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Boise's a government center, university town, health care hub - but it's not 'recession-proof'

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The country may have avoided a recession this spring, but there is little doubt the economy is slow, home prices are down and the jobless rate is rising.

But things aren't equally bad everywhere.

Analysts have dubbed some cities and metropolitan areas "recession-proof" - places that seem to be insulated from the national economic doldrums.

And though the Treasure Valley has weathered nationwide recessions in the past, and it has many of the same economic components of the more resilient regions, it hasn't made the cut - and that could affect how outside investors and job hunters view the region.

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NOT ON THE NATIONAL LISTS OF THRIVING TOWNS

The Treasure Valley was one of six Idaho areas considered in a nationwide recession-proof survey by Las Vegas-based business consultant Mark Hovind, president of JobBait.com, which serves executive-level job-hunters.

Boise didn't make Hovind's recession-proof cut, but Coeur d'Alene was one of 27 U.S. cities that did.

When Forbes magazine analyzed labor, housing and other data for its list of the country's most recession-proof of the 50 largest metropolitan areas, Boise was too small to be considered - but Oklahoma City topped the list, and Seattle and Salt Lake City made the top 10, too.

Hovind looked at population and job growth rates during the 1990 and 2001 recessions, and for the year 2007. The recession-proof cities were those where new jobs outpaced the population growth in all three national slowdowns.

Matt Martin, a Charlotte, N.C.,-based economist with the Federal Reserve Bank, told The Associated Press that the cities that rose to the top in Hovind's analysis had economies built around industries that "don't follow the business cycle pattern," such as regional health centers, state capitals or university towns.

The Boise area seems to fit that mold - so why didn't it make the cut? Job losses in the region during the 2001 recession - remember the dot-com bust?

"When that all fell apart, it led to a big drop in business investment," said Idaho Chief Economist Mike Ferguson. "There were layoffs in high tech. We had two years of almost 9 percent job decline in computers and electronics, high-tech manufacturing."

The Treasure Valley is home to two-thirds of Idaho's high-tech manufacturing, which is why the Valley felt the brunt of the last recession, Ferguson said.

In 2001, more than 2,000 people were laid off from Valley high-tech companies, including MicronPC, Hewlett-Packard, SCP Global Technologies, Jabil Circuit, Zilog and Extended Systems.

Ironically, it was the growth at Micron Technology and high-tech manufacturing that buoyed the Treasure Valley in 1990.

"They powered right through the national recession of the 1990s. Idaho was left relatively unscathed," Ferguson said.

But along with the recent drop in the construction industry, that same company could be part of why the Valley isn't rising above the current downturn. Micron has laid off at least 1,100 people within the last year.

Don Holley, a professor of economics at Boise State, sees the region's reliance on Micron as the Valley's "weak link."

"That's one of the downsides to the Boise economy. We have a lot of firms in the economic base, but Micron is the biggest," Holley said. "They grew up fast ... Now they're ratcheting down."

IDAHO'S STABILITY FROM AG, HEALTH, GOVERNMENT

Idaho's large agricultural sector has helped keep the state's economy stable, Ferguson said.

"It runs on its own cycles and that tends to mitigate the effects of the business cycle," he said.

And Ferguson and Holley both say the Boise metro area likely does gain some economic stability by having a high number of government and healthcare jobs.

Consider:

31,300 of Idaho's 66,400 health care/social assistance jobs are in the Boise-Nampa metro area - 47 percent of all health care jobs in the state.

44,100 of Idaho's 120,300 local, state and federal jobs are in the Boise-Nampa metro area - 36 percent of government jobs in the state.

Last year may not have seemed like a growth year for jobs in Idaho, but employment grew 2.7 percent in 2007 over 2006.

But the state's economic slowdown becomes more clear when you compare job losses and gains from March 2007 to March 2008 - Idaho lost 500 jobs over that time period.

"If that's as bad as it gets, the year will probably show growth," Ferguson said.

NORTH IDAHO'S SHINING EXAMPLE

One of the strongest job growth areas of the state is Coeur d'Alene.

The North Idaho city topped Hovind's list of fastest-growing metropolitan areas in the country for all industries, along with the Tri-Cities area in Washington, for the 12-month period ending in February.

Tourism is the first thing everyone thinks of - and that is a big part of the Coeur d'Alene economy. About 1,300 leisure and hospital jobs have been added there over the past year, according to updated state labor data.

The weak dollar has brought a lot of Canadian visitors in the past year, said Kathryn Tacke, a regional economist with the Idaho Department of Labor.

But Coeur d'Alene's economy has other strong components.

"Manufacturing is very large here," Tacke said.

About 600 manufacturing jobs have been added in Kootenai County during the past seven years, she said.

Manufacturing operations there include furniture, electronics, metals and plastics.

There are also several call centers, the Coeur d'Alene Reservation administrative offices and the tribe's casino and golf course.

"The success and growth of the Coeur d'Alene Tribe has benefited Kootenai County," Tacke said. "We really do have a lot of different factors helping us do well."

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