Direct assistance to Idahoans most impacted by the pandemic and the recession will ensure that our economy can fully recover and families can thrive. Five months after Idaho fully re-opened the economy, timely Census survey data show that pandemic-related unemployment and income loss are still widespread in Idaho communities, causing hardship particularly among middle and lower income families. Job and income loss also hamper the economy’s full recovery in the absence of continued federal aid to small businesses and individuals.

State leaders can take important steps to address hardship and a flagging recovery. For example, provide direct assistance to the hardest hit households and make investments in long-term economic growth such as public schools, transportation, and other core public services that benefit all Idaho communities.

The majority of the data used in this report comes from Phase 2 of the United States Census Bureau’s Household Pulse Survey, which the Bureau developed to study how the coronavirus pandemic is affecting American households. In Phase 2, which began in August, the Bureau surveys Americans – including a significant number of Idahoans - on a bi-weekly basis. Each survey question is based on adults reporting for members of their household.

**Five Months Later, Income Loss Persists for Idaho Households**

Idaho businesses closed during the state’s public health prompted stay-at-home order, which led to spiking unemployment. Five months later, virtually all sectors of the economy are operating in some form, yet job and income loss are persisting.

According to Census survey data collected from mid-September to mid-October of this year, nearly half of Idaho families earning less than $35,000 per year report having lost income due to the pandemic. The picture is better for Idaho households earning over $35,000 per year, with about one-third reporting lost income. Lost income does not necessarily result from unemployment.

Looking ahead, income loss is expected to continue for Idahoans across all income levels through the fall. According to Census survey data collected from mid-September to mid-October of this year, nearly one-quarter of Idaho families earning less than $35,000 per year expect to lose income over the next month. Comparatively, the picture is better for Idaho households earning over $35,000 per year, with about 1 in 6 expecting to lose income in the next month.

Volatile unemployment is a considerable driver of income loss in Idaho. In 2020, Idaho's unemployment rate reached a record high of 11.8 percent in April, fell to 4.2 percent in August, and rose to 6.1 percent in September, reflecting continuing layoffs in industries such as retail and airlines. But this rate does not paint the full picture. According to Census survey data, Idaho households reporting lost income are also experiencing underemployment, or working fewer hours than they would like.
Unemployment and underemployment also have disproportionate impacts on women and younger workers. Industries such as travel, hospitality, and non-emergency health care, which are more likely to contract as the pandemic unfolds, are typically staffed by women and young workers. In April, almost 57 percent of all unemployment insurance claimants were women, though at the time they made up 45 percent of Idaho’s labor force. While filings by women fell to 51 percent in September, the recession is still falling disproportionately on women in Idaho.2 National estimates also suggest that the recession is disproportionately affecting Idahoans of color – people of Hispanic/Latino, Black, Native, Asian, and multiracial background – though estimates specific to Idaho were not available for this report.

For families and households who were already in a precarious financial position before the pandemic, income loss may cause families to deplete savings, turn to credit cards with high interest rates, or apply for short-term loans to get by.

**Income Loss is Slowing Household Spending, Troubling a Delicate Economic Recovery**

Loss of income and current unemployment or underemployment caused by the pandemic is leading to hardship among Idahoans five months after the economy re-opened.

Among Idaho’s most financially modest households (earning less than $25,000 annually), Census survey data from September and October of this year show hardship is widespread. Over 50 percent of these households are experiencing difficulty paying for basic household expenses. Hardship is also pronounced for middle-class families, of whom 28 to 44 percent are experiencing challenges with affording basic needs.

Difficulty shouldering household expenses from job and income loss is also adding to food insecurity in the state.

**Idaho’s Post-Secondary Education Goals Threatened by Pandemic-Related Enrollment Drops**

The University of Idaho recently reported a 9.5 percent enrollment drop for the 2020-2021 school year, with Hispanic/Latino enrollment falling significantly.3 Other institutions in Idaho and around the country are experiencing enrollment drops, which could have long-ranging economic effects.

According to September/October 2020 survey data, over a third of Idaho households reported that a member of their family cancelled plans to attend a post-secondary institution, including community colleges and trade schools, this fall. Of the group who cancelled all of their plans, the data suggests that almost half cancelled their plans because they could not afford to pay for post-secondary education, while about a third of this group were not able or willing to enroll this fall due to COVID-19 health concerns (an unknown number cited both reasons).4
Additional barriers to enrollment in Idaho are particularly troubling because policymakers have set a goal that 60 percent of young adults (aged 25 to 34) in Idaho obtain a post-secondary degree or certificate to meet the needs of Idaho businesses for a highly skilled workforce. Currently, 41 percent of young adults in Idaho hold a post-secondary degree or certificate.

Looking Ahead

The September and October 2020 Census survey data show that pandemic related lay-offs and reductions in hours are still leading to significant hardship among Idaho families, with modest-earning families bearing the brunt. Despite the fact that Idaho’s economy has been re-opened for almost a half year, Idaho families continue to lose income and almost a third of middle income families could not afford all of their basic expenses in the past month. Without additional federal aid, these trends could lengthen the recession. State leaders should focus on policy options that address hardship and invest in long-term economic growth that benefits all Idaho communities.


2. Federal Reserve Bank of Atlanta, “Unemployment Claims Monitor,” Accessed on October 23, 2020 at: https://www.frbatlanta.org/cweo/data-tools/unemployment-claims-monitor?utm_medium=email&utm_source=mailchimp&utm_campaign=cweo&utm_source=Atlanta+F-E-mail+Subscriptions&utm_campaign=2f5e0ce1b7-CED-small-business-topic-2020-01-08_COPY_01&utm_medium=email&utm_term=0_b7a27f6b85-2f5e0ce1b7-258890273

3. Idaho Statesman, “U of I’s fall enrollment is done 9.5% due to these three demographic challenges.” October 21, 2020, Accessed at: https://www.idahostatesman.com/article246592448.html