Community Economic Profile

Gem County, Idaho

In Cooperation With:

Gem County
City of Emmett
United States Department of the Interior
Bureau of Land Management
Boise District
USDA Rural Development
Idaho Business-Cooperative Service Division

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Community Economic Profile

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September 2009

Produced for:

Gem County
City of Emmett
USDI Bureau of Land Management
USDA Rural Development

By:

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With Special Thanks to:

1. Headwaters Economic Profile System
2. Northwest Area Foundation Indicator Website
3. Idaho Department of Commerce Community Profiles
Executive Summary

Gem County is historically a natural resource-dependent county with a rich history in ranching, fruit production, and timber processing. With its orchards giving way to housing development, and its sawmill yielding to alternative energy, Gem County sits smack dab in the middle of the conversation about the ways of the Old West and the emerging New West. Lacking the recreational destinations of some of its neighboring counties, Gem County will not make a simple transition from timber and mining to tourism in the manner of say, McCall, Cascade, or Riggins. Yet it is not without high natural amenities along the Payette River or at Sagehen Reservoir. Several possible paths to economic diversification are possible. The trick is to pursue the options that are compatible with the values of its residents.

A defining asset for Gem County is its adjacency to the Boise metropolitan area. Gem County is a connected county, in that residents can access an airport with daily passenger service and many other urban services within an hour’s drive. The Emmett Valley has long provided attractive housing alternatives for families seeking a rural lifestyle. Almost two-thirds of county resident workers now commute out of the county, mostly to destinations in Ada or Canyon counties. These commuters bring considerable wealth and vitality to the county, and they import one-third of the county’s economy. Unfortunately, when heavy commuting is combined with a trend toward “big-box” retailing, the result can be a “hollowed-out” Main Street.

The challenge for Gem County is to move toward sustainability and balance in its economy. This means recognizing and nurturing new targets for growth. A 41% self-employment rate means small businesses and home office workers add vitality to the local economy. Sustainability means nurturing the many self-employed within Gem County, and helping them grow their sales and improve profitability. It means encouraging telecommuting as a way to decrease vehicle commuting. It means recognizing the opportunities that come from serving existing senior citizens and retirees that move to Gem County for the rural lifestyle. Those seniors largely control the 38% of the local economy that is non-labor income. Capturing the spending of those visiting Gem County for a wide variety of recreation activities can also help sustain the economy. Opportunities are emerging for firms to add value in alternative energy and agriculture. Improving education and training will improve the chances for local residents to participate in successful ventures.

Some change will be required, and that usually brings discomfort, especially for those who cling to the traditions of the Old West. Tourists, part-year residents, and retirees can look different from longtime residents and have different needs. Will they be welcomed? Will the ideas of the County’s entrepreneurs be encouraged and nurtured to success? Can new land development be allowed in ways that preserve the rural way of life and match the small scale of its communities? As the Treasure Valley resumes its growth path, Gem County will share in the prosperity. The challenge is to retain its rural character and not become a victim of suburban sprawl.
1. **Expect more visitors from a rapidly growing Treasure Valley.** A conservative projection is for 77,000 more residents of Ada and Canyon counties by 2020.

2. **The Hispanic community is growing.** This trend is sure to continue. Serving the needs of Hispanics is an economic opportunity.

3. **Commuting out of Gem County is on the rise.** Almost two-thirds of the county’s workers leave Gem County each work day. They bring back a third of the county economy in their paychecks.

4. **Gem County experiences high retail leakage out of the county to the Treasure Valley metro areas.**

5. **Traditional resource industries are mature and probably not engines of future growth.** However, agriculture is still important, and opportunities remain in value-added products, alternative energy, and agri-tourism.

6. **The high self-employment signals the importance of entrepreneurs, but low average proprietor’s income means they could use help.**

7. **Non-labor income contributes a growing share of the county economy and signals the importance of retirees.**

8. **Gem County relies less on tourism than its rural neighbors.** There are fewer overnight visitors and seasonal residents, though day visitors remain important.

9. **Gem County incomes are quite low.** Gem County per capita income was 68% of the U.S. average in 2007.

10. **Poverty is an issue in Gem County for children, seniors, families headed by single women, and Hispanics.**
Recommendations for Small Business

❖ Recognize the importance of small businesses and the self-employed to the economy of Gem County and work to increase public awareness.

❖ Nurture the creation of informal peer networks of business owners in the Gem County area. The Chamber of Commerce may serve as the network for retail businesses, but peer networks are needed for the self-employed. These are informal gatherings to share business practices and brainstorm solutions to problems. They have been proven elsewhere to help launch new start-ups and reduce business failures.

❖ Encourage retail businesses to adjust their hours of operation and improve customer service to cater to the commuters who are absent during the normal business day.

❖ Build on the passage of a Business Improvement District in Emmett to improve the appearance of downtown as a shopping destination.

❖ Develop closer working relationships with small business service providers like:
   - Small Business Administration, http://www.sba.gov/

❖ Raise awareness among Gem County business owners of the services available to them. Encourage the service providers to visit Gem County and schedule meetings with local businesses.
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Introduction

Local economies throughout the rural West are in a state of flux. Traditional natural resource industries have seen much structural change in recent years, some caused by evolving technology and some by new restrictions on the use of public lands that reflect changing national values. People living in rural communities can become bewildered by the pace of change thrust upon them, and may be uncertain about the degree that national and regional issues have affected their community, and unclear about the direction that their communities seem to be heading.

This document describes the local economic and demographic situation in Gem County. It is not intended to be comprehensive, but to capture areas of significant change. The data provide a snapshot in time of the county, though some effort has been made to identify changes and trends. Data limitations make most of the description countywide; community-level observations are made where possible. This report tries to incorporate observations about local developments as gathered informally, and at a workshop held in Emmett on November 6, 2008, by the authors, BLM and county staff. Because this report was generated just as the Resource Management Plan for the BLM Four Rivers Field Office (FRFO) was being updated, Gem County is often compared to the other eight counties in Southwestern Idaho that comprise that planning area.

Acknowledgements. This report is drawn from conventional secondary data sources such as the U.S. Census Bureau and Bureau of Economic Analysis. Several data points were interpolated on the county business to fill in data gaps. This report relies heavily on three compilation sources of Idaho data: the Economic Profile System maintained by Headwaters Economics; the Indicator website maintained by Priscilla Salant and the Northwest Area Foundation; and Community and County Profiles developed and maintained by Alan Porter of the Idaho Department of Labor. This report derives much from the Profile of Rural Idaho, first developed by this author in 1988, with a fourth edition published in 2005. Special thanks are due to Jan Roeser of the Idaho Department of Labor for her help with the new Census mapping program of commuter patterns.

A Simple Model of a Local Economy

Perhaps a good place to begin is with a simple explanation of how an economy works. Figure A below is the Static Rain Barrel Model adapted from the work of David Darling at Kansas State University. Here, the metaphor is that the level of economic activity, or prosperity, in a community is like the water level in an old wooden rain barrel.

Water flows into the rain barrel as dollars are earned or captured within the community. They come in the form of wages, sales, profits, and investments in “basic” or “export” industries. Economists call this Export Base Theory, and historically it referred to industries that created new wealth, often by capturing flows of value from the land. Examples of basic industries include crops, livestock, timber, and minerals, which are produced from the land and sold to create a stream of local income. Manufacturing, which combines physical inputs at various stages of development with local labor and technology, is also a basic industry providing new
income. A basic industry is any business or individual who brings new money into the community by exporting a product beyond the community.

In more recent years, economists have recognized that services provided to markets outside the region and services provided to visitors coming in from outside the region also qualify as base industries producing streams of new revenue. Other sources of new money are construction, government offices, retired persons, and wealthy persons. These basic economic activities are sometimes called “region-building” business. Such businesses are the preferred target of economic development efforts.

![Static Rain Barrel Model](image)

**Figure A. Source:** Adapted from David Darling, Kansas Cooperative Extension Service.

The wages and profits of these basic industries are often used to buy local goods and services from businesses and individuals who rely primarily on those purchases to make a living. Businesses who do not make their living from outside dollars are "non-basic" or “region-filling” businesses. Examples of non-basic businesses are grocery stores, car dealers, hairdressers, accountants, and other retailers or service providers. Region-building and region-filling businesses are both vital to community health. As the wages and profits of the basic industries turn over to local suppliers and non-basic industries, part of this income may be passed around several times before it leaves the community. This is called the multiplier effect.

The more self-sufficient a community is, the more goods and services are purchased locally and the higher the multiplier effect. The higher the multiplier, the more a dollar circulates around a community prior to leaving. The more that happens, the greater the employment and income impacts of the base industry and the greater the prosperity of the community. The shrinking retail sector in smaller communities is one of the major drivers of the multiplier effect.
as dollars do not stay in the community, but are spent elsewhere. In general, the smaller the
town and its retail sector, the smaller the multiplier. Other major drivers that may cause
multipliers in rural communities to become smaller over time include: the national trend toward
“big box” warehouse stores; the increase in population and driving distance of rural
commuters; and the consolidation of health care toward regional medical centers.

The relationships of households and businesses in a community to whom they sell or from
whom they buy are called linkages. The more linkages within a community, the higher is the
multiplier, and the greater the prosperity. Communities should examine linkages to find
opportunities for bringing more economic activity into the community that is currently
performed outside the community. To the degree that purchases of goods or services are
made outside the community, these are called leakages. Most financial investments tend to
end up outside the rural community, in bonds or mortgages or shares of stock of national or
multi-national firms. This is an often-overlooked leakage.

It is often thought that payments for taxes or Social Security are a type of leakage out of the
local economy. However, this is not the case. Most local government revenues and a large
share of state tax dollars are spent in local communities supporting infrastructure, education,
and government programs. Rural Western states have long received much more than one
dollar in return for every dollar of Federal taxes paid. For instance, Idaho received $1.21 for
every $1.00 in federal taxes paid in 2005, according to the Tax Foundation. This is due to the
geography of the West and the large number of highway miles, public lands, national parks,
national labs, and military installations operated in remote areas. In many rural Western
communities, public employers like federal agencies, schools, or hospitals are large and
stable parts of the local economy.

The Rain Barrel and Community Economic Development. As water flows into the
community bucket in the form of sales, wages, and profits and circulates around the
community, the prosperity level rises. This is economic/community development. If the
bucket overflows, a community can build a bigger bucket (the community grows; infrastructure expands) or the community can build a better bucket (the quality of community facilities and lifestyles improves). So how can the community make its bucket overflow? The
answer is simple. Increase the flow of dollars coming in, and plug the leaks.

Begin fixing the bucket by taking care of basic infrastructure needs. The quality of a
community’s education system, transportation facilities, telecommunication linkages, utilities,
health care and recreational facilities will affect the performance of existing businesses and
will determine whether new businesses and individuals move to or visit the community. The
quality of community facilities sends a message to visitors about community expectations.
For this reason, an infrastructure improvement strategy is essential to “fixing the bucket.”

While the bucket is being improved, increase the flow of new dollars to the community
by preserving existing businesses, by helping them to expand, and by attracting new
businesses and individuals to the community. Focus on basic or export industries in this
effort. A business retention and expansion strategy and an economic diversification plan are
essential to identify opportunities to expand the flow of dollars into the community and raise
the level of community prosperity.
As a final strategy, **plug the leaks that allow prosperity to leave the community.** Leaks are caused by a community not being self-sufficient. Some leaks cannot be helped. A sawmill may need a new blade, but steel is not made in town. Some earnings will have to be spent outside the community to get that new blade. Another example is a community member who might want a Ford pickup truck, but Ford trucks are not built in town. Community dollars have to go to Detroit to meet this need. Taxes must be paid (though a surprising amount comes back to the community as local services, salary and pension payments to individuals, or government grants). As such, there is nothing that can be done about those leaks, but there are some leaks that can be plugged.

Leaks that can be plugged are local residents who go out of town to buy goods and services that are available in town or could easily be provided. Each non-basic business patches a potential leak in the community bucket. When out-of-town business purchases of some good or service (e.g., machine tooling or accounting) are large enough to sustain a local supplier, a leak can be identified and plugged. Other leaks are local savings that are invested outside the community because there is a lack of opportunity to invest at home. Leaks can be plugged by providing the goods and services that are missing. Sometimes the community must be convinced a service is available and of the quality and price they desire (e.g., using the local hospital). Sometimes new populations emerge within a community (e.g. retirees, entrepreneurs, part-year residents, or ethnic minorities) that desire new goods and services. By identifying these new needs in the community and applying local savings and investments into new businesses or business expansions, leaks can be plugged and economic development can occur.

**Gem County Community Economic Profile**

**Gem County Population: Slow, but Steady Growth**

Table 1 shows the historical populations of the counties of Southwest Idaho in comparison to Gem County. The 1970s were a Rural Renaissance and Gem County’s population grew by

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</tr>
</thead>
<tbody>
<tr>
<td>Ada</td>
<td>173,125</td>
<td>205,775</td>
<td>300,904</td>
<td>373,406</td>
<td>18.9%</td>
<td>46.2%</td>
<td>24.1%</td>
<td>115.7%</td>
</tr>
<tr>
<td>Adams</td>
<td>3,347</td>
<td>3,254</td>
<td>3,476</td>
<td>3,546</td>
<td>-2.8%</td>
<td>6.8%</td>
<td>2.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Boise</td>
<td>2,999</td>
<td>3,509</td>
<td>6,670</td>
<td>7,571</td>
<td>17.0%</td>
<td>90.1%</td>
<td>13.5%</td>
<td>152.5%</td>
</tr>
<tr>
<td>Canyon</td>
<td>83,756</td>
<td>90,076</td>
<td>131,441</td>
<td>179,381</td>
<td>7.5%</td>
<td>45.9%</td>
<td>36.5%</td>
<td>114.2%</td>
</tr>
<tr>
<td>Elmore</td>
<td>21,565</td>
<td>21,205</td>
<td>29,130</td>
<td>28,856</td>
<td>-1.7%</td>
<td>37.4%</td>
<td>-0.9%</td>
<td>33.8%</td>
</tr>
<tr>
<td>Gem</td>
<td>11,972</td>
<td>11,844</td>
<td>15,181</td>
<td>16,496</td>
<td>-1.1%</td>
<td>28.2%</td>
<td>8.7%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Payette</td>
<td>15,825</td>
<td>16,434</td>
<td>20,578</td>
<td>22,751</td>
<td>3.8%</td>
<td>25.2%</td>
<td>10.6%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Valley</td>
<td>5,604</td>
<td>6,109</td>
<td>7,651</td>
<td>8,945</td>
<td>9.0%</td>
<td>25.2%</td>
<td>16.9%</td>
<td>59.6%</td>
</tr>
<tr>
<td>Washington</td>
<td>8,803</td>
<td>8,550</td>
<td>9,977</td>
<td>10,147</td>
<td>-2.9%</td>
<td>16.7%</td>
<td>1.7%</td>
<td>15.3%</td>
</tr>
<tr>
<td>FRFO Region Total</td>
<td>326,996</td>
<td>366,756</td>
<td>525,008</td>
<td>651,099</td>
<td>12.2%</td>
<td>43.1%</td>
<td>24.0%</td>
<td>99.1%</td>
</tr>
<tr>
<td>% of State</td>
<td>34.6%</td>
<td>36.4%</td>
<td>40.6%</td>
<td>43.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Total</td>
<td>944,127</td>
<td>1,006,749</td>
<td>1,293,953</td>
<td>1,499,402</td>
<td>6.6%</td>
<td>28.5%</td>
<td>15.9%</td>
<td>58.8%</td>
</tr>
</tbody>
</table>

27.5%. In the 1980s, Gem County was one of the 18 counties in Idaho which lost population (-1.1%) during a decade characterized by hard times in the natural resource industries. In the 1990s, Gem County’s 28.2% jump in population did not match Boise, Ada, Canyon or Elmore counties, but it nearly matched the growth rate of Idaho. In the current decade, Gem County has continued to grow, but at a slower rate of 8.7%. In population growth, Gem County has benefited from the rapid growth of the urbanizing Ada and Canyon counties. It has a long history of slow, steady growth, punctuated by slowdowns during economic downturns.

Gem County had a population estimated to be 16,513 in 2008. This is smaller than its surrounding neighbor counties of Ada, Elmore, Boise, and Valley counties. Gem County has only one city measured by the Census, its county seat of Emmett, with a 2008 population of 6,357. Gem County also has unincorporated communities in Letha, Ola, Sweet, and Montour.

Figure B shows the relative population growth of Gem County compared to Idaho and the United States. For the thirty-six years from 1970-2006, Gem County’s population grew at an average annual rate of 1.6%, which was faster than the United States, but slower than Idaho. In the early 1980’s, the nation experienced an economic recession. The blue bars in Figure B show national recessions. Economists believe the recession of 1981-83 lasted through 1986 in much of America’s heartland and that national recovery was only experienced on the coasts. Gem County’s population growth flattened and declined during that severe recession. Eighteen counties in Idaho lost population.

Figure B. Source: Economic Profile system, Headwaters Economics, http://www.headwaterseconomics.org/eps, run August 4, 2009 for Gem County
Figure C shows a population projection for Gem County. This projection was made by Dr. Paul Zelus using the 2007 Census updates available from Claritas and a set of single-year age cohorts for Gem County, generated by the Center for Disease Control. The existing population was aged a year at a time, with average mortality and birth rates applied each time. Net migration was assumed as a three-year moving average of past migration rates. The resulting projection shows Gem County growing from 16,496 in 2007 to 19,976 by the year 2020. While the County’s population grew at a 2.8% annual rate in the 1990s, population growth is projected at a more modest 1.5% rate from 2010-2020, closely matching the long-term growth rate of the last 36 years.

Population growth can be broken into two components. The natural rate of change is calculated as births minus deaths within the population. Net migration is the number of people who move into an area less the number of people who move out. Figure D shows these two components of population change for Gem County in the 2000-2007 period. Gem County had 7.3% more people moving in than out of the county, which was less than Idaho’s in-migration rate of 9.1%, but well in excess of the national net migration rate of 2.8%. In terms of natural change, Gem County growth rate of 1.9% is much lower than the Idaho rate of 6.8%, or the national rate of 4.3% gain. The source of Gem County’s recent growth has been coming from outside the county.


Figure D. Source: Northwest Area Foundation Indicators Website, [www.indicators.nwaf.org], run July 21, 2008 for Gem County
Where are the in-migrants coming from? While Figure D refers to those moving into Gem County from 2000-2007, Figure E is taken from the 2000 Census, where people were asked where they lived five years earlier in 1995. Over half of Gem County residents lived in the same house in 1995 and another 19% lived elsewhere in the county, so residents must enjoy their places. Nearly half of Gem residents (49%) are Idaho natives. Newcomers to Gem County are coming first from elsewhere in Idaho (13%), and then from elsewhere in the West (9%).

In terms of population density, Gem County is clearly rural. Figure F compares the number of persons per square mile for all the counties in Southwest Idaho. Gem County’s 29.3 persons per square mile is higher than all other rural counties except Payette.

Rasker, et al. classify Western counties based on their distance to airports offering daily passenger service. Gem County is rated “metro” and is part of a Metropolitan Statistical Area because more than 25% of its resident workers commute to Ada County. However, Gem County looks more like a “connected” county, where the distance to a major airport is less than an hour. It is this adjacency to the Treasure Valley that makes commuting, telecommuting, and self-employment so popular.

**Key Point #1:** Gem County can expect more visitors from a growing Treasure Valley
Figure G displays the historical and projected populations of all the counties in the southwest region from 1920 to 2020. Gem County is indiscernible in the maze of rural counties. This graph demonstrates how Southwest Idaho is made of an urbanized area in Ada and Canyon Counties and a very rural surrounding region. Residents of Gem County know well that those living in the cities of the Treasure Valley are coming to the rural areas to recreate on weekends and during hunting and fishing seasons. Southwest Idaho is projected to grow by more than 93,000 people by the year 2020, and 77,000 of these people will live in Ada or Canyon Counties. So whatever recreation pressure exists today, Gem County can expect that visitor traffic will increase by a minimum of 13 per cent more over the next dozen years.

**Population of Four Rivers Counties**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ada</th>
<th>Adams</th>
<th>Boise</th>
<th>Canyon</th>
<th>Elmore</th>
<th>Gem</th>
<th>Payette</th>
<th>Valley</th>
<th>Washington</th>
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<tr>
<td>1920</td>
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<td>1980</td>
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<td>1990</td>
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<td>2010</td>
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<td>2020</td>
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Gem County Population: Age, Gender, and Ethnicity

Figure H shows the pattern of population in Gem County by age cohorts of five years. The left hand graph shows the actual numbers in each age bracket in the year 2000; females are on the left, and males are on the right. The middle graph shows the change in age cohort populations between 1990 and 2000. The right hand graph shows the changes in percent shares. Note the bulge in all three graphs for ages 40-59. These are mostly the result of the Baby Boom generation born after World War II (Remember to add nine years to get their current ages.). There is a second smaller bulge in the 10-19 range that is the Baby Boom echo of that generation’s children. The relative low numbers of young adults aged 20-34 explains in part the lower numbers of very young children and the low natural rate of population growth. The loss in share of active retirees, aged 65-74, suggests Gem retirees are moving out of the county.

Comparable histograms for the City of Emmett would show nearly twice as many women over 65 years of age than men. Could this represent the presence of senior living facilities? Emmett also has more children ages 10 and under. This could be a reflection of the larger proportion of Hispanic families.


Figures I and J show that people of Hispanic or Latino origin have grown to 8.2% of the county’s population in 2008. This proportion has been growing steadily since 1980, but is lower than the Idaho average of 10.2% or the U.S. average of 15.2%. Hispanic population growth has been much faster than overall population growth. From 2000-2008, Gem County’s total population grew 9%, while the Hispanic population grew 30%. The Hispanic
community is concentrated in Emmett, where the Hispanic proportion was 11.6% in the 2000 Census.

**Figure I.** Source: Northwest Area Foundation Indicators Website, [www.indicators.nwaf.org](http://www.indicators.nwaf.org) run August 5, 2009 for Gem County

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**Figure K compares Gem County’s Hispanic population with other counties in Southwest Idaho in 2007.** The more forested counties of Boise, Adams, and Valley have sharply lower Hispanic populations than agriculture-oriented counties like Owyhee, Canyon, Washington, and Payette. Gem County seems to track more closely with the forested counties or with Ada County. In any case, continued growth in the number of Hispanics living in Gem County seems a likely future. One key for economic vitality is for communities like Emmett to build bridges between the two often separate cultures and to find ways to embrace the contributions of Hispanics into an increasingly diverse Gem County.

**Figure J.** Source: Northwest Area Foundation Indicators Website, [www.indicators.nwaf.org](http://www.indicators.nwaf.org), run August 5, 2009 for Gem County

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**Community Economic Profile**

Gem County, Idaho

September 2009
### 2007 Hispanic Population (Percent of Total Population)

<table>
<thead>
<tr>
<th>County</th>
<th>2007 Hispanic Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owyhee</td>
<td>23.9%</td>
</tr>
<tr>
<td>Washington</td>
<td>18.9%</td>
</tr>
<tr>
<td>Valley</td>
<td>16.3%</td>
</tr>
<tr>
<td>Payette</td>
<td>15.1%</td>
</tr>
<tr>
<td>Gem</td>
<td>13.6%</td>
</tr>
<tr>
<td>Elmore</td>
<td>12.3%</td>
</tr>
<tr>
<td>Canyon</td>
<td>10.5%</td>
</tr>
<tr>
<td>Boise</td>
<td>8.7%</td>
</tr>
<tr>
<td>Adams</td>
<td>6.9%</td>
</tr>
<tr>
<td>Ada</td>
<td>5.1%</td>
</tr>
<tr>
<td>FRFO Region</td>
<td>4.0%</td>
</tr>
<tr>
<td>State of Idaho</td>
<td>3.2%</td>
</tr>
<tr>
<td>US</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

**Key Point #2** The Hispanic community is growing.

Beyond the Hispanic community, the ethnic diversity lessens sharply. Persons of Native American heritage accounted for 0.7% of Gem County residents in 2000, and other races account for a small fraction of one percent each.
Looking at Commuter Patterns

Since 2005, the Census Bureau has been working on a new program called On the Map that allows local areas to map commuter patterns. It is made possible because local employment data is gathered in two ways, where people work and where they live. Figures L and M are mapping only primary, full-time jobs. This is different than total employment, which also measures part-time and seasonal employment and may count a person working multiple jobs more than once. Figure L below shows where Gem County residents work. While there are over a thousand workers going to work in Emmett and another 500 working elsewhere in the county, many more workers are heading to workplaces located out of Gem County. A total of 2,792 people, or 63.4% of Gem County workers commuted out of the county in 2006. Their destinations are primarily in Ada (39%), Canyon (15%), and Payette (3%) counties. More Gem County residents work in Boise than in Emmett.

Figure L. Where Did Gem County Residents Work in 2006?

Figure L.
In contrast, Figure M maps where workers live who were employed in Gem County in 2006. Of the 2,971 primary jobs in Gem County in 2006, 1,591 are filled by Gem County residents. It shows that 46.4%, or 1,380 workers commuted into Gem County. Residents of Ada County fill 20.8% of the primary jobs in Gem County. Residents of Canyon County account for another 10.7% and Payette County 3%. This reverse stream of workers commuting into Gem County is significant, less well-known, and about half the size of the commuting stream out of Gem County.

**Figure M: Where Do Workers Live Who Are Employed In Gem County?**

![Figure M](image)


Figures N and O show how the commuting results in flows of personal income in and out of the county. There is far more income flowing into the county as a result of Gem residents leaving the county to earn a living and bring it back home, than there is income earned in Gem County and flowing out of the county by those commuting in. While there were 1,412 more people commuting out than into Gem County in 2006, the large difference in income...
flows suggests that the wages earned by Boise residents leaving the county were larger than those earned by workers coming into the county. The outflow of earnings from commuting into Gem County has been growing very slowly since 1980, and has been flat for the last decade. On the other hand, the flow of earnings into the county from commuting out has been growing steadily at a much faster rate.

Figure O shows the net residential adjustment as a share of total personal income within Gem County. Note that the net inflow of money amounts to 33.2% of the county total personal income. In other words, a third of the local economy is imported by commuters. This is an important positive contribution of commuting, which is often viewed by community residents as a negative. Note the net commuting adjustment has flattened in the current decade.

Key Point #3: Commuting out of Gem County is very important to the local economy, and it is increasing.

What is this analysis missing? That is the impact of spending leakage out of the county. The workers who are traveling out of Gem County will naturally do much of their purchasing of goods and services like health care in the course of their work day. In addition, buying in Boise has likely increased as the retail sector transforms towards big box stores. So this benefit of commuting and serving as bedroom communities to Boise is offset by retail spending patterns shifting out of Gem County.

Key Point #4: Gem County experiences high retail leakage out of the county to the Treasure Valley metro areas.
An Economy in Transition

Gem County lagged behind Idaho and the U.S. in job formation during the 1980s as the timber industry declined (Figure P). Since 1992 Gem County has been growing, yet it has not caught up to the national or state averages.

Figure Q shows the change in employment in various sectors of the economy from 1970-2000. (The data ends in 2000 because the method of classifying job sectors changed from the Standard Industrial Classification (SIC) to the North American Industrial Classification System (NAICS) in 2001.) The services and professional job sector has become dominant, growing rapidly since the late 1980s. Manufacturing jobs were led by the timber industry, and they dropped sharply due to a decline in national housing starts in 1979. Agriculture has provided an important and stable source of jobs over the years. Construction jobs grew in the 1990s, and government employment has grown slowly with population growth. Agriculture has remained a smaller, but stable, source of jobs in Gem County. Put another way, Gem County has more agriculture, manufacturing, and construction than the U.S. average, but less professional services. The latter is due to the wide availability of services in the adjacent metro area.

The two pie charts in Figures R use snapshots from 1970 and 2000 of Gem County employment by industry to emphasize the shift in employment sectors. In these 30 years,
1,961 new jobs were added within Gem County, from 3,964 to 5,925 in 2000. The shifts in the size of various slices of the economic pie reveal a number of significant trends. The larger size of the 2000 pie chart communicates the larger size of the county economy and employment. So of the 1,961 new jobs created in thirty years, 78.5% were in services. Manufacturing jobs accounted for 20% of Gem County employment in 1970, but fell by half to 10% by 2000. Farm and agricultural services declined from 28% to 18%. Meanwhile, services and professional jobs grew from 35% in 1970 to 50% in 2000, paralleling the shift in state and national economies. For comparison, 59.3% of Idaho’s jobs were in the services sector in 2000; Gem County has less services jobs due to the nearby metro area. Construction jobs quadrupled in share from 2% to 8% of jobs in 2000.

![Pie charts showing employment in Gem County, 1970 and 2000.](image)

**Figure R.** Employment in Gem County, 1970 and 2000.

**Source:** Old Economic Profile System, Sonoran Institute, run Nov 1, 2008 for Gem County.

The data from 2001-2006 reveals an extension of the same pattern of job growth, mostly in retail trade and services. The shift to construction jobs continued, with that sector reaching 12.5% of jobs in 2006. Finance, insurance, and real estate jobs rose with construction. The government sector shrank slightly. Construction employment has clearly fallen in the current economic recession since 2006. It is worth noting that manufacturing employment in the City of Emmett in the year 2000 is much higher at 21%.

**Key Point #5: Natural resource industries are mature and not likely engines of future growth.**

Figure S is taken from the Profile of Rural Idaho and represents the entire Gross State Product. It clearly reinforces the point that whether in terms of jobs or income, our natural resource industries have not driven the Idaho economy over the last twenty years.
Agriculture is Still Big Business in Gem County

Despite being a mature industry, agriculture is still big business in Gem County. There were 822 farms in the county in 2007, with total crop and livestock sales of $30.8 million. Most of the farms are small, hobby farms both in size and sales, with 485 farms having less than $10,000 in sales. Beef cattle, sheep, and alfalfa hay are the mainstays of Gem County, with dairy, small grains, and fruit also making contributions. There were 2,831 horses and 1,169 goats in Gem County in 2007.

Figure T shows how production expenses have converged on gross income in recent years, pushing net farm income negative. Figure U shows net farm income, which is the contributor to the personal income graphs shown later. Net farm income is notoriously erratic as commodity prices fluctuate with supply and demand conditions. The sharp drop around 1995 is likely due to the Alar pesticide problem on apples, which caused prices to plummet and many orchards to be removed from Gem County and converted to housing developments.

Figure V shows how the average farm proprietor's income in Gem County is strongly negative at -$15,183, and lower than most other counties in Southwest Idaho except the timber counties of Adams and Valley. This likely signals the presence of more hobby farms and ranchettes compared to large commercial operations. Favorable tax laws allow small farms to post negative earnings. Note that Gem County actually increased the number of farms from 802 in 2002 to 822 in 2007.


Figure V. Sources: US Bureau of Economic Analysis, Regional Economic Information System 1969-2006, CD-ROM product RCN-0853, May 2008. Figure design by Zelus Associates.
Is Government Growing?

One often hears that government is growing too fast. This perception is especially true in times of rising property valuations. Figures W and X show the size of government employment over time in Gem County. As shown in Figure V, state and local government grew, especially since about 1990. This is largely due to government functions that grow with population, such as education, health and social services, and public safety. Federal employment has stayed in a fairly narrow band. Figure X shows that government employment per 100 residents has declined slightly from just over six employees per hundred people in 1970 to just under six in 2006. Compared to other counties, this is a very low proportion of government employment.

The Importance of Proprietors

An important concept to mention is the role of proprietors in Gem County’s economy. These are self-employed people operating as sole ownerships, partnership, or tax-exempt corporations. They are often overlooked by economic developers thinking only of wage and salary employees. Self-employment in Gem County amounts to 42.7% in 2007, significantly higher than the State of Idaho average of 25.2% (Figure Y). Gem County ranks 3rd among Idaho counties in self-employment rate.
The self-employment rate has been steadily rising since the 1980s. About 9% of these proprietors are farmers or ranchers. From 1970 to 2006, 60% of the new jobs were proprietors, not employees.

![Self-employment rate graph](image)

**Figure Y.** Source: Northwest Area Foundation Indicators Website, [www.indicators.nwaf.org](http://www.indicators.nwaf.org), run August 5, 2009 for Gem County

Figures Z shows how the share of self-employed jobs fell in the late 1970s and then sharply rose, while self-employment’s share of income fell dramatically in the 1980s and never recovered. Specifically, the self-employment income share fell to 2% at the same time the self-employment job share rose to 41%.

![Proprietors' Share of Total (Income vs. Employment) graph](image)

**Figure Z.** Proprietors’ Share of Total (Income vs. Employment). Source: Economic Profile system, Headwaters Economics, [http://www.headwaterseconomics.org/eps](http://www.headwaterseconomics.org/eps), run August 4, 2009 for Gem County

![How are Proprietors’ Doing? graph](image)

**Figure AA.** How are Proprietors’ Doing? Source: Economic Profile system, Headwaters Economics, [http://www.headwaterseconomics.org/eps](http://www.headwaterseconomics.org/eps), run August 5, 2009 for Gem County

Figure AA shows average non-farm proprietor’s income dropping below the average wage and salary in the early 1980s. The average non-farm proprietor income was $8,558, much less than average wage and salary income of $24,572 in 2006.
Comparing Gem County with other counties in the region, it is clear that many rural counties share the same problem of low non-farm proprietors’ income (Figure BB), but Gem County is the lowest. Gem County is less than two-fifths the Idaho average. In Ada County, average income of the self-employed is much higher due to the presence of large numbers of contract workers in professional fields, who fill in for large employers that downsize, such as Micron or Hewlett-Packard.

![Image](image.jpg)

**Figure BB. Sources:** US Bureau of Economic Analysis, Regional Economic Information System 1969-2006, CD-ROM product RCN-0853, May 2008.

There are three possible explanations for low non-farm proprietor’s income in rural areas:
One is the presence of survival or necessity entrepreneurs. Faced with deep roots in the community and home ownership, many former wage earners who lose their jobs choose to start their own business if replacement jobs are not available. They judge that being self-employed will pay better than low wage alternatives. These new businesses may struggle and produce little income in early years.

Another explanation is that rural areas contain lots of supplemental businesses in addition to full-time jobs.

A third reason would be the presence of numerous retirees who start hobby businesses to supplement their fixed incomes. Gem County does not appear to fit as a retirement destination county.

Another data source worth examining is the National Establishment Time Series, which tracks the opening and closing of businesses over time. From 2000-2007, 944 businesses opened in Gem County and 659 closed, for a net gain of 285 business establishments. Of the new businesses, 287, or 101%, were small businesses of 1-9 employees, started by residents (some larger firms had negative net opening rates). A net of -344 jobs were created from 2000-2007 by net business openings, yet the smallest firms created 378 jobs. Another 106 jobs were created by existing businesses expanding. And a net loss of 27 jobs came from businesses moving in and out of the county, i.e., what is called business recruitment. Another drag on the local economy was net losses in jobs by firms with 10-499 employees.

One thing is clear from this analysis. Any effort to nurture entrepreneurship and assist the self-employed in improving their businesses would be a sound economic development priority for Gem County. Helping existing businesses successfully transition to larger operations is key.

Key Point #6: The high self-employment signals the importance of entrepreneurs, but low average proprietor’s income means they could use help.

Looking at Personal Income

Employment measures only tell part of the economic story of a region. Remember the rain barrel analogy where there is money flowing into the area from other sources than wages and salaries? Economists say that personal income equals consumption expenditures, plus investment, government expenditures, and exports less imports. (Note that formula means that government spending has exactly the same impact in the economy as private consumption.) However, let’s begin by looking at personal income deriving from the different industry groups (Figure CC). Personal income will remove the variable of different wage rates as we examine how important industry sectors are.

The Gem County economy totaled $393.8 million in 2006. One is immediately drawn in Figure CC to the rapid growth in non-labor sources of income. Manufacturing income has declined starting around 1980, finishing 20% below 1970 levels in 2000. Farming and agricultural services have been erratic, which is normal for an industry dependent on...
commodity price swings, and lower in recent years. Mining is of relatively minor importance to the county economy.

Services, government, and construction have been growing sectors. The government growth largely mirrors population growth as shown earlier in Figures W and X. Construction has grown through the 1990s to $17 million of personal income in 2006, or 4% of the economy. That has clearly stalled in 2009. Services have grown to 16% of the economy in 2000, with growth likely continuing in this decade.

![Income History (by SIC)](image)

**Figure CC. Source:** Economic Profile system, Headwaters Economics, [http://www.headwaterseconomics.org/eps](http://www.headwaterseconomics.org/eps), run August 4, 2009 for Gem County

### Looking More Closely at Non-Labor Income

The income category whose total share gained the most was non-labor income, which went from 22.9% in 1970 to 38.2% in 2006. Non-labor income grew at a 3.8% annual rate from 1970-2006, while labor income grew at a 2.4% rate. Of the income growth over these thirty-six years, 44% came from non-labor income. The Gem County non-labor income of 38.2% is higher than the national average of 37.4%.

Non-labor income consists of two things: 1) returns to fixed assets as dividends, interest, and rent, and 2) returns to work done in the past that comes as social security, pensions, and Medicare. While wages are the return to productive labor, dividends, interest, and rent are the returns to fixed assets like stocks, bonds, and rental property. They account for 16% of the local economy in Gem County in 2006, which is lower than the Idaho average of 18%. Dividends, interest, and rent are generally a very steady source of personal income.

Transfer payments are the other piece of non-labor income, and they amount to 22% of Gem County’s personal income, which roughly matches the Idaho average. Figure DD displays US Bureau of Economic Analysis data on various components of transfer payments in Gem County and how they have changed over time. The Age-Related line includes Social
Security, railroad retirements, and Medicare and is more than twice as large as the other three categories combined. The age-related component of transfer payments will continue to grow rapidly for some years as Baby Boomers move into their senior years. The Distress-Related line has also been growing rapidly. This component includes Medicaid, Supplemental Social Security, family assistance, food stamps, and other income maintenance for people whose lives have been disrupted. What is especially driving the growth in this category is Medicaid. The growth in this category is relevant to county governments because of their responsibility for indigent medical care. Of course, these payments may change as health care reform moves forward. The Military-Veterans Related line includes all veterans’ programs and pensions. The Unemployment-Related line includes worker’s compensation, other retirement and disability insurance, state unemployment insurance, and other unemployment programs. Neither of these last two categories displays much growth in Gem County.

![Federal Transfer Payments by Category, 1969-2006](image)

**Figure DD. Sources:** US Bureau of Economic Analysis, Regional Economic Information System 1969-2006, CD-ROM product RCN-0853, May 2008.

Together with the 16% of personal income coming from dividends, interest, and rent, non-labor income comes to 38% of the county economy. It is mostly (an estimated 63%) controlled by senior citizens and is rapidly growing. Put another way, *if one focused only on jobs and the money they bring in, over one-third of the economy would be ignored.*

**Key Point #7:** Non-Labor income contributes a growing share of the county economy.
Exploring Seasonality

Some rural counties have developed a strong visitor industry by offering recreational opportunities, tourism events, developing local attractions, becoming a vacation home destination, or serving pass-through visitors. One can explore this seasonality in the data in three areas—lodging sales, traffic patterns, and seasonal housing stock.

Figure EE is a graph of lodging sales data for Gem County that is kept by the Idaho Tax Commission for purposes of collecting the two percent lodging tax. Sales include fees collected at private RV parks. The graph is in current dollars and not corrected for inflation. Reporting tends to lag by one month, so that December sales are reported in January. Three things are apparent in Figure EE. Lodging sales are not large in Gem County, which either means that Gem County does not have a large tourism component to its economy, or that visitors are based in the metro area and are mostly on daytrips. Second, though modest, lodging sales have grown steadily over time. Third, there is a summer/fall peak season. The two peaks of 2007 sales in June and September could correlate to county events such as the Cherry Festival and the Firebird Raceway season.

![Gem County Lodging Sales Graph](image)

Figure EE. Source: Idaho Tax Commission, Lodging Sales Reports
Figure FF shows levels of average daily traffic at several Idaho Transportation Department traffic counters for the years 2001, 2004, and 2007. The counter on Highway 16 is very recent and only shows 2007 data. The Letha counter shows slow, but steady, growth in traffic over time.

Figure GG displays the same traffic counters, but this time showing average daily traffic during the seasons of the year. The long summer and winter seasons are intended to reflect local weather and the ability of people to access the high country. Note the clear summer peak at the counter on Highway 55 at Donnelly. A similar, though muted pattern shows for the Letha counter. The Firebird traffic counter is a good measure of commuting and shopping traffic to and from the metro area. The decline in winter traffic may mean more carpooling and fewer discretionary trips to town in bad weather.

The second thing that can be seen in Figure GG is in the difference between the columns for spring 2007 and spring 2008. All counters show a decline in traffic in 2008. Figure HH explores this point.

This graph compares daily traffic flows at the Letha and Firebird counters as the price of gas increased in the last year. The left axis shows the price of gas, and the black line tracks the increase in gas price in Idaho over time. The right axis shows average daily traffic flows for the month, expressed as a percentage change from the same month a year earlier. In other
words, if the traffic were exactly the same as a year ago, the line would be straight at 0%. Instead, we see the traffic at Letha dip below last year’s traffic as the price of gas grew over $3 per gallon. By July 2008, traffic had dropped over 20%. In contrast, Firebird traffic dipped
less than average, likely due to the inclusion of a sizable commuting stream. The blue line shows an average of over a dozen traffic counters in southwest Idaho.

The graph provokes several questions. What kind of traffic declined the most? Was it commuters learning to car pool? Did recreational traffic decline? Did agricultural traffic remain constant? What will happen to traffic as gas prices settle in the $2-3 per gallon range? Did behaviors change permanently, or will people return to prior lifestyles? What does this mean for future visitor traffic into and through Gem County?

The last measure of seasonality is the amount of housing stock that is kept for seasonal, recreational, or occasional use. In Gem County, the 2000 Census data showed only 36 housing units, or 0.6% of the county housing stock, used for seasonal, recreational, or occasional purposes. Recently, some vacation properties have been developed on Sage Hen Reservoir. The bottom line is that part-year residents are few and the tourism industry is of less importance than other rural counties in Southwest Idaho. In 2006, arts, entertainment, and recreation and accommodations and food services only accounted for about 5% of employment and about 1% of personal income. However, it accounted for 9% of employment in the City of Emmett.

**Key Point #8: Gem County relies less on tourism than its rural neighbors, with few overnight visitors and seasonal residents.**

**Effects on Households**

So far, the analysis has looked at big patterns within the county economy. Let’s begin to focus on individual families. Unemployment rates are a good place to begin. Figure II shows how Gem County unemployment has generally been higher than Idaho’s or the nation’s in the past when timber was king. The timber industry has notoriously seasonal employment, especially in the woods. From 2003-2008, Gem County’s employment more closely tracked the Idaho average, and remained below national unemployment rates. Gem County has suffered in the current recession. In June 2009, Gem County’s unemployment rate was 11.0%, compared to 8.4% for Idaho and 9.5% for the United States, according to Idaho Department of Labor data.

Gem County’s seasonal pattern of unemployment is shown in Figure JJ. The seasonal swing is a moderate 3-4%, with a clear low unemployment during fall harvest season. Note the strongly rising unemployment in late 2008 heralded the arrival of the current recession.
Figure KK is another more complicated format that uses different measures on the left and right vertical axes. On the left side, employment in Gem County for 2006 is shown in red columns for different sectors of the economy. On the right axis, annual wages are shown for that sector with the county wage in blue and the state average wage in green. The graph shows that the two dominant employment sectors are local government and trade, transportation, and utilities, both paying a moderate wage. Wages for education and health services are sharply lower in Gem County than the state average. Jobs in natural resources pay slightly more than the state average. Leisure and hospitality is a low-wage sector. Gem County lacks jobs in some of the higher wage sectors like federal or state government or information technology.

Figures LL and MM demonstrate that Gem County residents earn less and have lower incomes than the average Idahoan or American. Per capita income is defined as county personal income divided by population. Here it is corrected for inflation over time in 2008 dollars. Gem County struggles to keep up with the Idaho average and remains well behind the U.S. average in per capita income. In 2007, per capita income in Gem County ($26,373) was lower than the State ($33,025) and the nation ($38,615) and was 68.3% of US average. Gem County was ranked 33rd of 44 counties in Idaho in per capita income. This point is made in a different way in Figure MM, which tracks Gem County per capita income as the blue line, with the Idaho average as red columns, and both

Figure II. Source: Economic Profile system, Headwaters Economics, http://www.headwaterseconomics.org/eps, run August 4, 2009 for Gem County

Figure JJ. Source: Headwaters Economics, Economic Profile System, http://www.headwaterseconomics.org/eps, run August 4, 2009 for Gem County
measured as percentages of the U.S. average per capita income. Note how in the last decade Gem County lost ground to both the U.S. and Idaho levels of per capita income.

**2006 Wages and Employment**

![Graph showing 2006 Wages and Employment across various sectors]

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**Figure KK. Source:** Headwaters Economics, Economic Profile System, [http://www.headwaterseconomics.org/eps](http://www.headwaterseconomics.org/eps), run August 4, 2009 for Gem County

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**Per capita personal income (adjusted for inflation, see notes)**


![Graph showing per capita personal income]

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**Figure LL**

**Note:** The Consumer Price Index (CPI) is a measure of inflation. Here dollar values are adjusted by the CPI-U, which is the most commonly used CPI, making it easier to see “inflation-free” change over time. The base year is 2008, which means all dollar values are in terms of 2008 dollars

**Figure MM.** Sources: US Bureau of Economic Analysis, Regional Economic Information System 1969-2006, CD-ROM product RCN-0853, May 2008. Figure design by Zelus Associates.

**Figure NN**

*Note: Inflation-corrected to 2007 dollars using CPI-U Consumer Price Index. For more information, see [http://www.bls.gov/cpi/home.htm.](http://www.bls.gov/cpi/home.htm.)*

*Source: Northwest Area Foundation Indicators website, [www.indicators.nwaf.org](http://www.indicators.nwaf.org), run August 5, 2009 for Gem County*
Median household income may be a better measure of household well-being. Median household income is the level of income at which half the population has lower incomes and half has higher incomes. Figure NN shows a pattern similar to per capita income. In Gem County median household income was $42,981 in 2007, compared to $47,907 for the State of Idaho. Gem County ranked 22nd in the state by median household income, an improvement over the per capita ranking of 33rd.

Key Point #9: Gem County incomes are quite low.

Poverty in Gem County

How do these income measures play out in terms of poverty? Gem County historically has had a problem with higher poverty levels than the Idaho average, as shown in Figure OO. In fact, it was below the state average in 1979, 1989, and 2007. Gem County’s poverty rate was 13.0 percent in 2007, compared to 12.1 percent in Idaho. Gem County ranks 23rd among Idaho counties in poverty rate.

![Figure OO](source: Northwest Area Foundation Indicators website, www.indicators.nwaf.org, run August 13, 2009 for Gem County)
Poverty is a problem worth mentioning for four different, and sometimes overlapping, groups in Gem County. Figure PP shows how Gem County compares to other counties in both overall poverty and for children under the age of 18 years old. The poverty rate for children under 18 in Gem County was 19.7% in 2005. In 1999, poverty for children was 24% for the City of Emmett.

Figure QQ focuses on a second age group – senior citizens. Again, Gem County’s poverty rates for those 65 or older are higher than state or national rates. In fact, Gem County had the highest senior citizen poverty rate in Idaho in 1999.

Figure PP. Sources: U.S. Census Bureau, Data Integration Division, Small Area Estimates Branch, Small Area Income, and Poverty Estimates http://www.census.gov/hhes/www/saipe. Figure design by Zelus Associates.

Figure QQ Source: Northwest Area Foundation Indicators website, www.indicators.nwaf.org, run August 13, 2009 for Gem County.
In Figure RR, poverty levels are examined in different types of households. Over one-half, 57.7%, of households headed by a single woman are living below the poverty line in Gem County. This is the highest poverty rate in Southwest Idaho.

![Estimated 2008 Percent in Poverty by Family Types with Own Children](chart)

**Figure RR. Sources:** Claritas Update Demographics™, April 2008, The Nielsen Company
[Link](http://www.claritas.com/target-marketing/market-research-services/marketing-data/demographic-data/update-demographics/update-demographics-resources.jsp). Figure design by Zelus Associates.

![Hispanic Poverty Rates, 2000](chart)

**Figure SS Sources:** Claritas Update Demographics™, April 2008, The Nielsen Company
[Link](http://www.claritas.com/target-marketing/market-research-services/marketing-data/demographic-data/update-demographics/update-demographics-resources.jsp). Figure design by Zelus Associates.
The last group experiencing higher levels of poverty are the Hispanic population with a 17% poverty rate in Gem County (Figure SS). Though this poverty rate is higher than the general population, it is lower than for the Hispanic populations of most other counties in Southwest Idaho, or than the State of Idaho at 24%.

**Key Point #10: Poverty is an issue in Gem County for children, seniors, families headed by single women, and Hispanics.**

There is one last measure to examine poverty within a community. Table 2 shows the percent eligible for reduced-price school lunch in the Emmett School district. Although this seems a high percentage of children eligible, 43.4% is not an unusually high rate for a rural school district.

**Percent Eligible for Free or Reduced-Price School Lunch**

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</tr>
</thead>
<tbody>
<tr>
<td>Emmett School</td>
<td>37.7</td>
<td>42.3</td>
<td>41.0</td>
<td>44.8</td>
<td>44.6</td>
<td>44.1</td>
<td>44.5</td>
<td>43.4</td>
</tr>
<tr>
<td>District 221</td>
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Table 2: Percent Eligible for Free or Reduced Price School Lunch


**Housing**

Housing stock is another important dimension of socio-economic vitality. Housing is a key ingredient for a productive workforce, often the major piece of household assets, and represents an important part of local assessed valuation for property taxes. Housing in Gem County is very affordable, with an Affordability Index of 146, meaning that only $27,579 in income was required to buy the median house in 2000.

Figure TT shows the rapid growth in the number of housing units in Gem County. A large number of homes (1,163) were built in the boom decade of the 1990s, across the county. Residential construction has continued with another 890 units added from 2000-2007.
Only 75.1% of the 5,888 housing units in 2000 were owner-occupied, which is above the 64.4% average for Idaho. Countywide, a tiny 0.6% of the housing stock is for seasonal, recreational, or occasional use. Rents are reasonable in the county, with a median gross rent of $502 in 2000.

Figure TT. Source: Northwest Area Foundation Indicators website, www.indicators.nwaf.org, run August 5, 2009 for Gem County,

Figure UU shows the median owner-occupied home value in 2008, based on Census data. Gem County’s median home value was $174,085. This is only behind Ada, Valley, and Boise counties. Home prices are likely pushed higher by Gem County proximity to the metro areas.

Figure UU. Sources: Claritas Update Demographics™, April 2008, The Nielsen Company

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**Educational Attainment**

Figure VV shows education attainment levels in 2008. There has been a strong reduction in the proportion of people with no high school diploma from 36.9% in 1980 to 20.4% in 2008. However, this is still much higher than the Idaho average of 15.3% without a high school diploma. Only 11.2% of adults had a bachelor's college degree or higher in Gem County in 2008, which is below the state average of 21.7%. The educational attainment of Gem County residents is better than those of agricultural counties like Payette and Washington, but is less than timbered counties like Adams, Boise, or Valley. Improving education and training opportunities for Gem County adults would be a solid approach to addressing low income and high poverty levels.

**Access to Health Care**

Access to health care is not only a critical social service, but it can also be a key criteria for retirees or businesses making location decisions. Financial access to health care is a huge nationwide problem. Figure WW below shows that 20.2% of people under the age of 65 lack health insurance in Gem County. (Seniors 65 and older automatically qualify for Medicare.) This is the reason behind the ongoing national debate on health care reform. Physical access to health care is less a problem in Gem County than many rural counties, due to the presence of Walter Knox Memorial Hospital in Emmett.
Crime Rates

Finally, low crime rates are an asset for Gem County. In 2007, there were 127 crimes per 10,000 people in Gem County, compared to 249 per 10,000 for the State of Idaho (Figure XX below). After a bump in 1995, Gem County's crime rate has been in this range for twelve years.

Figure WW. Sources: U.S. Census Bureau, Data Integration Division, Small Area Estimates Branch, Small Area Health Insurance Estimates http://www.census.gov/hhes/www/sahie. Figure design by Zelus Associates.

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