

Idaho harvests bumper crop of low-wage jobs

- *May 22nd, 2011*
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By Marty Trillhaase of the Tribune

Even if it tried, Idaho couldn't come up with a better strategy of forging a low-wage economy.

Just the same, the state is trying pretty hard.

Retired University of Idaho agricultural economist Stephen C. Cooke spent a decade unraveling the coils of Idaho's job-creation machine. He asked why the average Idahoan earns about \$11,000 below the national average. In other words, Idaho's economy is running about \$7.2 billion short of its potential.

That may not surprise you.

What should surprise you is the reason. The culprits are not Idaho's right to work law or even the state's minimum wage. Low-wage workers in Idaho may earn a little less than their counterparts in other states, but the difference is small. A farm worker or a call center employee makes relatively the same whether she works in Boise or Denver.

Instead, Idaho is trapped in a self-perpetuating cycle of low wages, low-skilled jobs and low-skilled workers. It has an abundance of all three. What it lacks - in fact, what it is losing - are enough professional, scientific, technical and corporate management jobs. And Idahoans who work in those fields would earn considerably more if they moved to another state.

Apparently, that's just fine with Idaho's leadership. It has done little to give Idaho's growing labor force the capital investments it needs to succeed. For instance, why does the state:

- Starve public schools, community colleges and higher education? As a result, only 24 percent of Idaho's work force has a four-year degree or more, compared to the national average of 27.7 percent.
- Create a climate that leads many of Idaho's college grads to leave the state because they can't find jobs at home? The state doesn't invest in the infrastructure - good schools, transportation systems, higher education - that businesses say they value. It's stingy with social services, punitive with prisons and deaf toward the needs of cultural programs creative people find so appealing.
- Refuse to put more than a few dollars into research programs that enable Idaho companies to maintain their technological and competitive edge?

- Devote so much of its economic development efforts into attracting low-wage, low-skill employers such as call centers?

- When it looks at high-tech, stay focused on the manufacturing end? Doing so leaves the state in a constant race to the bottom with low-cost producers in India and China. Either Idaho wages fall to remain competitive or Idaho jobs get out-sourced overseas.

- Give more attention to Idaho's mature, established corporate interests - which have more resources and the political influence - to the exclusion of start-ups and transplanted firms that, with encouragement, would be the engines of job growth in the Gem State?

- Fixate on tax cuts as the lifeblood of its economic development strategy - in spite of the fact that businesses rank good schools, a skilled work force and sound transportation systems well above tax incentives? When times are good, Idaho cuts taxes - or at least shifts those paid by corporations on to the middle class. When times are bad, Idaho cuts the very things that might attract new jobs - schools, highway funding and social programs - to balance the books.

If you want something different, you might look to other Western states such as Colorado or Utah. Both states continued to invest in higher education and infrastructure. That, in turn, has sparked a growth spurt in the number of skilled workers in each state, which in turn has generated a boost in jobs demanding those skills and the more lucrative wages associated with them.

But if you want a brighter future, you might ask the people running this state why they haven't pursued it thus far. - M.T.