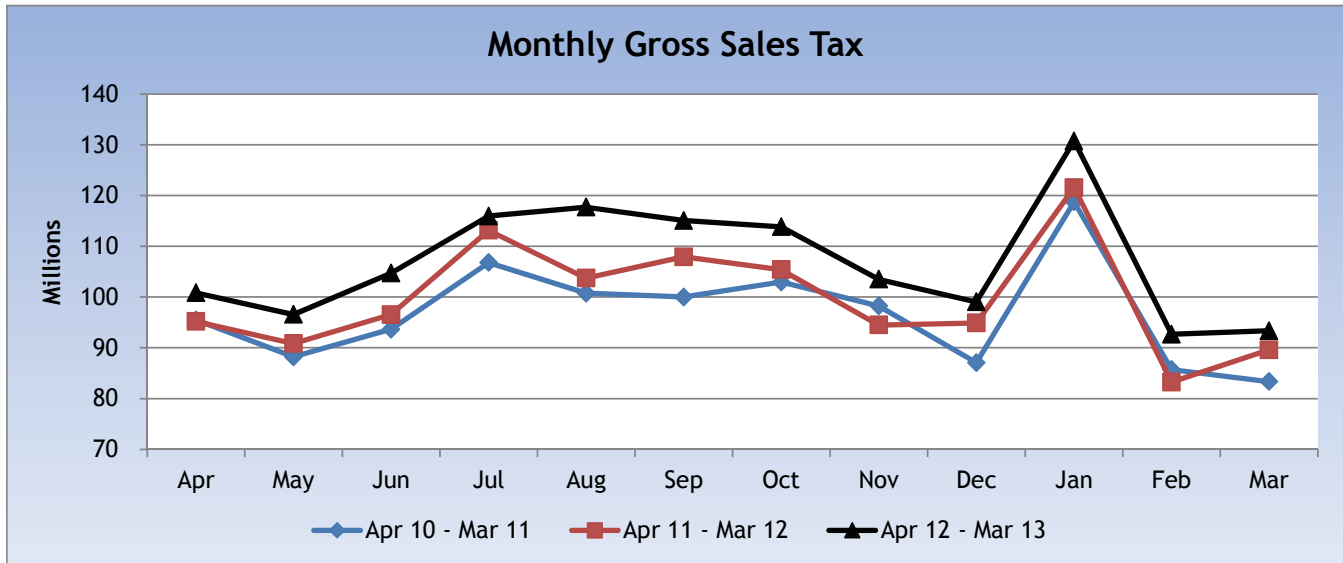
Airport Passenger Traffic —

The number of air passengers is a strong indicator of the global and local economic environment. During January, the Airport initially posted slight year-over-year losses in passenger traffic; however, end of March numbers ended the quarter stronger than at the same time in 2012. Overall, Airport Passenger Traffic has remained relatively level throughout calendar year QR1. Although fuel costs remain high, the additional supply of direct flights, such as Allegiant flights to Hawaii, may have countered high prices and brought more travelers to the Airport.



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 March 2013 was \$93,361,235, which is 4.2%, or \$3,739,600, more than one year ago. Sales tax collection continues to perform well.



Housing Trends (latest available data) ↑

As of June 19th, the number of foreclosures decreased by 301 homes, or 38.8%, while inventory increases by 210 homes, or 16.3%, as compared to data collected on February 13, 2012. On a year-over-year comparison, foreclosures have decreased by 30.1%, or 282 homes, while inventory has increased by 7.9%, or 134 homes. The housing market continues to expand and demand is still outpacing supply.

