

LATAH COUNTY REGION ECONOMIC VITALITY REPORT



PARTNERSHIP
for
ECONOMIC
PROSPERITY

ACKNOWLEDGEMENTS

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On behalf of the Partnership For Economic Prosperity Board of Directors, I respectfully submit this report on April 26, 2017.

Gina Taruscio, Executive Director

KEY CONCLUSIONS

Latah County and the Regional Economy:

- Latah County population grew from 2010 to present by 4%, but annual growth of 1% is projected between now and 2026. The 60-69 years of age cohort has experienced the most dramatic growth, with roughly double the cohort population from 2010. The greatest decline occurred in the 40-49 years old group.
- The high concentration of middle to high income earners is in the 55-64 years old cohort, and this group will have a direct effect upon both the workforce and the income levels in Latah County as they move towards retirement. As more individuals within this cohort move toward retirement, their spending habits will also change. Housing starts as well as retail sales could experience a potential negative impact.
- Enrollment efforts are critical to the overall vitality of our economy. Fluctuations in enrollment have direct impacts upon regional economic competitiveness. With the non-student population aging, it is essential that economic strategies entice younger demographics to the region.
- Latah County has a highly-educated workforce, but the emigration of newly-minted graduates to neighboring states can be problematic. A strong University technology transfer office in conjunction with a strong economic development office could help spin off businesses for graduates to begin their careers and their lives in Latah County.
- Latah County lags behind the nation in regional employment, but has now closed the gap to within .98% of pre-recession figures. This surge can be attributed to growth by regional employers such as Schweitzer Engineering Labs and Gritman Medical Center.
- The top three industries in Latah County are Education, Healthcare and Forestry and Timber Products, with secondary industries of Retail, Government and Hospitality. Regionally, Manufacturing continues to bolster the economy.
- On a statewide level, Idaho is not well-positioned when considering business climate, and in fact, rates 5th in economic competitiveness out of the eight surrounding states. Latah and Whitman Counties are as disparate, with 30% more businesses and \$12,000 more annual income in Whitman County.

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An Economic Analysis of Latah County and the Surrounding Region

What are the economic strengths of Latah County? This question is the basis for the following report. The study is presented by the Partnership for Economic Prosperity, PEP, and, while in a complete form herein, will remain a dynamic document. PEP is pleased to present the 2017 Latah County Region Economic Vitality Report. It is the purpose of this report to provide a snapshot of local economic conditions and multi-year trends for workforce and labor, industry sector activity, retail sales, residential housing, income, and regional economic concerns. While this report highlights some areas of seemingly negative data, we see these areas as room for improvement and potential growth. We believe that the power is in identifying these current threats to Latah County vitality so as to inform and empower future economic development strategies. PEP will strive to keep this document relevant and in step with our vibrant Latah County.

For the purpose of this report, the economic context for the County of Latah will include Genesee, Deary, Juliaetta, Kendrick, Bovill, Troy, Potlatch, Onaway, and Moscow. Aggregated data, wherever available, will be included for the unincorporated cities of Avon, Cedar Creek, Farmington, Harvard, Helmer, Howell, Joel, Princeton and Viola.



1. LATAH COUNTY DEMOGRAPHICS

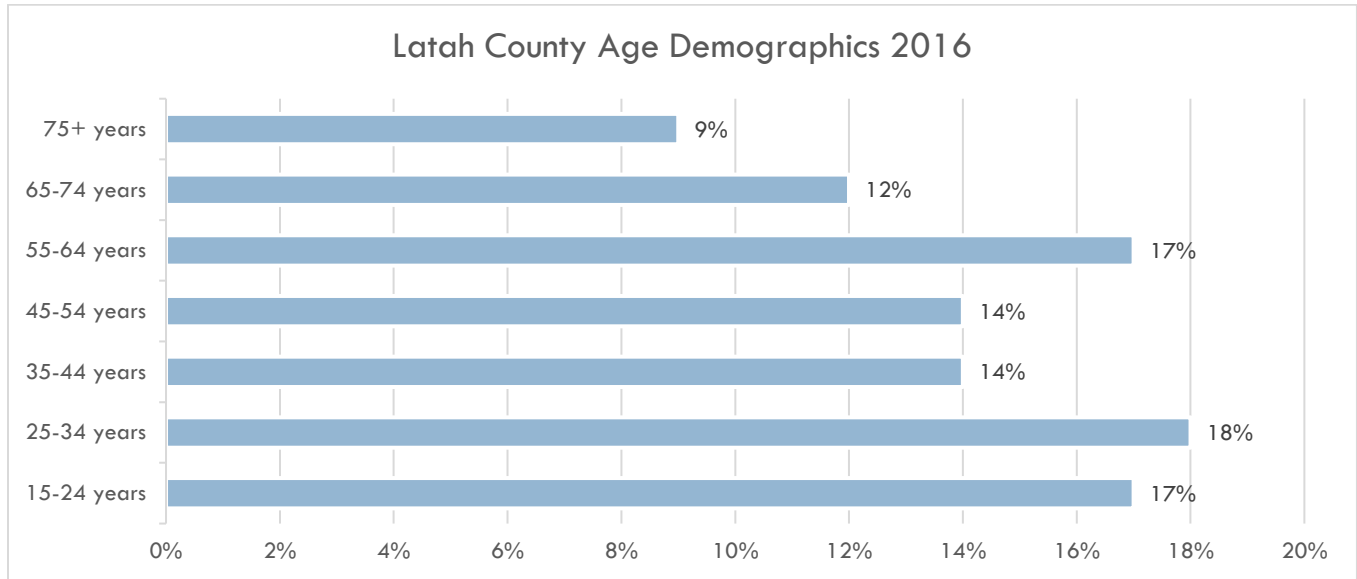
1.1 Population

U.S. census data shows that from 2010 to 2015, the County's population grew from 37,244 to 38,778. This is roughly 307 people per year, or 4.1% annual population growth. Growth in Latah County has occurred largely in Moscow, but Juliaetta, Kendrick, Potlatch and Deary have experienced growth as well.

Economic Modeling Specialists, Inc. (EMSI), an economic consulting firm located in Moscow, projects the Latah County population to grow to 39,233 individuals by 2017. Providing the 2016 estimate of 38,778 individuals is accurate, EMSI's 2017 population estimate suggests that a relatively stable annual population growth of 1% is on the horizon.

In order to formulate this regional snapshot, PEP utilized the EMSI Population Demographics Snapshot Report to gain insight into potential future shifts in Latah County demographics. Because EMSI has the ability to project shifts in demographics well into the future, it is interesting to note in this report that the greatest projected demographic shifts are forecast in the 65 to 85 years-or-older cohort. In 2001, the population of this cohort was 2,795 individuals. In 2016, fifteen years later, this cohort grew by 3,617 people, with the 60-64 year old demographic growing by 103%, followed closely by the 65-69 year old demographic growing by 99%. The cohort projected to witness the most declines for the same time period is that of the 40-49 years-old group. Additionally, it is projected that the population of individuals between 20 and 34 years-of-age in the County will increase by approximately 5% by 2026.

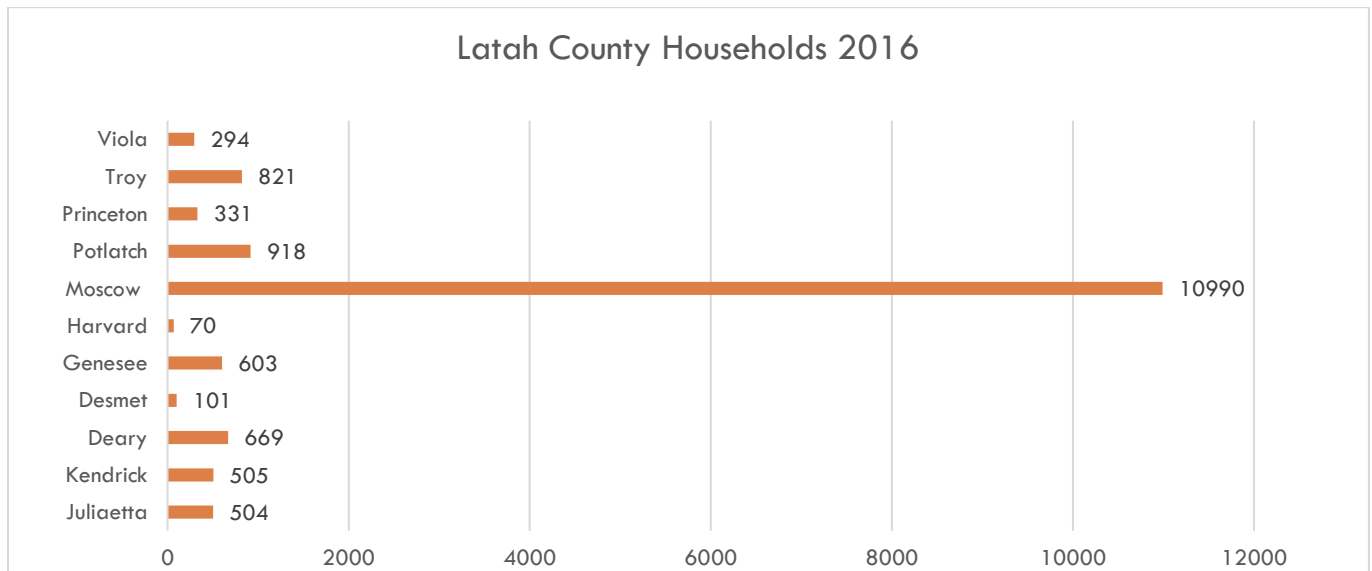
Table 1.1 Latah County Age Demographics



1.2 Households

The average household size in Latah County is projected to remain constant during the period between 2016 and 2021 at 2.31 persons per home. This projection represents the bottom of an average household size decline from 2.37 in the year 2000. Decreased household size can affect the types of housing sought, and can create increased demand for units accommodating decreased family size.

Table 1.2 Latah County Household Inventory



1.3 Human Capital

Overall health and well-being play a vital role in the vitality of human capital within a region. Access to affordable health care through the Affordable Care Act (ACA) has increased the percentage of insured individuals within Latah County. In 2009, prior to the roll out of the ACA, the percentage of insured individuals between ages 18 to 64 within the County was 80.20%.¹ By 2014 that number had increased to 87% of the County's population as individuals who previously could not afford healthcare, or those with preexisting conditions were able to gain access.²

Male and female life expectancy within the County also projects a strong human capital asset. In 2013, a study conducted by the Institute for Health Metrics and Evaluation (IHME) at the University of Washington conducted a survey of 3,143 cities within Washington, Oregon, Idaho and Montana. The study analyzed county-equivalents in terms of alcohol use, life expectancy at birth, obesity, physical activity and poverty. The study concluded that life expectancy of females was in the best 10% of all counties at 82.8 years. Additionally, male life expectancy was in the best 25% of all counties at 77.8 years. Both results came in higher than the national average of 81.2 years for females and 76.5 years for males.

Latah County offers a variety of recreational opportunities to its residents. From hiking and biking, to fishing and camping, individuals can also take advantage of both the Paradise Path and the Latah Trail. Winding through the Palouse from Pullman, Washington to just past Troy, Idaho, the combined trails offer over 25 miles of scenic trail to the community's athletic enthusiast. It's no wonder that the IHME study also concluded that the prevalence of physical activity within Latah County is high. In 2011, females and males were both in the top 10% of all counties surveyed, with 58.8% of females and 64.9% of males engaging in regular physical activity. As a comparison, the national average for females and males with regards to those reporting regularly engaging in physical activity was 52.6% and 56.3%, respectively.

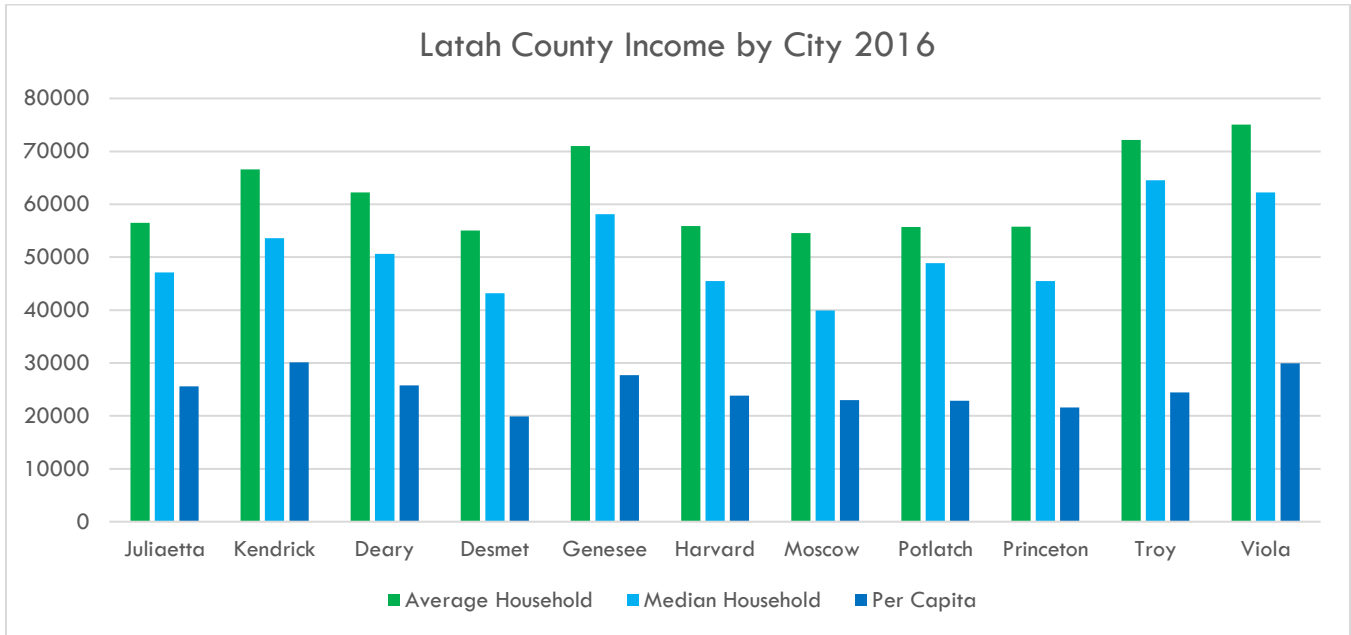
1.4 Income

Currently, EMSI estimates the average earnings per worker in Latah County, which includes wages, salaries, additional benefits, and proprietor income to be \$44,100 annually. Earnings adjusted to the regional cost of living in comparison to the national average cost of living are estimated at \$46,100 annually. Though comparison of these two figures suggests that the cost of living is lower in Latah County, it is necessary to account for the presence of students which lowers the overall regional income earnings. Within the region, a significant segment of the population within the County registers as non-earnings individuals. According to the University of Idaho's Quick Facts, current full-time enrollment is 11,780 individuals. While some students do earn incomes during their university tenures, it is necessary to examine their impact, both negative and positive. In table 1.3, the effect of this cohort can be clearly seen in the average household earnings. **See Table 1.3 Latah County Income by City 2016**

¹ Source: Open Data Network

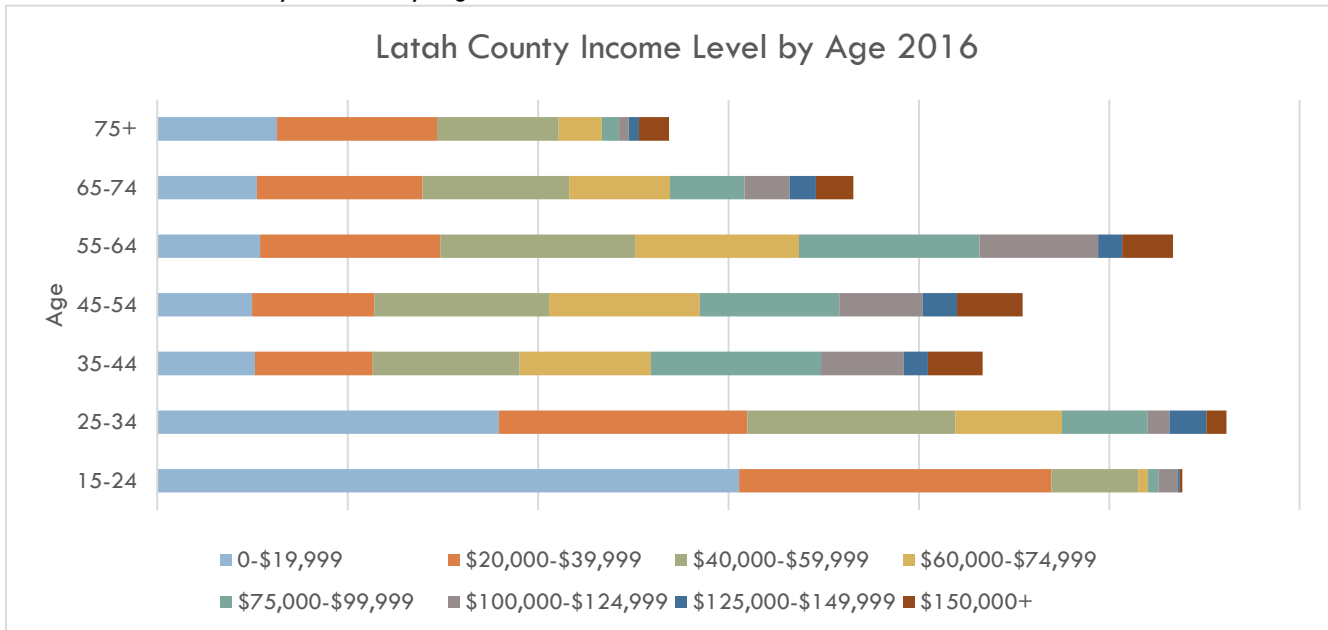
² Figures are representative of all races, both sexes and all income levels for ages 18 to 64.

Table 1.3 Latah County Income by City



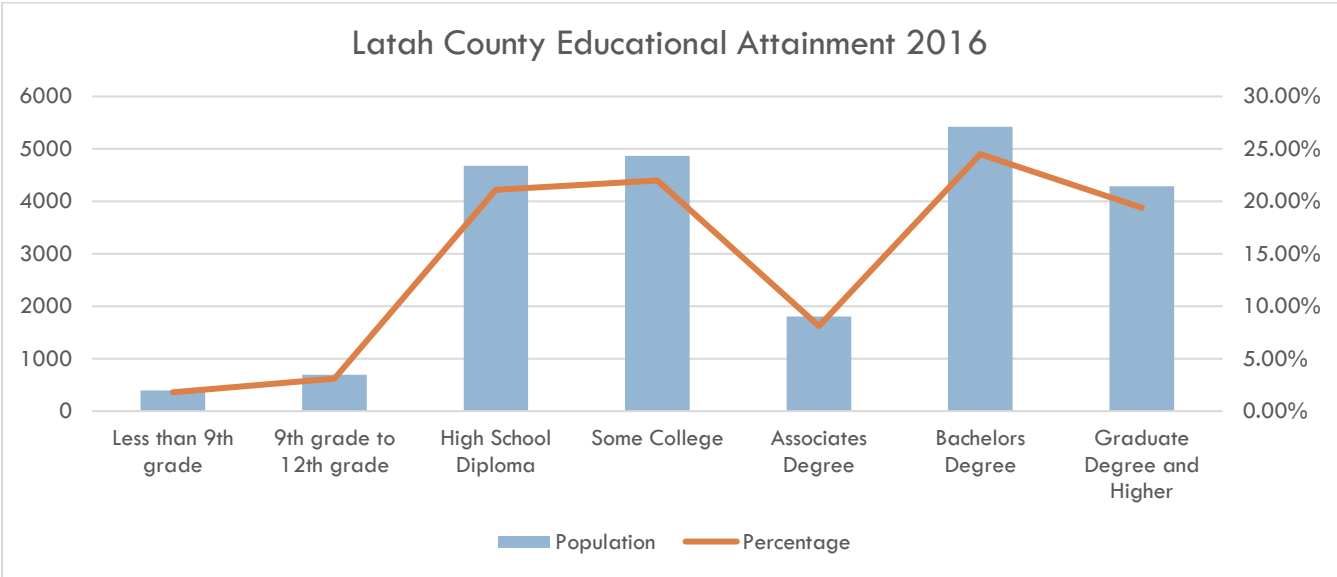
In addition to aggregate household earnings data for Latah County, Alteryx, a data aggregation company (similar to EMSI in Moscow) out of Irvine California, provides data for both incorporated and unincorporated municipalities within the County. The data shows a concentration of middle to high-income earners in the 55 – 64 years of age cohort with a roughly similar concentration following in the 45-54 and 35-44 years of age cohorts. Business retention and expansion may prove to have a significant effect on the future of the Latah County economy, which will be discussed in future sections. **See Table 1.4 Latah County Income Level By Age.**

Table 1.4 Latah County Income by Age



1.5 Education

Table 1.5 Latah County Educational Attainment

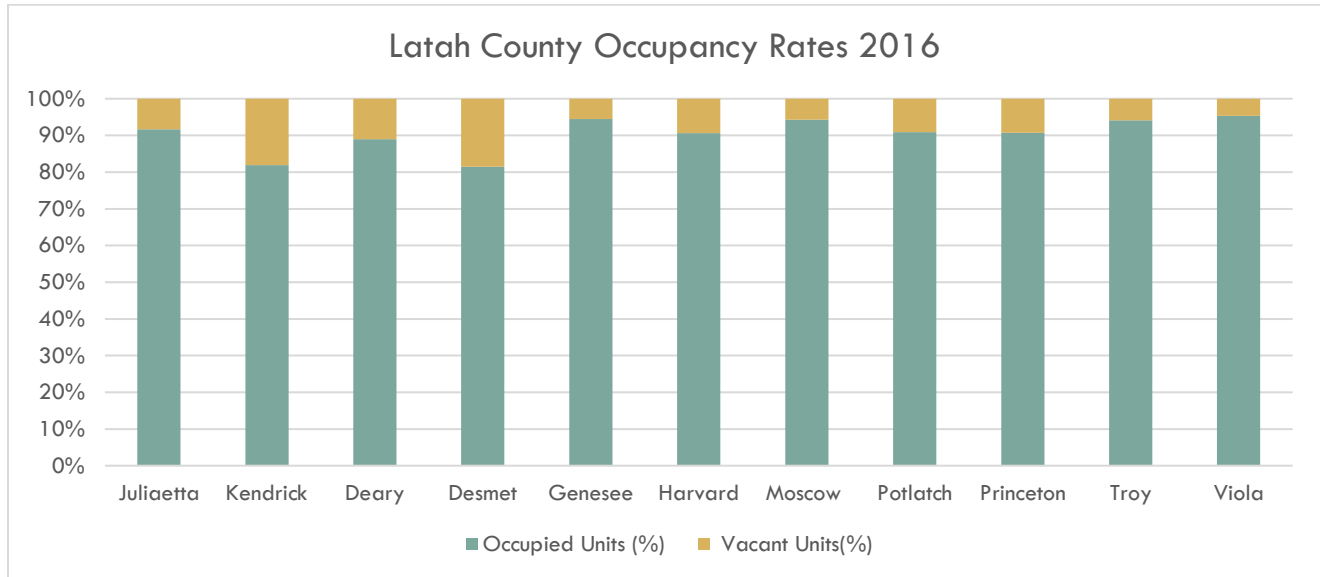


Four school districts reside within Latah County; Moscow School District; Whitepine Jt. School District; Troy School District; and Potlatch School District. Combined, there are 19 public schools serving 5,125 students, 4 private schools serving 625 students, and 3 charter schools serving 1,136 students within the County. Latah County school districts have a consistent reputation of providing outstanding education to their communities, preparing students for college or entry into the regional workforce. Expenditures on education, training, and health are recognized as investments in human capital because once attained, knowledge, skills, and health cannot be separated from the individual. Of individuals residing within Latah County, 52% have obtained an Associates degree or higher. **See Table 1.5 Latah County Educational Attainment.**

1.6 Housing

According to Alteryx, the total number of households in Latah County has grown by 2,301 units since 2000, with consistently high occupancy rates throughout the area. Two Person households have increased by 42.6% throughout the County, with Kendrick and Viola seeing the largest increases of 46.9% and 46% respectively. **See Table 1.6 Latah County Occupancy Rates**

Table 1.6 Latah County Occupancy Rates



Historically, due to the transient nature of the student population, the highest demand for housing in Moscow was apartment units. In the surrounding cities, single family dwellings continue to be in demand, as shown in the graph above.

The retail trade sector contributes the largest proportion of secondary activities within Latah County. EMSI estimates that total current employment within the sector is approximately 2,030 jobs, with average hourly earnings for individuals within this sector being \$14.70. Retail constitutes 11.8% of the total employment within Latah County, second only to education. Additionally, the retail sector within Latah County has experienced positive post-recession retail growth of 7% from 2009 to 2016.

According to a 2014 market analysis conducted by Johnson Economics, LLC retail space vacancies within the County’s retail hub, the City of Moscow, were reported to be at a low 5.9%. The report also indicated that the Downtown Moscow vacancy rate was even lower, at 4.4%. However, since the 2014 Johnson Economics report the City of Moscow experienced two sizable retail store closures in 2016. Macy’s, one of the County’s largest retailers closed its doors in the spring of 2016 with Hasting’s following in the fall. Nearly 80 retail positions were lost in the wake of these closures. Recent volatility in the County necessitates a new retail inventory assessment.

2. WORKFORCE CHARACTERISTICS

Latah County’s workforce is broken down rather evenly by gender, with the majority of the workforce between 25 years and 55 years of age. **See tables 2.1 Latah County Workforce Breakdown by Gender and 2.2. Latah County Workforce Breakdown by Age.**

Table 2.1 Latah County Workforce Breakdown by Gender

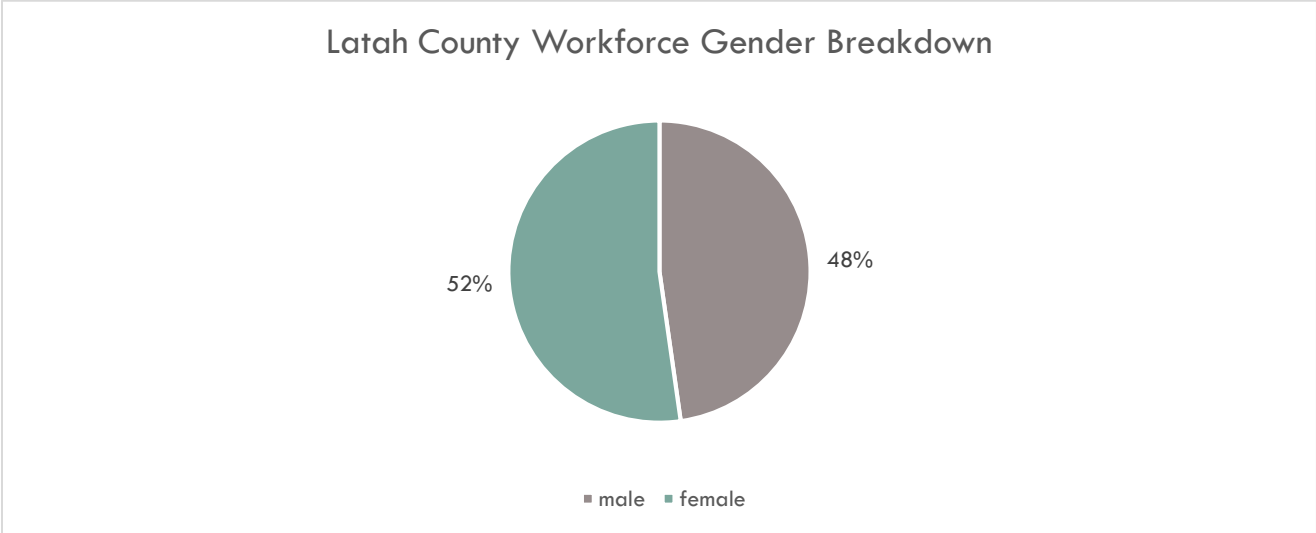
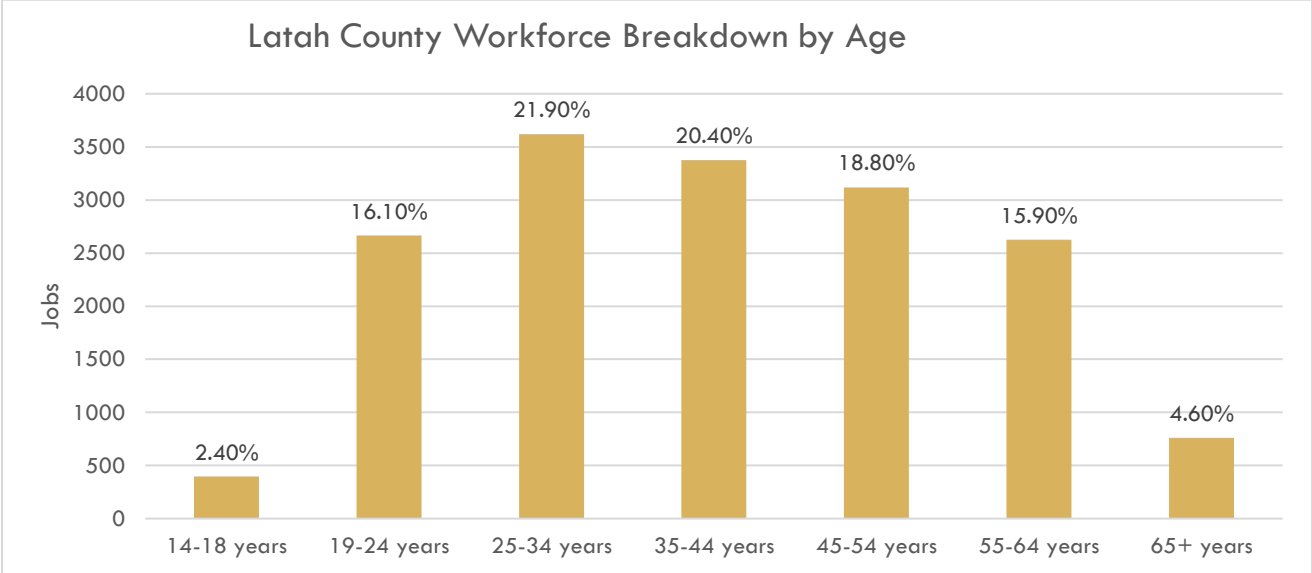


Table 2.2 Latah County Workforce Breakdown by Age

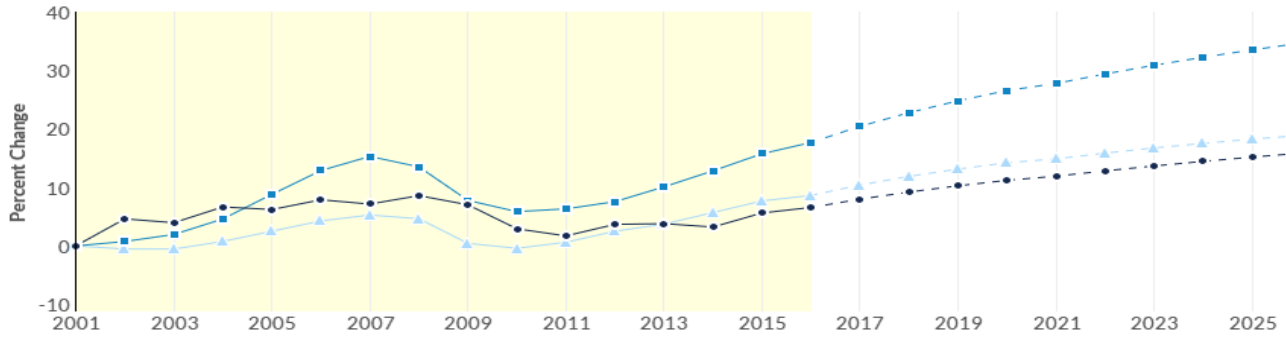


As discussed earlier, approximately 52% of the Latah County workforce has attained an Associates degree or higher, so the workforce is an educated one. Almost 90% of the workforce is white, with the remaining 10% consisting of Hispanic, Asian and African American individuals.

According to the US Census, approximately 64% of our population is in the workforce, and Latah County unemployment has ranged from 5.4% in 2001, to the high of 7.2% in 2010, and has declined to 3.5% for the present. Latah County is home to a total of 3035 businesses.

In **Table 2.3 Regional Job Trends versus State and Nation**, while Latah County lags behind both the state and the national projections, it is projected to have a smooth increase in number of jobs and will climb more in line with the state into 2026. As mentioned earlier, both business retention and expansion could have dramatic effects upon the job numbers in Latah County in the future.

Table 2.3 Regional Job Trends versus State and Nation



Region	2001 Jobs	2016 Jobs	Change	% Change
● Region	15,512	16,533	1,021	6.6%
● State	657,949	774,464	116,515	17.7%
● Nation	144,791,301	157,312,564	12,521,263	8.6%

3. LATAH COUNTY INDUSTRY ANALYSIS and CLUSTER IDENTIFICATION

The purpose of this section is to analyze the industries that drive both the Latah County economy and supply the goods and services to meet local economic demand. An economic base assessment and industry cluster analysis allows for a region to appropriately direct economic growth through a better understanding of the local employment structure. Latah County has a unique mix of industries that drive the economy, which is a reflection of the comparative advantage of the region as an economic entity.

Conducting a base analysis serves two primary purposes. First, it serves to identify major sources of income and employment in the local economy. Second, it allows areas to anticipate changes in their local economy. The second purpose is extremely important because it allows local entities to not only implement strategies to adapt to changing economic circumstances, but also to identify and encourage the development and diversification of their industrial base. Additionally, a cluster analysis aids in identifying a region's economic strengths and challenges so that regional economic development practitioners can identify realistic ways to shape their economic future.

The comparative advantages that make up Latah County's economic base and drive its economy are diverse, ranging from industries such as higher education, natural resource-based forestry and agriculture, to the medical industry. Shown in **Table 3.1 Latah County Industry Analysis**, primary industries are denoted in blue, with secondary in green.

3.1 Economic Base Industries

3.1.1 Education

The University of Idaho is the state's premier institution of higher learning, and is one of only 72 land-grant research universities in the United States. It is a leader in student-centered learning and excels at interdisciplinary research. The University boasts 85 undergraduate and 93 graduate majors, contributes to the state's economy as a whole nearly \$1 billion annually, employs a total of 5,838 full and part-time faculty and staff, and makes up approximately 29.9% of the total employment in Latah County. The University of Idaho will invest \$100 Million dollars in research funding in 2017, increased from \$70.5 Million in 2014.

Institutions of higher learning such as the University of Idaho are invaluable economic assets to the regions in which they reside. Not only is the University a source of knowledge spillover for the region, it is also the region's creativity incubator. All value added to an economy drives economic growth, and all value added increases the region's ability to attract, incubate, and provide the resources for new and creative ideas.

3.1.2 Healthcare

Gritman Medical Center is a not-for-profit Critical Access Hospital that has been a vital asset to the residents of Latah County for more than 100 years. The hospital utilizes cutting-edge medical technology, such as the SPY Elite advanced fluorescence imaging system that helps surgeons identify and remove tissues at reduced risk of infection. Additionally, Gritman's Wound Healing Center was recognized in 2016 as a *Center of Excellence*, providing advanced techniques in hyperbaric oxygen therapy, negative pressure therapies, bioengineered tissues and bio-synthetics to help wounds heal faster.

Gritman Medical Center reported total assets of \$73.9M in FY 2014, with total income in that period of \$50.8M. The Center employs individuals within occupations such as nursing assistants, licensed practical and vocational nurses, registered nurses, cooks, and those performing housekeeping functions. Of this occupation group, Nursing Assistants account for 42.8% of total jobs within this industry. Gritman currently employs 508 individuals, which constitutes approximately 10.6% of the total employment within Latah County. (This figure represents the total number of individuals on Gritman's payroll excluding individuals on contract).

3.1.3 Forestry and Timber Products

Bennett Lumber Products, Inc. is a family owned company based in Princeton, Idaho. The company owns approximately 70,000 acres of forestland in the north Idaho and eastern Washington region, and operates two lumber mills, one within Latah County, in Princeton, and another located in Clarkston, Washington. Bennett's Princeton operation employs a total of 166 individuals ranging from management to mill and machine operators.

Table 3.1 Latah County Industry Analysis

Industry	2001 jobs	2016 jobs	% change
Education	4004	4149	4%
Forestry and Logging	211	271	28.40%
Medical	386	532	37.80%
Retail	408	648	58.80%
Government	1008	918	-8.90%
Hospitality	1672	2056	23%

3.2 Secondary Industry Activities

Secondary Activities within a local economy are directly tied to base industries in that they not only provide support functions for those industries, but also provide activities that recirculate the capital inflow brought to the region by the outputs (or exports) of the base industries. Secondary industries within Latah County which provide the most activity are the retail, government, and hospitality industries.

3.2.1 Retail

The retail trade sector contributes the largest proportion of secondary activities within Latah County. EMSI estimates that total current employment within the sector is approximately 2,030 jobs, with average hourly earnings for individuals within this sector being \$14.70. Retail constitutes 11.8% of the total employment within Latah County, second only to education. Additionally, the retail sector within Latah County has experienced positive post-recession retail growth of 7% from 2009 to 2016.

3.2.2 Government

The role of regional government is to provide services to individuals within their communities. Providing for public safety, recreation, and sanitation are just a few of the many services local governments provide. Latah County's government sector employment peaked in 2005 with 1,022 individuals employed. Since 2005, government within Latah County experienced two major contractions in employment numbers, first in 2007 (17.8%) and again in 2012 (16.4%). Currently, the total number of individuals employed within the government sector is 918, which is 22% higher than the national average, yet still 8.9% below the previous peak employment level. The average annual income of individuals employed within Latah County's government sector is \$51,335.

3.2.3 Hospitality

The hospitality industry makes up the largest percentage of secondary industry workforce participation within Latah County, with 2,056 individuals employed in various occupations within the industry. Latah County's hospitality industry has experienced steady post-recession growth since leveling off in 2011, currently exceeding the national average for employment within the industry by 27%. However, the hospitality industry continues to trail the national growth trend in total employment between 2001 and 2016 by roughly 23%.

3.3 LATAH COUNTY INDUSTRY CLUSTER ANALYSIS

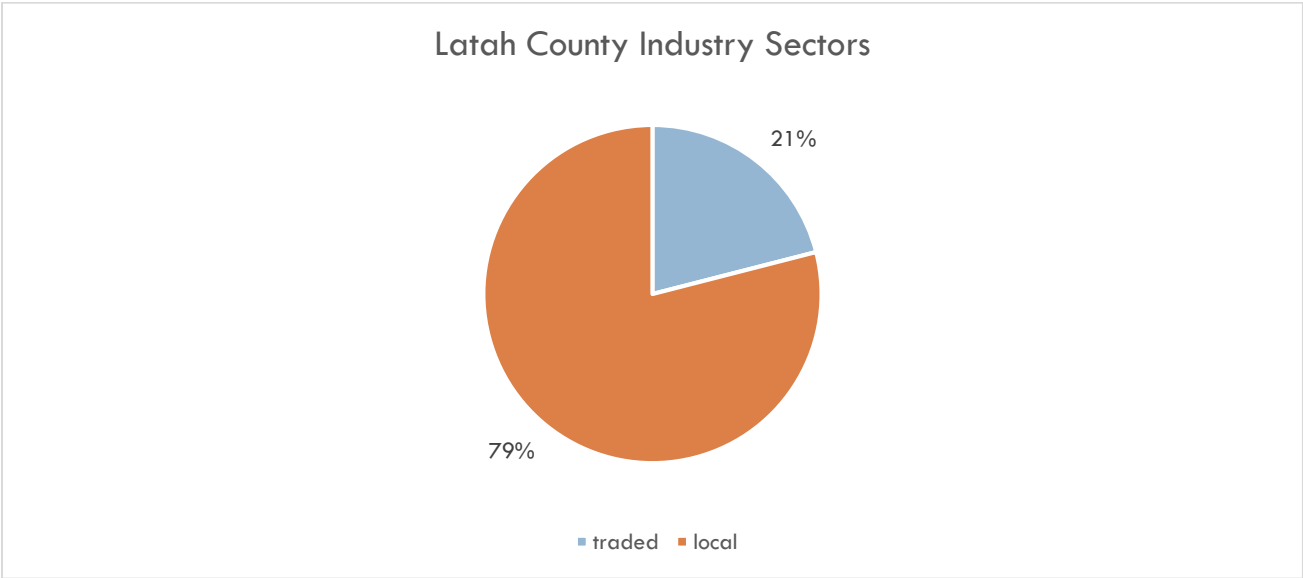
The foundation of a regional economy is its clusters, described as related economic actors and institutions located near one another, rather than a collection of unrelated firms. A cluster of like firms draw productive advantages from such things as mutual proximity, connections, employment, specialization, and innovation.

The purpose of a regional cluster analysis is to identify groupings of firms. It is a way of "reverse engineering" an already established local economy in order to analyze existing strengths in both base and secondary industries. Clusters may serve as the economic foundation upon which a region's growth may best be built, and also allow for the identification of areas that may require more focused development efforts in order to strengthen the region's economy through increased exports. Essentially, clusters are networks of industry relationships that serve to enhance the competitive economic advantage of a region.

The following analysis will first separate clusters within Latah County into two categories, those that fall within the "traded" sector and those falling into the "local" sector. Each traded and local cluster will then be

classified by employment, wages, and job creation. All data for this section is gleaned from the 2014 U.S Cluster Mapping Project at the Harvard Business School’s Institute for Strategy and Competitiveness. Section 3.3.1 discusses traded clusters, while section 3.3.2 discusses local sectors. **See Table 3.2 Latah County Industry Sectors.**

Table 3.2 Latah County Industry Sectors



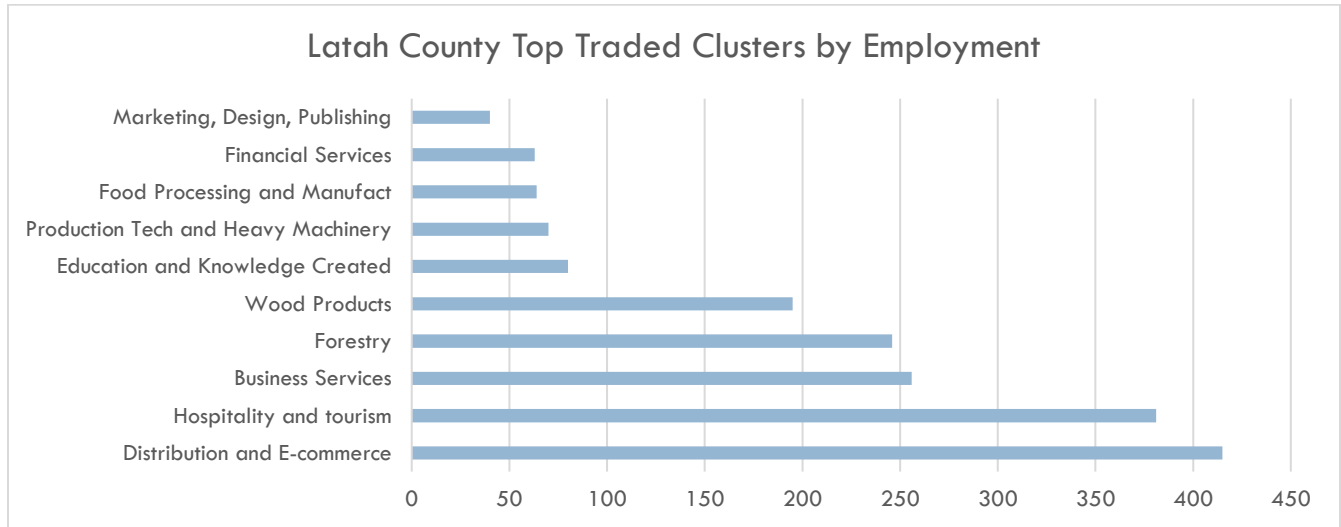
3.3.1 Traded Clusters

Traded clusters inject capital into the local economy through the export of goods and services. These industries can play a major role in regional economic growth and vitality.

3.3.1.1 Traded Cluster Employment

The largest traded cluster with regards to employment within Latah County is Distribution and Electronic Commerce. The E-commerce cluster located within Latah County employs roughly 415 individuals. The top three E-commerce subclusters within the county employing individuals constitute the sporting and recreational good and supplies, wholesale of farm products and supplies, and the farm and garden machinery sales industries. **See Table 3.3 Latah County Top Traded Clusters by Employment.**

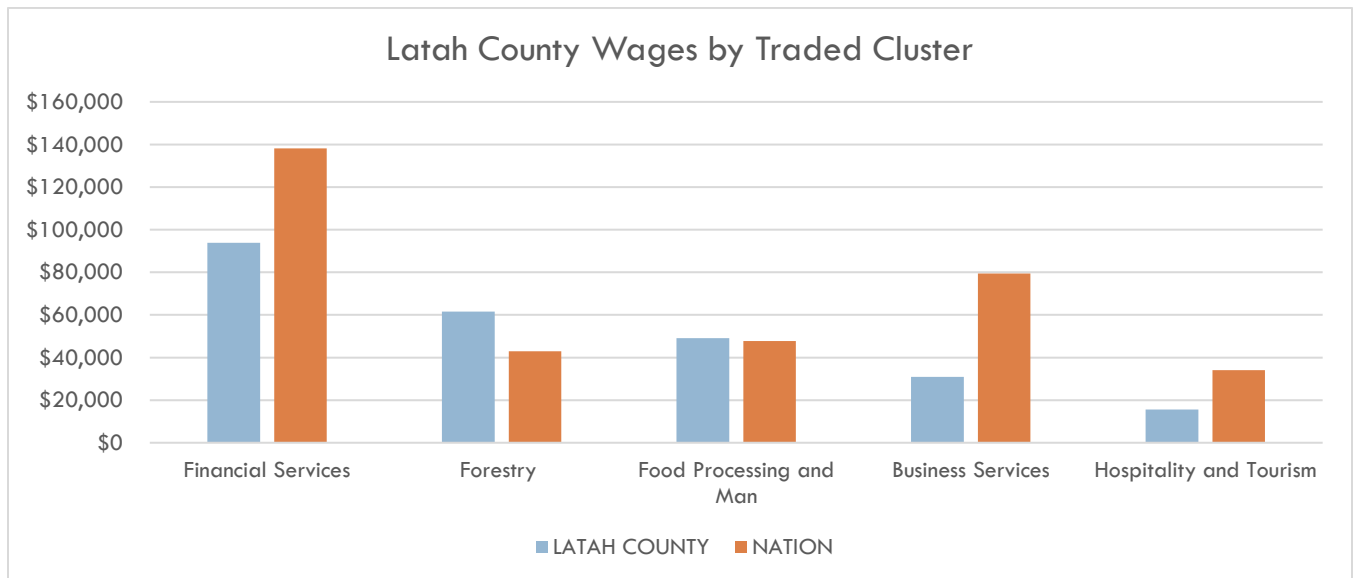
Table 3.3 Latah County Top Traded Clusters by Employment



3.3.1.2 Traded Cluster Wages

The Financial Services traded cluster, which is primarily comprised of the subcluster which encompasses Securities Brokers, Dealers, and Exchanges, is the largest cluster within Latah County in terms of average annual earnings at \$93,846. Second to the Financial Services cluster in terms of wages is Forestry, with annual average earnings of \$61,585, followed by Food Processing and Manufacturing at \$49,068. For comparison, the average traded cluster wage within Latah County is \$50,210, which is below the national traded cluster average wage of \$61,568. See Table 3.4 Latah County Wages by Traded Cluster

Table 3.4 Latah County Wages by Traded Cluster



3.3.1.3 Traded Cluster Job Creation

Not only is the Distribution and E-commerce sector the largest employment traded cluster in the Latah County region, but it is also the sector providing the most job creation. Between 2001 and 2014, the Distribution and E-commerce traded cluster employment expanded by 225 jobs, in areas such as the wholesale of sporting and recreational goods and supplies, electronic and catalog shopping, and the wholesale of farm and garden machinery and equipment.

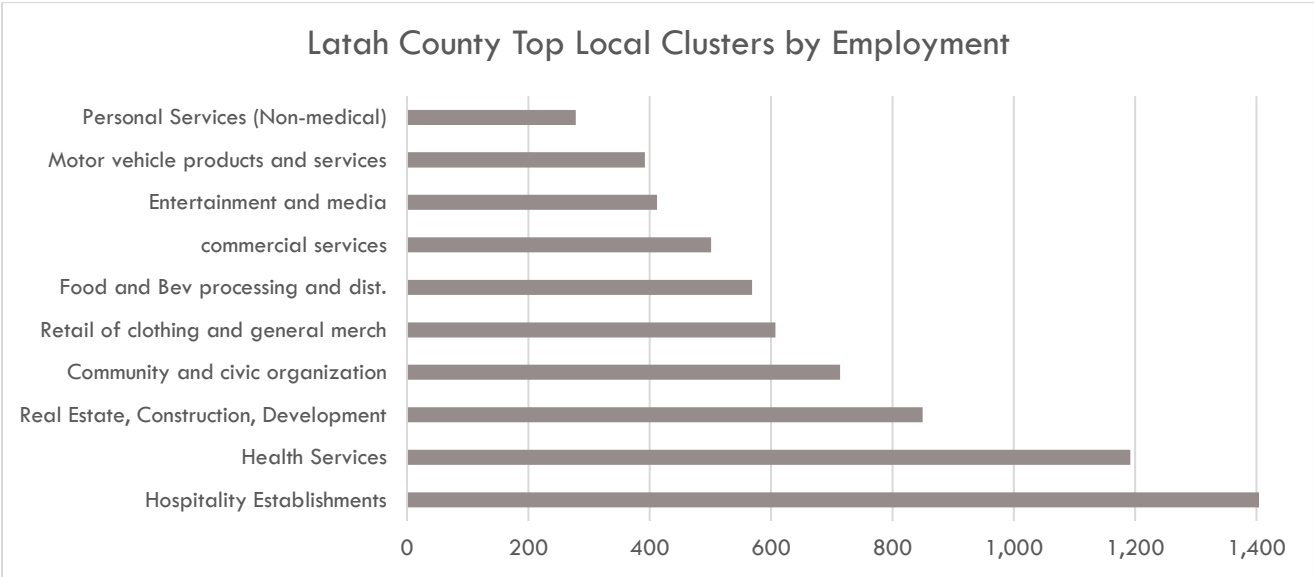
3.3.2 Latah County Local Clusters

Local clusters are those that primarily support the circulation of capital within the local economy. They are fundamental in supporting base economic functions of a region and the day-to-day operations of a local economy.

3.3.2.1 Local Cluster Employment

The largest local cluster in the Latah County region is that of the Local Hospitality sector with an estimated total employment of 1,557 jobs. This cluster is made up of subclusters associated with the food and beverage, recreational facilities and instruction, and gifts and souvenir retail industries. The Local Health Services cluster makes up the second largest local employment cluster with at 1,192 jobs, followed by the local Real Estate, Construction, and Development cluster with 850 jobs. **See Table 3.5 Latah County Top Local Clusters by Employment.**

Table 3.5 Latah County Top Local Clusters by Employment



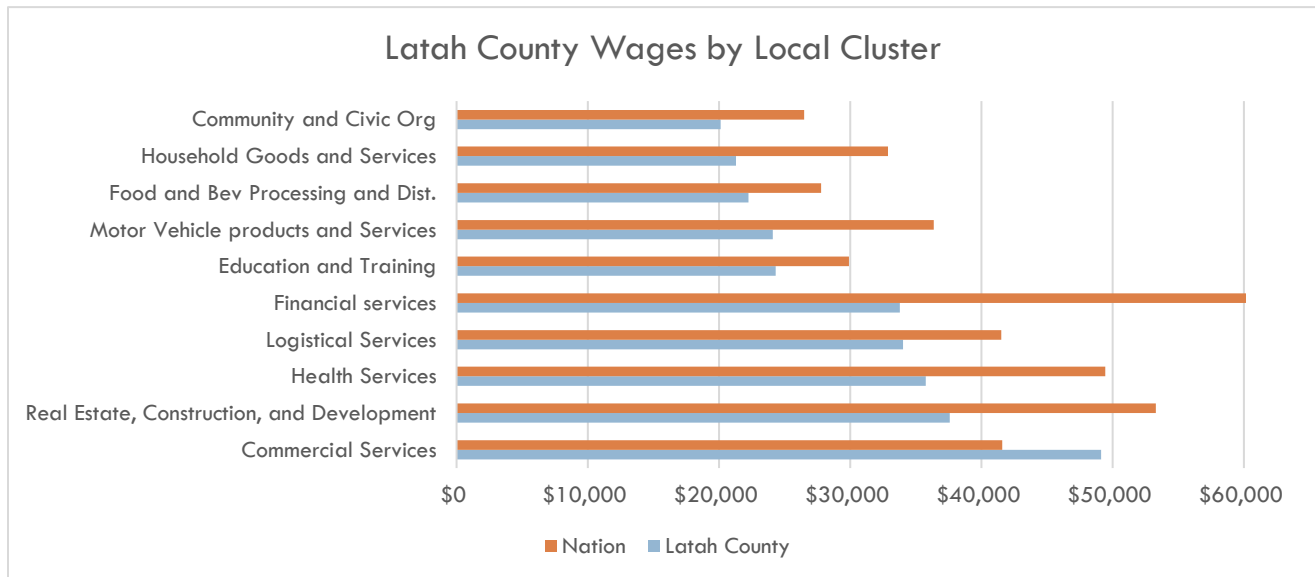
3.3.2.2 Local Cluster Wages

The Commercial Services traded cluster, which is primarily comprised of subclusters encompassing Professional Services and Testing Laboratories, is the largest cluster in terms of average annual earnings at \$49,129. Second to the Commercial Services cluster in terms of wages in the County is Real Estate, Construction and Development with annual average earnings of \$37,591, followed by Local Health Services at \$35,748. For comparison, the average local cluster wage in the County is \$25,868, which is below the national traded cluster average wage of \$38,769.

3.3.2.3 Local Cluster Job Creation

The Community and Civic Organization cluster is the sector providing the most job creation within Latah County. Between 2001 and 2014, the Community and Civic Organization local cluster employment expanded by 225 jobs in areas such as social service organizations, religious organizations, and business associations. Job creation in this sector outpaced the expected national job growth for the same timeperiod by 117 jobs. **See Table 3.6 Latah County Wages by Local Cluster.**

Table 3.6 Latah County Wages by Local Cluster.



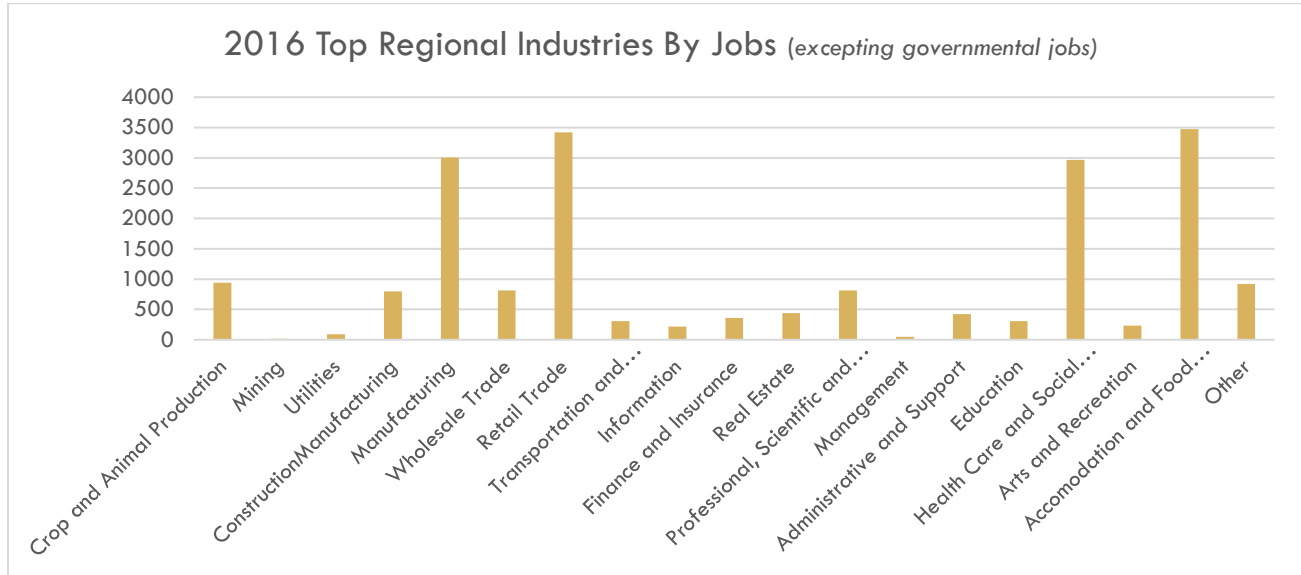
4. LATAH COUNTY AS PART OF THE PALOUSE REGION

On a state level, Idaho is not well positioned when considering the tax structure of neighboring states. According to the 2015 State Business Tax Climate Index developed by the Tax Foundation, Idaho ranks fifth among its neighbors. While some Idaho laws are less restrictive regarding personal rights, the lack of a supportive business tax policy, has required local government ingenuity regarding business recruitment. Collaboration and ‘co-opetition’ help position local government as players in an increasingly competitive regional landscape. While there are six main counties in the Palouse region, due to the dramatic differences in essential elements such as elevation and microclimate, the two counties, Latah and Whitman, included in this economic discussion are also the most similar in those same essential elements. Its important to note that a business-friendly climate is paramount to business recruitment efforts, but also critical to retention and expansion of existing businesses. Local governments cognizant of issues such as taxation, regulatory compliance and economic incentives are building their foundations for future success.

On the regional level, Latah and Whitman Counties compare readily in some areas, and are glaringly disparate in others. When examining the business inventory, Whitman County has approximately 30% more payrolled establishments, with average earnings close to \$12,000 more annually. Strong showings in Manufacturing (largely due to Schweitzer Engineering Laboratories in Pullman), Healthcare and Social Assistance, Government, Crop and Animal Production industries support Whitman County, while Latah County excels in Retail, Construction and Administrative and Support and Waste Management and Remediation Service Industries. Both Latah and Whitman counties are roughly comparative in the Arts, Entertainment and

Recreation, Information, Educational Services, Mining, Quarrying and Oil and Gas Extraction, Utilities and Management industry categories. See **Table 4.1 Top Regional Industries By Jobs**

Table 4.1 Top Regional Industries by Jobs



Top occupations in both counties have not varied appreciably from 2001 to 2016. Postsecondary Teachers, Retail Salespersons and Secretaries and Administrative Assistants occupations have grown in Whitman County, while a corresponding smaller growth in those same positions has occurred in Latah County.

A benchmarking comparison can be seen in **Table 4.2 A Comparison of Latah and Whitman Counties**.

Table 4.2 A Comparison of Latah and Whitman Counties

	Whitman County, WA	Latah County, ID
Population (2001)	40,803	35,274
Population (2016)	48,526	39,034
Population Change %	19%	11%
Total Industry Jobs (2001)	17,232	14,382
Total Industry Jobs (2016)	20,843	15,233
Total Industry Jobs Change %	21%	6%
Current Average Earnings	\$52,995	\$40,586
Cost Of Living Index	106.9	96.4
Bachelor's Degree or Higher	10,563	9,710
Gross Regional Product	\$1,699,408,095.25	\$1,049,040,994.08

5. ADDITIONAL RESEARCH AREAS

1. A comprehensive **Business Inventory** should be undertaken. Simultaneously, a Business Perception assessment can be conducted. Before a comprehensive economic development strategy can be developed for the Latah County region, it is imperative to assess the overall health of the businesses within the region. A survey needs to be developed to thoroughly gain a clear picture of life as a business – their needs, their pain points, their successes. This kind of information can also assist in the formations of useful connections and allegiances within the region. This step will act as the initial process in the development of a region-wide successful business retention strategy.
2. A complete **Infrastructure Analysis** needs to be done for each city within Latah County, including telecommunications, water, sewer, natural gas line locations, and transportation of all kinds. Not only will existing businesses benefit from this discussion, but this kind of information is critical for any prospective businesses as well.
3. An **E-Commerce inventory/distribution** survey. While this might prove problematic, as discussed earlier in this report, E-commerce is a large contributor to the economy in Latah County. An assessment of connectivity and the needs of businesses for that connectivity is important.
4. A continued strengthening and expansion of the **Relationship with the University of Idaho Technology Transfer office**. A collaborative strategic relationship can and will help address the gap between the initial research and the step into commercialization. Linkages between the research and the business world will be critical to the successful development of a business incubation program – either physical or virtual.
5. Continued **collaboration among the business, governments and institutions located within Latah County**. The formation of the Partnership for Economic Prosperity is a great example of the benefits of regional collaboration and cooperation. By recognizing the benefits of a regional approach to economic development, the partners are able to leverage the assets of the region, not just the individual partner.
6. **Collaboration and association with regional entities** such as Clearwater Economic Development Association, Clearwater County Economic Development Agency, Valley Vision, IEDA, Inland Northwest Partners, Jobs Plus, Idaho Department of Commerce, Idaho Department of Labor, and other agencies as appropriate.

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