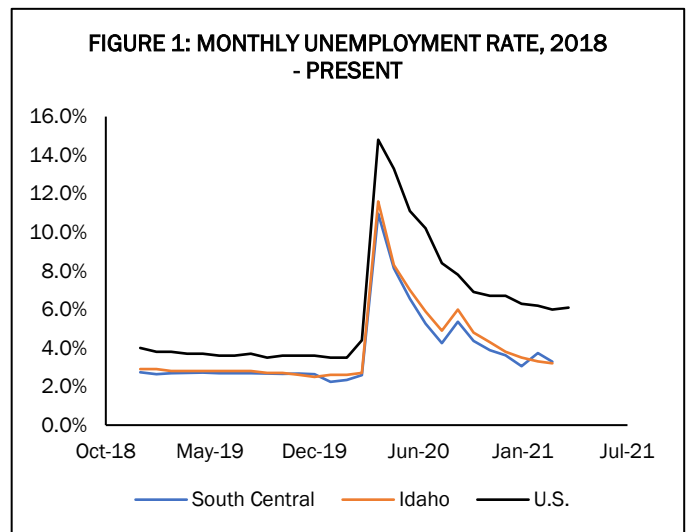


South Central Idaho's Unemployment Rate Continues to Decline Despite Labor Shortages

Friday, May 21, 2021

1. SOUTH CENTRAL'S UNEMPLOYMENT RATE

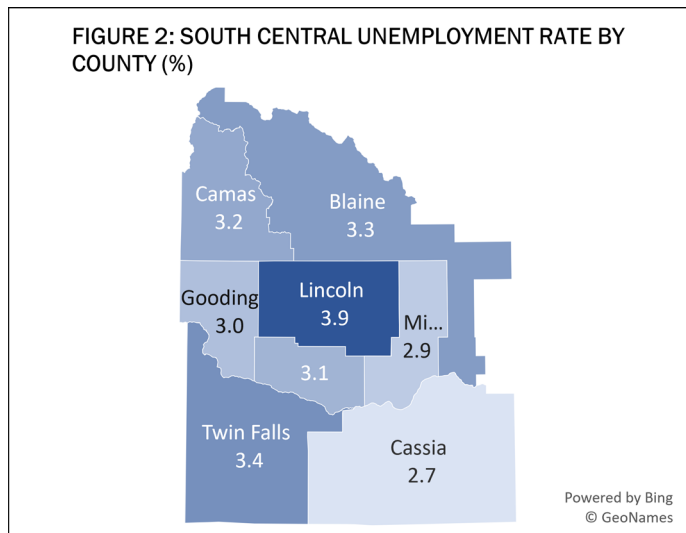
The preliminary unemployment rate in South Central Idaho for April indicates that the region's labor market is continuing to cool down from the pandemic-induced recession. Last month's seasonally adjusted unemployment rate for the region was estimated at **3.2%**, a 0.1% drop from March's revised rate (see Table 1). The region's total labor force increased by 1,304 (1.3%) workers while employment increased by 1,357 (1.4%) – this means that the number of people still searching for work only fell by 53 from 3,343. Compared to last year during the same month, the current employment is 11.4 basis points lower. The good news is that last month was the first month in which total employment in the region surpassed its pre-pandemic level. The bad news is that South Central's April unemployment rate is still hovering above the state's average. Idaho's rate was estimated at **3.1%**, 0.1 basis points below that in South Central. However, the Valley's current unemployment rate is still relatively lower than the national rate of **6.1%** by about 2.9 basis points.



2. COUNTY LEVEL UNEMPLOYMENT RATE

The unemployment rate across South Central Idaho counties is distributed evenly around the 3.1% state average – half of the counties recorded unemployment rates lower than the statewide average. Lincoln County had the highest rate at 3.9%, followed by Twin Falls County at 3.8%. Although half of the regions' counties had unemployment rates higher than the state average, none of them were above the national average. Cassia County had the lowest rate at 2.7%, followed by Minidoka Falls County at 3.8%. The region's over-the-month changes were also uniform across counties. Between March and April, the rate of unemployment declined by at least 0.1 basis points in all counties except for Minidoka Falls County. Camas county experienced the largest drop of 0.4 basis points.

In comparison, the current unemployment rate amongst counties is still higher than its pre-pandemic level for all counties, especially in Camas and Lincoln counties. Across cities, the level of unemployment was the highest in Twin Falls City at 3.7%, down by 0.1 percentage points from the previous month.



3. LOOKING FORWARD

Last month's national figures indicate a sharp slowdown in the labor market recovery across the nation, with only **266,000** jobs (+0.2%) added into the economy. In contrast, South Central Idaho's labor market recovery was a bit promising, with the economy adding an estimated **1,300+** jobs (1.4%). These statistics also marked the first time that total employment has move past its pre-pandemic level. Although these figures suggest a fully recovered labor market, they still do not paint a full picture. To assess the extent of recovery, we need to understand how the recession may have restructured the region's labor market. That is, what fraction of those that lost their jobs have returned to work? which sectors/occupations have they regained employment? how much have wages been impacted? Regardless of whether the labor market has fully recovered or not, there still lies several challenges ahead. For example, employers in sectors like manufacturing, retail, and accommodation, and food services are reporting difficulties to find workers. Figure 3 shows the that employers in the Magic Valley are posting jobs longer periods than before. These shortages are threatening to restrain the region's seemingly robust post-pandemic economic recovery. One way to address these labor shortages is for employers to raise wages to attract those workers that may have been discouraged to search for work. Another alternative could be for employers to hire less-skilled workers and undertake the training themselves. Economists say the labor shortages should ease over time as more potential workers are vaccinated, schools fully reopen and federal benefits expire.

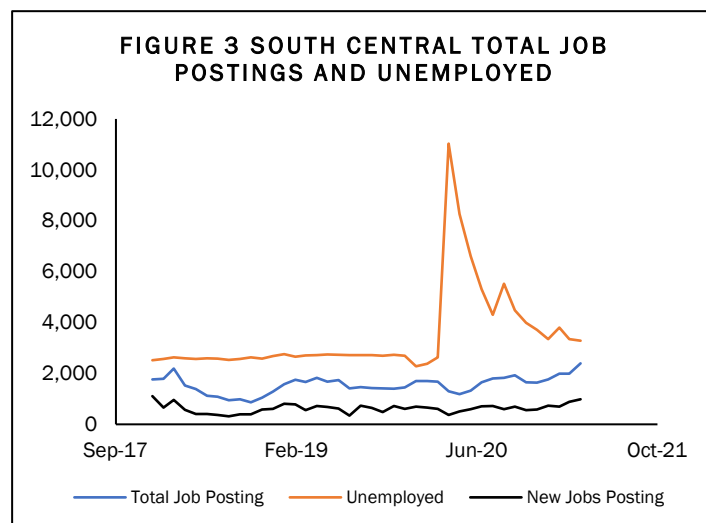


Figure 3 shows the that employers in the Magic Valley are posting jobs longer periods than before. These shortages are threatening to restrain the region's seemingly robust post-pandemic economic recovery. One way to address these labor shortages is for employers to raise wages to attract those workers that may have been discouraged to search for work. Another alternative could be for employers to hire less-skilled workers and undertake the training themselves. Economists say the labor shortages should ease over time as more potential workers are vaccinated, schools fully reopen and federal benefits expire.

Table 1 South Central Idaho Seasonally Adjusted Unemployment (March to April 2021)

	Civilian Labor Force	April 2021 (Preliminary)			Changes from March 2021	
		Unemployment	Unemployment Rate (%)	Employment	Labor Force Change	Unemployment Change ² (%)
United States ¹	160,988	9,812	6.1	151,176	0.3%	0.1
State of Idaho	900,324	28,156	3.1	872,168	0.1%	-0.1
South Central	103,100	3,290	3.2	99,810	1.3%	-0.1
Counties						
Blaine	13,126	427	3.3	12,699	3.3%	-0.1
Camas	716	23	3.2	693	2.6%	-0.4
Cassia	12,644	338	2.7	12,306	1.0%	-0.1
Gooding	8,378	249	3.0	8,129	0.8%	-0.2
Jerome	12,211	373	3.1	11,838	0.9%	-0.1
Lincoln	2,788	108	3.9	2,680	2.2%	-0.1
Minidoka	11,894	348	2.9	11,546	1.0%	0.0
Twin Falls	41,343	1,424	3.4	39,919	0.9%	-0.1
Labor Market Areas						
Burley MicSA	24,538	686	2.8	23,852	1.0%	0.0
Hailey MicSA	16,630	558	3.4	16,072	3.1%	-0.1
Twin Falls MSA	53,554	1,797	3.4	51,757	0.9%	0.0
Cities						
Twin Falls	24,109	881	3.7	23,228	0.8%	-0.1

NB: ¹ In thousands, ² Calculations based on percentage point change.

Table 2
South Central Idaho Seasonally Adjusted Unemployment, March 2021 Over-the-Year Change

	Labor Force Change	Unemployment Change ² (%)
United States ¹	2.9%	-8.7
State of Idaho	2.7%	-8.5
South Central Idaho	2.5%	-7.8
Counties		
Blaine	2.2%	-19.4
Camas	5.4%	-10.1
Cassia	3.7%	-4.1
Gooding	3.3%	-3.7
Jerome	2.7%	-4.5
Lincoln	7.8%	-9.9
Minidoka	4.2%	-3.8
Twin Falls	1.1%	-7.9
Labor Market Areas		
Burley MicSA	3.9%	-4.0
Hailey MicSA	3.3%	-17.5
Twin Falls MSA	1.5%	-7.1
Cities		
Twin Falls	-0.2%	-9.1

NB: ¹ In thousands, ² Calculations based on percentage point change.

FOR MORE INFORMATION, PLEASE CONTACT:

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