



Executive Summary

The purpose of this report is to provide Partners for Prosperity with an understanding of some of the major economic drivers of the Eastern Idaho region, their relation to employment, their connection to other industries, and their correlation to poverty. This report contains personal descriptions and interviews of individual businesses and industries located throughout Eastern Idaho. Each business or industry was selected based on its level of regional impact rather than its local impact in order to provide a holistic view of the regional economy. The nine economic categories are classified as: 1) Agriculture; 2) Government; 3) Service Industry/Tourism; 4) Manufacturing; 5) Professional and Business Services; 6) Trades; 7) Mining; 8) Construction; and 9) Technology. The information has been changed where necessary to account for changes in the regional economy.

1. **Agriculture/Agriculture-Based Industries:** Available research continues to demonstrate the major impact of agriculture and agribusiness on the Eastern Idaho economy. Cattle, dairy, and food processing industries continue to be intricately connected to many of the goods produced in Eastern Idaho. Agriculture and agriculturally-based products, (value added agriculture) continues to supply strength and an aspect of stability to our regional economy.
2. **Government:** Government employment exists on a federal, state, and local level and occupies a central position in the region's economy. The INEEL, now the Idaho National Laboratory (INL) is still the largest regional employer and major component of the regional economy. Continued budget constraints and cutbacks have negatively impacted the operating budgets of some government agencies and the INL has not been spared these problems. Additionally, the Idaho site has recently changed its primary contractor, (from Bechtel to the Battelle Energy Alliance) and that transition has resulted in economic uncertainty for INL workers and businesses that sub-contract significant work with the Idaho site. Still, the salaries associated with positions available in the federal, state, and local arenas provide a living wage and it is apparent that all three sectors continue to provide stable employment.
3. **Service Industry/Tourism:** Service industry jobs tend to pay below average wages, particularly for retail based industries where many entry-level jobs are prevalent. Furthermore, the service sector of the economy continues to grow as a percentage of the regional economy. Jobs in service-based industries often require minimal skill at entry-level positions. Tourism and service sector jobs continue to proliferate in the region spurred partly by the efforts of economic development professionals and partly by natural growth and the response to the overall success of the economy. Many of the jobs are seasonal and provide little stability.

The growth of service sector jobs is the result of both the expansion and the contraction of the region's economy. On the expansion side, migration to the region's metropolitan areas and the growing populations of college students in Pocatello and Rexburg have provided an impetus for the location and development of many service jobs to accommodate the influx. On the contraction side, Paul Zelus, Director of Idaho State University's Center for Business Research suggests that the growth of service jobs has a darker side. While the growth of jobs in the service sector often provide an opportunity for employment for those entering the



workforce for the first time, it may also be the result of business and industry capitalizing on residents who because of the “trimming of high-salary” jobs and are now looking for work in any area that has openings. Therefore, while jobs in the service sector may offer employment and keep unemployment in the region low overall, the low employment numbers in Eastern Idaho may be obscuring other problems. These jobs often do not provide insurance and other benefits and may mean that while there are more people working, the numbers of uninsured, underinsured and families working two or more jobs to meet income needs may be increasing.

The proliferation of jobs in the service sector may also have negative impacts in other parts of society ranging from health issues to family issues. A crucial role for the Partners for Prosperity research staff will be to partner with agencies and organizations that track employment and poverty data to understand the impact of the growth of service sector jobs on the region’s economy and to make that information available to the region’s residents, business community and political leaders.

4. **Manufacturing Industry:** There are a good number of jobs available and manufacturers interviewed expect to see continued growth. The number of entry-level jobs can be expected to increase accordingly. One major employer reports that business has continued to expand and have significant openings for entry-level workers. Research revealed that in this industry, the starting wage is approximately \$7.00 an hour, exceeding the federal minimum wage of \$5.15 an hour. At this rate, however, the employer and others who pay comparably do not provide a living wage according to the Northwest Federation of Community Organization report 2004 Northwest Job Gap Study. This may negatively impact other sectors of the economy as workers and their families have to compromise to pay for healthcare and other services, or may be forced to work multiple jobs.
5. **Professional and Business Services:** The health care industry is a large employer across the region and is paying average to above average wages. Health care is deeply connected to other business and industry. Financial institutions are critical in providing financial lending programs for small business start up and stimulating new business growth. Based on recent research, this continues to be the case and the outlook remains positive.
6. **Trades:** Many of the issues and economic successes of trade workers revolve around the major employers of the region such as the INL, Department of Transportation, the US Postal Service, Anheuser-Busch, and others. The overall outlook for the trades is positive. The transition of the Idaho National Laboratory has changed the mission of the Idaho site and led to some uncertainty for those in the trades. Research suggests that the new contractor (Battelle Energy Alliance) has been good for the trades as they have shown themselves to be willing to work with the unions in the region. The announcement of the contractor awarded the INL’s clean-up mission is likely to have a significant impact on the trades, the direction of that impact remains to be seen.
7. **Mining:** A number of mining operations have closed across the region. Although entry-level positions generally pay above average wages, the volatility of the mining industry has created labor surpluses and layoffs. As a major employer in communities such as Soda Springs and Montpelier the economic impact of the mines is tremendous.



Through both direct wage paid, and its multiplier effect, the economic viability of the mines is critical to the overall growth of the communities surrounding them.

8. **Construction:** The expansion of the construction industry has played a large role in the growth of the regional economy. New growth has kept the construction industry increasing at a steady pace throughout the region, with many employees earning living wages. The need for increased labor continues in this industry. Additionally, the Federal Highway Bill and recent road proposals by Idaho Governor Dirk Kempthorne have the potential of enhancing the positive trajectory of this industry.
9. **Technology:** Technology has continued to grow throughout the region. Most positions generally pay a living wage or above. Potential for growth with technology companies is strong relative to the ability of Eastern Idaho to position itself as a technology corridor. There has been some positive movement for this sector. Despite layoffs in this sector over the last year, the outlook for expansion and job growth in this industry is positive for the region.

Economic Indicators Relationship to Poverty: Many industries in Eastern Idaho employ a large number of entry-level workers. Although a number of the entry-level positions provide a “starting point” for individuals looking for work, these jobs often do not provide a living wage. Some industries (i.e. construction) offer better paying wages for entry-level positions but offer drawbacks such as seasonal work and extensive travel that can offset the benefit of higher pay. Individuals employed in entry-level positions are therefore at a higher risk to be in poverty. One bright spot for a number of industries with high numbers of entry-level positions is the opportunity for upward mobility. In particular, the construction, agricultural, and manufacturing industries have opportunities for promotion depending on level of performance and/or further training or education. Some industries such as professional and business services and technology provide more jobs for degreed professionals or skilled laborers. While these positions generally provide better employment and living wages, some industries note the lack of training or education that exists within the region for certain skilled or higher level positions, making it difficult to find qualified individuals.

Many industries remain connected to people in poverty through other areas beyond employment. Businesses and industry report both providing and improving education and training for employees to improve skills; contributing to local charities and other philanthropic endeavors; and increasing employment opportunities for others by supporting local and regional businesses.

Recommendations for Future Action for Partners for Prosperity: From the information gathered for this report, it is clear that each of the economic drivers have the capacity to positively impact the lives of regional residents. It is also clear, however, that because of differences in their size, reach and impact, their individual problems are diverse as well. Nevertheless, researching a diverse population of companies and industries provides an insight into the complex nature of problems and also provides an opportunity for Partners for Prosperity to explore economic development issues on a number of fronts. Several opportunities provide an opportunity for future action:



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- An evaluation of the impact of Idaho's Right To Work Law on wages in the region and its impact of those living in the lowest economic quartile.
 - An examination of the causes and effects of the growth in service sector jobs in and the impact on those in the lowest economic quartile.
 - An exploration of businesses that offer in-house training which has the potential of enhancing the training offered by other businesses and industries.
 - An expansion of the economic drivers report. Additional categories should be added that refine the information gathered as well as help track changes in industry more precisely.

The connections and associations between poverty and the regional economy are many. Continued research provided by Partners for Prosperity will ensure that the issues pertaining to the industries of the region and their effect on poverty are both noted and acted upon.



Partners for Prosperity Economic Drivers in Eastern Idaho UPDATE

1. Agriculture/Agriculture Based Industries

According to Kip Hicks, Executive Director of the Eastern Idaho Economic Development Council, Eastern Idaho's main crops are primarily potato and barley production. Eastern Idaho's dry climate and fertile ground provides the ideal situation for potato farmers to grow the Russet Potato that has made Idaho famous. With Anheuser Busch doubling the size and capacity of its barley processing center, and Grupo Modelo opening its first processing center outside of Mexico in Idaho Falls; local farmers will be able to focus more of their efforts on servicing these growing markets. Not unlike other farming operations across the U.S., local farmers have implemented technology to help them stay competitive in the marketplace. This has increased the efficiency of farming and has helped spread its use, even in the most rural areas of Idaho. In some cases, however, the result has been a lowering of agricultural employment/farm jobs while at the same time it has lowered the overall cost of farming by reducing the number of workers needed to do jobs now done by machines and other technologies. Hicks does not feel that Idaho has had substantial job losses from more efficient farms, "but we have seen the smaller farms bought out by larger farms, who can handle additional acreage. The outlook or trend will continue in this direction for some time to come."

A. Potato Industry

Walker Produce:

Walker Produce is a major potato grower and supplier serving Eastern Idaho.

Overview:

Potatoes are the main staple of Eastern Idaho agriculture. Bingham County alone accounts for 30 percent of the nation's potato production. Processed potatoes (primarily for French fries) encompass 60 percent of potatoes produced in Idaho. Other markets include tablestock, dehydration, and seed; with additional potatoes used in the chip and specialty markets. Overall, potatoes make up 32.8 percent of Eastern Idaho's economy.

Potatoes from Walker Produce are harvested directly from the fields and then stored in warehouses and cellars. The potatoes go through a washing process and are then sorted into sizes and grades. Finally, the potatoes are boxed and packaged and shipped all over the region and across the United States according to orders.

Conversations with representatives of Walker Produce suggest that neither its position in the regional economy, nor its economic outlook has changed substantially from that reported last year.



Employment:

Walker Produce has a variety of different laborer positions as well as six management positions and other sub-management positions. 50 percent of employees are long-standing employees and most of the positions are seasonal, lasting from spring until October or harvest.

Skills/Education:

For laborers, no specific skills or education is required for employment other than a desire to be trained through in-house management. Management positions are hired from within the company. Laborers and other positions are offered the opportunity for advancement into higher positions depending upon ability and performance.

Gaps in Labor and/or Training:

The company reports that typically, it is hard to fill certain specialized areas. For example, the company has a difficult time hiring for the heister/loader positions because of specific skills needed for the position. The company reports that this problem has not been as bad recently as is normally the case.

Wages:

Laborers generally start out around \$5.50 per hour plus bonuses and incentives. Management wages are dependent upon experience and the position.

Future Issues:

As was found in the last report, compliance with safety standards is becoming more difficult. The food industry is increasing the safety standards for operations. Additionally, the diet industry has hampered sales to some degree as fad diets have negatively impacted sales.

Connections to Other Industries:

Walker Produce is directly connected to the packaging and distribution industries. Millions of dollars are spent by Walker Produce every year on packaging and transportation of the products.

Areas of Possible Growth:

As reported last year, Walker Produce has looked at the possibility of expanding into other produce such as onions. As of February 2005, this expansion had just begun.

Connection of People in Poverty to the Industry:

This type of employment provides people with or without an education the possibility of employment that other industries may not necessarily provide. One of the problems mentioned is that work is seasonal, and as such the work is not steady. Also, the wage for laborers is not typically a living wage, making it difficult to provide for a family.



Nonpareil:

Nonpareil is a potato fresh packing company located in Bingham County. It is also one of Bingham County's largest employers. As with Walker Produce, research suggests that Nonpareil's position and outlook has not changed substantially from last year.

Overview:

Nonpareil packages fresh potatoes to be sold in retail grocery stores across the United States as well as internationally. Nonpareil has a workforce of over 700 employees, with a payroll of over 12 million dollars annually.

Employment:

Primarily a heavy labor industry, there are numerous entry-level positions as well as specialized and administrative positions.

B. Dairy Industry

Reeds Dairy:

Reeds Dairy is a major dairy farm and distributor in Eastern Idaho.

Overview:

Reed's Dairy is one of the largest agricultural producers in Idaho. The dairy owns its own cattle, processing plant and distribution operations. Reed's Dairy produces milk, cheese, ice cream, and other dairy products that they sell directly in their stores and on a wholesale basis. Products are distributed throughout the Eastern Idaho region. Similar to 2004, Reed's Dairy continues to have a strong presence in the regional dairy industry.

Employment:

Reed's Dairy has employees in a number of different positions. Many of the positions are laborers, but there are also store clerks and secretaries who deal with some of the administrative tasks. Positions are generally year-round.

Skills/Education:

Skills and education are dependent upon the position, but essentially the laborer positions do not require any specific skills or education. Reed's trains most employees because of the specific skills required for the dairy industry. Most of the training is provided in-house.

Gaps in Labor and/or Training:

No gaps in labor or training were reported.

Wages:

There is a wide range of wages. The specific wage is dependent on the position. Experience is factored in the determination of an employee's specific wage therefore no specific wages were reported.



Future Issues:

Challenges include keeping up with the Food and Drug Administration (FDA) and Department of Agriculture requirements for testing and inspections for Reed's processing plant. There are also environmental challenges with respect to its dairy herd because environmental regulations often change and make compliance difficult.

Connections to Other Industries:

Reed's Dairy notes that they hire and deal mostly with local and/or regional people for their distribution as well as for other needs such as electrical work, plumbing, maintenance, etc. Their purpose is to use small, independent companies in Eastern Idaho.

Areas of Possible Growth:

No track was identified for new growth, but Reed's Dairy reports that they are always looking for new products to sell and new markets to expand into.

Connection of People in Poverty to the Industry:

Reed's reports that most people have the opportunity of upward mobility within the organization and that employees who work hard have the chance to move into higher, better paying positions. It was noted that most of the promotions are handled from within.

C. Grains

Anheuser Busch and Grupo Modelo Plants:

Although both plants are major beer brewing plants in the Idaho Falls area, the industry directly affects and has a significant impact on the malt barley industry of the region.

Overview:

The addition of Grupo Modelo as well as the expansion of the existing Anheuser Busch plant will significantly increase malt barley production for the region. Although Grupo Modelo has yet to begin production, according to some experts these events could make Idaho the nation's leading producer of malt barley. Anheuser Bush already relies heavily on locally produced crops to sustain their plant operations. The addition of Grupo Modelo will continue to increase need for barely and malt crops throughout the region.

Employment:

Because both plants are highly automated, neither employs a large number of workers. Grupo Modelo employs approximately 40 employees, while according to Carlos Ramirez, the Anheuser Busch plant currently employs 50 employees, with the expansion of the plant adding approximately 10 new jobs. Positions for both plants are year-round.

Skills/Education:

As noted previously, the beer processing plants are highly automated, requiring employment skills directly related to the machinery or equipment operated.



Gaps in Labor and/or Training:

During the initial hiring phase at Grupo Modelo, the company has not noticed any gaps in training. Grupo Modelo plans to employ Environmental Health Engineers, Electrical Engineers and Electricians and Information Technology and Clerical/Administration Staff, Malsters, and Maintenance personnel.

Wages:

Wages are paid dependent upon training and/or skills related to each position.

Future Issues:

The increasing amount of malt barley produced in the region to keep up with the growth of each plant has been a major issue to be confronted, and appears to be an ongoing issue. Both companies have chosen the Eastern Idaho region because of the stability, quality, and availability of malt barley. The ability to continue to provide high quality malt barley will be an issue that must be addressed by both the growers as well as the Anheuser Bush and Grupo Modelo plants as demand for barley will likely increase as production in both plants increases.

Connections to Other Industries:

Both companies are directly connected to the malt barley industry of the region. According to Governor Dirk Kempthorne, the Grupo Modelo plant could use 60,000 to 80,000 acres of Idaho malt barley a year. The Anheuser Busch plant expansion is expected to nearly double its malt barley consumption from 8 million to 16 million bushels per year. University of Idaho economist Paul Patterson notes that when you have malt rather than just barley as a crop, it helps to bring in more money and increase jobs. It is predicted that the regional economic impact of beer barley could be anywhere from 22.5 million to 50 million annually.

Areas of Possible Growth:

There is the obvious growth possibility in malt barley across the region. Adding malt barley to a crop rotation would allow farmers to plant fewer acres in their traditional crops, which would lower supplies and strengthen their prices. Malt barley, although not incredibly profitable, offers a more stable return and a steady demand that could mean more stability for future crops in the region.

Connection of People in Poverty to the Industry:

People in poverty may or may not be able to acquire employment in the industry depending on the skill-sets they possess relative to positions available at the plants. Less skilled jobs, such as farm laborer positions, should be positively affected through the increase in malt barley production and may equate to an increase in employment for people in lowest economic quartile who often are first employed in entry-level labor force positions.

2. Government Jobs

A. Federal Government

INEEL now the Idaho National Laboratory (INL):



According to information provided by Department of Energy (DOE) Communications, the Idaho site is a science-based, multi-program national laboratory and is the largest federal employer in Eastern Idaho.

Overview:

The INL is currently in a state of transition. Currently, one of two contracts has been awarded. The Battelle Energy Alliance recently took over control of the site's nuclear research and development and national security missions on February 1, 2005. The contractor, who will direct the Idaho site's cleanup mission, will be determined at the end of March of this year. In addition to its research and cleanup missions, the Idaho site also helps other entities through the application of its research expertise to science and engineering problems.

Employment:

Generally, the INL employs engineers, scientists, and researchers. Additional positions are technical staff, crafts persons, information technology specialists, business management and administrative support staff, and general service workers (bus drivers, cooks, security staff and firefighters, etc.).

Skills/Education:

Skills necessary for employment with the Idaho site vary according to job. However, most positions require previous on-the-job training or post-secondary education ranging from vocational-technical training and associate degrees to advanced degrees beyond the post-doctoral level.

Gaps in Labor and/or Training:

According to information provided by DOE Communications, some highly specialized positions are difficult to fill and as such, the Idaho site must engage in a nation-wide search to fill them.

Wages:

Overall, the Idaho site has a high-income workforce and conducts an annual survey to insure that its employee salaries are comparable to market levels. Candidates who are recruited from a national search are paid wages based on national levels, while those hired regionally are paid according to regional levels.

Future Issues:

As environmental cleanup missions are completed, jobs associated with those efforts will decrease. Other jobs associated with nuclear energy and basic science and national security are expected to increase but are dependent upon federal funding. Much of the work done at the Idaho site will depend on direction received from the U.S. Government and DOE.

Connections to Other Industries:

According to DOE Communications, the Idaho site is one of Idaho's largest employers and the wages and salaries paid to its workers have a major economic impact on the region and regional businesses. Additionally, the Idaho site hires a



variety of sub-contractors. Site employees also contribute to area charities and regional economic development activities.

Areas of Possible Growth:

National security, nuclear energy and environmental engineering technologies are areas that the Idaho site sees as areas of potential growth. Recently, the Idaho site was tapped to lead the nation in nuclear research and development.

Connection of People in Poverty to Industry:

The INL and its employees are involved in reducing poverty in Eastern Idaho through the donation of personal time, contributions, volunteer activities and charitable giving. The Idaho site has donated to regional United Way campaigns, and other non-profit organizations in the region focusing on health and human services, education, community development, youth, civic affairs, culture, and the arts. Its CARE Committee (a fund managed by employees for employees) helps co-workers in economic straits caused by illness, or death of a family member, and natural or other disaster. During the holiday season, its employees help hundreds of needy families, provide Christmas gifts for children in need, and contribute to the Salvation Army's Angel Tree program.

United States Postal Service (USPS):

The US Postal Service is one of the largest federal employers in Eastern Idaho. The Postal Service has a regional reach and employs residents in both rural and urban communities.

Overview:

The US Postal Service's goal is to deliver mail and facilitate communication within the United States. The US Postal Service continues to be a major employer in the region. In the past year there has been a wage increase for employees of the US Postal Service and they will be offering the Postal Carrier Exam in August.

Employment:

Within the Postal Service there are four types of entry-level jobs: (1) Mail Handlers that commonly work in mail processing centers and whose main duties are to unload mail trucks and make mail available to the persons who sort it, (2) Clerks who are responsible for either manually or automatically sorting the mail, (3) City Carriers, and (4) Rural Carriers who deliver the mail. Additionally, the Postal Service does hire some temporary, permanent, part-time and seasonal employees. Some positions in this area include: Postmaster Leave Replacement, Casual Seasonal Employees, and Temporary Rural Employees.

Skills/Education:

If the applicant is over eighteen years old, employment with the Postal Service does not require any degree. Many applicants, however, do possess a college degree when they apply. If the applicant is under eighteen years old, they must possess a high school diploma or equivalent to apply. Outside of that, the only requirement of the applicant is to take the required examination to have his or her name placed on the federal register.



Gaps in Labor and/or Training:

Liz Jenkins, Personnel Manager for the United State Postal Service's Spokane District (servicing Idaho) reports that the Postal Service chronically has more applicants than jobs available with the exception of Rural Carrier Associate applicants. This is most likely because the position doesn't offer many hours and that the vehicle requirements are quite stringent. Generally, since there are usually more names on the federal register than jobs, and since those names are ranked, there are no gaps in training or education that cannot be addressed by training during the Postal Service probationary period.

Wages:

The wages paid by the Postal Service differ according to employment status. The wages for entry level range is from \$9.00 to \$17.69 and increases additionally based on experience and performance. Promotions to higher positions are granted from within and are dependent upon skills and performance.

Future Issues:

The surge in e-mail and other forms of communications has decreased the volume of mail. As such, the Postal Service is not hiring as much as they have in the past and United States Postal Service offered early retirement to some of its employees. An unintended impact has occurred, as some workers retired from areas of high mail volume. To compensate, the Postal Service continues to hire workers in the rural areas and the USPS will be offering its courier exam in August of this year.

Connections to Other Industries:

The Postal Service is intimately connected to Federal Express as the major courier of its overnight and priority parcels. Additionally, the Postal Service uses commercial airlines to transport its mail and contracts with commercial trucking companies to transport its parcels overland.

Areas of Possible Growth:

If communities grow in population, the Postal Service will grow as well. Currently, however, there are no specific areas that can be identified as a potential growth sector.

Connection of People in Poverty to Industry:

As a federal employer, the United States Postal Service follows the federal mandate regarding equal opportunity employment. It is noted that each person has an equal chance of being hired at the Postal Service and that the final determination is dependent upon how well they place on the federal register. Any person, whether in poverty or not, has the chance to be employed.

B. State Government

Department of Transportation (DOT):

The goal of the Department of Transportation is to provide safe and efficient transportation for the public.



Overview:

The DOT is one of the largest state employers in Eastern Idaho. The DOT is involved in road upgrades, the construction of new roads, the identification of road hazards, and works with counties and cities regarding the upgrade of roads, traffic studies, determining speed limits and snow plowing. Several proposals forwarded by Idaho Governor Dirk Kempthorne hold the promise of increased work for the Department.

Employment:

Jobs at the Department of Transportation range from entry-level to upper-management. Some of the major employment areas with the Department of Transportation include clerical, administrative, and engineering.

Skills/Education:

The skills and education necessary for employment vary by job description. For entry-level jobs, the only requirement is that an applicant takes the required examination and have his or her name placed on the state register. For upper-level jobs, the applicant needs to have the prevailing qualifications of their field.

Gaps in Labor and/or Training:

The DOT reports that it does not have a problem hiring qualified applicants. Despite the fact that many of its jobs require a CDL, most of the applicants are able to obtain them. Additionally, because state departments hire from a register, most applicants have the minimum qualifications necessary to fulfill the tasks assigned to any job for which they are hired. Those who lack any other necessary skills are trained in-house.

Wages:

The wages paid by the Department of Transportation vary according to the job. No specific wage structure was provided. The DOT reported that even though they provide a living wage, employees often leave once they have been trained because they can earn a better wage in the private sector.

Future Issues:

The biggest issue facing the Department of Transportation, like all state agencies, is the inability to provide a competitive wage because of state's current budget crunch. However, as many of the projects that the department engages in are scheduled in advance, there should be adequate work for the department and its employees.

Connections to Other Industries:

The Department of Transportation is connected to construction companies in the region and surrounding states, as contracts for some services are put out for bid in those areas.

Areas of Growth/Expansion:

As of now, there are no specific areas that can be identified as a potential growth sector. However, Idaho Governor Dirk Kempthorne's recent "Connecting



Idaho” proposal may impact the department’s future with respect to employee hires over the next few years.

Connection of People in Poverty to Industry:

As a state employer, the Department of Transportation follows the federal mandate regarding equal opportunity employment. Under that mandate, each person has an equal chance of being hired at the Department of Transportation. The final determination is dependent upon how well they place on the state register. Any person, whether in poverty or not, has the chance to be employed.

C. Local Government

City of Pocatello:

The City of Pocatello is one of the largest and most diverse local government employers in the region. The City provides services to Pocatello citizens who, because of circumstances, are not be able to secure the services otherwise.

Overview:

The City of Pocatello has endured several years of slow growth and economic expansion. A decreasing revenue base has resulted in several years of fiscal restraint and the consolidation of services and job responsibilities for city workers. Recently, the city has engaged in infrastructural improvements and it appears that its economic development plans are poised to bear fruit. Economic developers in Pocatello have recently announced a major retail development on the city’s north end that will house several national retailers and regional restaurants. The information below summarizes some of the changes over the past year.

Employment:

The City of Pocatello currently employs 490 full-time and half-time workers. Another 250-300 part-time employees in twenty-one departments ranging from police and fire services to public works to park and zoo maintenance are also employed. Among the jobs offered by the City are: Police Officers, Firemen and Firewomen, and Maintenance and Equipment Operators within the city’s Public Works Department. The city also employs clerical staff, attorneys and city planners and engineers.

Skills/Education:

The skills and education necessary for employment vary by job description. For entry-level jobs, the typical level of education is a high school degree coupled with relevant job experience. In many of the non-professional positions, applicants are required by the various departments to be proficient in the operation of commercial vehicles and to be certified in their specialty within a year of hire. For upper-level jobs, the applicant needs to have at least a bachelor’s degree and meet the prevailing qualifications of their field for the positions for which they apply.

Gaps in Labor and/or Training:

The City of Pocatello reports that it has few problems attracting qualified applicants for entry-level jobs from the regional labor pool. The City has found it difficult to find qualified applicants for its technical professional jobs from the



region's labor pool, and as such has had to advertise nationally. The only exception to the rule above is for applicants for city attorney.

Wages:

Wages vary with the City depending on the job. The City does pay a living wage for full-time work. City wages currently range from \$9.62 - \$11.32 an hour for entry-level positions to \$39.55 - \$46.53 an hour for professional and managerial positions.

Future Issues:

The biggest issue facing the City is the citizens' reluctance to expand government, coupled with slow economic expansion. These two forces have resulted in a budget crunch that has impacted its ability to provide quality healthcare and other benefits for its workers. Even though the City and region seem poised to better their economic positions, local governments are among the last to realize those benefits and the current economic issues facing the city will impact it for some time.

Areas of Growth/Expansion:

As of now, no specific areas are identified as a potential growth sector

Connection of People in Poverty To Industry:

The City looks for people with the required skills and follows the federal mandate regarding equal opportunity employment. They mention that each person has an equal chance of being hired at the City. Additionally, entry-level jobs draw a significant number of the new hires needed from those who are economically well off. Persons in poverty are usually those who apply for the entry-level jobs that pay \$9 - \$13 an hour.

3. Service Industry/Tourism

A. Service Industry

Wal-Mart:

Wal-Mart is one of the largest service industries in Eastern Idaho and employs people throughout the entire region. The information, as verified, has not substantially changed over the past year.

Overview:

Wal-Mart is the largest retail store in the Eastern Idaho region. Products are shipped into the retail stores from its distribution centers and are then inventoried and stocked for sale.

Employment:

Positions for employment include cashiers, stockers, sales associates, office associates and management positions. The positions are year-round.

Skills/Education:

Entry-level positions such as cashiers and stockers do not need to have any special education or skills. Applicants need to have an ability to communicate



effectively and have strong interpersonal skills. However, applicants do not necessarily have to speak English or have finished high school. Wal-Mart promotes exclusively from within and has an internal training program to help promote employees to all positions.

Gaps in Labor and/or Training:

There are no reported gaps in training or in labor. Wal-Mart reports a fairly large labor pool from which to pull and that training programs are developed to ensure that employees are trained accordingly.

Wages:

Wal-Mart's wages are competitive to similar positions within the region. Entry-level positions pay between \$6 to \$7 per hour and its management positions are based on salary.

Future Issues:

Because trends in retail are always changing, it is important for Wal-Mart to "flow" with those changes that affect the retail industry. Therefore, the issues to which the company will have to contend are unclear.

Connections to Other Industries:

Because of Wal-Mart's economic position in the region, its presence in a community and the region provide a boost to other businesses in the region, often by attracting customers from areas without its selection of products. Additionally, other local and national businesses benefit from the presence of Wal-Mart.

Areas of Possible Growth:

Although there are no specific areas identified as immediate "areas of growth," it should be noted that there is always the possibility that future stores will be built in the region which will create more jobs and opportunities for employment. In February 2005, a second Wal-Mart store was opened in the Idaho Falls area.

Connection of People in Poverty to the Industry:

Wal-Mart prides itself on providing equal opportunity employment. Representatives mention that each person has an equal chance of being hired at Wal-Mart and that any person, whether in poverty or not, has the chance to be employed.

Convergys:

Convergys is a customer service call center located in Pocatello. The company employs people primarily from the southern part of the region.

Overview:

Convergys has customer service contracts with DIRECTV, ATT, Sprint, as well as various credit card companies. Convergys handles customer services for many of the companies, allowing those companies to focus on other aspects of their businesses.



Employment:

Entry-level positions consist of consultants who help customers with paying bills or changing services. Team leaders, managers, and trainers are also positions within the organization and employment with the company is year-round.

Skills/Education:

Entry level positions require a high school diploma or General Education Diploma (GED). Basic math and typing 25 words a minute are also required. A background in customer service is also preferred. Employment in higher-level positions requires necessary education plus experience. Most positions with Convergys are hired internally first and then hired externally if the company is unable to hire for the position in-house.

Gaps in Labor and/or Training:

Generally, the company reports that it is able to find qualified employees from the available labor pool. However, the company has noticed that a number of applicants for entry-level positions do not possess the necessary typing skills for the job.

Wages:

Convergys offers a beginning wage for trainees of \$7.50 per hour. Additionally, if an employee is required to work past 6:00 pm or on weekends, they are paid \$8.25 per hour. Raises are given twice a year according to performance.

Future Issues:

No future issues were reported by the company for this report

Connections to Other Industries:

Convergys has contracts with DIRECTV, credit card companies and others. Additionally, the company employs local food vendors to provide lunch for its employees who work its weekend shift.

Areas of Possible Growth:

The possibility of obtaining new customer service contracts would mean more employment for the region.

Connection of People in Poverty to the Industry:

It was noted that if people have the experience and possess the minimum qualifications, it is possible to obtain employment at Convergys. The company gives many people the opportunity for employment.

B. Tourism

Granite Creek Guest Ranch:

The Granite Creek Guest Ranch is a working cattle guest ranch that seeks to accommodate tourists during the summer tourist season.



Overview:

The Ranch seeks to accommodate tourists, many of whom are passing through to other tourist attractions such as Yellowstone National Park and/or Grand Teton National Park. The owners express a concern regarding the long-term sustainability of the Ranch and the willingness of their children to continue to run it. With respect to the information provided for the 2004 Economic Driver Report, the information gathered for Granite Creek Guest Ranch is virtually unchanged from last year.

Employment:

Jobs are held primarily by college students. The two main positions are cooks and horse wranglers. Jobs at the Ranch are seasonal and generally last from June until August or September.

Skills/Education:

Experience and strong interpersonal skills are required for most positions at the Ranch. No education requirements are required.

Gaps in Labor and/or Training:

The Ranch reports that it does not have problems obtaining the needed labor because it primarily hires college students who are looking for summer employment. The company provides the necessary training for its employees and because there are few requirements for employment, the Ranch has not noticed any substantial gaps in training.

Wages:

The owner of the Ranch reports that the pay is above minimum wage. The pay is approximately \$1,000 per month plus room and board.

Future Issues:

Overall, the future is uncertain for the guest ranch. The owner reports that it has been difficult some summers to make a profit because of the unpredictability of the tourist season. Some seasons are strong, while others are poor. Much of the success of the Guest Ranch depends on the yearly economic climate. Additionally, the high investment made in the Guest Ranch has also made it difficult financially.

Connections to Other Industries:

The ranch is primarily connected to other companies in the tourism industry. The ranch cooperates with businesses in the tourism industry of the region. The owner notes that many of the guests that come to stay are headed to other destination areas such as Yellowstone National Park.

Areas of Possible Growth:

The Ranch does not see any immediate area of expansion because of the difficult financial situation. It was reported that the tourist season is often unpredictable.



Connection of people in poverty to the industry:

The owner notes that most of the people he hires are in poverty, or struggling to make money for college. He also notes that the ranching industry is one in which it is often difficult to make a living.

4. Manufacturing

Melaleuca:

Melaleuca is a manufacturing and distribution company located in the Eastern Idaho region. Melaleuca manufactures and distributes 300 different products from health supplements to home and health care products. A small number of over-the-counter (OTC) products are also sold. Melaleuca has grown from its start in Idaho Falls in 1985, to include manufacturing and distribution plants located across the United States and around the world. The company has grown substantially and now employs approximately 2,300 people.

Overview:

Most of the products are manufactured locally, mostly in the Idaho Falls area, and are then packaged and shipped to its various distribution sites. The customer care center takes all of the approximately 500,000 orders made each month.

Employment:

Employment with the company ranges from entry-level to management positions to other high-level administrative positions. Positions available with Melaleuca include shipping and receiving, customer service, planners, forecasters, managers, finance, etc. Positions with the company are year-round.

Skills/Education:

Entry level positions require a high school diploma as well as other skills related to the position such as accuracy, efficiency and speed. Education and skills needed for management and other higher-level positions depend on the position. The company does not have difficulty filling its entry-level positions but reports that upper-level positions are traditionally hard to fill locally because they often require advanced college degrees. The company therefore often recruits nationally to fill them.

Gaps in Labor and/or Training:

Melaleuca reports that its internal training program helps to fill the regional gaps in labor or training. Its program ensures productivity and company standards. Supervisory training is also provided for upper-level positions and the company will pay for any additional schooling needed for its employees.

Wages:

Wages vary by position in the entry-level positions, but generally start around \$7 per hour. The company reports an aggressive internal promotions program as well as good benefits. Promotions to higher positions are granted from within and are dependent upon skills and performance.

Future Issues:



The ability to keep up with future growth was reported as the major challenge for Melaleuca. Currently there are positions open and typically there are positions waiting to be filled.

Connections to Other Industries:

Melaleuca uses the services of many local suppliers such as: printers, office suppliers, cleaners, and the many other local people that are hired or contracted out. It was noted that Melaleuca uses local industries and businesses whenever possible for their business needs.

Areas of Possible Growth:

One of Melaleuca's biggest problems reported was the large growth the company is experiencing. Its challenge has been keeping up with the growth, and being able to build and expand to new facilities. It is anticipated that a new shipping and manufacturing facility will be built in Idaho Falls in the near future, bringing more employment and jobs to the region.

Connection of People in Poverty to the Industry:

Melaleuca reports that there are always entry-level openings, and that many of the positions can help people begin a career. Many of the positions allow people the opportunity to work hard and develop themselves professionally.

5. Professional and Business Services

A. Health Care

Eastern Idaho Regional Medical Center (EIRMC):

Eastern Idaho Regional Medical Center is the largest hospital in the region. The hospital serves many people and communities throughout Eastern Idaho as well as people in parts of Wyoming and Montana. Over the last year, hospital employees have been the recipients of increased wages. Also, as opposed to the information reported in the previous Economic Drivers Report, EIRMC reports having an easier time recruiting and hiring for some of its technical positions than it did last year.

Overview:

EIRMC is a 341 bed, private hospital that serves a large range of people throughout the region. The hospital is a hub for small communities and provides specialty services that hospitals cannot. 40 percent of patients are from outside of Idaho Falls on a daily basis.

Employment:

EIRMC is one of the largest private employers in Idaho Falls. A large percentage of the employees are degreed professionals, thereby constituting a highly-educated workforce. The hospital currently employs approximately 1357 workers. 194 of those employees are physicians.

Skills/Education:

The hospital employs people in wide range of positions and therefore a wide range of training and education is needed to obtain employment. Technical training is



required for certain positions, such as CNA positions, whereas others may require only a high school diploma. In others, higher-level degrees are required, such as physical therapists and radiation technicians.

Gaps in Labor and/or Training:

Nationally, there is a shortage in many of the medical professions with pharmacists ranking among the most needed nationally. However, EIRMC reports that is not experiencing difficulty in finding qualified applicants to work in its facility. Research suggests that this may be due to the hospitals close proximity to Idaho State University.

Wages:

EIRMC provides competitive wages and benefits for its employees. The average hourly rate last year was \$22.10 for EIRMC employees, which is typically higher than the average pay for hospital positions in the region.

Future Issues:

The cost of insurance as well as the number of people who are uninsured is becoming an increasing concern for the hospital. The hospital reports seeing an increasing number of people who have inadequate or no insurance. Many of the uninsured simply cannot or will not pay for services, which places a greater financial stress upon the hospital. Additionally, a pending workforce shortage is a major concern. Demographic changes resulting from an aging population, coupled with the rising cost of providing care are issues that the hospital will confront in the future. Information provided by the hospital's Community Relations and Marketing department suggests that that a major component of this issue is the lack of instructors available to accommodate the demand of those wanting to enter the health care field as well as problems with the way the illness prevention courses (well visits) are handled.

Connections to Other Industries:

The hospital is connected to many, if not, most of the health care businesses in the region. EIRMC is also connected to higher education in the region through working relationships with Idaho State University and other learning institutions to help improve education opportunities for some of the areas of health care shortages. Idaho State University and Eastern Idaho Technical College, BYU-Idaho all partner with EIRMC in improving nursing education for the region.

Areas of Possible Growth:

No areas of growth are projected. Several projects and buildings were just completed in recent years. Over the past year, nursing education was expanded at Eastern Idaho Technical College to help fill the shortage of nurses regionally and at EIRMC in particular.

Connection of People in Poverty to the Industry:

EIRMC provides emergency room visits to anyone, regardless of ability to pay as mandated by law. Also, EIRMC provides 3 community screening events per year for people who cannot afford to pay. These health screenings focus on youth,



health and heart, and cancer screenings. The screenings are geared specifically to reach low-income people. EIRMC also works closely with the community to provide money for non-profit organizations and other community organizations that may directly serve people in poverty.

Bear Lake Memorial Hospital:

Bear Lake Memorial Hospital covers Bear Lake County, currently with 205 employees. The hospital has the highest payroll in the county.

Overview:

Bear Lake Memorial Hospital's service area covers the entire county of Bear Lake. The hospital also serves many residents in the surrounding rural and outlying areas. Bear Lake Hospital provides the critical health services of a county hospital. Information gathered for this report demonstrates that the hospital's outlook has improved significantly since last year.

Employment:

Employment with Bear Lake Memorial Hospital covers all the major positions necessary for a hospital. Some of the positions available include: nurses, physician assistants, lab technicians, X-ray, physical therapy, administration, maintenance, housekeeping, cooks, medical records, etc., and employment is year-round.

Skills/Education:

A wide range of skills or abilities is required for different positions. Most of the professional or technical positions require higher education or technical training. Entry-level positions such as housekeeping or maintenance may require some skills, but overall require less training than the professional or technical positions.

Gaps in Labor and/or Training:

Because of the rural nature of the hospital, some applicants in its available labor pool are often unqualified or unskilled to fill the openings that the hospital has open for particular positions. The hospital therefore spends a lot of time, money, and effort in training for certain positions or providing the needed education. Additionally, the hospital must often recruit applicants for its upper-level positions from Logan or Salt Lake City, Utah, or Pocatello, or Boise, Idaho.

Wages:

Wages were reported to be competitive for licensed professionals. The pay was slightly less competitive for non-skilled labor.

Future Issues:

The populations of the community and of the county are aging. Additionally, the population of the county is also shrinking. The hospital reports that for the first time in its history, last year the hospital did not have an increase financially. In general, the future seems uncertain for the hospital and the rest of the county and the success of one has a significant impact on the other.



Connections to Other Industries:

It is estimated that about 15 percent of the total jobs and income in Bear Lake County depend on the hospital and on income from health care and social service related activities. Although the hospital employs 205 employees, many others depend on the hospital for business, such as dentists, pharmacists, and other health care professionals. For every seven hospital jobs at Bear Lake Memorial, another job is created in the community.

Areas of Possible Growth:

It was reported that Bear Lake Memorial is constantly reviewing the possibility of adding additional health care services, depending on the economic validity of the services. The Hospital reports that while it is experiencing growth, further growth is contingent upon the growth of the surrounding community.

Connection of People in Poverty to the Industry:

It was reported that the Hospital may directly impact or help people in poverty through the opportunity to train or gain education in particular professional fields. Also, the Hospital indirectly impacts people in poverty through the creation of other jobs in the area that may not have occurred if the Hospital wasn't in operation.

B. Finance

Bank of Idaho (Formerly Bank of Eastern Idaho):

Financial and lending bank located in the Eastern Idaho region.

Overview:

The Bank of Idaho specializes in small business needs and agriculture. There are six branches in the Eastern Idaho region. The bank employs 92 people throughout the region. With the exception of the opening of another branch in the near future, the information presented in this report is much the same as that presented in the earlier report.

Employment:

Jobs with the Bank consist of a number of different positions such as: bank tellers, new accounts personnel, loan officers, loan assistants, book keepers, customer service people, and administration. All employment is year-round.

Skills/Education:

Tellers must have experience handling and dealing with money, as well as have solid customer service and interpersonal skills. No education requirements for the entry-level positions were reported as needed. Education and training are required for administrative or higher level positions.

Gaps in Labor and/or Training:

The Bank has not noticed any gaps in labor or training that they were concerned with organizationally. The Bank does have difficulty finding applicants with teller experience but it has little problem finding people who can be trained for entry-level positions.



Wages:

Wages at the Bank of Idaho are competitive to other banks in the region. Entry-level pay ranges from approximately \$8.50 to \$11.00 per hour.

Future Issues:

Given the nature of the industry, the bank reports a level of uncertainty regarding the future of the banking industry.

Connections to Other Industries:

The major connection consists of loans that help many new businesses just starting out, which the bank points out, helps to stimulate growth in the regional economy.

Areas of Possible Growth:

The Bank of Idaho plans to continue to offer the same services in the future that it is currently offering. However, the Bank wants to expand its reach into more rural areas. Currently there is a possibility that the Bank will expand in Eastern Idaho, with the possibility of hiring up to 10 people.

Connection of People in Poverty to the Industry:

The Bank in Idaho provides many services that directly impact or affect people in poverty. For example, the community reinvestment act helps to serve those in poverty. Also, the Bank has several low-income programs or options for people buying a home. The Bank tries to recognize those in poverty by trying to give back to the community as well as serving low-income families or individuals when possible through financial services and options.

6. Trades

Carpenters' and Millwrights' Union:

The Carpenters' and Millwrights' Union provides training and supervision for union members and employees for various union contractors.

Overview:

The Carpenters' and Millwrights' union represents workers in a multitude of trades who work in the residential and commercial building sector of the regional economy. The Union reports that Union Scale wages have increased over those reported last year and that much of the uncertainty regarding the transition of the Idaho National Engineering Laboratory's contract bid has been resolved positively. With the exception of the increase in wages and the fact that those in the trades are beginning to focus their attention on the impact of Idaho's Right to Work Law; the union reports that the information presented in the 2004 Economic Drivers Report continues to be an accurate depiction of its place in the regional economy. All changes in its economic situation are reflected in the information below.

Employment:

Members of the union may work in finish carpentry, frame work, form work, machine work, welding, machine installation, and the hydro-electric industry.



Skills/Education:

There are no formal requirements for entry into the trades. The Carpenters' and Millwrights' Union provides an apprenticeship program that provides the needed training and education necessarily for a member to become a tradesperson.

Gaps in Labor/Training:

Since the Union provides an apprenticeship program, it did not notice any gaps in skills or training in the local labor force. If an apprentice meets the course and time requirements of the program, the skills necessary to become a tradesperson will be developed.

Wages:

Wages for an apprentice tradesperson are 60 percent of scale and increase every six months depending on satisfactory progress in the program. Generally union contracts at the high end pay \$22.86 an hour and approximately \$16.00 at the low end.

Future Issues:

According to the Union, one of the biggest issues facing the workers last year in the trade industry was the uncertainty surrounding who would be announced as the new contractor at the INL; and whether they would respect the previous working relationship that existed between the former INEEL and the unions. As of February 2005, the Union reports that the relationship between the Battelle Energy Alliance (BEA) and the unions appears to be strong. There is still some concern about who will get the INL clean up contract and that the contractor may not be sympathetic to the unions. The unions are now focusing attention on Idaho's Right to Work Law and its impact on living wages.

Connections to Other Industries:

Tradespersons affiliated with the Union are connected to the following regional employers: Simplot, Idaho State University, Grupo Modelo and Anheuser Bush, Department of Transportation, and the State.

Areas of Expansion:

As of now, the impact of this particular organization is small and it only has 250 members. However, representatives foresee a larger impact for the organization as it works politically to address issues of contract liability, Idaho's Right to Work Law and to make inroads into more residential and light commercial work.

Connections for Persons in Poverty to Industry:

The organization sees itself as a protector of worker rights and the right to earn a living wage. In particular, the Union is focusing its attention to the practice of non-union contractors to leave the tax and workman's comp coverage up to its employees, which it sees as harming the most vulnerable workers the most as they either don't carry sufficient insurance or have to pay a large tax bill that they cannot afford.

7. Mining



Monsanto Mine:

Monsanto is one of the largest phosphate mines in Idaho and one of the largest employers in Caribou County.

Overview:

Monsanto is a large mining operation located in Montpelier, Idaho. Its primary mining operation is the extraction of phosphate ore. Monsanto's mining processes includes: surveying the positions for extraction of the phosphate ore, stripping or removing the phosphate ore, loading it onto trucks for removal and shipping to its final destination.

Employment:

The mine and the plant employ approximately 800 people, many of whom are contracted employees who work through Deggerstrum Ventures LLC. There are a number of different positions, including surveyors, stripping, engineers, heavy equipment operators, etc.

Skills/Education:

Mining school is required for mine engineers. Skills related to the job are required for the other positions. It was noted that some of the positions have skill requirements that are unique to the phosphate mining industry. Laborer positions may have less skills and/or educational requirements.

Gaps in Labor and/or Training:

Monsanto noted that they continue to have difficulty recruiting workers from the local area who have the necessary computer skills to work in many of its positions from administration, to information technology, to various technical positions where computer skills are becoming increasingly necessary. Additionally, the company reports that it has very few jobs remaining that do not require some interaction with computers. As a result, Monsanto is finding it necessary to provide in-house computer training. For example, they are now looking for welders with specific computer knowledge, who can use software applications along with their welding. Also, they report that it is becoming more difficult to find qualified mine engineers.

Wages:

Wages are approximately \$15 to \$23 dollars per hour at the plant. Engineers typically start out at a salaried wage, usually around \$50,000 and salaries increase yearly. Monsanto reports that engineers can make up to \$100,000 or more annually, depending on experience.

Future Issues:

Monsanto reports that as mining schools have declined, specifically in this area, it may become more difficult to find future mine engineers for its highly skilled positions. Also, the future is less certain for the phosphate mining operation, as reflected in the many phosphate mines around the area that have closed. Monsanto, Agrium, and Simplot are currently the only mines still in operation in the area.



Connections to Other Industries:

Monsanto helps to drive other business and industry in the region through purchasing local gas, electricity, mechanic supply tools, and other equipment or supplies. The annual local accounts payable for Monsanto is approximately 63 million dollars.

Areas of Possible Growth:

Monsanto reports that there is a possibility of expanding R&D work in Idaho from St. Louis if the political and legal landscape of the area becomes more favorable. One of the primary reasons cited for the difficulty in locating the R&D work in Idaho to date is Idaho's "less than favorable R&D tax structure." There is also the potential of using some of the by-products that are produced from the phosphate ore process in the plant.

Connection of People in Poverty to the Industry:

The mine determines a lot of the economic situation in the area. If the mine were to close, the unemployment numbers in the region would increase dramatically. The mine produces above average wages and a living wage or above for many people. It was noted that the economy in the area is often determined by the mines. When the mines close, unemployment rises, often resulting in more working poor due to former mine workers being displaced. Essentially, the mines provide a measure of economic stabilization for the area. Recently, the mine has taken on more of a role in dealing with decreasing poverty in the communities that it surrounds. They plan to accomplish this through charitable giving programs and they are actively working with community action agencies in the area.

8. Construction

Construction continues to be a major driver in the Eastern Idaho economy. Much of its ability is tied to the national economy, and reflected in construction trends at the regional and local level. As with the Department of Transportation, Idaho Governor Dirk Kempthorne's recent proposals will be an economic boon for the construction industry and will increase the opportunity for citizens across the region to find good paying jobs.

HK Construction:

HK Construction is a regional heavy highway construction company specializing in excavation and sewer water lines. The Company serves all of Eastern Idaho as well as parts of Montana and Western Wyoming and Utah.

Overview:

Each job is developed through a bidding process. Essentially the bids are for either government agencies or private businesses or individuals.

Employment:

Applicants hired, typically start out as laborers with an opportunity to be promoted from within to higher positions. Most management or supervisory positions



are promoted from within. Positions range from general laborer to supervisor or manager and there are a few jobs for secretarial or office related positions. Employment is generally seasonal due to the nature of the work.

Skills/Education:

The Company reports that there are very few requirements for the laborer position and that some of their workers have not finished their high school education. Most of the skills or training needed for employment is provided simply through experience. It was mentioned that the Company provides training for employees and the positions needed. For example, truck drivers may have the opportunity to get training on how to drive the trucks as well as obtain the necessary CDL license to operate them.

Gaps in Labor and/or Training:

HK felt that their largest gap in labor or training shows up in its managerial ranks and result from the fact many of their management people do not initially have “polished” speaking skills. Essentially, the company reports, many of their managers lack a certain degree of professionalism due to HK’s internal promotion policy. Often the managers do not have the formal training that other typical managers may have.

Wages:

Wages depend on the job. Typically, government jobs average around \$20 per hour, and private jobs average \$10 to \$16 per hour. HK reports that it provides good benefits to its employees in addition to a competitive salary. The contract for HK mentions that they are aware of the importance of providing a living wage salary to employees and feels that their better than average pay helps to retain their employment force with low turnover.

Future Issues:

It was mentioned that finding good workers, those who thrive in manual labor, is becoming more difficult to do. The Company has noticed a rise of the number of Spanish speaking employees. HK continues to turn to the Spanish population because of their strong work ethic and ability to perform well in the manual labor positions and it is probable that adjusting to this growing workforce is something that the Company will confront in the future.

Connections to Other Industries:

HK hires a lot of private truckers on a contractual basis. Several million dollars each year is spent just on contract trucking. Many of the other industries or businesses also benefit. For example, large amounts of asphalt and equipment are purchased from local and regional businesses.

Areas of possible growth:

HK notes the growth in many of the major metropolitan hubs of the region, such as Idaho Falls, Pocatello, and Rexburg. A lot of highway work and road expansion in new subdivisions will likely keep business increasing for them over the next several years. Last year’s strong growth in Idaho Falls and Rexburg provided a



record year for the company and the Federal Highway Bill that is due to come out soon will provide future work for HK Construction.

Connection of People in Poverty to the Industry:

It was noted that a lot of people who come to work for HK may be classified in poverty because they don't have a lot of education or training. The positive aspect is that because there are not a lot of job requirements, people in poverty or people without a lot of education or training can work hard and make a living wage. Also, promotion is granted from within, so it provides potential for advancement to better positions.

9. Technology

AMI Semiconductor, Inc. (AMIS):

Integrated Circuit Manufacturing and Supply Company located in the Eastern Idaho region. AMI Semiconductor employs 1,100 people in the region. AMIS produces "custom chips" for specific customer's products and are found in medical, automotive and security systems products. AMIS is headquartered in Pocatello and has expanded worldwide now has support operations in Europe, Asia and the Philippines.

Overview:

In 2002 the acquisition of the mixed-signal business of Alcatel Microelectronics added to AMI Semiconductor's annual sales by enhancing the company's ability to serve its customers worldwide through a heightened presence in Europe and around the globe. In 2002, sales were \$345 million dollars. In 2004, the company's revenue increased to \$517.3 million dollars. The major operation of the Pocatello headquarters involves the manufacturing and engineering of integrated circuits.

Employment:

At the Pocatello facility, employment positions range from entry-level positions to management, and other high-level administrative positions. Some of the positions are: sales and marketing personnel, product developers, engineers, technologists, managers, security personnel, and custodians.

Skills/Education:

Entry-level positions require a high school diploma as well as other skills related to the position such as accuracy, efficiency, and speed. Management positions and higher-level positions have requirements that are dependent upon the position. AMIS considers experience in its determination of employment qualifications in place of educational attainment on a case by case basis.

Gaps in Labor and/or Training:

AMIS reports that the regional labor pool is adequate to fill its manufacturing and some of the technical positions. There is a gap in training and labor, however, regarding qualified applicants for the more specific engineering jobs available with



the company. Because of this labor gap, AMIS has had to recruit from outside of the region to fill these positions.

Wages:

The wage structure at AMIS was confidential and varies according to position. It was reported that all of the jobs at AMIS pay a living wage.

Future Issues:

The semiconductor industry is very competitive, but AMIS has a unique niche in this sector. The major future issue facing AMIS is to maintain its current standing internationally. Since Pocatello is the site of the company's headquarters, such expansion will trickle back to the region and may increase the potential for new hires. The company recently experienced a reduction in employees and now employs less than 1000 people. The company expects to have a good year in 2005.

Connections to Other Industries:

AMIS sells integrated circuits to companies that make a "finished product." The company does not buy or purchase from regional businesses but is connected to others nationally and internationally. AMIS does, however, have an impact on local industry and the school district since many employees work and raise their family within Pocatello and the surrounding area. Additionally, as world headquarters, AMIS has a significant impact on local restaurants, hotels and the region's airports.

Areas of Possible Growth:

AMIS reports that most of its growth is going to be in the international marketplace but that there will be a chance of growth in Eastern Idaho as the expansion is felt regionally and nationally. Additionally, since AMIS has recently become a publicly traded company there are now more finance jobs available with the company.

Connection of People in Poverty to the Industry:

There were no reports of any current entry-level openings but a search of the company's website listed nine technical, engineering and professional positions.