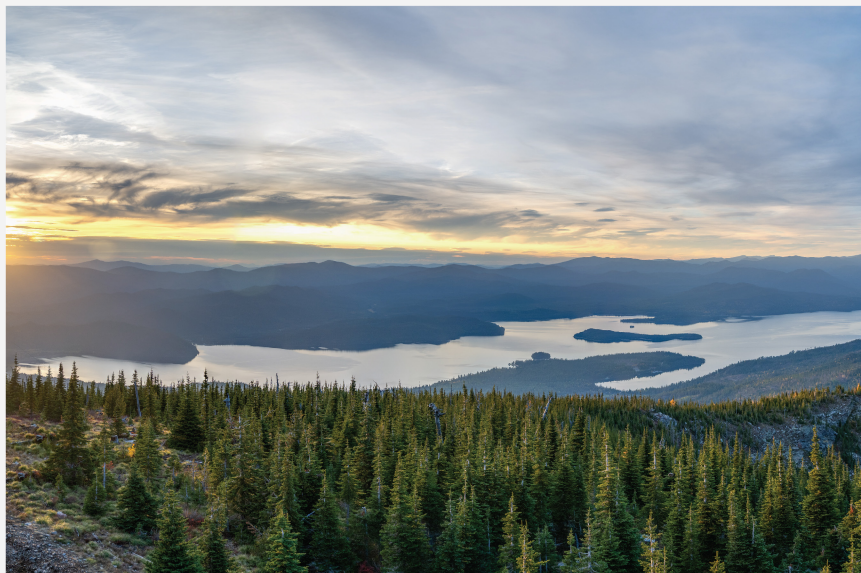


JUNE 2024

# RURAL IMPACT

## A Community and Economic Development Resiliency Strategy for the State of Idaho



# ACKNOWLEDGMENTS

TIP Strategies, Inc., (TIP) would like to thank the staff and leadership of the Idaho Department of Commerce and the members of the working group for their guidance in shaping the plan. TIP is also grateful to the numerous stakeholders who contributed valuable insights to the planning process through their participation in roundtables and interviews.

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# INTRODUCTION

In early 2023, the Idaho Department of Commerce (Commerce) contracted with Austin-based strategy firm TIP Strategies (TIP) to develop an economic rural impact strategy focused on opportunities for sector-based development, job growth, workforce development, entrepreneurship, and placemaking. While the plan’s emphasis on statewide rural community and economic development is unique, this initiative was developed within the context of the statewide comprehensive economic development strategy (CEDS), regional plans and initiatives led by the economic development districts, statewide strategic plans for infrastructure, the Idaho Rural Partnership (IRP) strategic plan, and municipal strategic plans.

As the state’s lead economic development agency, Commerce is well-positioned to implement the plan due to its mission to foster a business-friendly environment, aid in job creation, support existing companies, strengthen communities, and market Idaho. Commerce has a strong network of economic development organizations (EDOs) throughout the state that participate in the department’s initiatives, grant programs, and planning efforts, to include this project. This network will be a valuable asset in the plan’s implementation, which will also be helped by the recent release of IRP’s 2024–2029 strategic plan, which includes goals that closely align with the strategies and actions in this plan.

The initial phase of the planning process included an extensive qualitative and quantitative data analysis to gain a comprehensive understanding of current conditions in the state’s rural communities as well as the challenges and opportunities they face. This analysis involved gathering demographic information, baseline economic data, business cluster performance, infrastructure assessments, and state resources and assets. In addition to gathering primary data for independent analysis, the TIP team reviewed existing research and reports relevant to rural development and designed an outreach process for stakeholder input.

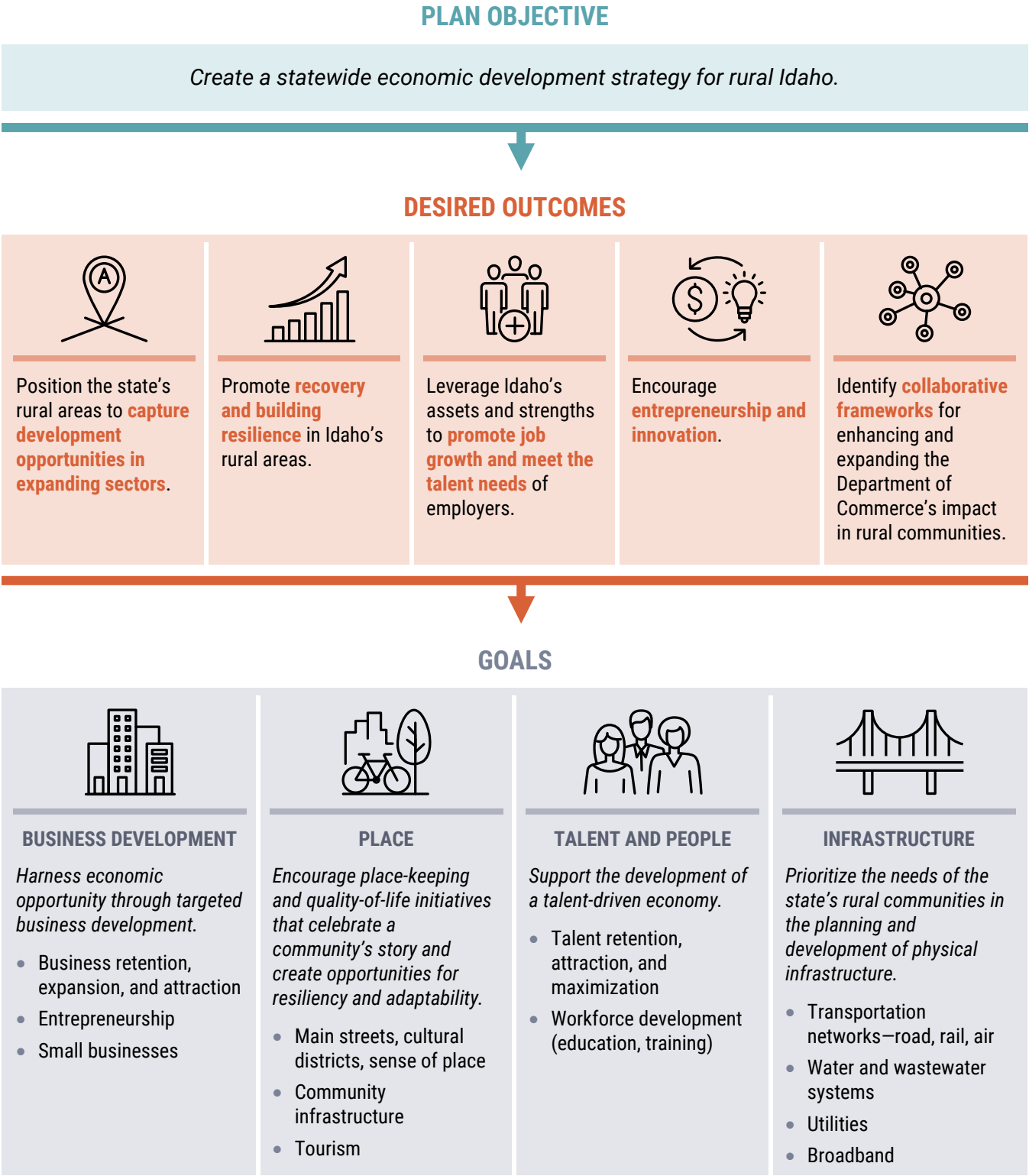
Stakeholder engagement was an essential part of creating the plan and will be critical for its successful implementation. This plan is a statewide initiative that leans on the expertise of a network of organizations working in rural communities for strategy development and implementation. Commerce facilitated connections with stakeholders across various sectors, including government agencies, economic and community development organizations, industry leaders, and educators. Through a series of virtual roundtables, working group sessions, and one-on-one meetings (described in Figure 1), stakeholders were able to provide information on important initiatives, challenges, and areas of opportunity. Along with supporting collaboration among participants, some of whom had not previously met, these conversations yielded insights that informed the strategic plan’s development with an eye toward its future implementation and creating positive impacts for rural communities.

The plan is organized around five desired outcomes and four goal areas, which are reflected in the framework shown in Figure 2 (page 2). The strategies and actions in each goal area are designed to contribute to one or more of the desired outcomes.

Figure 1. Stakeholder Engagement Overview



Figure 2. Plan Framework



Source(s): TIP Strategies, Inc.

# ACTION PLAN

## GOAL 1. BUSINESS DEVELOPMENT

*Harness economic opportunity through targeted business development.*

As the state's lead economic development agency, the Department of Commerce is charged with economic growth, job creation, and prosperity across the state. Commerce's continued ability to attract and grow businesses is crucial to promoting and maintaining the economic vitality of urban and rural communities where successes in urban areas can create spillover contributing to rural success. The state's economy encompasses a range of industries, from agriculture and technology to manufacturing and tourism, that provide a solid foundation for business expansion and innovation. At the same time, Idaho faces challenges such as workforce shortages, infrastructure constraints, and rural economic disparities that must be addressed. By focusing on targeted business development efforts, Commerce can address these challenges and capitalize on opportunities for growth and investment. Additionally, leveraging the Idaho Rural Partnership (IRP) as a critical partner in implementing rural business development initiatives will help to better tailor solutions and optimize resources, resulting in more sustainable business growth and resilience in remote areas. Attracting new businesses, supporting entrepreneurship, and assisting existing companies in expanding operations will stimulate economic activity, create employment opportunities, and enhance the overall competitiveness of Idaho's economy. The strategies and actions under this goal will help to position the state as a vibrant hub for business innovation and economic opportunity.

### Strategies and Actions

1.1. Continue to expand domestic and international marketing and business attraction efforts, prioritizing the key industries and potential strategic target areas shown in Figure 3, page 4.

1.1.1. Elevate Idaho's presence in key domestic and international markets by cultivating and maintaining relationships and networks.

- Prioritize memberships and increase participation in trade or industry associations for the key industries.
- Leverage business associations and EDOs at the state and local levels as well as statewide tools such as [Idaho Manufacturers Connect](#) to facilitate networking and relationship-building activities. Partner with these organizations to host networking events, trade shows, and supply chain matchmaking sessions.

**Example:** The public-private initiative, [Pure Michigan Business Connect](#), uses an online event and networking platform to link businesses to local, national, and international purchasers through tailored procurement or joint venture matchmaking searches, summits, and buyer tours. The program also connects foreign companies seeking joint ventures or research and development (R&D) partnerships with Michigan firms.

- Leverage the state's position as an international tourism destination to bolster business attraction efforts through expanded collaboration with Visit Idaho for business attraction marketing.
- Organize meetings with company executives in domestic and international markets with high concentration or growth in each key industry (e.g., Seattle for its concentration of aerospace manufacturers or Amsterdam for cleantech startups). Additionally, prioritize executive-level conferences over industry-wide trade shows to increase touchpoints with decision-makers.

Figure 3. Strategic Target Areas within Selected Key Industries

KEY INDUSTRIES	STRATEGIC TARGET AREAS
ADVANCED MANUFACTURING	<p><b>Semiconductor Innovation:</b> Companies that are pioneering advancements in semiconductor technology, including microelectronics, sensors, and integrated circuits.</p> <p><b>Custom Fabrication:</b> Companies that offer specialized fabrication services for industries like aerospace, defense, or renewable energy.</p> <p><b>Supply Chain Optimization:</b> Businesses that develop software or consulting services to optimize supply chain management and address challenges identified in the Idaho Manufacturing Sector Supply Chain Study.</p>
AEROSPACE	<p><b>Unmanned Aerial Systems (UAS):</b> Firms that develop and manufacture drones for commercial and defense applications (e.g., surveillance, agriculture, mapping, and package delivery).</p> <p><b>Supply Chain Integration and Logistics:</b> Companies that strengthen the aerospace supply chain by providing integrated logistics services, warehousing, and distribution for components and/or materials.</p>
ENERGY	<p><b>Solar/Wind Farm Development:</b> Investments in renewable energy infrastructure projects to capitalize on sun and wind resources.</p> <p><b>Energy Storage Solutions:</b> Companies that develop energy storage technologies to complement renewable energy generation.</p> <p><b>Bioenergy Production:</b> Businesses that convert agricultural waste or forest residues into biofuels or biogas for energy production.</p> <p><b>Nuclear Reactor Systems:</b> Companies seeking to commercialize small modular reactors and develop new advanced reactor designs and technology in coordination with the Idaho National Lab.</p>
FOOD PRODUCTION	<p><b>Specialty Foods:</b> Producers that offer specialty items, such as gourmet jams, sauces, or organic products.</p> <p><b>Value-Added Packaging:</b> Manufacturers that offer innovative packaging solutions that either prolong shelf life or enhance convenience for consumers.</p>
TECHNOLOGY AND INNOVATION	<p><b>Software Development:</b> Software development firms focusing on agricultural technology (AgTech), cybersecurity, or data analytics to support existing target industries.</p> <p><b>Hardware Manufacturing:</b> Manufacturers that create hardware components or devices used in agricultural machinery, drones, or renewable energy technologies.</p>

- 1.1.2. Expand the US Small Business Administration, State Trade Expansion Program (STEP) grants to allow additional export activity expenses such as Export-Import Bank of the United States credit insurance premiums and international marketing materials.
- 1.1.3. Position Idaho as a destination for investment among site selection consultants and commercial real estate brokers through information sharing, targeted outreach, and sustained engagement.
  - Maintain an up-to-date database of site consultants and commercial real estate brokers and periodically set appointments to discuss markets and development opportunities.
  - Utilize targeted digital marketing campaigns to reach site selectors through channels such as email marketing, social media advertising, content marketing, and search engine optimization. Develop a cadence for information sharing and tailor messaging to address the specific needs and preferences of site selectors.
  - Continue maintaining and updating information of interest to commercial and industrial site selectors on Commerce’s website.
  - Ensure that events and familiarization tours showcase specific assets of rural areas.
- 1.1.4. Support local and regional attraction efforts by providing resources, expertise, and coordination.

- Allocate funding and grants like the Rural Idaho Economic Development Professional Grant Program to local/regionals EDOs to support economic development initiatives, including maintaining current local profiles and marketing efforts.

**Example:** [Pennsylvania's Marketing to Attract Business program](#) supports local and regional business retention, expansion, and attraction efforts that promote the state as a destination of choice for investment.

- Continue to serve as a source for timely economic data, market research, and demographic information. Maintain resources such as Gem State Prospector that help local EDOs make informed decisions and develop effective strategies for attracting investment locally.
- Explore opportunities to leverage the Idaho Economic Development Association to increase EDO collaboration by periodically engaging regional partners to identify priorities, increase alignment, and improve statewide coordination.

**Example:** The Kentucky Cabinet for Economic Development and the Kentucky Association for Economic Development convened economic developers statewide to outline priorities, actions, and processes to create the [Collaborative Blueprint created by and for Kentucky's Economic Developers](#).

**1.1.5.** Ensure that business development initiatives and programs are aligned with the industries and strategic target areas that offer the greatest potential for growth and have the most significant impact.

**1.2.** Elevate the IRP as a critical force for leading initiatives and convening key stakeholders in rural Idaho.

**1.2.1.** Partner with the IRP to establish thought leadership initiatives that highlight successful rural development strategies, best practices, and case studies. Initiatives could include organizing workshops, webinars, and conferences featuring experts and practitioners in rural economic development.

**1.2.2.** Empower the IRP to serve as a convener by providing support for organizing meetings, workshops, and summits focused on priority issues such as infrastructure development, workforce training, and entrepreneurship support.

**1.2.3.** Offer capacity-building support to the IRP to enhance its ability to lead initiatives and convene stakeholders effectively. Capacity-building efforts could include providing technical assistance for program development and implementation or training on facilitation skills.

**1.3.** Expand the reach of and access to the Northwest Community Development Institute (NWCDI) to strengthen economic development knowledge and business retention approaches at the regional and local level.

**1.3.1.** Work with the Economic Development Districts of Idaho (EDDIs) to expand attendance to include elected officials.

**1.3.2.** Explore opportunities to increase completion of NWCDI training to include providing additional funding to award more scholarships.

**1.3.3.** Improve physical accessibility by offering online options or establishing satellite locations, particularly in the southern parts of the state.

**Example:** North Carolina Department of Commerce's [Professional Development Program for Rural Leaders](#) offers virtual classes and community level engagement to increase accessibility.



- 1.4.** Support business expansion by fostering and encouraging a culture of innovation, while working with partners, such as the Idaho Technology Council (ITC), to maximize assets, cultivate networks, and promote culture and community.
- 1.4.1.** Maintain an up-to-date and comprehensive innovation ecosystem map.
- 1.4.2.** Support efforts of the ITC to promote and encourage a culture of innovation.
- Partner with the ITC periodically to organize statewide innovation events.
  - Support regional organizations in the creation of geographically focused events based on sectors.
- 1.4.3.** Explore new opportunities to engage the Idaho National Laboratory and universities in joint R&D projects.
- 1.4.4.** Support existing efforts to identify regional innovation cluster opportunities and position these areas as desirable landing spots for founders and innovators and as a place to develop and grow cutting-edge firms over the long term. For example, Eastern Idaho can be positioned as a clean energy innovation center, South Central Idaho as a leader in food innovation, Southwest Idaho as an electronics hub, and Northern Idaho for aerospace.
- 1.4.5.** Work with local and regional partners to capture and highlight local success stories on the Commerce website.
- Use nationally recognized days, such as Manufacturing Day, National Supply Chain Day, or National Aviation Day, as opportunities to structure content and maximize attention for specific industries.
  - Publish blog post series on specific topics (like women in agriculture, manufacturing innovations, businesses on the rise) as a creative and topical way to highlight businesses across the state.
- 1.5.** Support efforts of EDDIs and entrepreneurial development organizations to expand service accessibility and availability of capital in remote areas.
- 1.5.1.** Support physical accelerators and incubators in developing online platforms or digital communities where rural entrepreneurs can connect virtually, exchange information, and seek advice.
- Facilitate communication and collaboration among entrepreneurs across the state through online forums, social media groups, and networking platforms. Elevate Idaho’s virtual innovation center that provides a model for greater accessibility to services.
  - Encourage the development of industry-specific virtual entrepreneur networks or clusters focused on key sectors, such as technology (Idaho Technology Council), agriculture (Idaho Farm Bureau), or manufacturing (Idaho Manufacturing Alliance). These networks should facilitate collaboration, innovation, and knowledge sharing in specific industries.
- 1.5.2.** Prioritize funding entrepreneurial support efforts to nonprofit organizations that encourage growth in technology and innovation, clean energy, advanced manufacturing, healthcare, and food processing. Funding should target organizations that create or maintain entrepreneur networks, deliver training and technical assistance, and reduce barriers to identifying and securing capital.
- 1.5.3.** Help expand the availability of funding options for rural entrepreneurs.
- Foster relationships among local financial institutions, angel investors, venture capital firms, and government agencies to create investment networks and funding pipelines.

- Support the development of alternative funding sources, such as crowdfunding platforms, community development financial institutions (CDFIs), and public-private partnerships.
- Encourage private investment through tax credits, loan guarantees, and other financial incentives to help attract capital to businesses. For example, offer an enhanced Idaho Investment Tax Credit for businesses locating in rural communities or an enhanced Idaho Investment Tax Credit for businesses locating in a distressed US Census Tract as defined by the US Department of the Treasury or CDFIs. In addition, provide tax credits to angel investors where qualified investors can receive tax credits on an established percentage of their investment in rural counties.

**Example:** The [Kentucky Angel Investment Tax Credit](#) program was created to encourage business creation, expansion, and retention by connecting early-stage Kansas companies with accredited angel investors. Under the program, accredited investors are allowed a 50 percent tax credit on cash investment of up to \$50,000, per certified Kansas business per year. Businesses that receive investment must maintain headquarters and certain operations in Kansas for at least 10 years.

**1.6.** Reduce barriers to access and increase awareness of services that support rural small business development and growth.

- 1.6.1.** Leverage 44GO! to identify primary barriers to rural small business growth and formulate solutions. 44GO! is a statewide initiative to foster planning, leverage resources, and build capacity across Idaho's community and economic development landscape. The effort includes stakeholders from state government, EDDIs, EDOs, colleges and universities, and other stakeholders.
- 1.6.2.** Leverage small business development centers and other small business support agencies to increase access to resources and training. As a start, Commerce can work with existing training providers to build an online clearinghouse, then, over time, develop programs in partnership with providers.

**Example:** Washington State Department of Commerce developed [StartUp Washington](#) and manages the related Washington Small Business Training & Education Center website, which serves as an information and resources clearinghouse for entrepreneurs, startups, and small businesses. StartUp Washington also offers several programs and academies, technical assistance, mentorship, and events.

- 1.6.3.** Support the continued expansion of virtual and bilingual training options. For example, the nonprofit Rural Development Initiatives offers bilingual training and resources for starting childcare and food businesses.
- 1.6.4.** Support small businesses that advance the outdoor economy.
- Establish an outdoor recreation coalition. Alternatively, create an outdoor recreation sector lead position within the Department of Commerce or nested under Visit Idaho.

**Example:** In 2023, North Carolina relocated its [Outdoor Recreation Industry Office](#) from the Economic Development Partnership of North Carolina to the North Carolina Department of Commerce to strengthen recruitment, retention, and collaborative efforts related to recreation industry.

- Amplify existing companies and organizations that support the industry.

**Example:** The [Colorado Outdoor Recreation Industry Directory](#) is a comprehensive listing of outdoor recreation businesses as well as the nonprofits and educational organizations that support the industry across Colorado. Businesses are categorized and can be sorted by recreation type in the directory.

- 1.7. Increase engagement with the Idaho Association of Counties and the Idaho Association of Cities (the Associations) and with other statewide initiatives serving rural stakeholders to encourage more effective and coordinated economic development efforts statewide.
  - 1.7.1. Tailor training sessions, workshops, and capacity-building programs for county and city officials on in-demand topics such as economic development, tourism promotion, grant writing, and business attraction strategies.
  - 1.7.2. Organize regional convenings with the Associations, Commerce, and regional leaders in business, government, and economic or community development to solicit input, discuss economic development priorities, infrastructure needs, and community development projects.
  - 1.7.3. Leverage the reach of the Associations to highlight rural economic successes and to promote opportunities for rural communities to access resources offered by Commerce, the IRP, and 44Go!.
  - 1.7.4. Establish channels to exchange relevant data, research findings, and economic indicators to inform decision-making, strategic planning, and policy development at the local, county, and regional levels.

## GOAL 2. PLACE

*Encourage placekeeping and quality-of-life initiatives that celebrate a community's story and create opportunities for resiliency and adaptability.*

Idaho is known as a state with world-class outdoor amenities. Participants in the roundtable portion of this project ranked access to the outdoors, quality of life, and natural beauty as some of the attributes they loved best about living in Idaho. Following this sentiment, participants often pointed to the importance of a sense of community and place in rural communities as reasons why they choose to live where they do. These qualities play an important role in the lives of Idaho residents, contribute to billions of dollars in tourism impact, attract new residents from other states, and influence the site selection decisions of businesses.

As tourist areas experience record numbers of visitors and rural areas gain population, it is critical for Idaho to maintain the quality of place it is known for. The strategies and actions in this section are designed to capitalize on the characteristics of rural areas that attract residents, visitors, and businesses while also working to maintain a sense of place (placekeeping).

### *Strategies and Actions*

- 2.1. Prioritize efforts to invest in main streets and downtown areas of rural communities.
  - 2.1.1. Create an ongoing funding stream to support the Idaho Main Street Program and fund a full-time program coordinator.
  - 2.1.2. Explore the establishment of regional rural main street programs in coordination with the business support efforts of the EDDIs.

- 2.1.3. Support historic preservation efforts, to include adaptive reuse of existing buildings. Explore opportunities for a state incentive that could be used in combination with the Federal Historic Rehabilitation Tax Credit.
  - 2.1.4. Focus on main street development and redevelopment, prioritizing projects that provide a mix of uses, activate underutilized spaces, provide community amenities, or that enhance connections among housing and job opportunities.
  - 2.1.5. Incorporate a community's history and identity with locally and culturally relevant art and historic storytelling. Encourage the establishment of cultural or creative districts in coordination with arts and cultural groups, such as the Idaho Commission on the Arts and the Idaho State Historical Society's Certified Local Government grant program.
  - 2.1.6. Encourage outdoor gatherings, such as farmers' markets, festivals, and pop-up events that draw residents and visitors to downtown areas.
- 2.2. Support community infrastructure initiatives to increase the retention of existing residents.
- 2.2.1. Facilitate community-based assessments that help rural leaders and residents identify priorities, secure grant funding, and attain economic development objectives. This strategy would include relaunching the Idaho Rural Partnership Community Review program.
  - 2.2.2. Support increasing housing types at accessible price points for the local workforce and residents by serving as a convener and supporter of ongoing initiatives.
    - Ensure the needs and experiences of rural communities are represented at statewide events such as the Idaho Housing and Finance Association's Conference on Housing and Economic Development to elevate issues and solutions.
    - Support the preservation of existing housing stock for older people and low- to moderate-income households by supporting the use of funding programs for weatherization, repair, rehabilitations, and adaptive use.
    - Encourage creative approaches to housing preservation, such as promoting cooperative ownership of housing and workforce housing on vacant or underutilized public property.
    - Continue to coordinate with employers making major capital investments, such as private and not-for-profits, developers, and other leaders working to increase access to housing.
  - 2.2.3. Convene public, private, association, and nonprofit sector partners to expand access to affordable childcare and elder care.
    - Connect local and regional initiatives to organizations and efforts at the state level, such as the Idaho Association for the Education of Young Children, IdahoSTARS, the Idaho Child Care Program, and the Idaho Commission on Aging.
    - Explore local and regional funding strategies to increase the median wage for childcare and elder care workers.
    - Work with main streets, local government, education, and regional officials to identify vacant or underutilized real estate that could be utilized for new childcare or eldercare facilities.
  - 2.2.4. Encourage the expansion of healthcare facilities into underserved areas, or in areas where increased demand is anticipated, through the use of partnerships and incentives to identify potential sites and development strategies.

- 2.2.5. Collaborate with groups such as the Idaho Access Project and the Idaho Commission on Aging to get a better understanding of the issues and solutions related to helping people age in place.
- 2.3. Expand and support tourism initiatives for natural, recreational, historic, and other place-based tourism assets.
  - 2.3.1. Help rural communities connect with statewide tourism campaigns and funding initiatives such as the [Idaho Regional Travel and Convention Grant Program](#) to elevate the stories and amenities of rural areas.
  - 2.3.2. Continue to work with rural communities to identify and implement intra-regional promotional opportunities in support of the Idaho Regional Travel and Convention Grant Program and the associated [strategic plan](#).
  - 2.3.3. Incorporate EDOs into tourism-related events by cross-promoting and attending events among sectors and sharing resources, such as research or marketing materials.
  - 2.3.4. Grow the agritourism industry through coordinated marketing and technical assistance.
    - Promote agritourism events within statewide tourism marketing initiatives in coordination with the Idaho State Department of Agriculture’s Idaho Preferred program and the Idaho Wine Commission.
    - Provide technical assistance materials for farmers and ranchers that provide guidance on incorporating agritourism into their business models.
    - Create connections among business owners in agritourism to facilitate information sharing.
- 2.4. Establish an outdoor recreation coalition that focuses on the economic impact of outdoor recreation, supports opportunities for small businesses related to outdoor recreation, and promotes related tourism.
  - 2.4.1. Connect with organizations such as Tested in Idaho, which focuses on outdoor recreation companies developing products in Idaho, to identify ways to build the outdoor recreation workforce.
  - 2.4.2. Work with small businesses and service providers to identify gaps in the outdoor recreation business support and supply chain ecosystem.
  - 2.4.3. Coordinate with the Idaho Outdoor Recreation Fund Advisory Council, which advises the governor and provides grant opportunities to expand outdoor recreation or access to it in Idaho, to elevate outdoor recreation in rural communities.
  - 2.4.4. Continue attendance and involvement in outdoor recreation-focused events, such as the Idaho Conference on Recreation and Tourism and Northwest Pavilion to build the Idaho outdoor brand.
  - 2.4.5. Collect data to measure the economic impact of the outdoor recreation industry in Idaho. Use the data to message these impacts.
- 2.5. Examine policy and programmatic barriers to placekeeping and growth.

- 2.5.1. Support agriculture and farmland preservation, especially in areas adjacent to urban and developing communities.

**Examples:** The [Pennsylvania Agricultural Conservation Easement Purchase Program](#) provides funding for state and county governments to purchase conservation easements from farmers, preserving more than 630,000 acres of farmland since 1989. The Vermont [Farmland Conservation Program](#) works with land trust programs to purchase development rights to farmland and preserve it for agriculture. A related program, the [Vermont Land Trust Farmland Access Program](#), connects farmers with affordable farmland.

- 2.5.2. Identify zoning and land use barriers to providing greater access to a variety of housing types and facilitate the exchange of solution-oriented information among rural communities.
- 2.5.3. Work with communities, contractors, and developers to identify strategies that might expedite permitting processes for physical and community infrastructure.
- 2.5.4. Maintain data to track the economic impact of investments in placemaking and community development and create a messaging strategy about this data that can provide support for proposed policy or programmatic changes.

**Example:** Local Initiatives Support Corporation [provides sample guidance](#) for measuring impact and evaluating placemaking projects, as well as developing related storytelling and documentation.

## GOAL 3. TALENT AND PEOPLE

### *Support the development of a talent-driven economy.*

Idaho, and its rural communities in particular, has successfully attracted educated workers due to an abundance of outdoor recreation amenities, high quality of life, and a relatively lower cost of living. Despite the attraction of some workers, shortages in critical sectors like healthcare, professional services, and manufacturing persist. These shortages are often exacerbated by limited access to education and training in rural areas. Talent retention struggles, particularly of young professionals, further compound these challenges. In partnership with the workforce development system, however, Commerce can help to enhance career opportunities in more remote parts of the state and encourage investments in training that align workforce capabilities with industry needs. Addressing rural talent challenges will require collaborative efforts across government, education, and business. The strategies and actions in this section offer practical ways for Commerce to help build a resilient and adaptable workforce for Idaho's future.

### *Strategies and Actions*

- 3.1. Work with local and regional workforce partners and EDOs to align training offerings with in-demand skills.
- 3.1.1. Convene and create space for industry and training providers to discuss and address employer needs through summits and workforce focused events. The Idaho Workforce Development Council's annual summit, Age of Agility: The Governor's Summit on the Future of Work, and similar workforce events provide opportunities to partner on content and session.
- 3.1.2. Continue to support workforce development training programs, such as Idaho LAUNCH, by advocating for expansion and improvements.

- 3.1.3. Structure the Idaho Workforce Development Training Fund to incentivize employer training based on skill needs and priorities identified by employers in business retention efforts.

**Example:** Maryland’s Department of Commerce created the [Partnership for Workforce Quality](#) to provide matching training grants and support services to improve the competitive position of small and midsize manufacturing and technology companies. The funds can be used to upskill existing workers in new technologies and production processes, boost employee productivity, and increase employment stability.

- 3.2. Encourage the development of training that meets resident needs related to in-demand occupations, such as jobs in professional and healthcare services.
- 3.3. Partner with training providers to improve access to training in rural and remote areas.
  - 3.3.1. Encourage further development of satellite campuses, online degree programs, and distance learning centers offered by large institutions and community colleges. Distance learning centers should be equipped with computers, video conferencing technology, and instructional resources. These centers can also serve as hubs for workforce training programs, allowing residents to participate in virtual classes, workshops, and seminars remotely.
  - 3.3.2. Advocate and support the development of online learning platforms to deliver workforce development courses and training programs to individuals in rural areas. Increasing online education options will allow residents to access training materials, lectures, and resources from anywhere with an internet connection, overcoming geographic barriers to participation.
  - 3.3.3. Deploy mobile training units equipped with classroom facilities, computers, and internet connectivity to bring workforce training programs directly to rural communities. These units can travel to multiple locations within a region, offering convenient access to training and education opportunities for residents.

**Example:** Workforce Solutions for North Central Texas deploys the [Mobile Workforce Unit](#) as a moving extension of its Workforce Centers. The 38-foot vehicle takes services directly to career seekers with 13 computer workstations and instant internet access. Career seekers can use the workstations to search for jobs, improve their résumés, and receive on-site training. The unit is also used to host career fairs and can be on-site for other recruiting events.

- 3.3.4. Collaborate with local organizations, such as libraries, tribal organizations, and nonprofit groups, to expand access to workforce development programs in rural areas. Leverage existing infrastructure and resources to deliver training and support services tailored to the needs of rural residents.
- 3.3.5. Support workforce development programs with flexible scheduling and delivery options to accommodate the needs of rural residents, many of whom may have responsibilities such as farming, ranching, or caregiving. Provide evening classes, weekend workshops, and hybrid learning models that combine in-person and online instruction.
- 3.3.6. Conduct targeted outreach and awareness campaigns, in partnership with providers, to promote workforce development programs and resources available to rural residents. Utilize local media, community events, and grassroots networks to raise awareness and engage residents in participating in training opportunities.
- 3.4. Grow and retain rural talent by addressing barriers to recruitment and retention.
  - 3.4.1. Ensure there are different types of housing and affordable housing options (see 2.2.1.) available to accommodate a range of income levels and lifestyles. Work with developers and local government

to create housing developments that cater to the needs of different demographics, including young professionals, families, and retirees.

- 3.4.2. Partner with local childcare providers and organizations to identify priority childcare deserts and expand access to affordable, high-quality childcare options. Provide resources and support for childcare providers, including training opportunities, business development assistance, and access to funding or grants.
- 3.4.3. Ensure access to quality healthcare services, including hospitals, clinics, and specialists by improving the pipeline of providers and expanding virtual and mobile options. Accessible healthcare is an essential consideration for individuals and families when choosing where to live and work.
- 3.5. Integrate newcomers and trailing spouses into the community to create a greater sense of belonging and to strengthen ties.
  - 3.5.1. Work with chambers and employers to improve community concierge style programs that address the challenges of newcomers. Personalized community tours, partner or spouse support, and integration assistance can help to create a customized relocation experience to help new residents acclimate and enhance their engagement in the community.
  - 3.5.2. Replicate and expand—in partnership with employers, workforce development groups, and local employers—trailing spouse programs. Finding suitable employment or rewarding career paths is often a challenge for spouses or partners and influences decisions to relocate to or leave a community. Local trailing spouse initiatives can help find employment for spouses or partners of prospective and new employees. Regional Economic Development for Eastern Idaho’s model is an example.
- 3.6. Develop a remote worker attraction campaign to help mitigate population loss in rural communities and grow the tax base.
  - 3.6.1. Target individuals in industries such as technology, finance, marketing, and consulting who have the flexibility to work remotely while enjoying the state’s natural beauty, outdoor recreation opportunities, and high quality of life.
  - 3.6.2. Leverage existing tourism efforts to increase the campaign’s reach.

**Example:** [Ascend West Virginia](#) is a talent attraction program for full-time remote workers or business owners seeking an outdoor lifestyle in the mountains of West Virginia. The program offers a one-time incentive package valued at over \$20,000, which includes \$12,000 in direct cash payments and a year of free outdoor recreational opportunities.

## GOAL 4. INFRASTRUCTURE

*Prioritize the needs of the state’s rural communities in the planning and development of physical infrastructure.*

Idaho is one of the nation’s fastest-growing states, with significant domestic in-migration occurring in rural counties. Commerce is uniquely suited to influence this area as part of its charge to encourage communities to be prepared for business growth through infrastructure development and site readiness. A strong infrastructure network requires consistent investment and maintenance, especially when strained by population growth. Adequate broadband access, robust transportation networks, and thoughtful resource planning not only improve the quality of life for residents, but also increase access to jobs, education, community amenities, and healthcare.



Infrastructure elements are also important to businesses and industries as they evaluate the feasibility of staying and growing in Idaho or the possibility of relocating to the state. The strategies and actions in this section can play a part in increasing access to infrastructure investment opportunities for rural communities and ensuring sufficient funding for multimodal transportation networks, water and wastewater systems, utilities, and broadband for residents and businesses.

## Strategies and Actions

- 4.1. Adopt an ecosystem approach to identify and communicate infrastructure needs across rural communities to funders and policymakers.
  - 4.1.1. Convene business leaders, economic development organizations, members of the Associations, local community groups, and representatives from state- and federal-level infrastructure departments to identify the needs of rural communities, propose solutions to obstacles, and share successes.
  - 4.1.2. Provide guidance on a process for identifying priority development sites and available infrastructure. Where infrastructure is needed to spur development, provide information on potential state and federal funding sources.
 

**Example:** The Oklahoma Department of Commerce Supporting Industrial Transformation and Economic Success program works with communities to link available sites to incoming projects and utilizes the Progressing Rural Economic Prosperity Fund to help build industrial sites in rural areas.
  - 4.1.3. Identify opportunities for regional collaboration on rural infrastructure projects. Build on efforts by the Advantage Group (a collaboration of state and federal partners who fund rural infrastructure projects) and the CEDS process directed by the EDDIs.
  - 4.1.4. Use the Idaho Rural Partnership or 44Go! to convey the priorities and investment needs identified from convenings in action 4.1.1 to state-level political leaders and policymakers.
- 4.2. Build capacity in rural communities to facilitate greater access to infrastructure improvement opportunities.
  - 4.2.1. Build an online tool to regularly share federal funding and grant programs that support infrastructure development with rural communities. The tool should combine a self-guided “what are you looking for” tour and automated processes to help users find funding opportunities. This initiative builds on existing efforts in Commerce’s *Show Me the Money* grants newsletter and the Advantage Club.
  - 4.2.2. Support local efforts to combine state and local funding options, such as tax increment financing, impact fees, and the state revolving loan fund with federal dollars in infrastructure initiatives.
  - 4.2.3. Continue to support Commerce’s Community Development team’s financial and technical assistance efforts funded by the community development block grant and rural community investment funds.
  - 4.2.4. Work with rural communities to identify gaps in capacity related to managing infrastructure development, construction, maintenance, and funding. Create responsive solutions by leveraging existing programs and partnerships, technical assistance, training, and facilitating partnerships among communities that share resources for greater impact.
  - 4.2.5. Provide access to technical assistance for local EDOs and community leaders. Potential topics for technical assistance include preparing for funding, connecting to funding databases, accessing data for decision-making, completing grant applications, managing grants, and managing contracts.

**Example:** The [Local Infrastructure Hub](#) is a national program funded by a group of nonprofit and for-profit organizations that provides resources, guidance, and courses for small and midsize cities to facilitate the development of competitive infrastructure grant applications. Kansas has also developed a [statewide Infrastructure Hub](#) designed to facilitate greater access to the Bipartisan Infrastructure Law by making information and technical assistance available.

- 4.2.6. Coordinate with rural communities to build bridges to funding with shared resources, such as funding regional grant writers or establishing a fiscal agent to support the grant process.

**Example:** The state of Colorado created the Infrastructure Investment and Jobs Act Cash Fund, which provides funding for consultant-led grant writing support and technical assistance project planning for state agencies, local governments, and tribes in Colorado.

- 4.3. Identify rural-focused infrastructure investments and projects that strengthen existing networks and support new development as part of a long-term infrastructure planning initiative.

- 4.3.1. Support the implementation of the Idaho Broadband Strategic Plan by working with the Idaho Broadband Advisory Board to highlight areas in need of greater access to affordable broadband service.
- 4.3.2. Encourage the expansion of broadband networks in underserved areas of rural communities in coordination with Link Up Idaho.
- 4.3.3. Work with rural communities to strategically deploy publicly accessible Wi-Fi in commercial corridors or gathering areas, such as downtowns, main streets, and libraries.
- 4.3.4. Elevate opportunities, in coordination with rural community leaders, housing developers, employers, and the Idaho Transportation Department, to establish and grow transit networks that create connections within rural places and also among them and larger communities.

**Example:** The [Roaring Fork Transportation Authority](#) in Colorado claims to be the largest rural transit system in the US, creating critical ever-evolving transit links among municipal jurisdictions and their individual transportation networks for workers, residents, and tourists.

- 4.3.5. Support ongoing transportation improvements through the Idaho Transportation Investment Program, the Long-Range Transportation Plan, and the Idaho Strategic Freight Plan.
- Connect rural communities with opportunities to participate in plan update and amendment processes.
  - Raise awareness of the need for a north-south interstate that connects major population centers.
- 4.3.6. Connect rural communities with opportunities to provide input to the Idaho Department of Water Resources State Water Plan updates.
- 4.3.7. Convene representatives from rural communities, the Idaho Rural Water Association, the Idaho Water Resource Board, and the Idaho Department of Environmental Quality to develop a comprehensive approach to assisting rural communities with information and planning strategies related to system capacity and long-term water management.
- 4.3.8. Link rural areas to state energy capacity, renewable energy, and resiliency efforts in coordination with the Idaho Governor's Office of Energy and Mineral Resources, the Public Utilities Commission, and utility providers.

# PLANNING CONTEXT

To provide a foundation for the planning process, TIP examined the policies, relationships, and priorities influencing economic development in Idaho's rural communities. This objective was accomplished by reviewing relevant background documents and engaging economic and community development stakeholders through small group and one-on-one conversations. Insights gleaned from this qualitative research were combined with the results of an in-depth quantitative analysis to develop the four key findings outlined in this section, which influenced the plan framework, goals, and strategies.

# ECONOMIC CONTEXT

TIP conducted an analysis of Idaho's competitiveness both internally (providing context across its geographic regions) and externally (assessing Idaho's performance relative to other states). The analysis was completed as part of the project's initial phase. Data collection began in May 2023 and the work extended for the next 11 months. An in-depth analysis was delivered to Commerce in an interactive data visualization. The key findings of this analysis, summarized in this section, helped shaped the direction of the strategic plan.

## *Residents must be supported by infrastructure and high quality of place.*

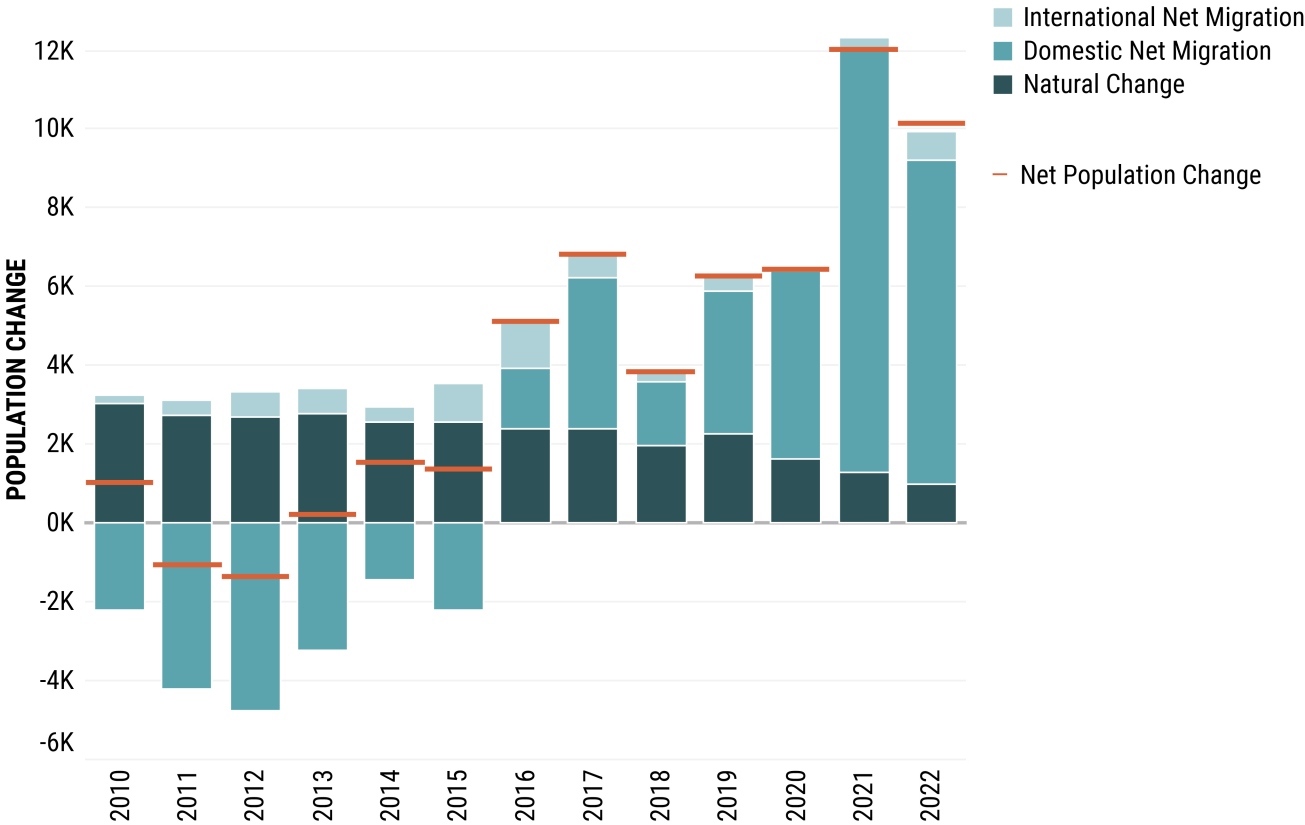
Idaho has become one of the fastest growing states in the nation, adding nearly 90,000 residents from 2020 to 2022. A steady flow of workers from California, Washington, Oregon, and other states across the Pacific and Mountain regions<sup>1</sup> have relocated to Idaho in recent years, while residents from Idaho's metropolitan areas have moved to the state's non-MSA counties.<sup>2</sup> For such rapid growth to enjoy ongoing support, rural Idaho must ensure the presence of adequate physical infrastructure. Working with rural communities to identify gaps in the existing broadband, water/wastewater, and transportation networks can help connect rural Idahoans to urban cores, position rural Idaho as a desirable location for potential residents or investors, and improve the quality of life for residents. The redevelopment of downtowns and historic main streets in rural communities can also provide benefits for residents through the revitalization of social gathering places that create a distinctive local identity. While rural Idaho is experiencing net population growth due to this influx of new residents, it has had difficulty retaining students and young professionals. In every year from 2010 through 2022, Idaho experienced a net loss of residents under the age of 25. Investments in workforce entry programs that address in-demand skills can connect students and recent graduates to local job opportunities, helping rural Idaho communities better retain their young workforce. The construction of new housing at a price point that is friendly to the emerging workforce will also increase Idaho's draw as a place to live comfortably.

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<sup>1</sup> The US Census Bureau groups the 50 states into four statistical regions comprised of nine divisions, including the Pacific (Alaska, California, Hawaii, Oregon, and Washington) and Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming) regions.

<sup>2</sup> Non-MSA counties are those that are not part of a metropolitan statistical area (MSA), including counties located in micropolitan areas and rural counties. The US Census Bureau offers [additional information about metropolitan and micropolitan statistical areas](#).

**Figure 4. Drivers of Population Change**  
Idaho (non-MSA counties)

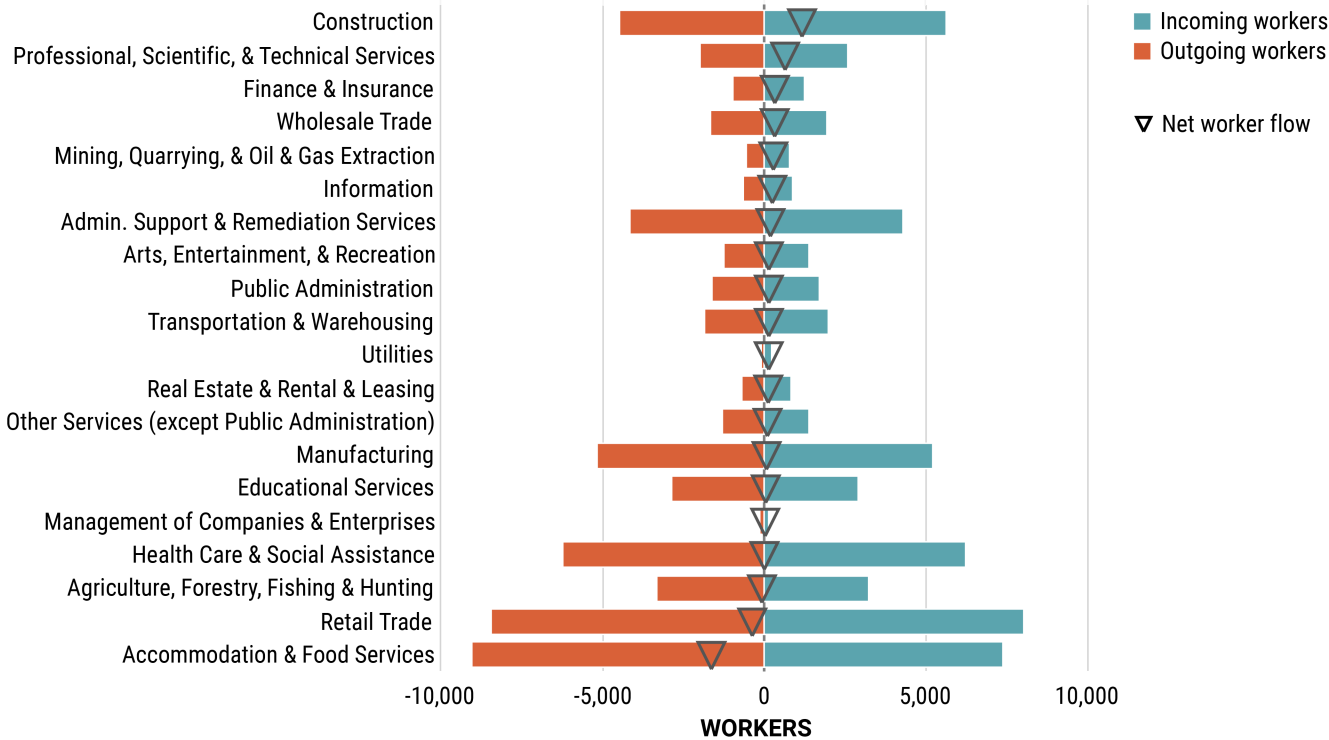


Source(s): US Census Bureau, Population Estimates Program; Moody’s Analytics; TIP Strategies, Inc.  
Note(s): Natural Change is the difference between annual births and deaths. Total population change includes a residual (a change in population that cannot be attributed to any specific demographic component). Residual change is not shown in the chart but is included in the net population change shown by the red bars. 2010 and 2020 components are estimated based on a 12-month projection of the 2<sup>nd</sup> quarter (the period between the Census and the mid-year estimate) that is not seasonally adjusted.

**Increasing housing stock and variety should be prioritized.**

With Idaho experiencing such rapid population growth, increasing the amount of available housing should be a high priority for rural communities looking to support and retain their growing populations. The workforce migrating to rural Idaho is not dominated by one single industry. As shown in Figure 5 (page 18), rural Idaho has seen a net inflow of workers in nearly every industry sector from the beginning of 2020 to 2022 Q3, with jobs in these industries representing a mix of working conditions, education requirements, and salaries. Given this, it’s important that the stock of available housing reflects the needs of rural Idaho’s ever-growing population. Increasing the quantity of housing will allow Idaho’s rural communities to continue to support and welcome residents from both urban Idaho and out-of-state, while maintaining a mix of housing options will allow residents of varied means and needs to live comfortably. As discussed alongside Figure 4 (page 17), an increase in the stock of price-point friendly housing will allow rural communities to target and retain a young workforce, making living in the area more affordable for recent graduates and young professionals.

**Figure 5. Worker Migration Net Flow, Industry Sector**  
 Net flow of workers to and from Idaho (non-MSA counties) by industry sector, 2020 Q1–2022 Q3

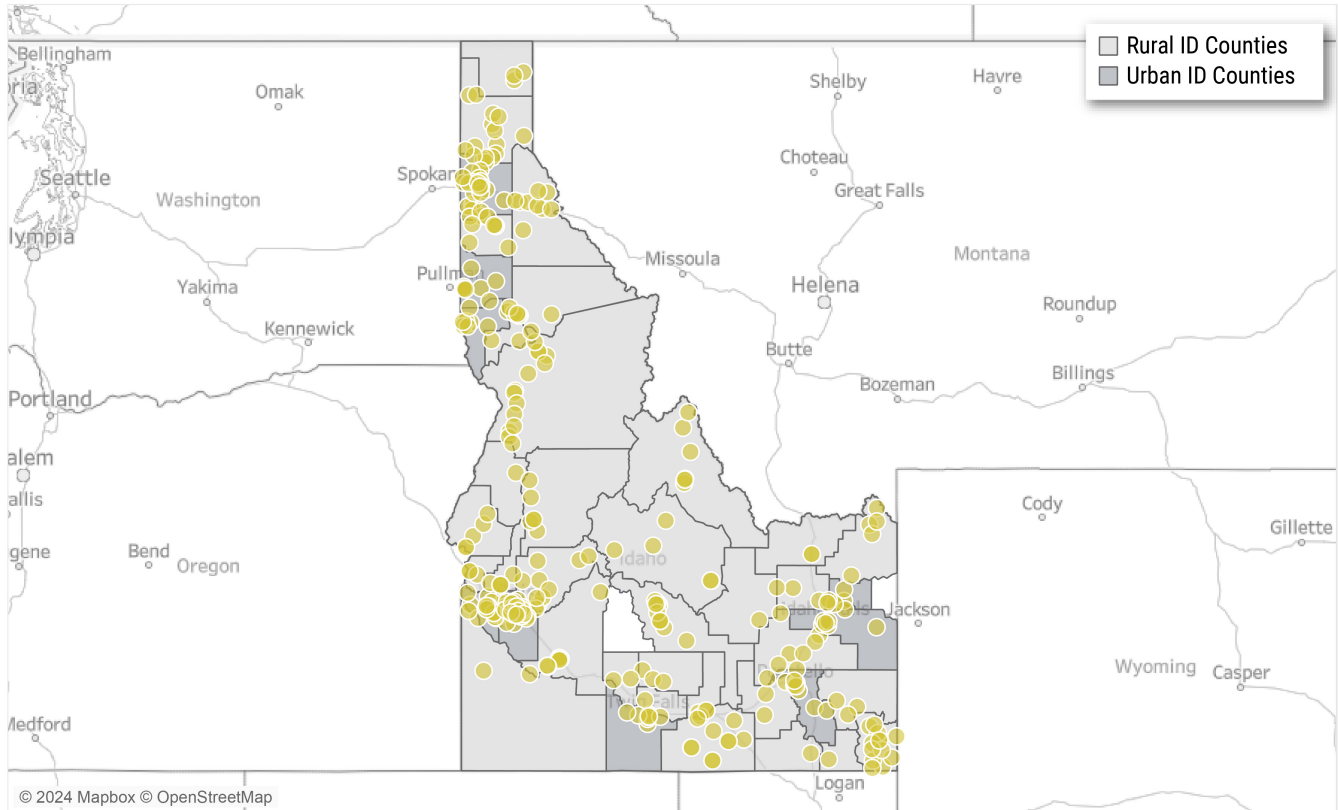


Source(s): US Census Bureau’s LEHD, J2J; TIP Strategies, Inc.  
 Note(s): Data include hires and separations of workers among establishments who experienced brief unemployment (one quarter or less). Only establishments with unemployment insurance (UI) covered employees are included. 2022 only includes data through quarter three. Industry sectors indicate the sector of employment in Idaho (non-MSA counties).

***Workforce development can strengthen the professional services and healthcare industries.***

With a growing population, rural Idaho must invest in training opportunities that allow for its talent-driven economy to thrive. This is especially true for industries in which the state’s counties have a relatively low concentration of workers, like healthcare and social assistance as well as professional, scientific, and technical services. Despite the relative affordability of an undergraduate program at Idaho’s public, four-year universities, just under one-third of Idaho residents over the age of 25 have a bachelor’s degree. To foster the growth of a workforce in the professional, scientific, and technical service industries, where higher education is often a prerequisite, it’s important that the state increase the postsecondary education opportunities available to residents through options like online degree programs and satellite campuses. Professional services can also be expanded by marketing the state toward entrepreneurs or firms looking to relocate, leveraging the state’s rapid growth to nurture a culture of innovation. Rural Idaho is home to an older population, with the median age of many counties surpassing the national median of 38, reaching into the 40s and 50s. For older residents, as well as residents of the state’s mountainous central region who have limited access to healthcare, the continued operation and support of rural healthcare facilities is critical. Attracting healthcare workers to rural Idaho and working with healthcare providers to develop training programs for in-demand skills can help sustain the talent pipeline in this industry and foster the expansion of healthcare facilities to underserved areas or communities that anticipate increased demand in the future.

**Figure 6. Emergency Medical Service Facilities**  
Distribution of facilities across Idaho counties



Source(s): US Department of Homeland Security, Homeland Infrastructure Foundation-Level Data; 2021 American Community Survey 5-year sample; TIP Strategies, Inc.

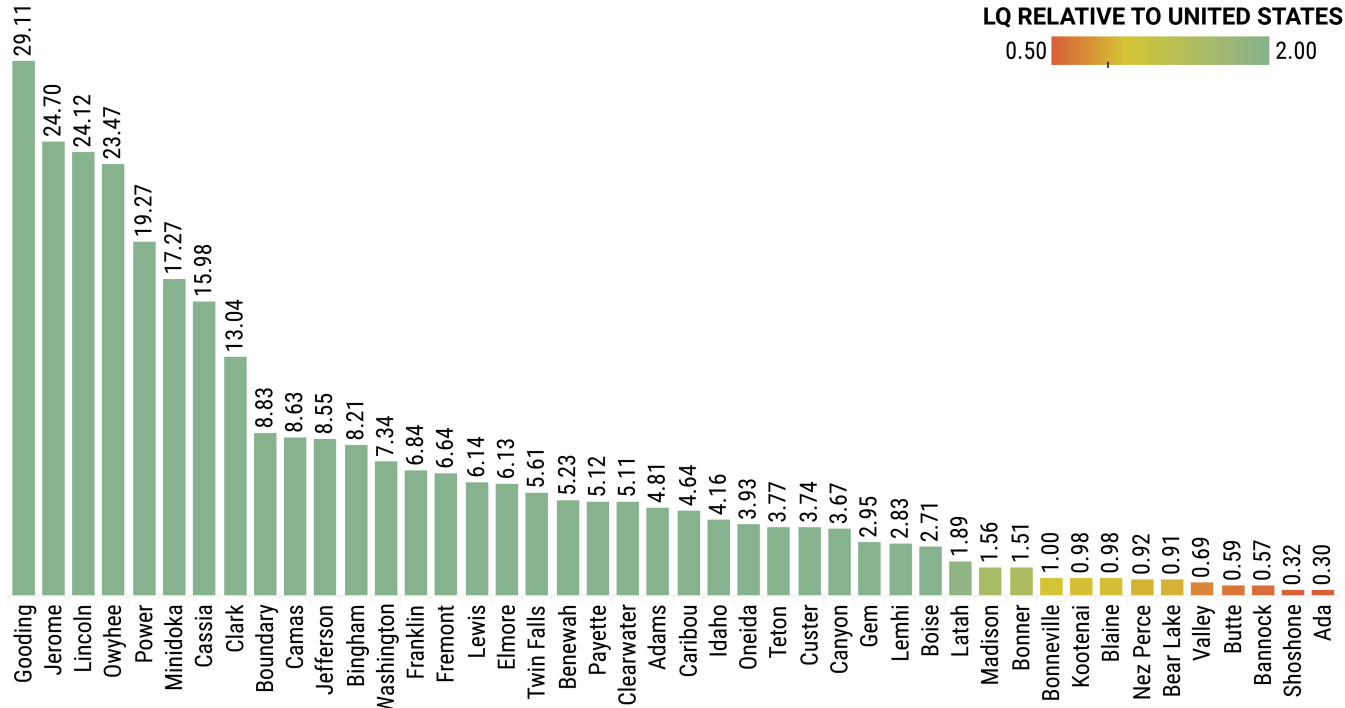
### *The outdoor economy represents an opportunity for collaboration across industries.*

As new residents flock to rural Idaho, the state's natural beauty and opportunities for outdoor recreation remain one of its biggest strengths. Idaho has the third highest employment concentration of any state in the agriculture, forestry, fishing and hunting industry, outranked only by the Dakotas. Among Idaho's rural counties (those without a city of more than 20,000 residents), nearly all demonstrate a higher concentration of employment in this industry than the US as a whole. Despite the relative strength rural Idaho demonstrates in this industry, the sustained success of its outdoor economy also depends on its ability to capitalize on these assets, promoting them for tourism and the continued attraction of new residents. Many of Idaho's rural counties have a relatively low concentration of employment in the arts, entertainment, and recreation industry, limiting opportunities for coordination among entertainment and tourism organizations and those managing the state's natural environment. By connecting rural communities to statewide tourism efforts, Idaho can spotlight some of its unique assets. Additionally, coordinated efforts between both industries will allow for better understanding of the economic impact the outdoor recreation and agrotourism industries have on Idaho's rural outdoor communities.

#### **LOCATION QUOTIENTS**

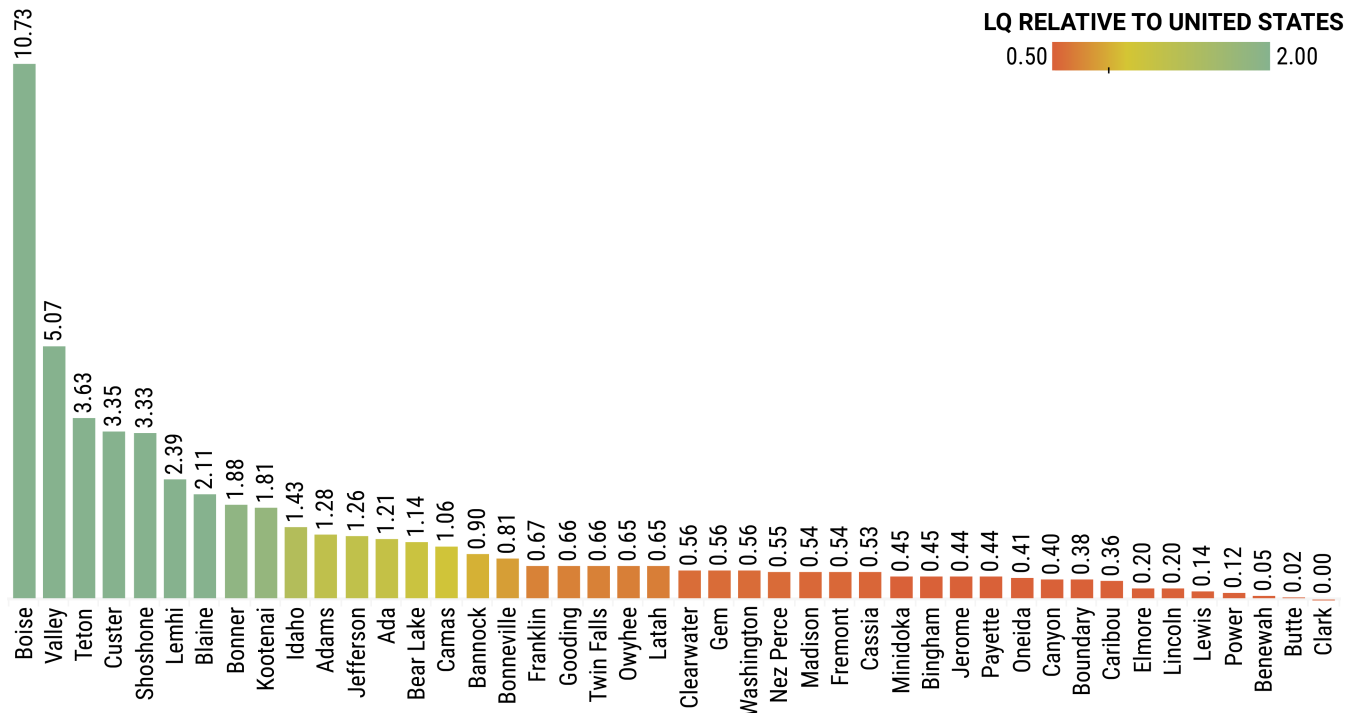
A location quotient (LQ) analysis is used to highlight areas of relative concentration. LQs are typically calculated as an industry's share of total local employment divided by the same industry's share of employment at the national level. For example, if an industry represents 1 percent of US employment and 5 percent of local employment, its LQ would be 5.00, meaning that employment in the industry in the local area is five times as large as would be expected based on national patterns. An LQ of 1.25 or greater can suggest areas for targeting.

**Figure 7. Idaho Counties, Industry Sector Concentration Location Quotient (LQ)**  
 Agriculture, Forestry, Fishing and Hunting



Source(s): Lightcast 2023.3; TIP Strategies, Inc.

**Figure 8. Idaho Counties, Industry Sector Concentration (LQ)**  
 Arts, Entertainment, and Recreation



Source(s): Lightcast 2023.3; TIP Strategies, Inc.





# SOAR ANALYSIS

During the project’s initial phase, the consulting team gathered input from stakeholders in rural Idaho concerning local economic development issues. To supplement this qualitative information, TIP conducted an extensive quantitative analysis of rural Idaho’s competitive position. The results of these efforts informed the following strengths, opportunities, aspirations, and results (SOAR) analysis, which is summarized in Figure 9.

The four components of a SOAR analysis can be defined as follows.

- **Strengths:** Assets and resources that can be built on to grow, strengthen, and diversify the economy of rural Idaho.
- **Opportunities:** Competitive advantages and positive trends that hold significant potential for the attraction of new businesses, investments, and skilled workers.
- **Aspirations:** A future-forward vision that describes strategic initiatives, areas of impact, and achievements.
- **Results:** Measurable and demonstrable indicators of success. Results align with aspirations driving the intended impact.

Figure 9. SOAR Summary

 <p><b>STRENGTHS</b></p>	 <p><b>ASPIRATIONS</b></p>
<ul style="list-style-type: none"> <li>• Anchor institutions (universities, Idaho National Laboratory, Mountain Home Air Force Base)</li> <li>• Outdoor recreation amenities</li> <li>• Great quality of place</li> <li>• Tourism/visitor economy</li> <li>• Agricultural and natural resources</li> <li>• Abundance of available land</li> <li>• Entrepreneurial mindset</li> <li>• Sense of community</li> <li>• Rich history and culture</li> </ul>	<ul style="list-style-type: none"> <li>• Convene leaders and stakeholders from rural communities to build capacity, identify issues, and drive solutions.</li> <li>• Support the creation of new partnerships, and leverage existing ones, to ensure greater access to economic opportunity.</li> <li>• Facilitate access to strategic investments in infrastructure, workforce development, support for small businesses and entrepreneurs, and placekeeping.</li> <li>• Increase retention of graduates and existing residents and increase the number of new residents.</li> </ul>
 <p><b>OPPORTUNITIES</b></p>	 <p><b>RESULTS</b></p>
<ul style="list-style-type: none"> <li>• Increasing accessibility among rural and urban centers through transportation.</li> <li>• Encouraging regional collaboration for needed infrastructure developments.</li> <li>• Building capacity for local infrastructure planning through technical assistance.</li> <li>• Improving access to affordable housing and diversifying housing stock.</li> <li>• Leveraging assets to grow the renewable energy sector.</li> <li>• Encouraging economic growth through entrepreneur and small business support.</li> <li>• Developing rural and metro area cooperative workforce development plans.</li> </ul>	<ul style="list-style-type: none"> <li>• New partnerships established</li> <li>• Number of new businesses</li> <li>• Number of new jobs</li> <li>• Labor participation rate</li> <li>• Employment by industry or occupation</li> <li>• Median annual wage</li> <li>• Education outcomes</li> <li>• Number of new affordable housing units</li> <li>• Number of new childcare facilities and certified childcare providers</li> <li>• Infrastructure investments: capital investment, jobs leveraged, miles built, homes and businesses served, etc.</li> <li>• Annual visitors</li> <li>• Lodging revenues</li> </ul>





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