

## **Idahoans spend big chunk of income on essentials**

By REBECCA BOONE, Associated Press

BOISE, Idaho (AP) — Idaho residents have among the lowest personal incomes in the nation but spend a higher percentage of their money on food, housing and other essentials compared with most others, according to data released Thursday by the U.S. Bureau of Economic Analysis.

The report marks the first time the government is issuing consumer spending data broken down by state. Formerly the bureau released consumer spending data at the national level only.

In 2012, Idaho's per-capita consumer spending was \$30,190 — just a few dollars higher than the per-capita spending in Utah and Hawaii. Per person consumer spending was lower in Nevada, Alabama and Arkansas, and Mississippi came in last at \$27,406.

But Idahoans had to spend a much larger percentage of their income than most — just over 43 percent — to cover the basics of food, housing, health care and gasoline or other energy goods. Only Mississippi residents spent a higher portion of their income on those categories, with almost half of their \$27,400 per capita income going to food, housing, gas and health care.

Nationwide, the average person spent about 37.5 percent of their personal income on those categories.

"That's most of the problem with having a low per-capita income," said Phil Watson, an associate professor of applied economics at the University of Idaho. "People talk about the purchasing power and the lower cost of living in Idaho. We've found that the cost of living is slightly lower, but not nearly enough to make up for the lower personal income."

If Idaho's lower cost of living was enough to make up for the state's low per-capita income, then residents would be spending about the same share of their income on the basic necessities, Watson said.

Wages for Idaho jobs such service industry and call center positions are slightly lower than those paid for similar jobs in other states. But those lower-paying jobs are largely the only ones available to many Idaho residents, Watson said.

"The reason why we have low incomes is because the jobs in Idaho, on average, are just low-paying jobs," he said. "So it's not an issue of just work harder and be more productive and more efficient. It's how do we attract higher paying industries?"

Idaho residents spent about \$4,695 per person on health care, according to the report. That was the third-lowest per capita health care spending in the nation in 2012, after Nevada and Utah. The report shows Idahoans spent about \$2,600 per person on food and groceries, about \$1,855 per person for gas and \$5,735 per person for housing in 2012.

Overall, spending on housing and utilities remained largely steady in Idaho since Great Recession officially ended, totaling about \$8.9 billion in 2009 compared to about \$9.1 billion in 2012.

But spending on gasoline and other energy goods increased dramatically, from about \$1.8 billion in 2009 to \$2.9 billion in 2012. The report doesn't offer any details on why gas spending increased — whether it's because more people are driving to work now than in 2009, for instance, or whether it's because gas prices increased.

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