

Idaho's Unemployment 2022-2023

Record low metrics and high labor
force importance

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Introduction

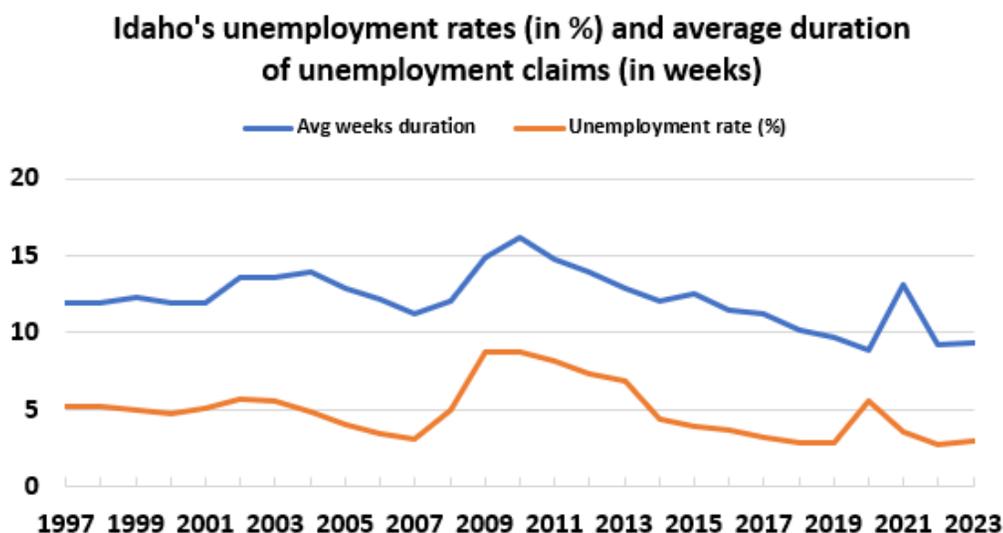
Losing a job can be one of life's most stressful experiences, but unemployment insurance benefits allow displaced workers to navigate the transitional period between jobs. The years 2022-2023 were arguably one of the tightest labor markets Idaho had ever experienced as job openings became plentiful while the number of job seekers hit record lows. Even though many unemployment metrics were at their lowest points through 2022-2023, unemployment benefits continue to serve as a resource for people who lose their jobs through no fault of their own.

Funded by a wage tax paid by employers, unemployment benefits serve to help workers remain actively involved in Idaho's labor force and bridge financial burdens between jobs.

Idaho's 2022-2023 average duration of UI claims at 9.3 weeks — second lowest in the U.S.

If the average number of weeks people receive unemployment benefits is low, it is a good sign there are ample job opportunities available in the local market. If claimants are relying on benefits for longer periods of time, wage opportunities can be scarce. As the unemployment rate drops, more employers seek to fill positions with fewer people out of work and available and willing to fill vacancies. Figure 1 demonstrates how the average duration of benefit claims moves in the same direction as the unemployment rate.

Figure 1. Comparison of Idaho's average unemployment rates and UI claim duration



Source: U.S. Department of Labor

When unemployment rates began rising from low levels in 2007 through 2009, the duration of average claims followed in the same direction (after a slight lag). As the great recession eased and the economy rebounded, the average claim duration also declined. With Idaho's unemployment levels in 2022-2023 under 3% and at the lowest point since records began in 1976, it should be no surprise the average UI claim duration was also in a trough.

At an average of 9.3 weeks of paid benefits over the last two years (2022-2023), Idaho's unemployment claimants found jobs quicker relative to people in other states. Idaho's average claim duration was also shorter than its own 10-week average during 2018-2019 and its almost 11-week average over the past decade (2014-2023¹).

In comparison, the U.S. average claim duration from 2022-2023 was 15 weeks with 14 states having average claim durations longer than 15 weeks. Alabama was the only state with a lower average weekly duration in 2022-2023 at 7.4 weeks. Four states had average durations under ten weeks in 2022-2023: Alabama, Idaho, Arkansas and North Carolina. Over the ten calendar years of 2014-2023, Idaho's average claim duration of 10.8 weeks ranks as the fourth lowest in the U.S. — not far from top-ranking Georgia's 10.6 weeks and 30% shorter than the U.S. average of 15.7 weeks.

Figure 2. State distribution of average weeks of unemployment claim duration, 2022-2023



Source: U.S. Department of Labor

A shorter duration of average claims means people who are unemployed return to work relatively quickly as low unemployment rates provide access to greater job opportunities. It is also worth noting that other than Idaho, all states averaging less than 10 weeks of UI benefits per claim in 2022-2023 were in the southern U.S. During an average year, the southern states experience a much shorter duration of winter weather and freezing temperatures than most of Idaho's regions. A mild winter season generally results in a shorter duration of seasonal unemployment claims for outdoor occupations such as construction, landscaping and forestry.

¹ U.S. Department of Labor, Unemployment Insurance Data

Low weeks of benefit claims and record high job postings follow increased migration into Idaho

Idaho added 125,000 residents between April of 2020 and July 2023 and was one of only 13 states to see *both* natural population growth and net migration growth². Natural population growth occurs internally within a region due to more births than deaths while net migration is a result of new residents relocating to Idaho.

While 16,000 of the state’s 125,000 new residents in the last three years were due to natural population growth, nearly 90% of the increase was a direct result of in-migration levels higher than Idaho experienced in the years prior to 2020.

Figure 3 shows how Idaho’s net migration accelerated in 2020-2021 to more than twice what the state reported in 2018-2019. Although 2022’s migration levels slowed from the previous two years, it highlights significantly lower levels of total weeks of paid benefits than previous years, along with the highest ratio of job postings per unemployed person.

Figure 3. Idaho’s population growth and select unemployment metrics, 2014-2023

Year	Net annual population change			Total UI claim weeks paid	Job postings per unemployed person
	Total	Natural population	Net migration		
2014	19,906	9,889	9,804	570,940	0.8
2015	19,947	10,142	9,761	459,497	0.9
2016	31,321	9,364	21,910	415,551	1.0
2017	35,335	8,743	26,525	399,732	1.1
2018	32,821	8,603	24,142	333,938	1.3
2019	36,529	8,912	27,527	325,613	1.2
2020	62,074	7,352	54,722	1,182,549	1.2
2021	55,198	4,709	52,222	381,629	2.3
2022	34,459	3,480	30,365	257,641	3.0
2023	25,730	5,639	20,053	337,794	1.7

While Idaho has led the nation in population growth, it has also been a top performer in the number of jobs added over the last few years due to an elevated desire across the state for goods, services, housing and infrastructure. Idaho’s high demand for employees in every industry resulted in multiple records for 2022, including: lowest number of paid weeks of unemployment benefits, the lowest number of initial claims filed since 1973, and a record low unemployment rate of 2.7%. In general, employers felt the direct repercussions of this ongoing tight labor market. As the number of qualified applicants is reduced, positions take longer to fill and wage rates rise.

² U.S. Census Annual Population Estimates

Monthly level of Idaho’s unemployed at historic lows despite significant job growth

Following the pandemic-induced recession of 2020, the monthly level of unemployed Idahoans averaged approximately 30,000 statewide from 2021 through the first quarter of 2024. Idaho averaged similar levels for a 30-year period from 1976 through 2007 immediately prior to the great recession (December 2007-June 2009). This is significant because Idaho’s monthly employment was 75% higher in 2021-2024 at an average of 915,000 compared to 521,000 from 1976 to 2007.

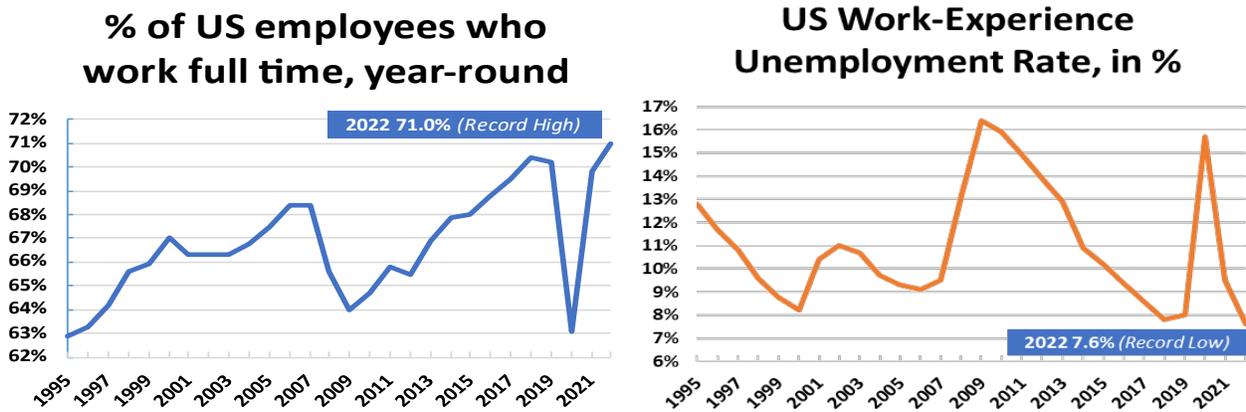
Idaho’s monthly unemployment count had previously been under 30,000 people per month from the second half of 2016 through March 2020 and returned to that level between October 2021 and July 2023. Idaho has had monthly unemployment counts above 30,000 from July 2023 through the most current data available of April 2024, but it is still a low level compared to historical averages. Figure 4 compares monthly unemployment and employment levels in Idaho in both recession and non-recession years between 1976 through the first quarter of 2024.

Figure 4. Idaho’s monthly unemployment and employment comparison (rounded to the nearest 1,000)

	Time period	Idaho monthly average		Number of employed for every unemployed person
		Unemployment	Employment	
<i>Great Recession</i>	1976-2007	32,000	521,000	16
	2008-2009	52,000	709,000	14
	2010-2019	41,000	764,000	19
<i>Pandemic</i>	2020	50,000	850,000	17
	2021 - 1Q 2024	30,000	915,000	31

The work-experience unemployment rate, published by the Bureau of Labor Statistics, identifies the number of people nationally who were unemployed at some point in the year as a proportion of the number of people who worked or looked for work that same year. The 2022 U.S. work-experience unemployment rate of 7.6% is the lowest result since the data series began in 1958. The previous record low of 7.8% was set in 2018 and compares to 8% in 2019. The portion of all U.S. workers employed full time for at least 50 weeks in 2022 was at 71%, the highest since records began in 1950. This level compares to the previous high of 70.4% set in 2018. During 2022, the monthly U.S. unemployment rate ranged between 3.5%-4% while Idaho’s came in even lower at 2.7%-3.5%. With Idaho’s monthly unemployment rate consistently below that of the nation, it is highly probable that Idaho’s work-experience unemployment rate is also correspondingly lower than the U.S. average.

Figure 5. U.S. annual work-experience unemployment rate and ratio of full-time year-round workers



Only a small subset of the unemployed population file for and receive UI benefits

While the unemployment rate hit record lows of 2.7% in 2022, the number of people receiving benefits was only a small portion of that population estimate. Although they sound like they should be interchangeable terms, less than one-third of unemployed people are likely to be receiving UI benefit payments.

The number of unemployed people within a region is an estimate based on the monthly Current Population Survey results conducted by the U.S. Census. People who are currently jobless, actively seeking employment and available for work are considered unemployed. Anyone can claim to be unemployed in the monthly survey, but eligibility for paid UI benefits requires a complex analysis of the factors listed in Figure 6.

Figure 6. Unemployment insurance requirements

To receive UI benefits:

- 1) You must have worked in the last 12 months.
- 2) You were employed by a covered Idaho employer that pays into the UI fund.
- 3) You earned enough wages to qualify.
- 4) You are out of work through no fault of your own.
- 5) You are available to work and actively seeking employment.

In 2022, national research by the Bureau of Labor Statistics concluded that although nearly two thirds of the unemployed population had worked in the past 12 months, only 26% of potentially eligible people applied for UI benefits. Slightly more than half (55%) who filed were approved.³

According to UI data from the U.S. Department of Labor, approximately 20% of unemployed people in Idaho and 27% of the unemployed in the U.S. received UI benefits in 2022-2023. People who are not eligible for unemployment benefits include people who have not worked in the past 12 months for a covered employer, have exhausted their share of benefits, are self-employed, new labor force entrants or re-entering the labor force after a period of absence.

In the historically tight labor market of 2022-2023, Idaho's unemployment rate averaged at just under 3% (No. 13 lowest in the U.S.), with less than 1% of its labor force receiving benefits (No. 21 lowest in the U.S.). Despite the widespread belief that a high number of people are no longer working and supplementing their income with unemployment benefits, only 0.7% of the labor force in 2022-2023 received benefits – even lower than the previous historical low of 0.9% in 2018-2019. Put another way, for every 1,000 labor force participants in Idaho, approximately 30-40 were reported as unemployed and only seven were collecting UI benefits in 2022-2023 (compared to nine in 2018-2019). People who are unemployed are counted as active participants in the labor force, which is the sum of both employed *and* unemployed populations.

Unemployment insurance provides financial bridge to both claimants and local economy

Despite record low unemployment metrics for Idaho in 2022, there continues to be a minor component of the labor force that is temporarily or permanently laid off through no fault of their own. Idaho's record levels of new business start-ups over the last few years have been offset by existing businesses needing to halt operations or reduce their workforce. Some factors in this decision may include lower demand for products and services, remodeling and maintenance, or the inability to perform certain work because of cyclical seasonality. Closures can be predicted in some situations (such as seasonality or a maintenance shutdown), but some layoffs are abrupt, leaving a worker employed one day and out of work the next.

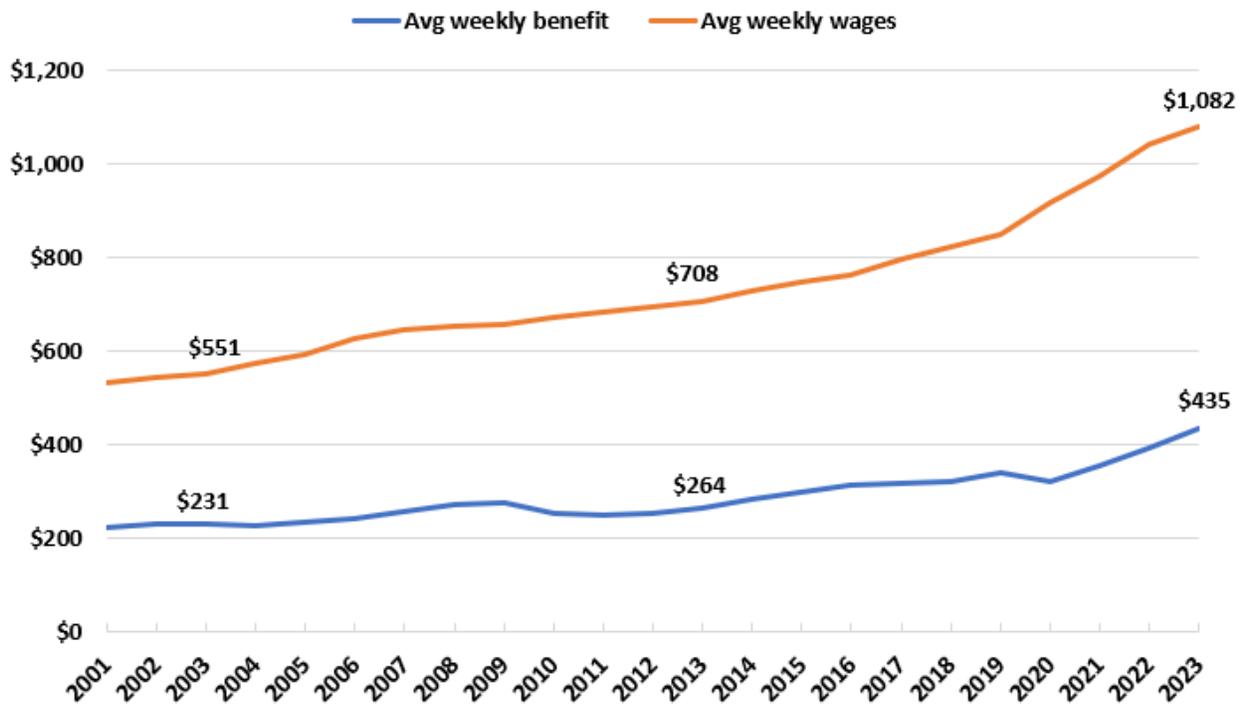
Displaced workers receive benefits to help cover their own living expenses and stabilize local economic spending. Idaho paid \$78 million in unemployment benefits in 2022. While this is the lowest the state has paid out since 1993, it still represents \$78 million of lost wages that may not have otherwise been spent within Idaho. Without the backstop of benefits, layoffs can lead to further employee separations as local spending is reduced and additional employers become unprofitable. Although weekly claim benefits are significantly lower than a worker's normal wages, they provide temporary relief to cover necessary expenses while claimants actively seek new employment.

³ Bureau of Labor Statistics, "Characteristics of Unemployment Insurance Applicants and Benefit Recipients -- 2022", March 29, 2023. [Characteristics of Unemployment Insurance Applicants and Benefit Recipients Summary - 2022 A01 Results \(bls.gov\)](https://www.bls.gov/news.release/charact22.pdf)

Weekly UI benefits averaged 39% of Idaho's average weekly wages in 2022-2023

Idaho's weekly UI benefits averaged \$392 in 2022 and \$435 in 2023. This level compares to statewide average weekly wages of \$1,043 and \$1,082, respectively. The figure below shows the wage an average Idaho worker could expect to earn compared to the average weekly unemployment benefit paid for the past 23-year period (2001-2023). The highlighted periods of 2003, 2013 and 2023 demonstrate how these variables moved over two independent ten-year time periods.

Figure 7. Idaho's average weekly UI benefit amount vs. average weekly wages



Source: U.S. Department of Labor, Bureau of Labor Statistics QCEW

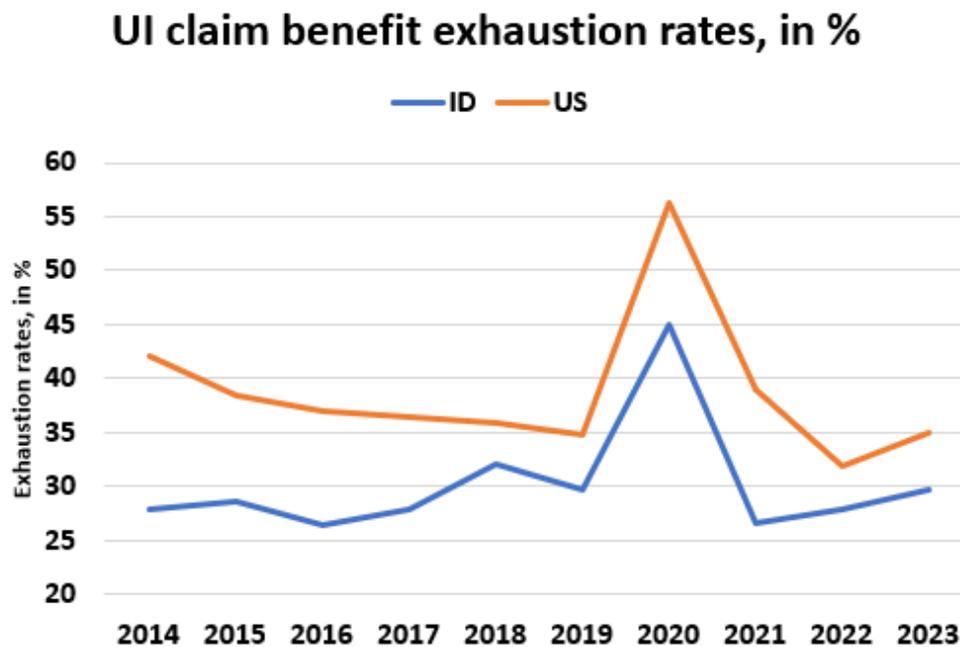
Over the past 23 years, weekly unemployment benefits have stayed within a range of 35-43% of average weekly wages. During 2015-2019, average weekly wages were increasing by 3% per year, but wage growth accelerated to more than twice the level of 7% in 2020 and was followed up by 6% increases in 2021 and 2022. Prior to 2020, the last time Idaho's average weekly wages had risen by more than 5% in one year was in 2006 at 5.6%.

UI benefit exhaustion rates in Idaho are lower than the national average

In 2023, around 30% of Idaho's unemployment claimants exhausted their benefits compared to 35% nationally. The remaining 70% of Idaho claimants either became gainfully employed or stopped filing for other reasons before using up their entire allocation. This is slightly elevated from the 28% of claimants exhausting benefits in Idaho in 2022 but is on par with the ten-year average of 30% from 2014-2023 and lower than the 39% U.S. average for this time. There was no single year from 2014 to 2023 where Idaho's benefit exhaustion rate was higher than the U.S. average. Excluding the 45%

exhaustion rate of 2020, 2018 was the highest result in the ten-year series for Idaho at 32%. It is likely many recently unemployed people who expected to return to work very quickly did not even apply for benefits.

Figure 8. Comparison of U.S. and Idaho claim benefit exhaustion rates, 2014-2023



Source: U.S. Department of Labor

Weather and seasonality are significant factors in whether claimants are active job seekers

While only a small portion of the unemployed receive weekly benefits, about half are likely to seek work during any given month. Unemployment claimants must actively complete job searches for every week they receive benefits unless they are determined to be employer attached. To be employer attached, a claimant must expect to return to full-time work with their current employer within 16 weeks. Generally, these layoffs are predictable for their industry based on the time of year. For example, farm laborers, landscape workers, concrete finishers, heavy equipment operators and road maintenance crews are often laid off during Idaho's frozen winter months and are hired back on in the spring. School bus drivers hired by private transportation companies are subjected to layoffs during the summer months when school is not in session.

According to the National Centers for Environmental Information, normal climate averages show most of Idaho is likely to record temperatures at or below 28 degrees between mid-October and mid-May. Even if workers are available, willing to work and are skilled laborers, there may simply be no work to perform for their current employer during this time period. Some seasonal employers have found innovative ways to reduce the time their hired labor is off payroll each year, such as transitioning from landscape services in the summer to snow removal in the winter (this model assumes that there is a

steady supply of snow to be plowed). Other employers simply don't have the assets, desire or incentive to change their current business model and actively reduce the duration of an employee's seasonal unemployment. Some workers experiencing predictable seasonal layoffs may take on alternative wage employment in the off season by changing locations, employers and/or even industries. However, for other labor force participants, barriers such as specialized skills limitations, equipment needs, location or work schedule may make securing employment during this time period incredibly difficult or prohibitively expensive.

While weekly UI benefits are a significant drop in pay from a workers' normal wage rates, they help bridge the financial gap until the productive season starts. The burden of funding UI is fully borne by employers as workers themselves do not make any contributions to the insurance pool. By providing limited funds to help cover necessary expenses for this segment of the labor force, it serves as assurance to local employers that at least some of their experienced workforce may return the following season.

Over the past year, 45% of all monthly UI claimants in Idaho were considered to be employer attached and not actively seeking work. From November 2023 through January 2024, 60% of all claimants were employer attached while only 40% were actively seeking work due to permanent layoffs⁴.

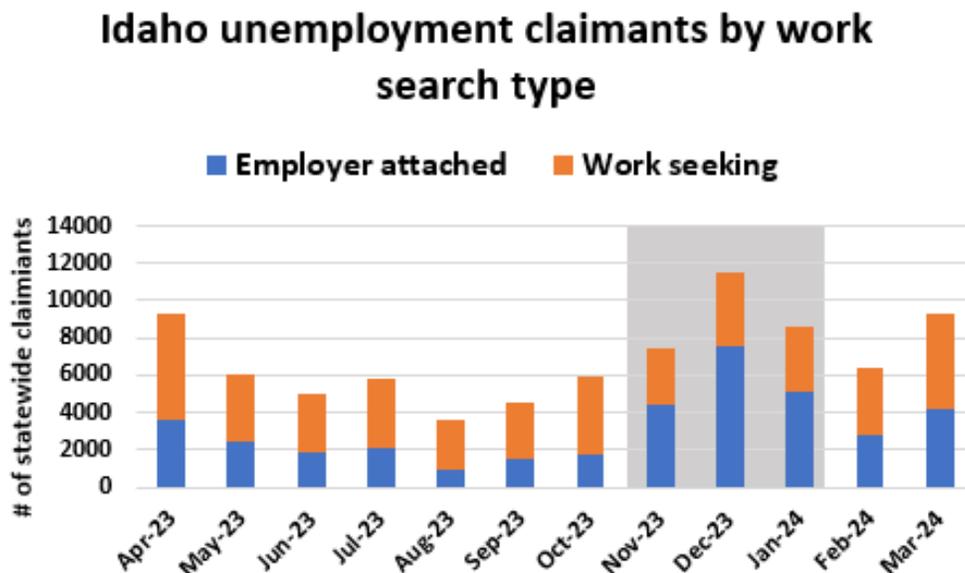
Compared to its total employment, Idaho has a higher concentration of seasonally dependent occupations in construction and extraction, farming, fishery, forestry and maintenance than the national average. Based on May 2023 occupational wage survey data from the Bureau of Labor Statistics, Idaho ranks within the top five states for occupational employment concentrations in farming, fishing and forestry (at 2.3 times the national average) and construction (at 1.6 times the national average)⁵. On the flip side, the state generally lags in non-weather-dependent office occupations such as computers and mathematics (0.7 times the national average) or business and financial operations (0.8 times the national average).

With construction employment expected to have the highest growth rate of Idaho's major industry sectors between 2022-2032 at 25%, it will likely continue to be a large and growing percentage of both employer attached and total UI claims. For the 2022-2023 period, construction accounted for 8% of total nonfarm private employment and 19% of total monthly UI claims, which ranged from a low of 6-8% of all claims in the summer to a high of 25-30% over the winter. In short, a higher reliance on construction trades is likely to result in elevated numbers of employer-attached claims during the off season.

⁴ Idaho Department of Labor

⁵ Bureau of Labor Statistics, May 2023 Occupation and Wage Survey

Figure 9. Proportion of Idaho unemployment claimants by work search type



Source: Idaho Department of Labor

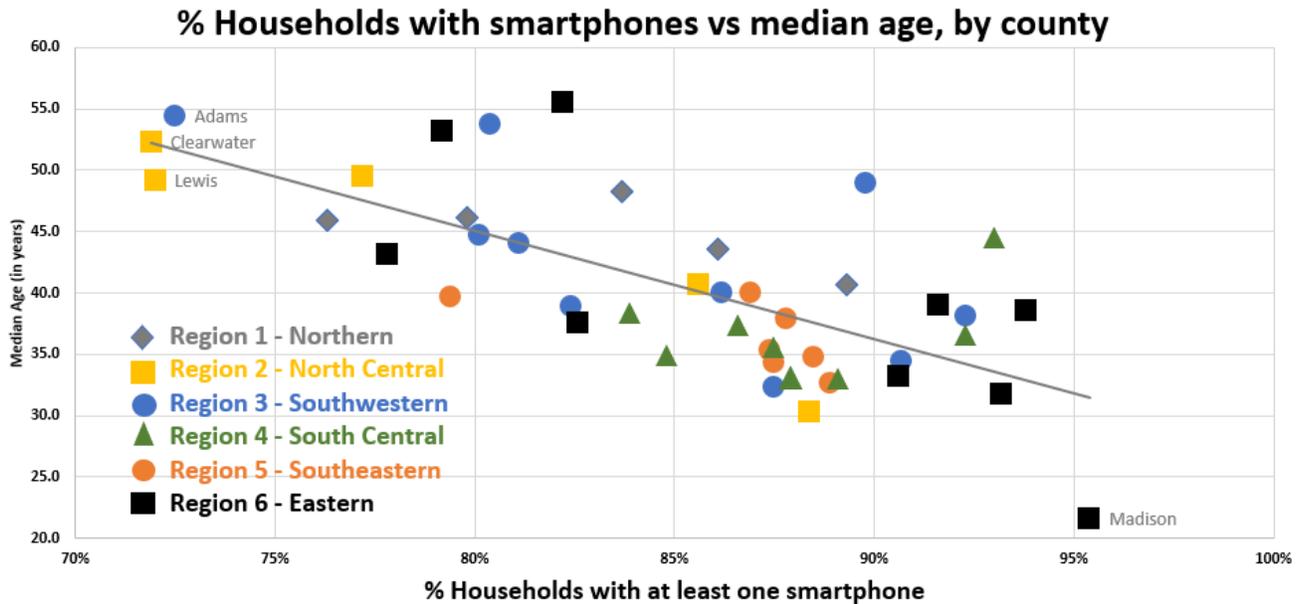
Idaho’s in-office UI navigators provide direct one-on-one claim assistance

Idaho excels at getting first payments out on a timely basis with 91% of initial payments in 2023 paid within 14-21 days compared to 71% nationally. However, payments won’t happen at all if a claimant can’t successfully access the system and submit a completed claim. Filing claims can be a complex process and requires access to online platforms combined with some level of computer literacy. This poses a filing barrier and significant frustration for some unemployed people and may disproportionately affect claimants who are low income, in higher age brackets or who live in rural areas.

Although the 2022 five-year U.S. Census American Community Survey estimates nearly 90% of Idaho households had access to a smartphone, access by county ranges from a low of 72% in Clearwater County (median age of 52 years) to a high of 95% in Madison County (median age of 22 years). Thirty-five of Idaho’s counties had less than 90% of households with smartphone access while only nine had at least 90%⁶.

⁶ U.S. Census, 2022 5-year American Community Survey

Figure 10. Comparison of Idaho household smartphone ownership and a county's median age



Successfully getting claimants across the digital divide is only one aspect of the Idaho Department of Labor’s unemployment navigators. This team of unemployment experts is housed within regional offices across Idaho and provides personal assistance to people filing for unemployment benefits. Along with offering support through the multi-step identity verification process, Idaho’s navigators can help unemployed workers determine if their wages are sufficient for claiming benefits, estimate their weekly payouts, guide them through reporting their weekly job search requirements and track the status of benefit claims. Their primary objective is to help unemployed workers overcome potential obstacles in the claim process. Without this one-on-one support, some claimants may not be able to access the supplementary income available to them.

Navigators connect claimants with the financial resources they need and ensure that all protocols are followed so weekly benefits are not unexpectedly paused or terminated. While claimants may come into a local office seeking unemployment assistance, navigators are an important link to additional agency resources including resume and interviewing workshops, job search assistance, skill assessments and potential funding for additional occupational training. A directory of local offices and navigators in your area can be found on the department’s website at labor.idaho.gov/Local-Office-Directory/#regions.

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