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Median age figures mask labor market issues

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Eastern Idaho hosts many of Idaho's youngest counties. That seems like good news, but unless the region can convince young people to stay, the picture isn't as bright as it seems.

Madison County, home to Brigham Young University-Idaho, is by far the state's youngest county with a median age of 23 — six years less than the next-youngest county, according to U.S. Census data. The county also has fewer seniors than anywhere else in the state at only 6 percent of the population.

While Madison County's young population, most of whom are engaged in obtaining college degrees, could be an economic boon for the state, the region is having great difficulty convincing them to remain and seek local jobs. Less than 3 percent of BYU-Idaho grads remain in the state long-term, said Idaho Department of Labor Regional Economist Hope Morrow.

That reflects a broad trend found throughout much of the area, which expresses itself differently in relatively urban areas such as the corridor from Blackfoot to Rexburg, and in rural areas such as Lemhi and Custer counties. The out-migration of working age Idahoans means labor shortages in urban areas, while some rural areas are struggling to keep from dying out.

Bonneville County, home to many Idaho National Laboratory employees, is the seventh-youngest county in the state. The median age of the population is 33, and the proportion of senior citizens is relatively low at about 13 percent, according to Census data. The numbers are similar in Jefferson and Bingham counties, with median ages of 32 and 34, and low percentages of seniors.

Having a low median age can be a good sign for an economy. San Francisco, which boasts one of the most productive economies in the nation and a median household income approaching \$100,000, according to Forbes, has many similarities to the local region in terms of age demographics.

A young population can mean lots of people early in their careers building skills and producing economic growth. But Morrow said in Bonneville, Bingham and Jefferson counties, the picture isn't quite so bright.

Morrow said eastern Idaho's urban areas have seen a hollowing out, or at least slower growth, of their working-age populations. Their median ages (if you lined up every county resident from youngest to oldest, the median would be the age of the person in the middle of the line) are pulled downward by high birth rates.

"There's a lot of old people and a lot of really young people," Morrow said.

But the prime working-age population is lagging. And that means labor shortages.

The local labor shortage has become a hot-button issue for the region in recent years. One of the major selling points of the College of Eastern Idaho was that it could help address the shortage. But Morrow said that without rising wages, the problem is likely to stick around.

The key to solving the labor shortages is simple supply and demand. When something is scarce and in high demand, the price goes up. In the case of labor, that means paying employees more.

“Wages are extremely important, and that’s why we’re continuing to see this labor shortage issue,” Morrow said.

There are complicating factors. Businesses need a way of communicating to potential employees that they’re raising wages, Morrow said. But continuing low wages ensure that the labor shortage will only grow worse.

Morrow attended a recent national economic development conference, where many states complained of labor shortages as their labor force departed for other states with higher wages. That’s exactly what standard economics predicts will happen.

“People are going to go where the wages are,” Morrow said. “And if Idaho doesn’t raise wages, or employers are unwilling to, we’re going to continue to bleed (our workforce).”

Morrow said the preferences of young workers also are playing a role, however. Surveys of those in the age group who are starting their careers tend to show that they place a high emphasis on fulfilling work as well as on pay. So to fix the labor shortage, employers also need to structure jobs to provide meaningful work.

The picture is vastly different in Lemhi and Custer counties, which feature some of the oldest populations in the state.

Almost one in three residents of Lemhi County, where the median age is 53, is a senior citizen, the highest proportion of seniors in the state, according to Census data. About one in eight is over the age of 75, the highest level in the state, and 3 percent of the population are older than 85. Custer County’s demographics are substantially similar.

In rural areas, the flight of working-age people means a stagnant economy and diminishing prospects for everyone, Morrow said. Morrow noted that Lemhi County has long had an unemployment rate significantly above the state average.

“When you have an area that’s consistently aging, you’re dealing with a community that’s at risk of dying out,” she said.

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