

# Why Pay in Idaho Is Rising at the Fastest Rate in the Nation

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Mar 27, 2018 5:30 am ET

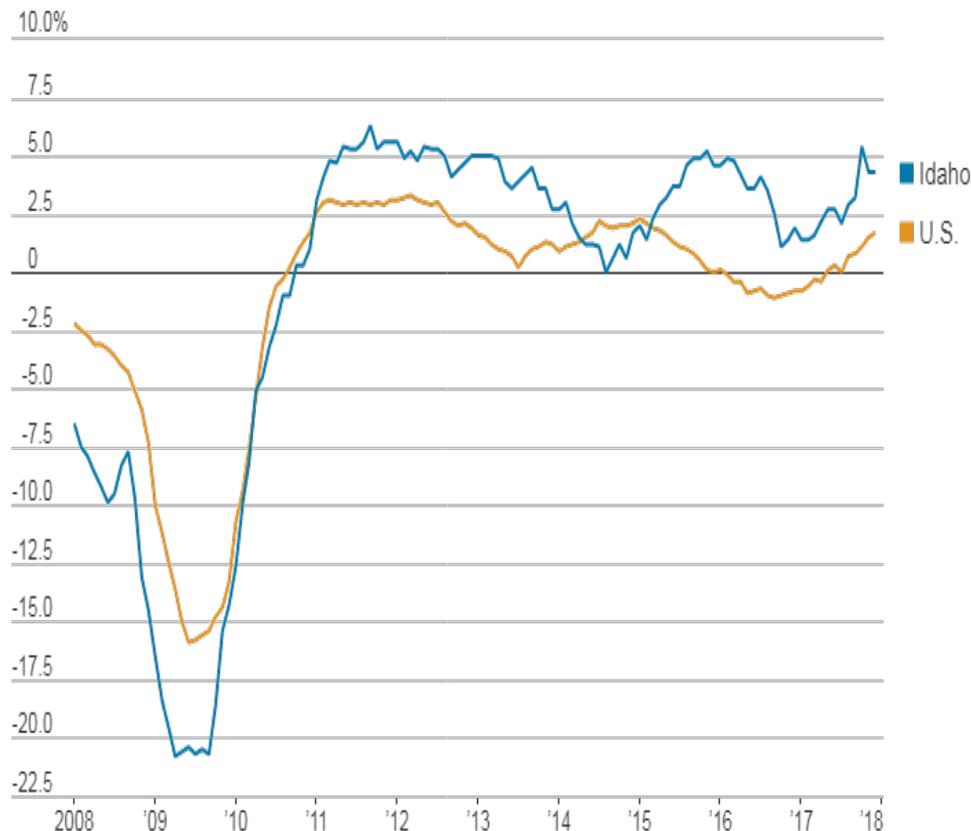
Workers in Idaho are leading the nation in earnings growth, thanks in part to a buoyant job market and pockets of labor shortages that are putting upward pressure on wages.

In 2017, Idaho workers boasted a 5.3% increase in earnings—mostly comprised of annual wages and salaries—compared with the 2016 calendar year, [according to the Commerce Department](#). This well outpaced the 3.1% growth for the U.S. as a whole.

Earnings are rising across many Mountain and Western states, including Washington, Arizona, Utah, Colorado and Nevada, which are also experiencing fast job growth.

“The more jobs that are going to get created...the more money is earned. They have to go together,” said Paul Turek, economist for the Washington State Employment Security Department.

Industries in Idaho experiencing swift job growth are seeing strong increases in earnings. Take, for instance, the durable goods manufacturing sector, which led earnings growth in Idaho in 2017 with a 9.7% gain from a year earlier. The sector also saw job growth consistently outperform gains in the U.S. last year.



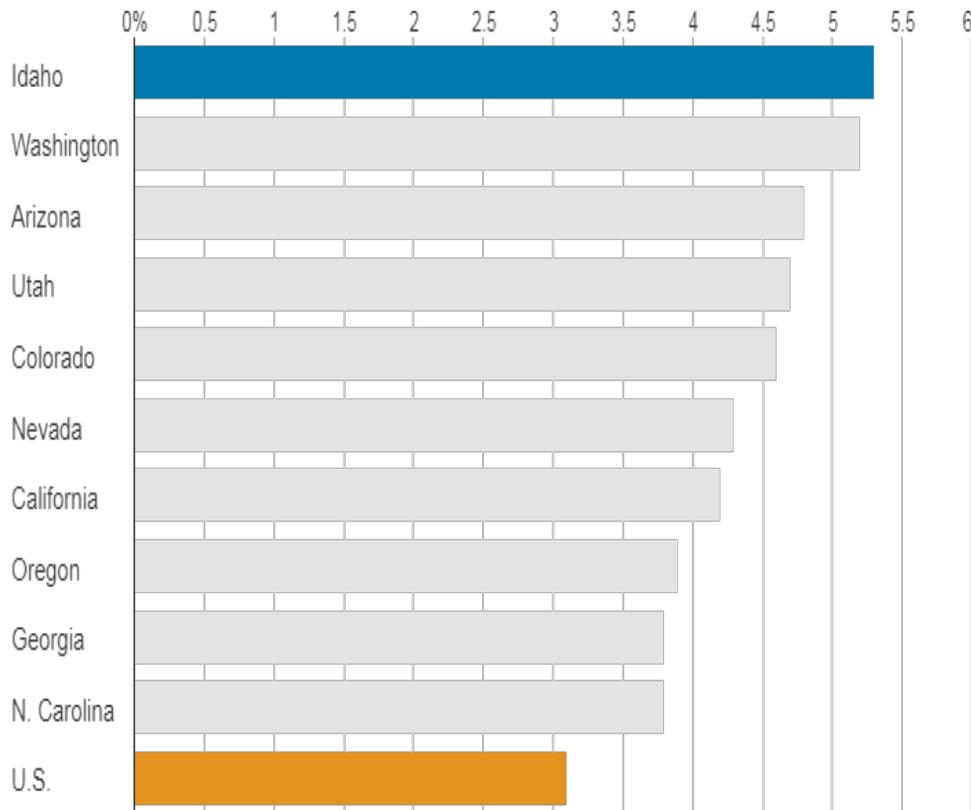
At the same time, many of the industries adding jobs at a solid clip are also experiencing labor shortages, contributing to upward pressure on wages as employers seek to attract and retain workers, said Jan Roeser, regional labor economist at the Idaho Department of Labor.

The unemployment rate in Idaho stands at 3% compared with 4.1% for the country as a whole.

“Every HR professional out there is being quizzed as to how can we retain our best and brightest, how can we attract our best and brightest,” Ms. Roeser said.

Idaho’s computer-parts manufacturing sector is one such segment posting solid employment and wage growth while facing a labor shortage, Ms. Roeser said. In the third quarter of 2017, wages in this durable-goods subsector were up more than 15% from a year earlier, Labor Department figures show. The sector also began consistently adding jobs last summer after several months of job losses.

Other industries including agriculture, food services and construction all helped drive earnings growth in the mountainous state.



The widespread income gains come with a caveat: Per capita personal income in Idaho is much lower than in the rest of the nation. In 2017, the state ranked 44th in the U.S. by this measure with an income of \$40,507.

In February, Idaho posted the largest percent gain in employment of any state in the U.S, followed by Utah and Nevada. Its capacity to consistently pull in people from out of state, due to its relatively low cost of living and attractive outdoor scene, offers evidence that the state's solid job and earnings growth are poised to continue.