Over the past decade, Idaho has enjoyed strong and steady economic growth.

Yet many Idahoans struggle to cover basic expenses.

Person of color and single parent households are more likely to experience financial strain.

Families are forgoing basic needs — food, transportation, medical care, and housing — which is detrimental to their health.

Now may be a unique moment to address gaps for marginalized Idahoans, while benefiting the state as a whole.

**ECONOMIC STABILITY**

Over the past decade, Idaho has enjoyed strong and steady economic growth.

The state’s business friendly practices and ranking as one of the countries “best places to live” have attracted new companies and workers in droves, making Idaho one of the fastest growing states in the nation. Between 2010 and 2019, the state’s population grew by more than 14%, while the U.S. overall grew by only 6%.  

Despite the population growth, Idaho’s plentiful supply of jobs have kept unemployment rates below the U.S. average and declining steadily — even dipping below 3%. This has been a robust period of growth for the Gem State, and this economic prosperity bodes well for Idahoans’ health. Improved incomes can support families in making healthy choices, improving their living conditions, and affording health care. In turn, healthier workers bolster the state’s economy by increasing labor force participation rates and decreasing absenteeism, thus improving productivity.

Despite the state’s expanding economy, many Idahoans struggle to cover their basic expenses. In a prominent statewide study conducted by United Way organizations around Idaho, it was estimated that in 2016, in the midst of a decade of economic growth, 40% of Idaho families could not afford basic needs like housing, food, child care, transportation, and health care. The study estimated that Idahoans would need to earn an hourly wage of $9.91 to support a single person, or $26.83 to support a family of four. Meanwhile, Idaho’s minimum wage threshold has stayed at the nation’s lowest allowable level of $7.25 per hour, and Idaho has one of the highest proportion of workers earning minimum wage of any state in the nation (~4% of workers earn minimum wage). Those struggling to succeed financially may face an additional challenge of being underbanked. In 2017, Idaho’s rate of underbanked households was similar to that of the U.S., just below one fifth of households. When unable to access banking services, they turn to higher-cost financial alternatives, compounding financial strain.
Among all Idahoans, person of color and single-parent households are more likely to experience financial strains. In comparison to White Idahoans, a larger share of Hispanic, people of two or more races, and Black Idahoan households either live below the poverty line or manage to earn just enough income to meet basic expenses (see Figure 2). Likewise, almost half of single-female headed households in Idaho live below the poverty line, and four out of five of those families are not able to afford their basic necessities (see Figure 3). Part of the reason single mothers are more likely to live in poverty is due to Idaho’s gender pay gap. In 2016, Idaho ranked as the third worst state in the nation for women’s employment and earnings, as well as poverty and opportunity. Women in Idaho who work full time, year round make 75.6 cents on the dollar compared with White men who do the same work; Hispanic women in Idaho make even less, earning 51 cents for every dollar earned by White men.

For the households who are trying to get by, Idaho’s unprecedented population growth is causing further challenges as the cost of living, and particularly the cost of housing, increases. For working poor families, housing is the single largest item in the household budget, so these families are especially sensitive to increases in housing costs.

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1 United for ALICE, 2016.
3 Ibid.
4 According to the United Way, ALICE stands for Asset Limited, Income Constrained, Employed; it represents the ability of households to meet basic needs and reflects a “survival budget” that includes housing, child care, food, transportation, and health care costs at a “survival” or bare minimum level.
More Idahoans are spending a larger percentage of their income on housing than their parents did. In 2018, 46% of Idahoans spent more than a third of their income on rent, which puts them at greater risk of losing their housing. Since 2018, home values have increased even faster with several Idaho metro areas predicted to have annual housing price increases greater than 8%. Whether in terms of rent, property taxes, or home prices, families across the state continue to feel the pressure of housing costs.

Every day across Idaho, families are making decisions about which of their basic needs — food, transportation, medical care, and housing — they can forgo. In many instances, healthy food is one of the first budget items to be compromised. Dr. Barbara Petty, Associate Dean and Director of the University of Idaho Extension explains this — “As other things get more expensive the food budget is one area that is flexible — rent, insurance, car payments all can’t flex.” One Idahoan living in the Plummer area shares how the cost of living influences his family’s decision to eat healthy food saying, “My family can eat Top Ramen and have light; or we can eat salad and sit in the dark.” Having enough money to buy food is a more common issue than many in Idaho realize. The Idaho Foodbank reports one in eight adults and one in six children in the state are food insecure. Families don’t just make tradeoffs in food, others choose to forego medical care — potentially missing opportunities to manage chronic conditions or get needed preventive care. Other parents may need to work two to three jobs while their or their children’s physical and mental well-being may be unintentionally sacrificed in an effort to get food on the table.

Given the challenges low-income Idahoans face, and the fact that income is correlated with nearly every health condition, it is not surprising low-income Idahoans bear a disproportionate share of that state’s poor health outcomes. For instance, the rate of diabetes among low-income adults in Idaho is nearly 3 times that of high-income adults, and the rate of strokes among low-income Idahoans is nearly 6 times that of their wealthier peers. Lower wages take an important toll on health.

In finding ways to ensure working families can meet basic needs, there is also an opportunity to bolster the state’s resilience to economic, demographic, and other shocks and challenges. As Kelli Badesheim, Executive Director of Valley Regional Transit, describes “Working families cannot build wealth, and it’s this inability to build wealth that keeps them on the edge of the cliff.” In moving more families farther from the cliff’s edge, the state’s overall economy will be more resilient to shocks and setbacks.

Now may be a unique moment to address gaps for the most vulnerable, while benefitting the state as a whole. Idaho Governor Brad Little called attention to the possibilities of this moment for Idaho saying, “Idaho is moving forward at a faster rate than the rest of the country. We need to capture these opportunities now.” Idahoans have the opportunity to consider how they can ensure the fast-growing and prosperous state they love is also one in which all people are contributing to and taking part in that prosperity so they are able to feed, clothe, and shelter their families. Much of what has fueled the interest and growth in Idaho has been the belief that the state has some of the most desirable places to live, play, and work in the nation. Part of what will sustain both the attractiveness and competitiveness of Idaho for the next generation is being a place where all Idahoans are able to meet their basic needs without sacrificing their health. Community members share this perspective. As one Nampa resident shares, “If we can move the needle for the worse-off families, the rising tide lifts all boats — communities will win, the economy wins, and Idaho wins.”

If we can move the needle for the worse-off families, the rising tide lifts all boats — communities will win, the economy wins, and Idaho wins.

NAMPA RESIDENT

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KELLI BADESHEIM, Executive Director of Valley Regional Transit

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13 Joint Center for Housing Studies of Harvard University, “Renter Cost Burdens, States,” Joint Center for Housing Studies of Harvard University, 2016.
18 The COVID-19 pandemic is one such shock that will likely exacerbate the economic strains on Idaho families, particularly low-wage workers.