

Otter declares economic victory and rolls on

Marty Trillhaase/Lewiston Tribune

With the country mired in the muck of Vietnam almost a half-century ago, U.S. Sen. George Aiken, R-Vt., famously suggested the United States should declare victory and leave.

Has Idaho Gov. C.L. (Butch) Otter borrowed a page from Aiken's playbook?

Consider Otter's claim that the state's economic output reached his long-stated goal of \$60 billion. He closed the books on what he called "Project 60" and opened another chapter under the name "Accelerate Idaho."

"I'm thrilled that we've achieved that goal despite weathering some of the toughest economic times in memory," Otter said. "Across the nation, people are looking to Idaho as a state that's focused on meeting the needs of business. Accelerate Idaho is our strategy for ensuring that Idaho is the right place for employers looking to expand or relocate. The goal is more career opportunities for Idahoans."

Skeptical?

Get in line.

Otter's office reports the state's economy reached the \$60 billion a year threshold during the fourth quarter of last year. But the chief arbiter of state economic output - the U.S. Department of Commerce Bureau of Economic Analysis - won't release Idaho's GDP for 2013 until June 11.

And the last report on record - for 2012 - puts Idaho's output of goods and services at \$50.976 billion (adjusted for inflation) or \$500 million below the level Otter inherited when he took office in 2007.

Nothing leading up to 2013 suggested Idaho's economy was kicking into hyperdrive. Far from it.

In 2011, Commerce's BEA said Idaho's GDP was flat - zero - compared to national GDP growth of 1.6 percent.

The following year, Idaho's economic output grew at 0.4 percent - only five states performed worse - at a time when the national GDP expanded by 2.5 percent.

That's the big picture, but it comports with the experience of ordinary Idahoans who have endured a steady barrage of bad economic news:

- Nearly one of every two Idaho school children qualifies for a free or reduced lunch because they live at or near the federal poverty line.

- Only Mississippi has lower per capita incomes than the Gem State - and it's gaining on Idaho. When Otter took office, Idaho's per capita earnings exceeded seven states.
- After reaching the nation's highest percentage of workers living on minimum wage, Idaho was knocked off its perch last year by Tennessee. With 7.1 percent of Idaho workers making \$7.25 an hour, Idaho is now No. 2.
- About 14.3 percent of Idaho's population qualifies for food stamps.
- Factor in Medicaid and public assistance, and one of every five Idahoans is drawing on welfare of some kind.

So it comes as no surprise to hear Otter's rival in the May 20 GOP primary, Sen. Russ Fulcher, R-Meridian, playing Ronald Reagan to the governor's Jimmy Carter. Fulcher is all but repeating Reagan's famous question: Are you better off now than you were four (or, in this case, eight) years ago?

Only by fudging the numbers, Fulcher says, can the governor answer: "Yes."

If Otter's GDP reached \$60 billion, it's because he has used eight years of inflation to get there, Fulcher argues.

"We have a problem here in Idaho," Fulcher said. "Wages are too low and the economy is stagnant. Pretending to meet an economic goal when we've got a long way to go will not solve the problem."

Here's the strange thing: Fulcher's case in brief had been Otter's decision to implement a state-based health insurance exchange under the national Affordable Care Act. But when the number of Idahoans who used the exchange doubled official estimates, Fulcher's rationale for running seemed to go wobbly.

Or so it seemed until Otter gave him another opening - on Idaho's crummy economy, an issue that matters to far more people than whether the governor committed political heresy on Obamacare.

Who does that?

Only a governor who is so out of touch with the day-to-day struggles of ordinary Idahoans that he doesn't know any better.

Or one who simply doesn't care. - M.T.