Idaho Economic Forecast

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Idaho Economic Forecast 2026–2030

State of Idaho
BRAD LITTLE
Governor

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Introduction

This document summarizes Idaho's economic forecast for 2026 through 2031. The primary national forecast in this report is the July 2026 baseline forecast for the US economy by Moody's Analytics. The Idaho economic model takes the national forecast as an input.

Idaho's Department of Labor provides monthly historical employment data. Employment data is now used at the monthly frequency, and seasonal adjustment is not performed perfunctorily. Data is complete through 2026m03. Wage data is also supplied by the Idaho Department of Labor. This data is only collected at the quarterly frequency. This is adjusted by DFM to monthly data consistent at the quarterly level.

Historical and forecast data for Idaho are available via THIS LINK.

The linked file includes data for broad sectors of the Idaho economy at the half-year frequency. DFM continues to streamline the contents of the *IEF*. However, additional materials are provided via a online dashboard.

The Federal Reserve Bank of San Francisco, the regional federal reserve bank covering Idaho, publishes general economic interest articles through its *Economic Letters*. With the beginning of the adoption of sophisticated computation (AI) in some workplaces, it is a common question at the moment as to how this adoption is reflecting overall work productivity. An article from May 26, 2026 addresses current productivity levels. Figure 2 in that article is a good illustration of the use of probability. The figure illustrates the likelihood that the correct answer across time to the question — is this moment a high-productivity moment? — varies across time, as anyone who has had good workdays and bad workdays knows. Most likely, productivity really was high around the time of the dot-com bubble, and there better than 50-50 chance that labor productivity is currently entering a high phase as well. The bank's next economic letter looks at labor force participation; this rate peaked in the mid-1990s in the US (see Figure 1). Among the avenues to boost participation, rising educational attainment provides a consistent nudge, and that has been the case the past 50-years (see Figure 2 of. US labor-force participation).

The FRBSF provides many publications, and other research can be found at their publications website.

Readers with any questions should contact Greg Piepmeyer or Erin Phipps at (208) 334-3900 or via email using `greg.piepmeyer@dfm.idaho.gov` or `erin.phipps@dfm.idaho.gov`.

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Overview

US summary. The following data tables quickly describe a lot about the national and state economies.

The first tables record variables key to the national economy. All of the forecast data in the national table is due to Moody's; historical data in the table is reported by US statistical agencies such as the Census Bureau, Bureau of Labor Statistics (BLS), or Bureau of Economic Analysis (BEA). Though the fall federal shutdown ended late 2025, certain economic reports where curtailed from major US statistical agencies. It should be noted that, for certain measures and months, no release of some economic measures occurred. For DFM, this necessitated the interpolation of the missing data in order to run the model.

US	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
inflation, CPI measure	4.7%	8.0%	4.1%	3.0%	2.7%	3.1%	2.8%	2.2%	1.7%	1.7%
Federal Funds rate	0.1%	1.7%	5.0%	5.1%	4.2%	3.6%	3.2%	3.1%	3.1%	3.0%
mortgage rates	3.0%	5.3%	6.8%	6.7%	6.6%	6.2%	6.2%	6.2%	6.2%	6.1%

US	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
real GDP growth	6.2%	2.5%	2.9%	2.8%	2.1%	2.3%	1.7%	2.1%	2.5%	2.7%
employment growth	2.9%	4.3%	2.2%	1.2%	0.5%	0.1%	0.4%	0.6%	0.6%	0.6%

Moody's and the OECD both indicated that technology investments, mostly in AI companies, have helped the US outlook of GDP. They also both outlined that higher inflation due to increased oil prices is a risk to the US GDP forecast.

Last quarter, the IEF reported that Moody's was projecting under 30,000 jobs added each month on average during 2026. They stated this was due to employer uncertainties related to the conflict in Iran. With more distance from the start of the conflict, Moody's has revised their monthly average job additions forecast for 2026 to about 70,000 per month. While Moody's increased this monthly average forecast, they still noted generally slow labor force growth and lower than typical hiring values.

The Federal Open Market Committee (FOMC) of the Federal Reserve (the Fed) is tasked with conducting monetary policy through changing the Federal Funds Rate (FFR). The FOMC's main goals are keeping inflation near the target 2% and the labor market at full employment. They a few days before this publication went out, on July 29th, and voted to keep rates steady at 3.5% to 3.75%. In their press release, the FOMC noted the risk of increasing inflation due to global energy prices.

The July forecast from Moody's was released prior to the end of July FOMC meeting. Their expectation for July was confirmed by the FOMC's decision to hold the federal funds rate at it's current level. While originally predicting that the FOMC would hold rates steady until September, Moody's now expects that the current rate of 3.5% to 3.75% will remain through the end of the year. Moody's also now expects a delay in the FOMC returning to the target federal funds rate level of 2.0% until late in 2027. Finally, Moody's does point out the potential inflation risk due to oil prices and the possible effect of pushing up the federal funds rate to combat higher inflation.

In April, Moody's expects the Fed to decrease the FFR by December 2026. In March, with hopes the Iran conflict would come to a quick resolution, they projected FFR cuts in June and September. Moody's has now extended the projection of higher oil prices into the second quarter of 2026, and cite oil prices as a key factor in expected higher inflation. At the time of the prior IEF publication, Brent oil prices were $118 per barrel. As of July 30th, 2026 Brent oil prices have decreased to just under $82 per barrel.

A summary of the FOMC and Moody's forecast changes for four key economic variables are below:

FOMC Projections Summary:
Revision direction for 2026 and 2027 between the January 2026 and April 2026 publications.

	2026	2027
Real GDP	↑	↑
Unemployment	→	↑
Headline Inflation	↑	↑
FFR	↑	↑

Moody's Projections Summary:
Revision direction for 2026 and 2027 between the Janaury 2026 and April 2026 forecasts.

	2026	2027
Real GDP	↓	↓
Unemployment	↓	↓
Headline Inflation	↑	↑
FFR	↑	↑

The most recent BEA estimate for US real GDP 2026q2 was released July 30th. They reported a first estimate of US real GDP for the second quarter of 2026 of 2.0%. There will be two more revisions to the second quarter value. Related economic measures in the same publication showed a 3.9% increase in real final sales to private domestic purchasers.

Unemployment

	Dec	Jan	Feb	Mar
US	4.4%	4.3%	4.4%	4.3%
Idaho	3.6%	3.7%	3.7%	*

* data unavailable at time of publishing

Inflation*

	Dec	Jan	Feb	Mar
Headline	0.3%	0.2%	0.3%	0.9%
Core	0.2%	0.3%	0.2%	0.2%

* compared to same month in previous year

DFM has a dashboard that shows *IEF* key economic indicators, published here:
https://dfm.idaho.gov/economic-analysis/economics-dashboard/

On the dashboard, you can filter through the following indicators at the state level:

- Average Annual Wage per Job
- Total Employment
- Housing Completions
- Monthly Wage Bill

- Personal Income

There are three forecast lines shown on the landing chart for the dashboard, each representing a different forecast published quarterly in the *IEF*. There have also been additional viewing options added to the dashboard. The first, allows the charts to be viewed on a log-vertical scale. More information on why this is helpful can be found on the dashboard for that viewing option. Second, viewers may now look at the forecast scenarios for the key indicators. The three lines represent the baseline forecast (published and discussed here), as well as the pessimistic and optimistic scenarios.

The main take-away from these indicators are:

Key Indicator Changes from previous IEF:
April 2026 to July 2026

Idaho Forecast	2026	2027
Average Annual Wage	↑	↑
Employment	↑	↑
Housing Completions	↑	↑
Monthly Wage Bill	↑	↑
Personal Income	↑	↑

Global Conditions. For the April *IEF*, the primary change in global conditions since the January *IEF* was the US and Israel war with Iran, which began February 28, 2026. The main change for this July *IEF* since the April *IEF* has been the temporary cease-fire (which ended June 19) and the subsequent resumption of military action between the US and Iran. The main consequence of this has been disruption to shipping through the Straight of Hormuz, which connects the Persian Gulf with the Indian Ocean. This has impacted multiple global markets: oil, liquefied natural gas, fertilizer, and helium. The International Monetary Fund has a website which provides both data and graphics indicating the degree of the disruption.

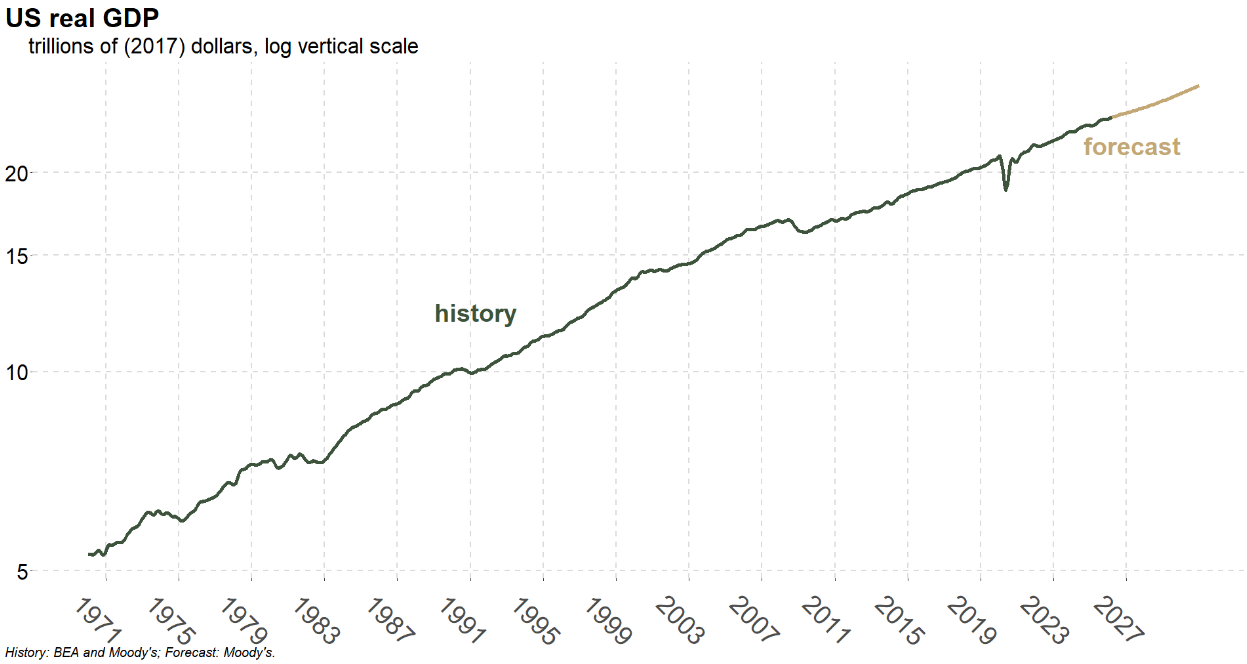
Wildfires in the US, Canada, France and Spain have disrupted activities and required evacuations. The British Broadcast Corporation (BBC) has maps and graphics comparing the 2026 wildfire season thus far in France and Spain. Canada's wildfire season can be investigated via interactive map where adding the "Reported Wildland Fires" in the Layers covers the map. The US version, supported by Boise's National Inter-agency Fire Center, is available via link under the "Fire Information" drop-down menu from nifc.gov.

Fighting continues between Russia and Ukraine, as a civil war within Sudan, and periodically between Israel and forces in Lebanon as well as between Israel and Palestinians.

The US has passed from one temporary tariff regime (which ended July 24) to others. This can be investigated via Budget Lab at Yale; see the Daily Statutory Rates tab for a graphic illuminating the effective rate. Further detail can be investigate by clicking on the option for "By Trading Partner" to see, for instance, the differences between China, Mexico, and Canada.

Current economic conditions and outlook

US GDP. The graph gives Moody's forecast for real US GDP growth.

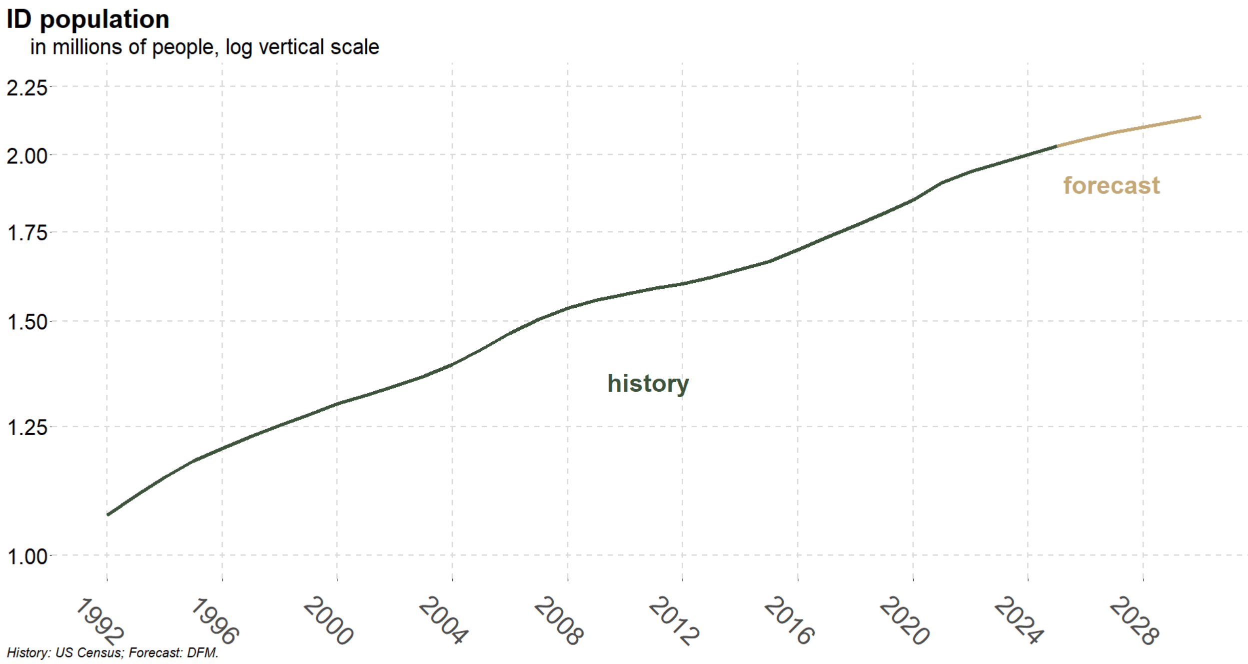


- In July, Moody's projects higher GDP in 2026 and 2027 than they did in April, mostly due to AI investments and the 2026q1 real GDP release.
- The largest industry contributions came from the information and federal government industries.
- The most recent release for GDP was 2.1% for 2026q1.
- Another measure of growth released alongside the third release of the initial measurements of GDP is real gross domestic income, which increased 1.2% in 2026q1.

US	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Population (m)	332.3	334.3	337.2	340.3	342.0	343.0	343.8	344.4	345.1	346.2
Change from Prior Year	*0.2%*	*0.6%*	*0.9%*	*0.9%*	*0.5%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*
Idaho	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Population (m)	1.90	1.94	1.97	2.00	2.03	2.06	2.08	2.10	2.12	2.14
Change from Prior Year	*3.0%*	*2.0%*	*1.4%*	*1.5%*	*1.4%*	*1.3%*	*1.1%*	*1.0%*	*0.9%*	*0.9%*

The most recent real GDP release from the BEA for the 1st quarter of 2026 showed a slight upward revision from the first release. While the initial release for 2026q1 was for 2.0% growth in real GDP, the most recent publication, the third reading and last of the initial measurements, increased to 2.1%. Also during the first quarter of 2026, personal consumption expenditures (PCE) inflation was marked at 4.6%, while core PCE was 4.4%.

Population. The graph gives Idaho's population forecast through 2030.



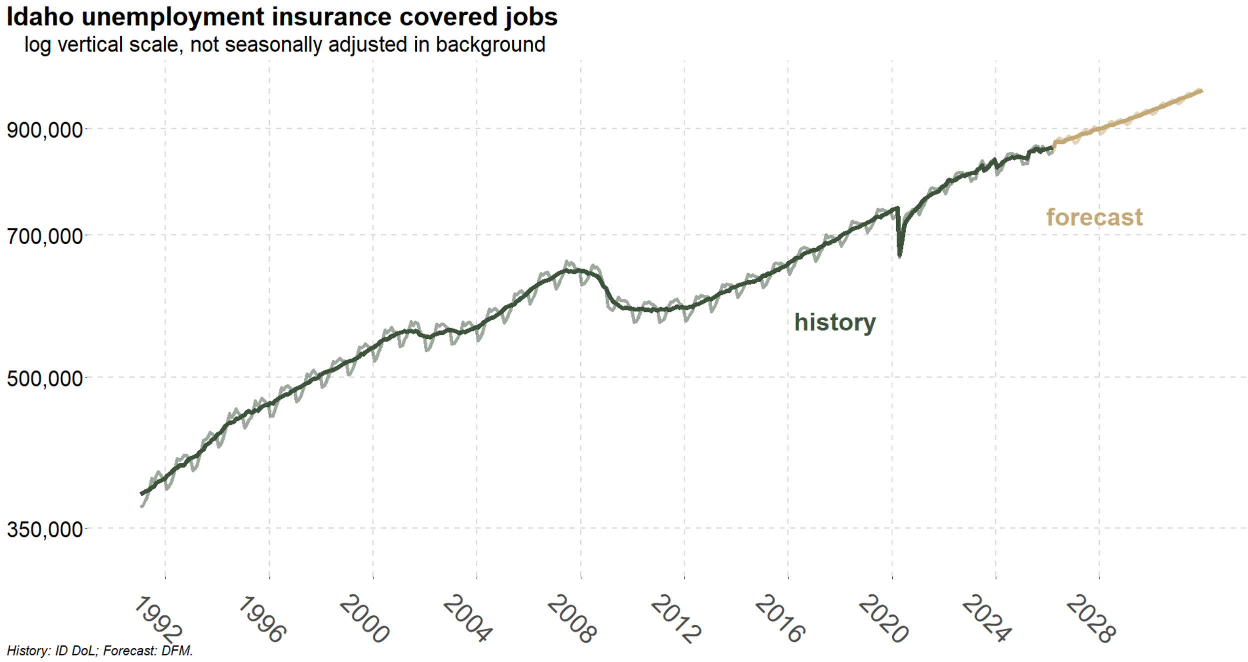
➜ The *IEF* forecast for population is mostly unchanged for 2026 and 2027 from last quarter, but does revise upwards.

➜ The Census estimate for Idaho in 2025 was published earlier this year and is 2,029,733 people. This is a growth rate from the 2024 estimate of 1.4%.

US	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Population (m)	332.3	334.3	337.2	340.3	342.0	343.0	343.8	344.4	345.1	346.2
Change from Prior Year	*0.2%*	*0.6%*	*0.9%*	*0.9%*	*0.5%*	*0.3%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*
Idaho	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Population (m)	1.90	1.94	1.97	2.00	2.03	2.06	2.08	2.10	2.12	2.14
Change from Prior Year	*3.0%*	*2.0%*	*1.4%*	*1.5%*	*1.4%*	*1.3%*	*1.1%*	*1.0%*	*0.9%*	*0.9%*

Considering Idaho's projected growth in employment and wages in the forecast period, population growth is an important component of those. Idaho can more readily have more employees and greater monetary earnings if population is growing.

Employment. This graph gives Idaho's unemployment insurance covered employment forecast.



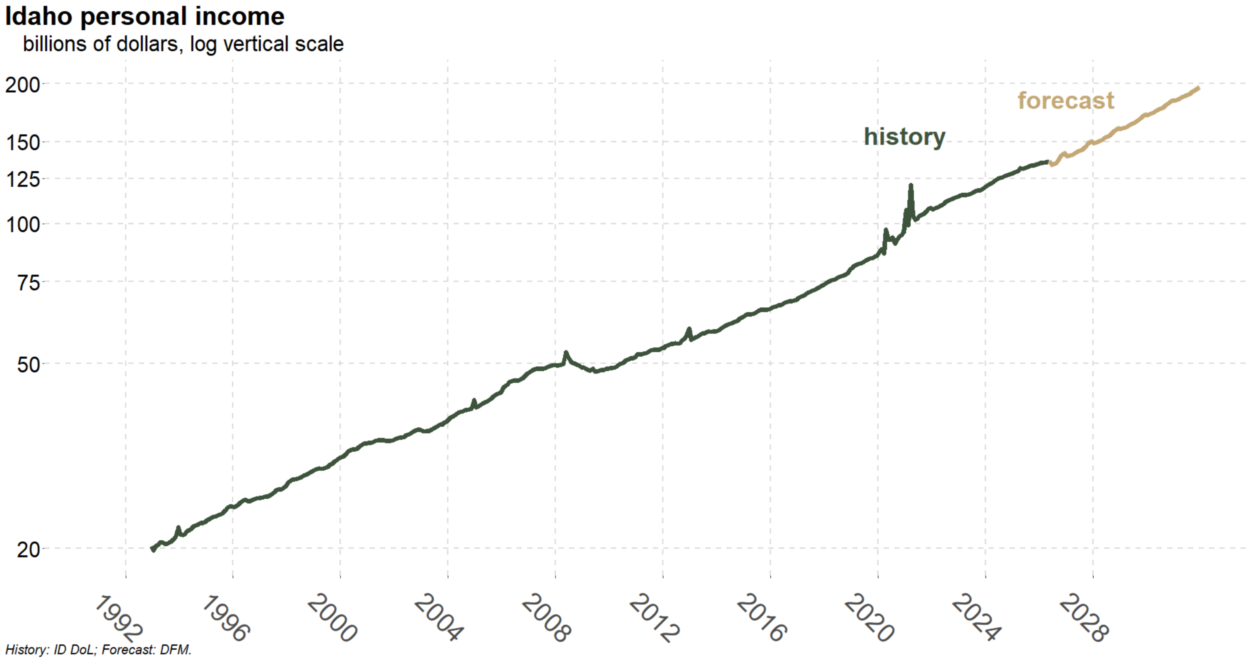
- Moody's expects weak job gains for the nation in 2026.
- Moody's also expects that the unemployment rate will peak to 4.7% in 2027.
- The current unemployment rate in the US is 4.2%, while Idaho has a 3.7% unemployment rate.
- Moody's expects an average of 70,000 job added per month in 2026.

US	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
UI covered jobs (m)	146.3	152.5	155.9	157.7	158.4	158.9	159.6	160.5	161.5	162.5
Change from Prior Year	*2.9%*	*4.3%*	*2.2%*	*1.2%*	*0.5%*	*0.3%*	*0.4%*	*0.5%*	*0.6%*	*0.6%*
Idaho										
UI covered jobs (k)	769.2	800.1	820.5	835.8	851.6	871.5	891.1	908.9	928.5	951.2
Change from Prior Year	*6.1%*	*4.0%*	*2.6%*	*1.9%*	*1.9%*	*2.3%*	*2.3%*	*2.0%*	*2.2%*	*2.4%*

The BLS reports that nonfarm labor productivity increased 0.3% in 2026q1. Most of the jobs added in June were again from healthcare, although the number added in June was lower than the prior 12 month average by about 16,000 jobs. The largest employment industry in Idaho is healthcare and social assistance. Some of the significant variables in the healthcare employment model are the federal funds rate, the population 60 years and older, and the US employment in this industry sector.

The unemployment rate is staying mostly steady, but it is important to note that the labor force participation rate is also declining which can help to steady the unemployment rate. The participation rate in the US is at its lowest since early 2021.

Personal Income. The graph shows annual personal income in the state. The table shows personal income per capita.



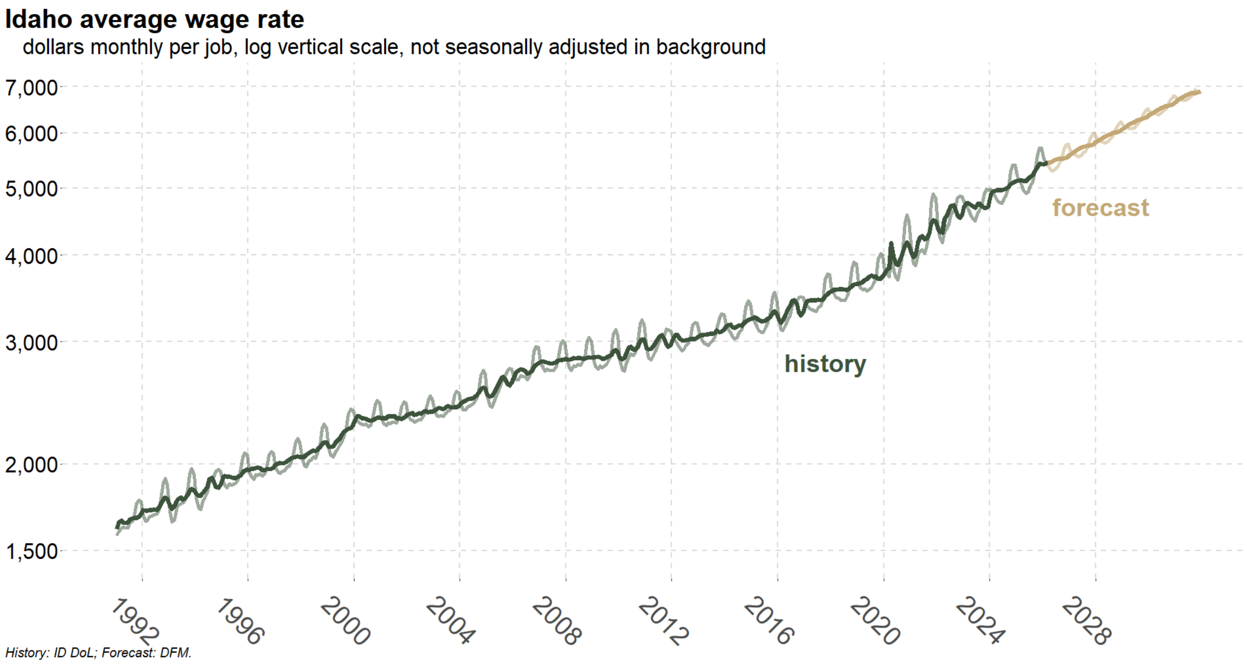
- This version of the *IEF* shows an upward revision in the Idaho personal income forecast.
- The Idaho personal income forecast is then expected to grow at a higher rate than the nation for the remainder of the forecast period.
- Idaho per capita personal income is expected to fall below the national forecast in growth rates for 2026 and 2027.
- The Moody's national forecast was revised down from their April outlook on personal income in 2026 and 2027.

US	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Per capita personal income	$66,264	69,947	73,191	76,325	79,015	82,650	86,158	89,852	93,718
Change from Prior Year	*2.4%*	*5.6%*	*4.6%*	*4.3%*	*3.5%*	*4.6%*	*4.2%*	*4.3%*	*4.3%*
Idaho									
Per capita personal income	$57,074	59,220	62,346	64,944	66,524	69,328	73,357	77,901	82,866
Change from Prior Year	*2.6%*	*3.8%*	*5.3%*	*4.2%*	*2.4%*	*4.2%*	*5.8%*	*6.2%*	*6.4%*

Since the last *IEF* was published there has been four US personal income releases from the BEA:

- March increased 0.5% month-over-month
- April had a 0.0% change month-over-month
- May increased 0.7% month-over-month
- June increased 0..2% month-over-month

Average Wage Rate. The graph and table show average wages per job, with the graph being at the monthly frequency and the table being on an annual frequency.

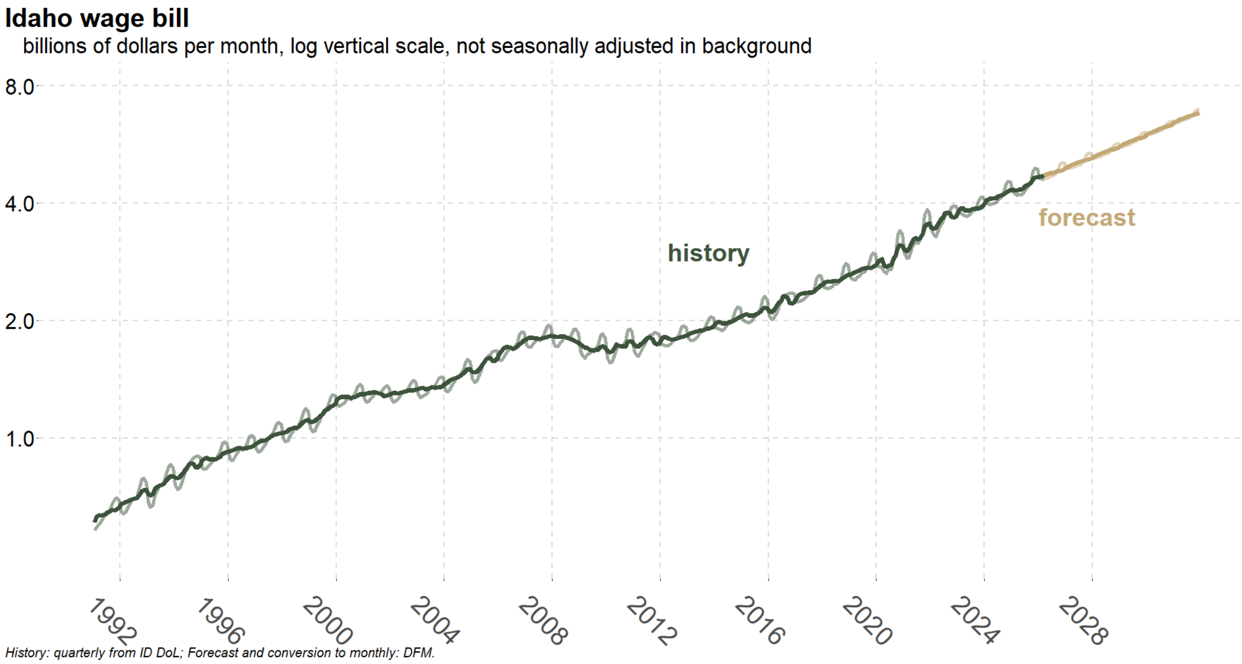


- Idaho wages are expected to increase over the forecast period. This measure was revised up slightly since the April forecast.
- The average job in Idaho is estimated to earn slightly less than $5,500 in wages per month in 2026.

US	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Wage and salary per job	$72,913	75,258	78,557	81,790	84,643	87,526	89,974	92,720	95,804
Change from Prior Year	*12.7%*	*3.2%*	*4.4%*	*4.1%*	*3.5%*	*3.4%*	*2.8%*	*3.1%*	*3.3%*
Idaho									
Wage and salary per job	$54,453	56,506	59,837	62,595	65,727	68,428	71,423	74,675	78,143
Change from Prior Year	*6.8%*	*3.8%*	*5.9%*	*4.6%*	*5.0%*	*4.1%*	*4.4%*	*4.6%*	*4.6%*

Real US average hourly earnings for June increased 0.8% compared to May. This increase is due to a 0.3% increase of average hourly earnings being bolstered by a decrease of 0.4% in the headline CPI. Besides the real average hourly earning, the real average weekly earnings increased due an hourly increase (wage rate increase) and no May-to-June change in the average work-week hours (duration of work stayed flat). Comparing hourly earning to June 2025, there was an increase of 0.1%.

Wage Bill. The graph and table show the total monthly wages paid out to all workers in Idaho.



Total Monthly Wage Bill: total annual average wages paid monthly in Idaho										
Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Wages	3.27 b	3.63 b	3.86 b	4.17 b	4.44 b	4.79 b	5.10 b	5.42 b	5.78 b	6.18 b
% chng	*12.6%*	*11.1%*	*6.4%*	*7.9%*	*6.6%*	*7.8%*	*6.5%*	*6.3%*	*6.6%*	*7.0%*

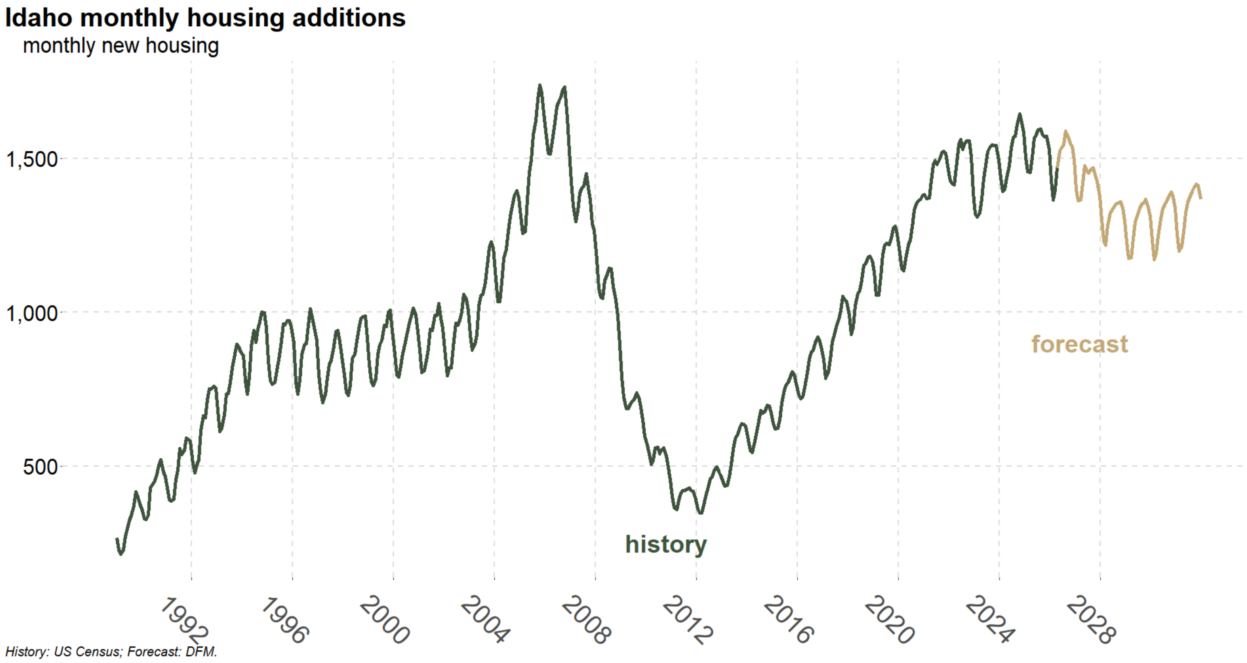
The monthly wage bill is a value computed by multiplying two different forecasts: employment and monthly wage rate. For each industry sector, these are modeled separately: once for employment and once for wage rates. By multiplying the two together, the result is the monthly wage bill.

The four largest Idaho industries based on employment (and listed largest to smallest) are (1) healthcare and social services, (2) accommodation and food services, (3) construction, and (4) professional, scientific, and technical services sector.

The four largest Idaho industries based on average wage rate (and listed largest to smallest) are (1) healthcare and social services, (2) professional, scientific, and technical services sector, (3) construction, and (4) manufacturing sub-sector for durable and heavy goods including metals, machinery, and electronics.

For the monthly wage rate forecasts for the four largest monthly wage bills, all but construction had the US level of wages as significant in their forecast equations. The personal consumption expenditure index is another important variable; it appeared in both healthcare and social services, as well as the manufacturing sub-sector for durable and heavy goods including metals, machinery, and electronics.

Idaho Housing. The graph shows the monthly percent of new housing stock out of total housing stock. The table shows housing permits, starts, and completions. Both single family homes and multifamily homes (like apartment complexes) are shown. When a building permit is approved, most, but not all, become housing starts, meaning that the builder broke ground to build the house. Most, but not all, housing starts become a finished unit that can be occupied.



- ➜ In Idaho there has been recent increases in median home prices in some areas of the state.
- ➜ Despite continued new housing construction in the state, there is still a shortage in available housing, especially affordable housing.

ID housing units	2013	2014	2015	2016	2017	2018	2019	2020	2021
permits	10,860	11,302	11,820	14,556	16,695	18,741	19,911	21,223	24,191
starts	9,234	9,799	10,418	12,534	14,313	16,283	17,074	18,433	21,045
completions	6,575	7,593	8,674	9,936	11,171	12,970	14,256	15,170	17,520

ID housing units	2022	2023	2024	2025	2026	2027	2028	2029	2030
permits	23,100	22,184	22,298	22,280	19,922	18,556	19,076	19,617	20,110
starts	20,539	18,949	19,800	19,650	17,980	16,543	16,883	17,347	17,773
completions	17,923	17,407	18,271	18,494	18,014	17,122	15,740	15,500	15,673

Idaho News.

Agriculture and Allied Industries

- Statewide drought conditions prompted increased water conservation efforts due to the potential impacts on agriculture, ecosystems, and recreation.
- Despite drought conditions and higher production costs, Idaho farmers are expected to increase total crop acreage by 2% to 4% in 2026, although potato acreage is projected to decline by about 5%.
- Idaho continued to see increased mining exploration and development driven by demand for critical minerals.
- Idaho wheat acreage remained stable at approximately 1.2 million acres, contrasting with national declines.

Commerce

- Clearwater Paper introduced a new paperboard product at its Lewiston mill as the company continues to expand its packaging-focused manufacturing operations.
- Micron's market valuation approached $1 trillion as strong demand for AI-related memory chips continued to drive growth in the company's industry.
- Idaho led the nation in housing unit growth for the second consecutive year in 2025, although state officials estimate housing construction continues to fall short of demand.
- Kuna remained one of Idaho's fastest-growing housing markets, with continued population growth, home sales, and ongoing residential development.

Construction

- Construction began on the 220-acre District at Ten Mile mixed-use development in Meridian, which will include retail, industrial, hotel, and restaurant space near the I-84 interchange.
- The Idaho Transportation Department began roadway paving projects in Caldwell and Parma to improve road conditions and extend pavement life.
- The McCall Municipal Airport began infrastructure upgrades, including water system improvements and hangar expansion.
- Boise River Flood Control District #10 completed six flood management projects along the Boise River.
- Construction began on the North South Arterial Highway to improve roadway conditions and accommodate increasing traffic demand along a major Boise-area corridor.
- The Coeur d'Alene City Council approved construction of a $4.3 million, 1-million-gallon water tank to improve water service and accommodate future growth.
- Canyon County opened a new sheriff's office headquarters in Caldwell, consolidating law enforcement operations into a single facility.

- Gem County approved the 393-acre Merrill's Pit gravel project near Emmett, subject to additional conditions related to dust control, road improvements, water monitoring, noise mitigation, and landscaping.
- Construction of the Highway 55 underpass at Avimor neared completion as part of transportation improvements supporting the community's planned residential growth.

Housing Construction

- The Caldwell City Council approved the 271-acre Silverleaf mixed-use development, which will include up to 991 housing units and approximately 48 acres of commercial development near Lake Lowell.
- Mountain Home completed the second phase of the Falcons Landing affordable housing development, adding 30 rental units and bringing the complex to 98 total units.
- The Nampa City Council approved the 355-home Highline Subdivision, a 94-acre residential and commercial development in north Nampa.
- The Coeur d'Alene Planning and Zoning Commission approved the 202-acre Coeur Terre 2 subdivision, which will include 320 housing units.

Education

- The West Ada School District approved construction of a new elementary school and a career-technical education center to accommodate enrollment growth and expand workforce training opportunities.
- Treasure Valley Community College opened the Advanced Energy and Trades Center to expand career and technical education programs in energy and skilled trades.
- Idaho State University and NuCube Energy were selected for a federal program to support development and testing of advanced nuclear reactor technology in Pocatello.
- Lewis-Clark State College awarded its first master's degree during its May commencement, marking the institution's expansion into graduate education.
- The Boise School District projected continued enrollment declines, likely related to fewer school aged children living in the district or gains in non-public education options.
- The Idaho Department of Labor reported that unemployment among recent college graduates reached 5.6% in March, exceeding the state's overall unemployment rate.
- BYU–Idaho reported a 1.6% increase in Spring 2026 enrollment, marking its second consecutive year of spring enrollment growth.
- The University of Idaho will launch three artificial intelligence degree programs this fall, with new bachelor's and master's degree offerings.

Grants

- The U.S. Forest Service added 161 acres near Yellowstone National Park to protected public land.
- The City of Boise partnered with Valley Regional Transit to provide free bus passes to residents of city-owned affordable housing and free summer transit for riders ages 18 and under.
- The City of Boise received a $503,125 federal grant to develop a financing strategy for restoring intercity passenger rail service and supporting future rail-related investments.
- Boise Airport received $74 million in Federal Aviation Administration grants to support runway reconstruction, airfield improvements, and infrastructure for the future Concourse A expansion.

Parks and Recreation

- The U.S. Forest Service added 161 acres near Yellowstone National Park to protected public land.
- The Idaho Department of Parks and Recreation opened the 677-acre Twin Peaks Ranch State Park near Salmon, with visitor and lodging facilities.
- Southern Idaho's national parks and historic sites recorded more than 431,000 recreation visits in 2025, with Minidoka National Historic Site reaching a record level of visitation.