
OKANOGAN COUNTY PROFILE
SEPTEMBER 1997

Labor Market and Economic Analysis Branch
Employment Security Department

This report has been prepared in accordance with
RCW 50.12.260.

Carver Gayton, *Commissioner*
Washington State Employment Security Department

Gary Bodeutsch, *Director*
Labor Market and Economic Analysis Branch
P.O. Box 9046
Mail Stop 6000
Olympia, WA 98507-9046
(206) 438-4800

Prepared by Jay Barrier, *Economic Analyst*
Layout by Bonnie Dalebout, *Editorial Assistant*

Acknowledgements:

Okanogan Job Service Center
126 S. Main
P.O. Box 3759
Omak, WA 98841
(509) 826-7310

Okanogan County Council for
Economic Development
P.O. Box 741
Okanogan, WA 98840
(509) 826-5107

Price \$4.50
plus 8% sales tax for Washington residents

TABLE OF CONTENTS

<p>INTRODUCTION 1</p> <p>GEOGRAPHY 2</p> <p>ECONOMIC HISTORY 3</p> <p>POPULATION 4</p> <p style="padding-left: 20px;">Trends</p> <p style="padding-left: 20px;">Towns and Cities</p> <p style="padding-left: 20px;">Age Groups</p> <p style="padding-left: 20px;">Demographics</p> <p>LABOR FORCE 8</p> <p style="padding-left: 20px;">Trends</p> <p style="padding-left: 20px;">Demographics</p> <p>UNEMPLOYMENT 10</p> <p style="padding-left: 20px;">Trends</p> <p style="padding-left: 20px;">Demographics</p> <p style="padding-left: 20px;">Industry Types and Unemployment</p> <p style="padding-left: 20px;">Unemployment Insurance Claims</p> <p>INDUSTRIES, EMPLOYMENT, AND WAGES 14</p> <p style="padding-left: 20px;">Employment Trend</p> <p style="padding-left: 20px;">Location Quotients</p> <p style="padding-left: 20px;">Annual Average Wage</p> <p style="padding-left: 20px;">Agriculture</p>	<p>Construction and Mining</p> <p>Manufacturing</p> <p>Transportation and Public Utilities (TPU)</p> <p>Trade</p> <p>Finance, Insurance, and Real Estate (FIRE)</p> <p>Services</p> <p>Government</p> <p>Industry Projections</p> <p>OCCUPATIONAL PROFILE 24</p> <p>INCOME 27</p> <p style="padding-left: 20px;">Personal Per Capita Income</p> <p style="padding-left: 20px;">Personal Income</p> <p style="padding-left: 20px;">Total Earnings</p> <p style="padding-left: 20px;">Transfer Payments</p> <p style="padding-left: 20px;">Investment Income</p> <p>JOB TRAINING AND ECONOMIC DEVELOPMENT 32</p> <p style="padding-left: 20px;">Job Training</p> <p style="padding-left: 20px;">Economic Development</p> <p>SUMMARY 35</p> <p>APPENDIX - Okanogan County Selected Economic Data A-1</p>
--	---

INTRODUCTION

This report profiles the labor and economic characteristics of Okanogan County. It was prepared by the Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department and is one in a series that profiles labor market and economic conditions in each of Washington's 39 counties.

The profile is designed to assist state and local planners in developing local economic strategies. It is also an effective tool for answering labor market and economic questions frequently asked about the county. Readers with specific information needs should refer to the *Table of Contents* or to the *data appendix* to more quickly access those sections of particular interest to them.

Like the earlier Okanogan County Profile of October 1993, the purpose of this report is to provide a comprehensive labor market and economic analysis of Okanogan County. Characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends
- industries, employment, and earnings
- skills and occupations
- economic development and job training

Much of the information in this report is regularly updated on the LMEA Internet homepage. The homepage contains current and historical labor market information which can be accessed by area or by type of information. The site address is:

<http://www.wa.gov/esd/lmea>

Any inquiries or comments about information in the profile should be directed to the Labor Market and Economic Analysis Branch.

GEOGRAPHY

Okanogan County is situated in north central Washington State. It is bounded to the west by Whatcom, Skagit, and Chelan counties, to the east by Ferry County, and to the south by Douglas County. To its north is British Columbia, Canada.

The largest county in Washington State, Okanogan County covers 5,281 square miles. Standing alone, the county comprises almost 8 percent of the state's entire landmass. In fact, it is the third largest county in the continental United States.

The western half of Okanogan County is dominated by dense, rugged, and mountainous terrain that makes up much of the Okanogan National Forest. To emphasize the point, this wilderness expanse also represents the eastern slope of the Cascade Range. Some of the higher elevations in Okanogan County include Oval Peak (8,800 feet), Gardner Mountain (8,760 feet), Rimmel Mountain (8,690 feet), and Tiffany Mountain (8,242 feet). Similar terrain dominates the northeast corner of the county, which is also designated Okanogan National

Forest land. There, the terrain rises as high as 7,258 feet above sea level at the summit of Bonaparte Mountain.

From the ruggedness of the surrounding mountain ranges, the terrain descends into rolling hills and grassy ranges that extend through the center of Okanogan County. These areas represent the county's fertile valleys.

Melting snow and precipitation bring water down from the higher elevations and into the central valley, forming a network of rivers and lakes. In the northern part of the county (near the U.S.Canadian border) are Palmer, Wannacut, Spectacle, Whitestone, and Blue lakes, as well as the dominant Osoyoos Lake. From its origins at Osoyoos Lake, the Okanogan River is fed by numerous rivers and streams as it flows south. The river ends its southward journey as it empties into the lake formed by back flow from the Wells Dam. From that point on, the waters become part of the Columbia River as it flows east along the county's southern border. Omak Lake, situated in south central Okanogan County, is another significant body of water.

ECONOMIC HISTORY

Okanogan County derives its name from the Indian tribe and word meaning rendezvous. The term is believed to have first been used to acknowledge the gathering place at Osoyoos Lake where American and Canadian Indians met to catch fish, trade goods, and hold pot-latches. The term was later applied to the local Native Americans and subsequently to the county.

Organized in February 1888 by the Washington Territorial Legislature, Okanogan County was carved out of what was then the western portion of Stevens County. The bill passed by the legislature was signed by Territorial Governor Eugene Semple.

Before the advent of white settlement, the Okanogan Indians used to fish, trap beaver for pelts, and gather roots and berries from around the myriad of lakes and rivers in the fertile valley of what was to become central Okanogan County. It was not until the early 1800s that white explorers made their way through the region.

In July of 1811, while on his Columbia River journey from Kettle Falls to the Pacific Ocean near Astoria, English geographer David Thompson and his party passed the mouth of the Okanogan River. They did not, however, venture up the waterway. Later that year, though, David Stuart, an agent of John Jacob Astor's Pacific Fur Company, established Fort Okanogan about half a mile from the mouth of the Okanogan River. Chosen to serve as the northern outpost of Astor's fur empire, the fort was the first American settlement in what later became the state of Washington.

Fort Okanogan was later taken over by the Hudson's Bay Company when the Pacific Fur Company moved to another site one mile southeast of the fort. Trapping and fur trading were to remain the primary industries in the Okanogan region up through the mid-1800s. Thereafter, the industry slowly declined as otters and beavers were subject to overkill, causing fur stocks to be depleted.

The late 1880s and early 1890s saw renewed economic development in the region with the onset of railroad construction in the county. The Pacific Northern and Great Northern railroads began their inroads into the county in 1881 and 1892, respectively. As rail construction reached further into the region's interior, an increasing number of settlers, as well as necessary goods and supplies, were afforded easier access into the county.

However, it was the discovery of gold by Chinese railroad laborers that precipitated the steady influx of newcomers, mostly prospectors from the east and midwest.

With the flurry of gold rush settlement came the proliferation of mining towns such as Conconully and Ruby in the county's central mining district. While most newcomers came in search of gold and eventually picked up and moved farther west, many found the region to their liking and chose to settle. Their efforts were aided by the opening of the Columbia and Moses reservations to permanent homesteading and mining in 1886. The subsequent growth in population convinced the Territorial Legislature to partition the western half of Stevens County in 1888, thereby creating Okanogan County (Note: In 1899, south Okanogan County was partitioned to create a substantial part of Chelan County).

As the county's population began to increase in the late 1880s, several fledgling industries emerged as part of the county's economic base. These included a livestock, agriculture, and lumber and wood industry. In fact, by the turn of the century, the livestock industry would account for close to one-half of the county's total property valuation. And apples, destined to become the county's principle export, emerged as the dominant crop.

The pattern of economic expansion continued through the 20th century. Several key events marked the new age. Among these was construction of the Grand Coulee, Wells, and Chief Joseph dams. In addition to providing much needed water to the county's agriculture industry, these projects generated significant employment in the region. Another major event was the establishment of the North Cascades National Park. Though only a small portion of the park lies within Okanogan County, it encouraged the development of a local tourism and recreation industry. And the North Cascades highway opened Okanogan County to visitors from the west.

Today, apple production heads the list of the county's major industries. In fact, it is projected to expand still more in the wake of major orchard expansions several years ago. Livestock production, though still a substantial part of the county's economy, has shrunk from its peak at the turn of the century. The same can be said of mining. The local logging and lumber industries, particularly the latter, have suffered some employment contractions over the past decade due to industry restructuring and timber lockups.

POPULATION

Trends

Okanogan County's population climbed from 25,867 in 1970 to 37,500 in 1996—an increase of 45 percent (see Figure 1). By comparison, the state's population increased by 62 percent during the same period. The county's growth, though, was not uniform. Actual population decreases occurred in 1972-73 and 1985-86 and in general the first half of both the 1970s and 1980s were stagnant. Taking into account the stagnant periods and the periods of growth, the county has averaged a 1.4 percent annual increase since 1970. There has been an upswing in recent years—since 1990; the annual average increase was 2.0 percent.

Changes in the population generally reflect changes in the economy—people tend to follow jobs. A look at the components that constitute population change is revealing. The natural change (number of births less number of deaths) tends not to fluctuate radically and usually reacts only to major social disruptions (examples are the great Depression, which led to the lowest birth rate in the 20th century, and WWII's aftermath, the baby boom).

In Okanogan County, the natural change added 1,489 people to the population from 1990-96. It is, however,

the migratory element of population change that responds quickly to economic conditions. And the 1990-96 period had 2,661 more people entering than leaving the county. Combining the natural change with net migration yields an overall population increase of 4,150 for those years. Clearly, in-migration is the dominant factor in the county's recent population growth.

Figure 2
Population Trend
Okanogan County & Washington, 1970-1996
Source: Office of Financial Management

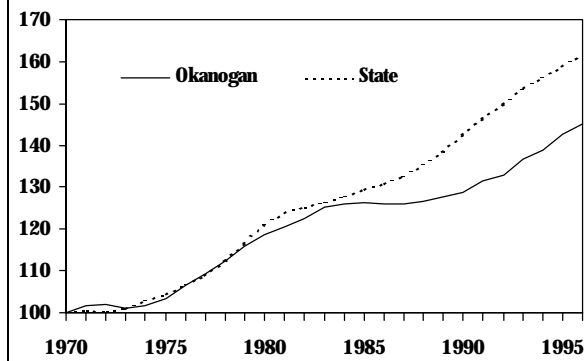


Figure 1
Population Trend
Okanogan County, 1970-1996
Source: Office of Financial Management

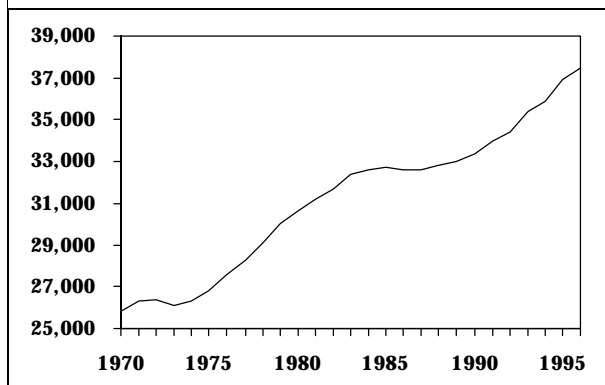
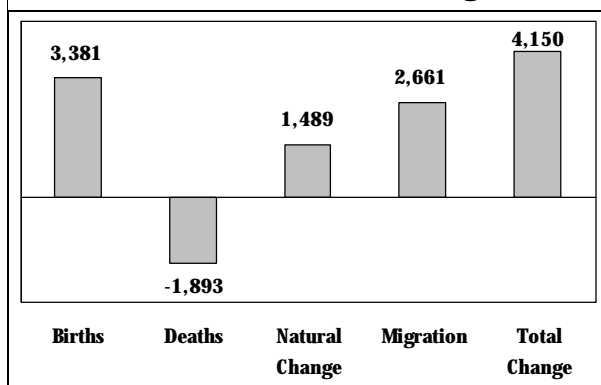


Figure 3
Components of Population Change
Okanogan County, 1990-1996
Source: Office of Financial Management



Towns and Cities

Okanogan County had 37,500 residents in 1996. Of these, 59 percent lived in unincorporated areas while the remaining 41 percent lived in incorporated areas.

There were 13 incorporated areas in Okanogan County in 1996. The largest was Omak (pop. 4,460); second largest was Okanogan, the county seat (pop.

2,415). Other cities with populations in excess of one thousand were Brewster (pop. 2,040), Oroville (pop. 1,580), and Tonasket (pop. 1,025). Furthermore, roughly one-half of the expansive Colville Indian Nation lands (pop. 6,957 in 1990) is situated in the county's southwest quarter.

Figure 4
Population of Cities, Towns, and County
April 1, 1990 to April 1, 1996
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996
Okanogan County	33,350	34,000	34,400	35,400	35,900	36,900	37,500
Unincorporated	19,294	19,838	20,168	21,052	21,435	21,764	22,128
Incorporated	14,056	14,162	14,232	14,348	14,465	15,136	15,372
Brewster	1,633	1,635	1,645	1,645	1,645	2,023	2,040
Conconully	174	165	160	172	180	193	190
Coulee Dam part	906	917	875	886	855	885	885
Elmer City	297	294	312	310	310	310	310
Nespelem	187	206	210	225	225	215	232
Okanogan	2,370	2,375	2,395	2,390	2,400	2,410	2,415
Omak	4,117	4,120	4,130	4,150	4,220	4,365	4,460
Oroville	1,505	1,505	1,505	1,515	1,520	1,550	1,580
Pateros	570	570	570	580	585	585	595
Riverside	223	240	250	255	250	270	285
Tonasket	900	933	960	985	1,020	1,025	1,025
Twisp	872	880	890	900	910	955	990
Winthrop	302	322	330	335	345	350	365

Age Groups

Some significant changes have and are occurring in the distribution of the population into various age groups. The baby boomers, those born between 1946 and 1964, constitute a large segment of the population and the older ones are starting to push 50 years of age. As this group has aged, it has caused major consequences, beginning with high levels of housing and school construction when the "boomers" were children in the 1950s and 1960s. In the next two decades,

they are going to start moving into the ranks of the retired. This will undoubtedly cause changes to the provision of social and health services throughout the county: older people generally require a much higher level of these services.

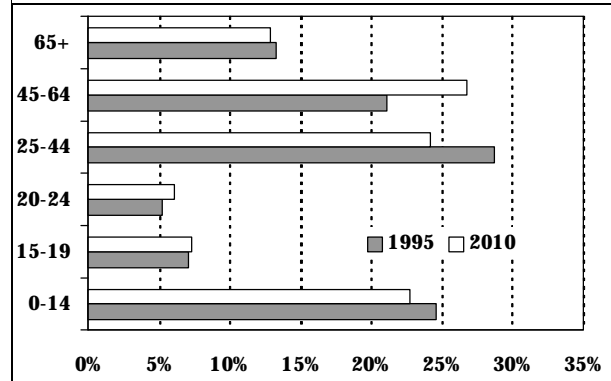
The population of Okanogan County in 1995 and 2010, categorized by age groups and their share of the population, is shown in *Figure 5* on the next page. Changes in each group's share of the general population

have significance if we make the following assumptions about group characteristics:

- 0-14 - Infants or adolescents a decade or two removed from the labor force.
- 15-19 - Prospective new entrants in the labor force, less college students.
- 20-24 - New entrants into the labor force.
- 25-44 - Workers in their prime years of work productivity.
- 45-64 - Mature workers with years of accumulated skills and experience.
- 65+ = Retirees.

As can be seen in the chart, the most dramatic change in the future will be the shift of the baby boomers from the 25-44 year-old group to the 45-64 year-old group. The 45-64 year-old group share size is expected to increase from 21 to 27 percent of the total while the 25-44 year-old group's size will decrease from 29 to 24 percent. In terms of the labor market, this means an older, more experienced work force. The other age groups are not projected to change much in share size.

Figure 5
Population by Age Groups
Okanogan County, 1995 and 2010
Source: Office of Financial Management



The youngest age group, those 0 to 14, will have the next largest change, going from 25 to 23 percent of the total. These changes approximately parallel those occurring throughout the state.

Demographics

The demographic makeup of Okanogan County and changes to it are sketched by the Census enumerations of 1990 and estimates by the Office of Financial Management for 1995. The 1995 estimates revealed a relative parity between the county's male and female populations,

with males holding a small numerical edge (50.3 percent versus 49.7 percent). *Figure 6* shows the population categorized by race and Hispanic origin for 1990 and 1995 in Okanogan County and Washington State.

Figure 6
Population Estimates by Race and Hispanic Origin
Okanogan County and Washington State, 1990 and 1995
Source: Office of Financial Management

Okanogan	1990 Census		1995 Estimates		90-95 % change
	Count	%	Count	%	
Total	33,350	100.0%	36,900	100.0%	10.6%
White	29,244	87.7%	32,179	87.2%	10.0%
Black	58	0.2%	98	0.3%	69.0%
Indian/Aleut	3,858	11.6%	4,205	11.4%	9.0%
Asian/Pacific Islander	190	0.6%	418	1.1%	120.0%
Hispanic	2,779	8.3%	6,128	16.6%	120.5%
Washington					
Total	4,866,69	100.0%	5,429,90	100.0%	11.6%
White	4,411,40	90.6%	4,812,50	88.6%	9.1%
Black	152,572	3.1%	187,294	3.4%	22.8%
Indian/Aleut	87,259	1.8%	106,919	2.0%	22.5%
Asian/Pacific Islander	215,454	4.4%	323,179	6.0%	50.0%
Hispanic	214,570	4.4%	310,343	5.7%	44.6%

Racially, the county remains predominantly white. Whites represented 87 percent of the county's population in 1995—about the same as the 1990 Census. This is close to the same as the statewide figure, where whites accounted for 89 percent of the population.

With 11 percent of the population in 1995, Native Americans were the county's largest minority racial group, although their percentage of the population did not change appreciably since the Census. Blacks represented less than 1 percent of the total and Asians and Pacific Islanders

slightly more than 1 percent. These figures are quite different from the statewide share sizes where Native Americans account for 2 percent, blacks over 3 percent, and Asians and Pacific Islanders 6 percent.

Those of Hispanic origin, who can belong to any race, constituted 17 percent of Okanogan's population, in sharp contrast to the state where they only make up 6 percent of the total.

LABOR FORCE

Trends

The resident civilian labor force is defined as all persons 16 years of age and older in a specified geographic area who are either working or looking for work. This excludes those serving in the armed forces or those who are institutionalized. Okanogan County's labor force was estimated to be 23,290 in 1996 (see *Figure 7*).

Okanogan County's labor force almost doubled, growing by 96 percent, between 1970 and 1996. The pattern of annual growth, however, was by no means stable. Rather, growth in the county's labor force was marked by numerous shifts attributed to cyclical swings in the economy.

Following a national recession that lasted most of 1970, annual growth in Okanogan County's labor force—though still positive—slowed considerably. A recession in 1974 caused the county's labor force to fall off yet again. The county's labor force rebounded during the latter half of the 1970s and by 1980 stood at 16,450.

Then came two national recessions in the early 1980s. The first recession occurred during the first half of 1980 and leveled growth in Okanogan County's labor force. However, the labor force recovered quickly and by 1982 stood at a record high 16,720. The second recession, which extended from mid-1981 to late 1982, was more severe. It precipitated a loss of over 10 percent of the county's labor force between 1982 and 1985. The result was the lowest labor force level (15,040 in 1985) in the 1980s.

During the mid-1980s, the nation entered a period of economic expansion. Following this lead, Okanogan County's labor force began expanding. And it has not stopped since. Since 1985, growth has occurred every year. The recession of 1990-91 had little effect upon labor force growth in the county. Overall, for the 1970-96, the labor force has averaged 2.6 percent annual growth. Statewide, the labor force grew at a somewhat quicker 2.9 percent annualized rate. *Figure 8* compares the two by indexing the labor forces to 1970=100.

Figure 7
Civilian Labor Force
Okanogan County, 1970-1996
Source: Employment Security Department

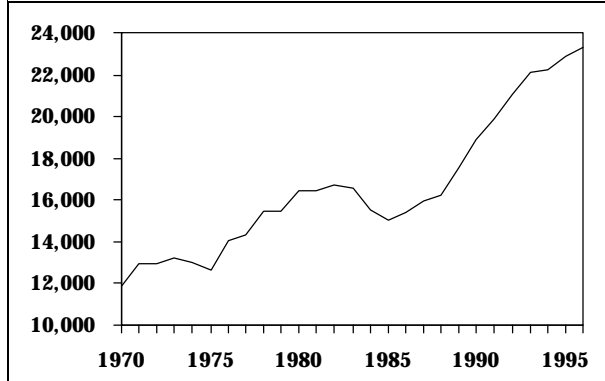
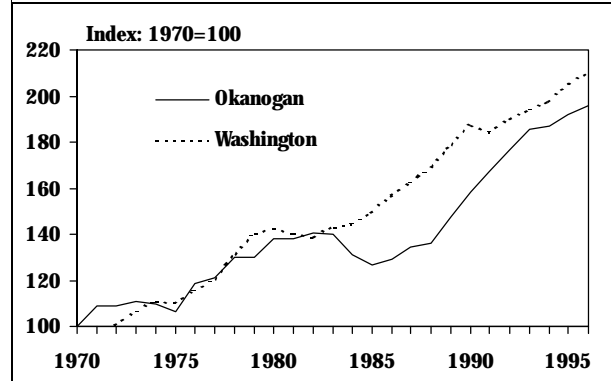


Figure 8
Civilian Labor Force
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



Demographics

Like the general population, the labor force in Okanogan is predominantly white. The accompanying table (*Figure 9*) shows the numbers categorized by race, Hispanic origin, and sex. This table, unlike the population demographic data, excludes those of Hispanic origin from the racial categories and carries them only in the Hispanic category. Those of Hispanic origin make up 18 percent of the work force; Native Americans, 9 percent; and whites, 72 percent.

Within the labor force, some 40 percent are women, significantly less than the 45 percent share women maintain statewide. The main reason is the small number of Hispanic women in the work force coupled with the overall large size of the Hispanic labor force in Okanogan County. (Of Hispanics in the labor force, only 19 percent are women.)

Figure 9
Resident Labor Force, Employment and Unemployment By Sex and Minority Status
Okanogan County, 1995

Source: Employment Security Department

Sex and Minority Status	Labor Force	Percent
Both Sexes Total	22,790	100.0%
White	16,450	72.2%
Black	40	0.2%
Native American	1,950	8.6%
Asian & Pacific Islander	210	0.9%
Hispanic	4,140	18.2%
Female Total	9,030	39.6%
White	7,140	43.4%
Black	30	75.0%
Native American	960	49.2%
Asian & Pacific Islander	120	57.1%
Hispanic	780	18.8%
Male Total	13,760	60.4%
White	9,310	56.6%
Black	10	25.0%
Native American	990	50.8%
Asian & Pacific Islander	90	42.9%
Hispanic	3,360	81.2%

All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.

Detail may not add to indicated totals because of rounding.

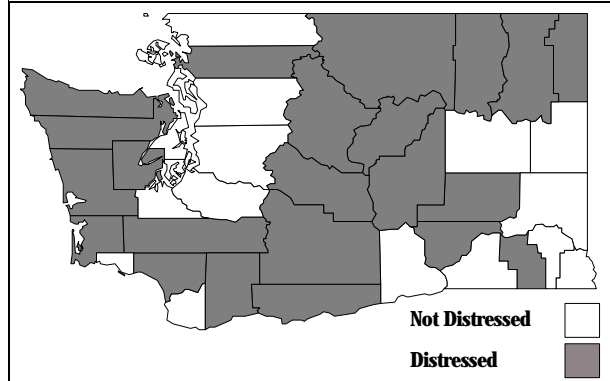
UNEMPLOYMENT

The labor force consists of those who are working and those who are seeking work. Those who are not employed but who are actively looking for work constitute the unemployed. The unemployment rate quantifies the proportion of the entire labor force who want to work but are unemployed. It is a significant economic indicator of the vitality of a region's economy.

At the national level, the unemployment rate is determined by a regularly recurring survey of households. At the local level, the state's portion of this household survey is integrated and merged with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates for the state and the counties.

Figure 10 shows the counties in Washington that are considered to be distressed, that is, that have unemployment rates that have been 20 percent higher than the statewide average for 3 consecutive years (1994-1996). Okanogan County is included among the distressed

Figure 10
Distressed Counties
Washington State, 1997
Source: Employment Security Department



counties, making it eligible for some preference in bidding for government contracts.

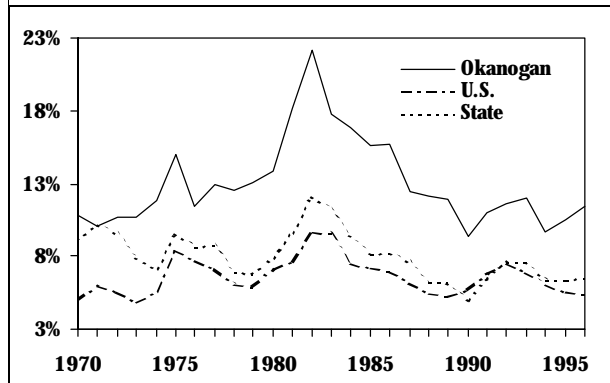
Trends

Since 1970, the annual average unemployment rate in Okanogan County has fallen below 10 percent only twice, in 1990 when it dropped to 9.4 percent and in 1994 when it was 9.6 percent (see Figure 11). In 1971, the county's rate was 10.1 percent, the same as the state's; this was the only time during the 1970-96 period that the county's rate was not greater than the state's. Unemployment has been and is a problem in Okanogan County. In 1996, 11.4 percent of the labor force was jobless.

Until the mid-1970s, the rate hovered between 10 and 11 percent. The national recession of 1973-75 drove it up to 15.0 percent in 1975. During the recovery period that followed, the county's unemployment level subsided to rates between 12 and 13 percent.

The turn of the decade saw Okanogan County's unemployment rate jump to new highs. As national economic recessions hit in the early 1980s, employment tumbled. Between 1980 and 1982, the county's unemployment rolls grew more than 60 percent, causing the jobless rate to soar from 13.9 percent (1980) to 22.2 percent (1982), a depression era figure. From that peak in 1982,

Figure 11
Unemployment Rate
Okanogan, Washington, U.S., 1970-1996
Source: Employment Security Department



the rate consistently decreased through 1990 when it reached 9.4 percent. The 1990-91 recession kicked it back up, and since then the rate has seesawed up and down in tandem with statewide unemployment, only at a higher level.

Demographics

Figure 12 shows unemployment rates by sex, race and Hispanic origin for 1995. These are estimates based upon the last Census and increases in population and labor force size. (The overall rate for 1995, 10.4 percent, is slightly different than the 1995 unemployment rate presented elsewhere, 10.5 percent—these estimates were based upon preliminary 1995 data, which were later revised.)

Unemployment among women was considerably less than it was among men—8.7 versus 11.6 percent. Racially, Asian and Pacific Islanders had the lowest rate, 4.8 percent. Whites were unemployed at an 8.1 percent rate, Hispanics at 16.4 percent, and Native Americans at 18.5 percent. The number of blacks in the labor force was too low to generate a meaningful unemployment rate.

Figure 12
Unemployment Rates by Sex, Race & Hispanic
Okanogan County, 1995
Source: Employment Security Department

	Both		
	Sexes	Male	Female
Total	10.4%	11.6%	8.7%
White	8.1%	8.4%	7.7%
Black	*	*	*
Native American	18.5%	22.2%	14.6%
Asian & Pacific Islander	4.8%	*	8.3%
Hispanic	16.4%	17.6%	11.5%

**Fewer than 10 unemployed.*

Industry Types and Unemployment

A number of specific industries within Washington State have been defined as being seasonal, cyclical, or structurally mature. These designations relate to the level of variation in employment or to a decrease in employment over specific time periods. Because all three categories are reflective of employment instability or decline, the degree to which a county's economic base depends upon these industries reveals a tendency toward or away from unemployment.

The number of workers employed in these type industries in Okanogan County have been tabulated (see Figure 13). In 1995, 44 percent of all employment was concentrated in seasonal industries, 13 percent in structurally mature industries, and 1 percent in cyclical industries. In comparison, the statewide typology was as follows: 24 percent seasonal, 20 percent structurally mature, and 2 percent cyclical.

Okanogan County has a significantly higher concentration of workers in seasonal industries than does the

Figure 13
Industrial Typology
Okanogan County & Washington, 1995
Source: Employment Security Department

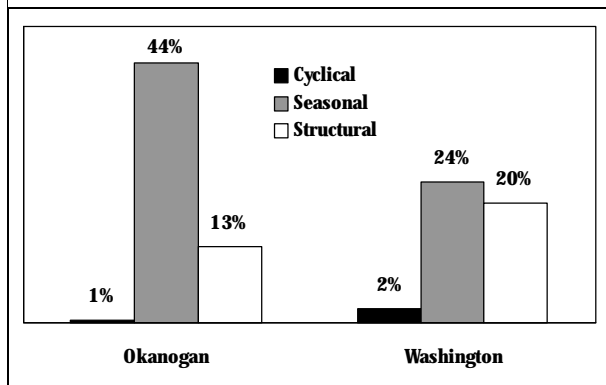
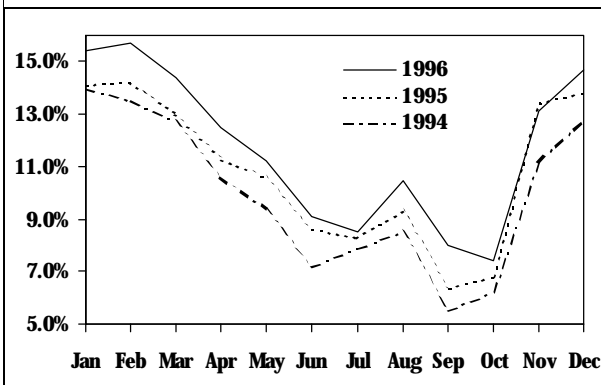


Figure 14
Monthly Unemployment Rates
Okanogan County, 1994, 1995, & 1996
Source: Employment Security Department



state and a smaller concentration in cyclical and structurally mature industries. Given these concentrations of employment, there should be a high level of fluctuation in employment and unemployment during the course of a year, based on seasonality. The smaller concentrations in cyclical and structurally mature industries says that there should be fewer employment disruptions over the course of the business cycle and over the long-term. As *Figure 14* on the previous page shows, there are historically very sharp, recurring swings in the unemployment rate based on seasonal patterns.

Industries with seasonal employment patterns are characterized by large employment increases and decreases in particular months of the year. These vari-

ations occur during the same months each year and are caused by factors that repeat each year. Poor weather conditions, holiday seasons, and weather related activities such as harvesting are examples of such factors. A seasonal industry is one in which the maximum variation between the highest and lowest monthly employment is about 19 percent or more of the industry's annual average employment.

Note: An industry can be recognized in more than one typology. Construction, for example, is very dependent upon weather and is also highly sensitive to fluctuations in overall economic activity, i.e., the business cycle. It has been categorized as both seasonal and cyclical.

Unemployment Insurance Claims

Figure 15 shows unemployment insurance claims, categorized by broad occupational groupings, for Okanogan County and Washington State for the period July 1, 1995 to June 30, 1996. If those occupations which have traditionally been thought of as blue-collar are

segregated from the others, it is apparent that therein lies the bulk of unemployment insurance claims. When professional, clerical, sales, services, and miscellaneous occupations are excluded, the remainder, generally thought of as blue-collar, generated 3,098 claims, or 70

Figure 15
Unemployment Insurance Claimants
Okanogan County and Washington State, July 1, 1995 - June 30, 1996
Source: Employment Security Department

	Okanogan County		Washington State	
	Claimants	Percentage	Claimants	Percentage
Structural work	587	13.0%	64,054	17.3%
Packaging & material handling	552	12.2%	29,282	7.9%
Agriculture, forestry & fishing	1,233	27.2%	26,930	7.3%
Service	521	11.5%	38,960	10.5%
Clerical	365	8.1%	42,905	11.6%
Machine trades	211	4.7%	23,242	6.3%
Professional/technical/managerial	372	8.2%	62,531	16.9%
Motor freight & transportation	228	5.0%	17,141	4.6%
Miscellaneous, NEC	93	2.1%	17,659	4.8%
Processing	271	6.0%	16,779	4.5%
Sales	76	1.7%	19,037	5.1%
Benchwork	16	0.4%	12,155	3.3%
Total	4,525	100.0%	370,675	100.0%
White-Collar*	1,334	30.1%	163,433	46.3%
Blue-Collar*	3,098	69.9%	189,583	53.7%

**Miscellaneous/nec occupations excluded*

percent of the total. Statewide, that same group was responsible for only 54 percent of all claims. The largest number of claims in Okanogan County, by far, came from

agricultural occupations. Statewide, the largest number came from construction and other structural occupations, which was the second largest group in the county.

INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs which are conducted in Washington by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the Quarterly Employment and

Wages program (ES-202), includes data on both agricultural and nonagricultural employment covered under the state unemployment insurance program. All wage data and agricultural employment data in this section stem from the Employment and Wages program; other employment information comes from the CES program.

Employment Trend

Nonfarm employment in Okanogan County has been growing steadily since 1987 (see *Figure 16*). Prior to that, the national recessions of the early 1970s and 1980s had caused declines that, especially in the case of the double-dip recessions of the 1980s, took a long recovery period. The 1990-91 recession had little, if any effect on the county's nonfarm employment.

Overall, from 1970 to 1996, employment grew by 79 percent, going from 7,560 to 13,530. This equates to a 2.3 percent annualized increase. However, from 1986 through 1996, the annual growth rate has been 4.0 percent, a significant difference over the preceding 15 years, and a rate that even outpaced statewide nonfarm growth for the same period (3.1 percent). *Figure 17* shows employment, indexed to 1970=100, for Okanogan County and Washington State.

Figure 16
Nonagricultural Wage & Salary Employment
Okanogan County, 1970-1996
Source: Employment Security Department

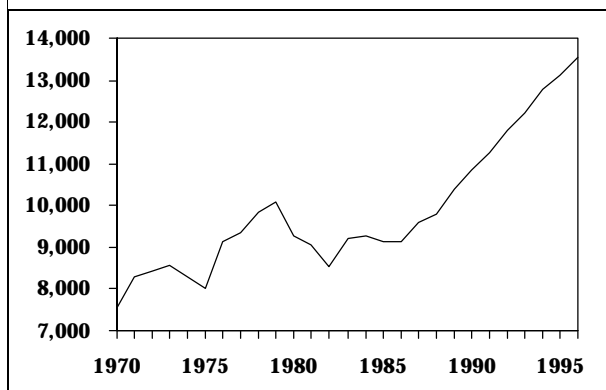
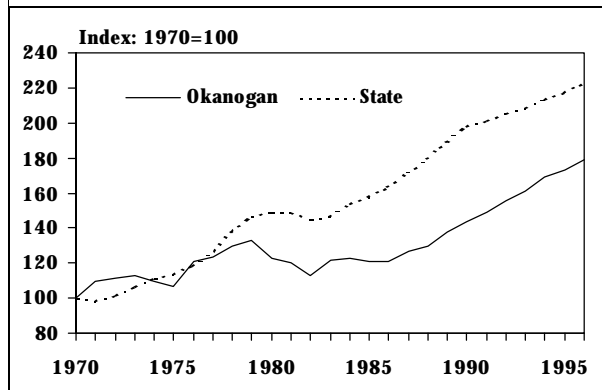


Figure 17
Nonagricultural Wage & Salary Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



Location Quotients

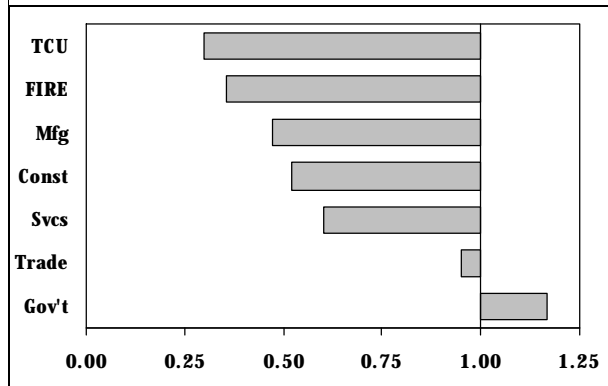
One way to determine how an area's economy is shaped is to compare it to another area. The following section shows how Okanogan County's employment patterns are both different from and similar to Washington State's. When comparing the county's shares of employment by industry to Washington State's shares, it's apparent that some county employment is distributed differently than state employment. The *location quotient* compares the share of total employment in a particular industry division in Okanogan County with the share it represents in Washington State.

The quotient is determined by dividing the share of state employment into the share of Okanogan County employment of the same industry or sector. A quotient of 1.0 denotes an industry in which the county is typical to the state as a whole. A value above 1.0 shows an industry with a higher concentration of employment; and a value below 1.0 marks a county industry with a lesser concentration of employment than in the same industry statewide.

A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above or below 1.0, the stronger the suggestion of exporting or importing becomes.

Figure 18 shows the location quotients of the major industry sectors in Okanogan County. None of the major nonfarm sectors is near the 1.0 quotient, indicating a

Figure 18
Major Industry Location Quotients
Okanogan County, 1995
Source: Employment Security Department



significant difference from the state employment distribution. The quotients for TPU, FIRE, services, manufacturing, and construction are all sufficiently low to signify that residents may have to look outside the county to obtain the services or goods these sectors offer. Government and trade are both fairly close to the 1.0 mark, showing a parity with statewide levels. Agriculture, with a quotient 7.71, is so far above the statewide level that it was omitted from the chart because of the severe distortion it would cause. Virtually all of the agricultural output is exported, of course, and the large quotient typifies an area with a predominant industry that is different from that found statewide.

Annual Average Wage

The annual average wage is derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 percent of all employment in the state are covered under the program. (Note: all amounts here have been inflation adjusted to 1995 dollars.) The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

Figure 19 on the next page displays average wages in Okanogan County by major sector and some specific industries within those sectors and compares those

wages to the statewide averages. (Some industries are suppressed from the table for confidentiality reasons.) The overall average for the county is \$16,918, significantly less than the statewide average of \$27,448. In fact, the average wage in Okanogan County is ranked thirty-eighth among Washington's 39 counties. With the county's average at only 62 percent of the state, it is not surprising to see that all sectors and almost all specific industries are also lower than the state. Only trucking and warehousing and membership organizations have wages higher than the statewide average.

Figure 19
Annual Average Covered Wages, 1995
Okanogan County and Washington State
Source: Employment Security Department

	Okanogan	State		Okanogan	State
<i>Total</i>	\$16,918	\$27,448	Food Stores	\$17,101	\$17,633
<i>Agriculture, Forestry, & Fishing</i>	\$9,414	\$14,527	Auto Dealers & Service Stations	\$15,536	\$25,251
Agricultural Production - Crops	\$8,508	\$10,955	Eating & Drinking Estab.	\$7,457	\$9,677
Agricultural Product. - Livestock	\$10,250	\$17,430	Miscellaneous Retail	\$11,268	\$15,306
Agricultural Services	\$13,896	\$15,667	<i>FIRE</i>	\$16,619	\$32,149
<i>Construction & Mining</i>	\$20,537	\$29,865	Depository Institutions	\$19,317	\$29,642
General Building Contractors	\$20,838	\$28,340	Real Estate	\$10,373	\$19,797
Heavy Construction Contractors	\$23,397	\$37,303	<i>Services</i>	\$16,396	\$25,839
Special Trade Contractors	\$17,242	\$28,153	Hotels & Other Lodging Places	\$10,324	\$13,595
<i>Manufacturing</i>	\$24,428	\$37,447	Business Services	\$27,663	\$34,653
Lumber & Wood Products	\$25,922	\$31,681	Auto Repair, Svcs, & Garages	\$15,571	\$21,052
Printing & Publishing	\$12,022	\$27,963	Amusement & Recreation Svcs.	\$8,656	\$16,145
Stone, Clay, Glass, Concrete	\$18,756	\$30,313	Health Services	\$20,792	\$27,415
<i>Transpor., Commun., Pub. Util.</i>	\$25,047	\$34,876	Legal Services	\$17,000	\$35,269
Trucking & Warehousing	\$26,780	\$26,345	Social Services	\$8,984	\$14,227
Communication	\$33,623	\$46,051	Membership Organizations	\$21,491	\$18,223
Electric, Gas, & Sanitary Services	\$23,947	\$43,399	Enginrng. Acctng. Resch, Mgmt	\$18,976	\$39,792
<i>Trade</i>	\$14,500	\$19,826	Private Households	\$7,664	\$8,667
<i>Wholesale Trade</i>	\$16,522	\$33,094	<i>Government</i>	\$26,678	\$30,833
Wholesale Trade - Durable	\$19,857	\$35,698	Federal	\$36,822	\$37,018
Wholesale Trade - Nondurable	\$16,119	\$29,964	State	\$27,302	\$31,298
<i>Retail Trade</i>	\$13,642	\$15,546	Local	\$23,224	\$28,848
Building Materials/Gdn. Suppl.	\$16,273	\$21,378			

Two factors primarily contribute to the disparity between the county and the statewide wages. The relatively high paying high tech and aerospace industries of the Puget Sound area are absent from Okanogan County, and these firms, mainly located in King County, have a very strong impact on the statewide averages. The statewide average wage drops over \$3,000 when King County is excluded from the calculations.

Further, Okanogan County has a large proportion of its work force in agriculture, a traditionally low-paying

industry beset with large amounts of part-time work. Close to 30 percent of the county's work force is in agriculture, compared to 4 percent statewide. And even for agriculture, the nature of the work, revolving around tree fruits, is very labor intensive. Large numbers of workers are required but for relatively short periods of time during the year. Also contributing to the relatively low wage is the fact that the growth in the employment base has come mainly in trade and services, which also tend to have low averages.

Agriculture

Apples are the best known product of Okanogan County and, along with airplanes, the best known product of Washington. They became the state's first billion dollar crop in 1995 (\$1.02 billion) and remained the

number one agricultural commodity in the state for the sixth straight year. Okanogan County is the third largest producer of apples in the state, after Yakima and Chelan

counties. The county has 14 percent of all Washington's apple trees (1987 Census of Agriculture).

But, the fertile land also produces large amounts of other tree fruits, i.e., cherries and pears, as well as wheat, barley, oats, corn, and hay. In terms of livestock, the county ranks second in the state with its beef cow inventory (11 percent of the state's inventory), sixth in the state with its all cattle/calf inventory, and fourth in the state with its sheep and lamb inventory (1996 Department of Agriculture figures). However, the main commodity is apples. Some 4,000 workers, on average, are employed working in the fruit orchards (1995), ranging from a low of 2,000 in the off-season to a high of almost 9,000 during the peak harvest season.

Agriculture is the largest industry sector in the county. In 1995, the agriculture, forestry, and fishing sector contained 28 percent of total covered employment (the

next largest sector was trade with 23 percent). Those working in the fruit orchards accounted for 23 percent of all covered employment.

Agriculture is also, unfortunately, the lowest paid of all the major sectors in the county. While the 1995 average wage for the entire sector of \$9,414 seems low, it must be remembered that much, if not most, of agricultural work is part time. And the average wage is determined by dividing total wages paid by total employment, regardless if the employment is full time or part time. If a farm employs 50 workers, all working four hours a day, the total wages paid are still divided by 50 to determine the average wage. So the average wage is generally understated in agriculture (as it is in any industry with significant amounts of part-time work). Even so, agriculture is certainly not among the higher paying industries.

Construction and Mining

Okanogan County's construction and mining sectors, particularly the former, have fluctuated noticeably between 1970 and 1996. Much of this instability is due to the start and finish of specific projects as well as recessionary periods. During the early 1970s, construction and mining employment rose above the 1,400 mark as expansion work got fully underway on the Chief Joseph Dam. By 1975, sector employment fell approximately 60 percent as work on the hydroelectric power plant finished up and was followed by a recession. *Figure 20* shows the number employed in the sector since 1970 and *Figure 21* indexes employment to

1970=100 and compares it to the statewide construction and mining sector.

The sector began to recover in the late 1970s, but was struck again by recessions in the early 1980s. In their wake, employment levels fell roughly between 250 and 350. Following slight gains through 1985, the low point was reached in 1987 when total employment fell to only 250.

Since then, employment levels have been growing slowly but consistently every year. In 1996, the county's construction and mining sector posted an employment

Figure 20
Construction & Mining Employment
Okanogan County, 1970-1996
Source: Employment Security Department

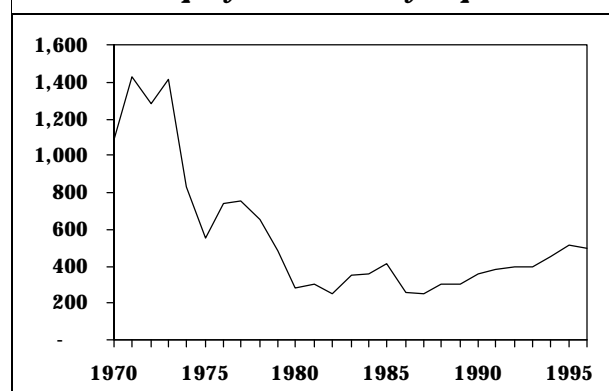
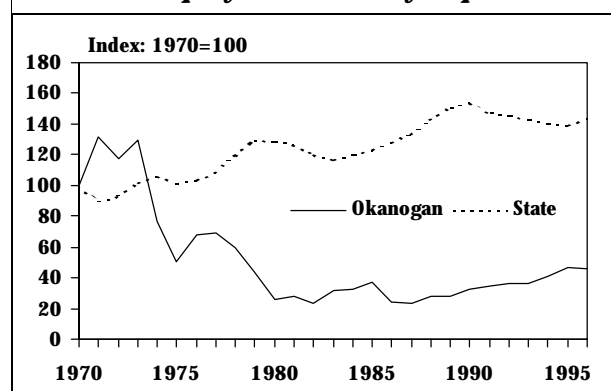


Figure 21
Construction & Mining Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



level of 500. (The slight decrease from 1995 to 1996 was only 10 jobs).

Within the sector, about fifty workers were involved in mining; a few for metals including gold, more in non-metallic minerals, such as limestone. Most of the sector, though (88 percent), consists of construction workers. The category of general building, which is primarily

devoted to residential construction, employed about 170 workers as did special trades workers. Heavy construction employed about 70. The average wage for the entire sector was \$20,537, about \$9,000 less than the average statewide. Within the sector, heavy construction had the highest average, \$23,397.

Manufacturing

Manufacturing employment, while providing a good number of jobs in Okanogan County, does tend to follow the peaks and troughs of the business cycle (see Figures 22 and 23). Between 1970 and 1973, manufacturing grew from 1,100 to 1,560—an increase of nearly 42 percent. The following year, however, manufacturing jobs fell by 16 percent as the national recession hit. The most severe losses, though, followed the recessions of the early 1980s. From 1979 through 1982, manufacturing employment fell from 1,410 to 730, a loss of nearly 50 percent. It increased annually thereafter through 1989 when it reached 1,400. The recession of 1990-91 caused another decline (to 1,090 in 1991). It has slowly inched up since then, adding a total of 150 jobs between 1991 and 1996.

Over the entire 1970-96 period, while manufacturing employment increased by only 13 percent (from 1,100 to 1996's 1,240), total county nonfarm employment grew substantially. In 1970 it was 7,560; in 1996 it was 13,530, an increase of almost 79 percent. Of the 5,970 new jobs created, manufacturing only accounted for 140. In 1996, manufacturing had a 9 percent share of all nonfarm jobs.

Approximately two-thirds of Okanogan County is forested. As a result, the forestry and lumber and wood products industries are prominent. A majority of the forest is federal public land within the Okanogan National Forest, while the remainder is either state public lands, Colville Indian Federation lands or under the ownership of private entities.

The lumber and wood products industry has consistently represented around 90 percent of all manufacturing jobs in Okanogan County. And, unfortunately, employment in this industry is volatile, to say the least. Timber-related jobs are subject to seasonal cutbacks, cyclical cutbacks, and cutbacks caused by structural maturation where capital replaces labor in the form of restructuring and modernization. On top of all this, the supply of available timber for harvesting is diminishing because of a lack of the right type of trees as well as acreage setasides for environmental reasons. The entire manufacturing sector, consequently, rises and falls with the timber industry to an even greater degree than does King County's manufacturing sector with the aerospace industry.

Figure 22
Manufacturing Employment
Okanogan County, 1970-1996
Source: Employment Security Department

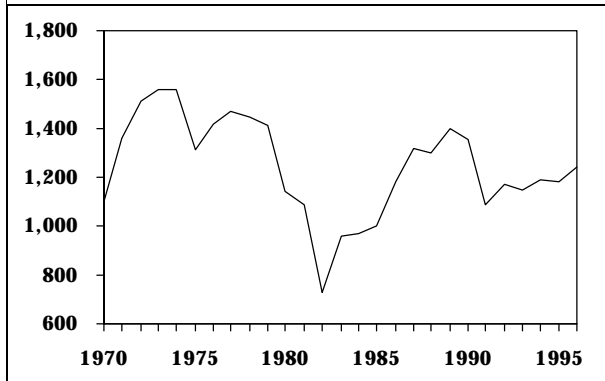
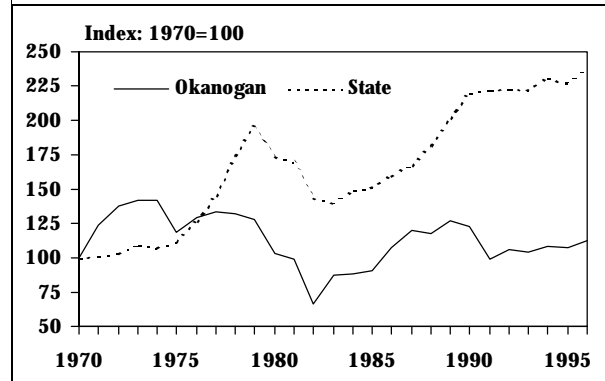


Figure 23
Manufacturing Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



In 1995, employment in lumber and wood processing accounted for 88 percent of all manufacturing jobs. About a third of those jobs were in logging with the remainder fairly evenly divided between sawmills and plywood plants. Manufacturing outside of lumber and wood products is confined to about 60 jobs in printing and publishing (mainly newspapers) and just a handful of others scattered among a number of different industries.

With an average wage of \$24,428, manufacturing is one of the higher paying sectors in the county. Only

government and the transportation and public utilities sectors have a higher average wage. The lumber and wood products industry averaged \$25,922 in 1995: all other industries were at a lower average wage.

Projections of industry employment for the period 1996-2001 do not indicate substantial growth in the manufacturing sector. Although there should not be an actual decline, the number of jobs is expected to remain essentially unchanged (less than 1 percent growth over the entire five years).

Transportation and Public Utilities (TPU)

This sector consists mainly of trucking and warehousing; communications, including telephone, television, and radio services; and utilities such as electric, gas, and sanitary services. With 280 jobs, it was the smallest sector in the county in 1996, accounting for only 2 percent of nonfarm jobs. As the charts show, its size has decreased over the last three years, with job losses in 1994, 1995, and 1996. The job losses have been spread over a number of industries, including trucking, air transportation, and communications. Over the last quarter-century, though, sector growth has generally outpaced the same sector statewide. *Figure 24* shows employment since 1970 and *Figure 25* indexes employment to

1970=100 and compares growth rates with the statewide TPU sector.

Employment in this sector is dominated by trucking and warehousing, which accounted for almost half of total TPU employment in 1995. In an agricultural area such as Okanogan County, trucking and warehousing are paramount enterprises—the crops have to get to the market. Communications and electric, gas, and sanitary services had most of the remainder of the sector work force.

Wages for the sector are well above the county's average wage for 1995; \$25,047 compared to \$16,918. Statewide, though, the same sector's average wage was \$34,876, considerably higher than the county's average.

Figure 24
Transportation & Public Utilities Employment
Okanogan County, 1970-1996
Source: Employment Security Department

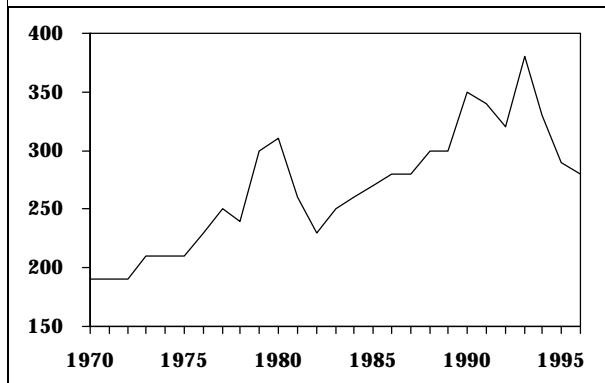
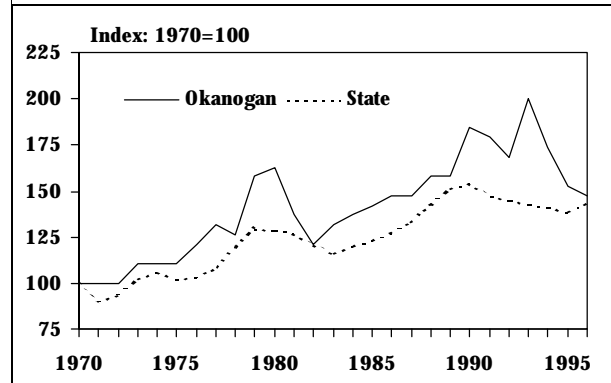


Figure 25
Transportation & Public Utilities Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



Trade

Trade employment grew from 2,100 in 1970 to 4,310 in 1996, a 105 percent increase. After employment took a nosedive in 1980, losing 790 jobs from the previous year, it came close to reattaining its previous level in 1982 but then stagnated for several years. From 1988 through 1996, though, there has been a constant and sharp increase in employment. This period saw employment in trade rise from 2,600 to 4,310, a net gain of 1,710 jobs reflecting a 6.5 percent average annual increase. The trade sector is the largest of the nonfarm sectors, with 32 percent of total employment. Its average wage was \$14,500 in 1995.

Within the sector, wholesale trade represents about 30 percent of all trade employment (statewide, the figure is less than one-fourth). And the great bulk of wholesale trade, about 90 percent, is in the nondurable goods category. Most of this employment stems from wholesale fresh fruit (i.e., apple) distribution. The industry also handles other tree fruits such as pears as well as grain and livestock/meat products. The average wage in wholesale trade was \$16,522.

On the retail trade side, the average wage was less than that of wholesale trade. This is true statewide, also, and is traditionally the case because retail trade employs many part-time and entry-level workers, deflating the average. (As mentioned earlier, this set of employment data does not distinguish between part-time and full-time work.) In 1995, retail trade employed close to 2,900 workers in Okanogan County and paid an average wage of \$13,642.

Eating and drinking places employ the most workers in the retail sector. Restaurants and bars/taverns employed about 670 workers in 1995, paying an average wage of \$7,457. (Restaurant employment, of course, is characterized by part-time work as well as tips, neither of which is calculated into the annual average wage.) Other major industries include food stores, auto dealers and service stations, and general merchandise stores.

The Colville Tribal Enterprise has a relatively large number of employees, close to 500, working in a number of different operations in Okanogan County. The various enterprises, including casinos and food stores, are all carried in the trade sector and add to its size.

Figure 26
Trade Employment
Okanogan County, 1970-1996
Source: Employment Security Department

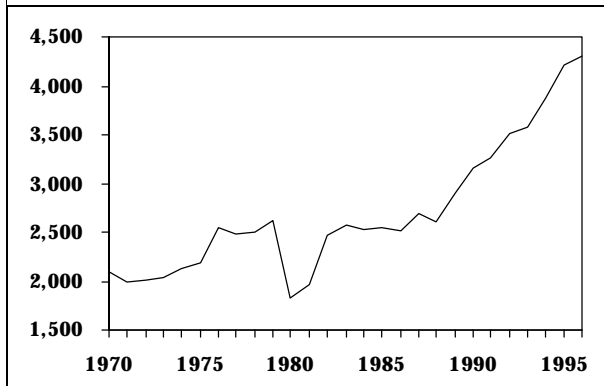
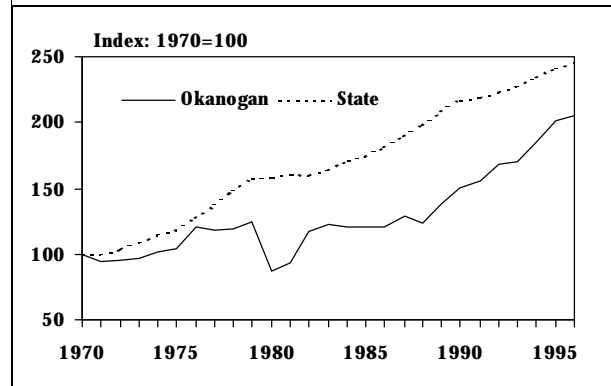


Figure 27
Trade Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department

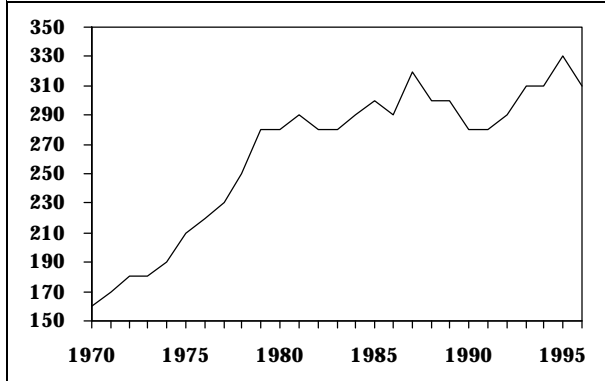


Finance, Insurance, and Real Estate (FIRE)

This sector's employment has almost doubled from 1970 to 1996 (a 94 percent increase), going from 160 to 310. After strong gains through 1979, employment

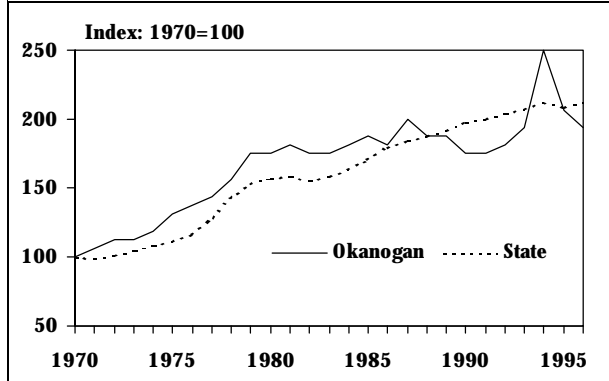
leveled off and has remained fairly constant, with minor fluctuations, through 1996. The only appreciable gains after 1978 were jumps in 1987 and 1995 to peak levels,

Figure 28
Finance, Insurance, Real Estate Employment
Okanogan County, 1970-1996
Source: Employment Security Department



which only lasted those years. The bulk of employment is in the depository institutions industry, followed by real estate employment. The average wage for the sector in 1995 was \$16,619, only slightly more than half of the

Figure 29
Finance, Insurance, Real Estate Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



sector's statewide average. FIRE is a small industry sector in the county, only accounting for a little more than 2 percent of all nonfarm employment.

Services

The fastest growing nonagricultural sector, and third largest after government and trade, is services. Adding over 2,000 jobs since 1970, it increased by 258 percent, going from 780 to 2,790 in 1996. Its average annual growth was 5.0 percent, easily the highest of all sectors. Looking at *Figures 30 and 31*, one can see the rise and fall and rise of employment over the quarter-century. Coming out of the 1970 recession, growth was quite strong, with employment almost tripling by 1980

when employment reached 2,120. The "double-dip" recessions of 1980 and 1981-82 halted growth and initiated a severe decline which lasted until 1985. Although there was some recovery in 1983-84, it faltered and employment fell to 1,390 in 1985. Job losses from 1980-85 totaled 730. Since then, though, growth has been constant; over 1,400 new jobs have materialized and the 1990-91 recession only slowed, but did not reverse, growth.

Figure 30
Services Employment
Okanogan County, 1970-1996
Source: Employment Security Department

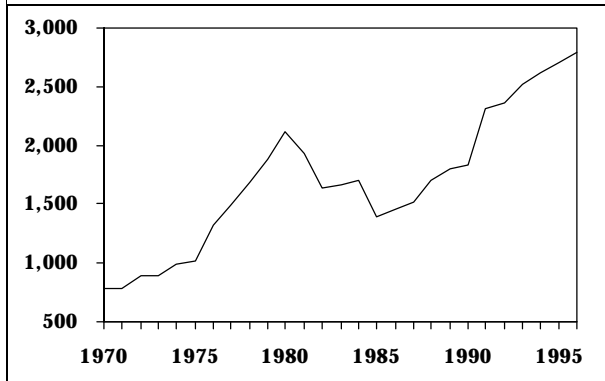
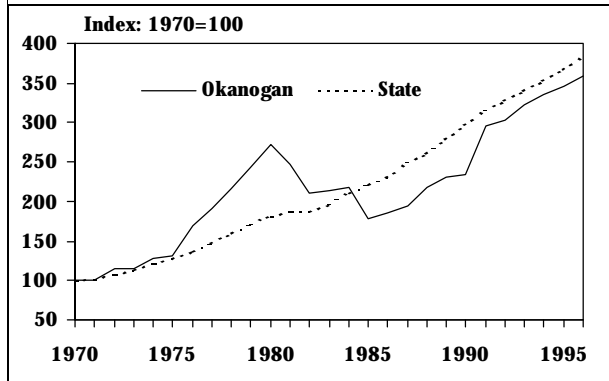


Figure 31
Services Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



Overall, wages in the services sector are fairly low, averaging \$16,396 annually (1995). Statewide, the average annual wage for services employment was \$25,839. Fortunately, the county's two largest services industries, health services and membership organizations, are also among the higher paying services industries in the county.

Largest of the services industries, health services has been a major driver behind growth in this sector. Health services includes employment in private hospitals (public hospitals are considered government employment), the offices of dentists and physicians, and nursing care facilities. The industry employed 772 workers in 1995 and paid an average wage of \$20,792. Its employment total constituted 29 percent of all services workers.

The second largest sector industry is membership organizations. This division of the services sector in-

cludes union employees, religious organizations, fraternal organizations, etc. The big employer, though, in Okanogan County is Native American tribal administration, which also falls into this category. Between this and the Colville Tribal Enterprise (carried in the trade sector), Native Americans constitute a significant part of the county's economy. Membership organizations employed 468 workers in 1995 with an average wage of \$21,491.

Social services is the third largest services industry. It includes individual and family social services, job training and vocational rehabilitation services, child day care, and residential care. Although it employs a large number of workers (405 in 1995), the average wage, because of significant amounts of part-time work, is only \$8,984.

Hotels, motels, and other lodging places also employ significant numbers in the services sector. Total employment in 1995 was 358 and the average wage was \$10,324.

Government

The government sector is the second largest employer in Okanogan County next to agriculture. While government is a large sector in all counties, it is even more so in Okanogan because of state and federal management of forests, parks, and dams, as well as regulatory oversight of farming. From 2,140 in 1970, government employment rose fairly steadily through the decade and peaked at 3,320 in 1980, an increase of 55 percent. These gains were diminished by the 1981-82 national recessions when employment fell nearly 12 percent (to 2,930) in 1982. During the mid-1980s, the government sector employed roughly 3,200 people, but that fell to

3,140 in 1988. Since then, except for a slight decrease in 1995, growth has been strong through 1996 when it reached its all-time high of 4,100. Since 1970, government employment grew 92 percent, a faster rate than the county's overall employment growth of 79 percent. *Figures 32 and 33* show employment changes since 1970 in the public sector.

Local government employment in Okanogan County, as in most counties, is the largest portion of the total government sector. And the biggest portion of local government employment stems from K-12 education. Local government in Okanogan County in 1995 em-

Figure 32
Government Employment
Okanogan County, 1970-1996
Source: Employment Security Department

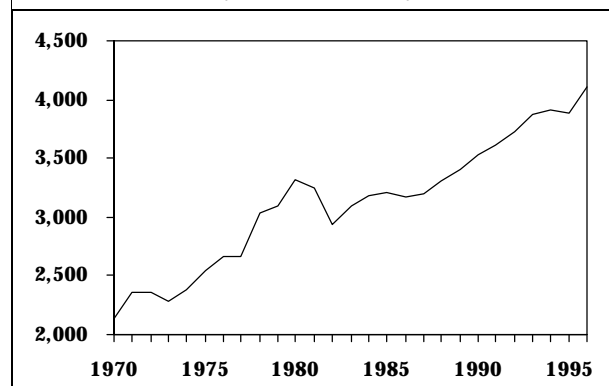
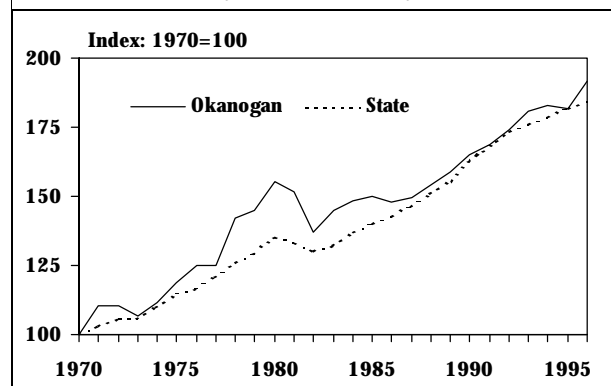


Figure 33
Government Employment
Okanogan County & Washington, 1970-1996
Source: Employment Security Department



ployed 2,560 workers, of whom 1,310 were involved in K-12 education. About 500 were employed by hospitals and over 600 worked for the various local legislative and executive institutions.

The state government presence in the county is considerably smaller than either the federal or local structures. It employed about 300 workers in 1995 and its average wage was \$27,302.

Federal government is a much larger share of total employment in Okanogan County than statewide. It amounted to 5 percent in 1995 compared to only 3 percent for the state as a whole. Most of the federal employment is related to operation of the large irrigation system in the county; another sizeable portion is involved with land and forest management; and the third largest area consists of social services provided through the Bureau of Indian Affairs. In 1995, federal employment was about 850 with an average wage of \$36,822.

Industry Projections

Employment Security Department analysts have made employment projections by industry for the period 1996-2001. These are based on historic trends, the national and state economies, and local factors. The agricultural sector is not included among the industries. *Figure 34* shows 1996 and 2001 employment, the percent change, the change in the number of jobs, and the annualized average change. The figures are also shown for statewide industries.

In general, the county's employment should increase at almost the same rate as the state. Overall, the economy is expected to add 1,600 jobs, an annualized average increase of 2.3 percent. The biggest increases are expected to come in services and trade which, combined, will create 1,150 new jobs. Manufacturing, which is primarily wood and lumber products, will have only minor increases. The declines of the past have ended, but employment levels will not be climbing. The other major sector, government, will have relatively slow growth, especially when compared to its previous rates.

Figure 34
Industry Projections
Okanogan County, 1996 and 2001
Source: Employment Security Department

	Okanogan County					Washington	
	1996	2001	% Change	# Change	Ann Avg	% Change	Ann Avg
Total Nonfarm Employment	13,310	14,910	12.0%	1,600	2.3%	13.2%	2.5%
Manufacturing	1,170	1,180	0.9%	10	0.2%	7.3%	1.4%
Construction & Mining	490	530	8.2%	40	1.6%	8.2%	1.6%
Transportation & Utilities	280	310	10.7%	30	2.1%	8.2%	1.6%
Wholesale & Retail Trade	4,320	4,870	12.7%	550	2.4%	12.9%	2.5%
Finance, Ins. & Real Estate	320	340	6.3%	20	1.2%	9.1%	1.8%
Services	2,800	3,400	21.4%	600	4.0%	21.9%	4.0%
Government	3,930	4,280	8.9%	350	1.7%	9.5%	1.8%

OCCUPATIONAL PROFILE

This section is based on Occupational Employment Surveys (OES) conducted by the Employment Security Department. It reflects 1995 estimates and projections for 2005 by major occupations for Okanogan, Chelan, and Douglas counties. Because the estimates and projections are aggregates of a three-county area, they should be used cautiously.

The OES estimates and projections indicate that occupational employment in the three-county area should grow 28 percent between 1995 and 2005 (see *Figure 35*). This equates to a 2.5 percent annualized growth rate over the ten years.

Most occupational sectors are expected to grow faster than the regionwide average. This is caused by the very slow growth of the largest occupational sector, agriculture, which strongly influences the overall rate and makes other sectors fare better in comparison. Service

and professional occupations should have the highest rate of growth, and create the most new jobs—about 9,000 altogether. Agricultural occupations are expected to increase by only 658 over the period.

The next table, *Figure 36* on the next page, is a listing of the occupations projected to have the most annual openings over the next ten years (1995-2005) in the three-county region (Okanogan, Chelan, and Douglas). The figures combine both replacement jobs and newly created jobs.

Figure 37 on page 26 is a list of occupations in the county along with the minimum, maximum, and median wages. The list is derived from surveys taken by Employment Security and the Bureau of Labor Statistics during 1995. While the survey is of the three-county region, it should give a fairly accurate picture of the wages for particular occupations in the area.

Figure 35
Occupational Employment Projections
Okanogan, Chelan, & Douglas Counties, 1995-2005
Source: Employment Security Department

	1995	2005	# Chg	% Chg	Ann Chg
Total	71,596	91,879	20,283	28.3%	2.5%
Executive, Administrative, & Managerial	4,233	5,645	1,412	33.4%	2.9%
Professional, Paraprofessional, Technical	10,138	14,753	4,615	45.5%	3.8%
Marketing & Sales	6,175	8,181	2,006	32.5%	2.9%
Admin Support, Clerical	8,159	10,476	2,317	28.4%	2.5%
Service	9,856	14,178	4,322	43.9%	3.7%
Ag, Forestry, & Fishing	17,555	18,213	658	3.7%	0.4%
Precision Prouction, Craft, & Repair	7,433	9,706	2,273	30.6%	2.7%
Operators, Fabricators, Laborers	8,407	10,727	2,320	27.6%	2.5%

Figure 36
Top 25 Occupations, 1995-2005
Okanogan, Chelan, & Douglas Counties
Source: Employment Security Department

Title	Annual Openings
General Farm Workers	265
Cashiers	136
Salespersons	123
Waiters/Waitresses	99
Graders & Sorters	96
General Managers/Top Execs	80
Carpenters	68
Hand Packers & Packagers	66
Registered Nurses	53
Truck Drivers, Heavy	52
General Office Clerks	51
Teachers, Secondary School	51
Maintenance Repairers	50
Teachers, Elementary School	49
Food Prep & Svc Workers, Fast Food	47
Teacher Aides	47
Janitors & Cleaners	45
Bookkeeping, Acctng, Audit Clerks	44
Maids & Housekeepers	42
Clerical Supervisors	42
Nursing Aides & Orderlies	41
Secretaries	41
Marketing & Sales, Supervisors	40
Cooks, Restaurant	38
Food Preparation Workers	33

Figure 37**Occupational Wages; Okanogan, Chelan, & Douglas Counties, 1995**

(*M/H denotes monthly/hourly pay rate)

Source: Employment Security Department

TITLE	*	MEAN	MIN	MAX	TITLE	*	MEAN	MIN	MAX
Manager, Branch/Local Firm	M	\$3,570.00	\$1,601.00	\$6,599.00	Data Entry Operator I	M	\$1,323.00	\$1,217.00	\$1,900.00
Manager, Hotel/Motel	M	\$3,245.00	\$2,000.00	\$4,592.00	Data Entry Operator (II & III)	M	\$2,143.00	\$1,408.00	\$3,000.00
Manager, Merchandise	M	\$2,207.00	\$1,476.00	\$2,577.00	Word Processing Operator (I-III)	M	\$1,856.00	\$1,564.00	\$2,225.00
Manager, Plant (Manufacturing)	M	\$4,192.00	\$3,695.00	\$5,459.00	Bartender	H	\$5.96	\$4.90	\$8.00
Manager, Restaurant	M	\$1,656.00	\$1,237.00	\$2,800.00	Dining Room Attendant	H	\$5.51	\$4.90	\$7.25
Accountant	M	\$3,081.00	\$1,390.00	\$4,500.00	Espresso Maker	H	\$5.31	\$5.00	\$5.85
Loan Officer	M	\$3,045.00	\$2,021.00	\$3,671.00	Fast Food Worker	H	\$5.34	\$4.90	\$7.00
Personnel Clerk	M	\$2,087.00	\$1,477.00	\$3,384.00	Food Service Worker	H	\$6.54	\$5.15	\$8.13
Buyer/Purchasing Agent	M	\$2,838.00	\$1,390.00	\$4,488.00	Host/Hostess, Restaurant	H	\$6.59	\$6.00	\$7.50
Field Contractor	H	\$20.66	\$18.89	\$25.81	Supervisor, Food Service	M	\$1,879.00	\$1,599.00	\$2,134.00
Administrative Assistant	M	\$2,221.00	\$1,217.00	\$4,519.00	Waiter/Waitress (Without Tips)	H	\$5.07	\$4.90	\$5.75
Estimator	M	\$3,121.00	\$1,820.00	\$4,541.00	Chef	H	\$11.00	\$7.50	\$17.69
Computer Programmer (Incl Senior)	M	\$3,846.00	\$2,173.00	\$4,920.00	Cook, Dinner	H	\$6.64	\$5.15	\$9.50
Social Worker (Except Med & Psych)	M	\$1,486.00	\$1,217.00	\$3,043.00	Cook, Short Order	H	\$6.58	\$5.00	\$8.63
Teacher Aide	H	\$7.95	\$6.68	\$8.50	Deli Worker/Pantry Goods Maker	H	\$5.30	\$5.00	\$6.50
Nurse, Registered (RN)	M	\$2,630.00	\$2,096.00	\$3,933.00	Kitchen Helper	H	\$5.78	\$4.90	\$10.45
Pharmacist, Registered	M	\$4,380.00	\$3,824.00	\$5,214.00	Clean Up Worker	H	\$6.09	\$4.90	\$9.27
Dental Assistant	H	\$10.45	\$8.47	\$12.34	Housekeeper, Hospital/Nursing Home	H	\$6.65	\$6.15	\$13.55
Nurse Aide/Orderly	H	\$7.46	\$6.61	\$10.00	Janitor, Porter, Cleaner	H	\$7.02	\$5.00	\$12.49
Nurse, Licensed Practical (LPN)	H	\$10.94	\$8.95	\$15.80	Maid, Hotel/Motel	H	\$6.33	\$5.00	\$7.25
Cashier	H	\$6.01	\$4.90	\$13.61	Supervisor, Orchard	M	\$1,321.00	\$869.00	\$3,400.00
Customer Service Clerk	H	\$6.99	\$5.40	\$15.34	Gardener/Groundskeeper	H	\$9.12	\$5.75	\$19.37
Grocery Checker	H	\$6.62	\$5.32	\$12.25	Bucker/Porter, Cleaner	H	\$21.68	\$14.29	\$26.00
Manager, Retail Store	M	\$2,183.00	\$1,298.00	\$3,909.00	Automobile Accessories Installer	H	\$6.90	\$5.50	\$7.50
Sales Clerk	H	\$6.36	\$4.90	\$11.51	Auto Detailer	H	\$6.91	\$5.00	\$10.00
Salesperson, Auto Parts	H	\$8.93	\$6.50	\$13.23	Body Repairer/Painter, Auto	H	\$10.45	\$5.00	\$13.00
Salesperson, Specialty	H	\$10.98	\$5.75	\$18.92	Manager, Service Auto	M	\$3,212.00	\$1,477.00	\$6,000.00
Sales Representative (With Comm)	M	\$2,692.00	\$1,561.00	\$6,740.00	Mechanic, Motor Vehicle	H	\$12.43	\$5.75	\$17.56
Manager, Office (Administrative)	M	\$3,059.00	\$1,304.00	\$6,000.00	Service Writer, Automotive	H	\$11.00	\$8.50	\$11.51
Supervisor, Clerical	M	\$2,230.00	\$1,460.00	\$2,600.00	Maintenance Mechanic	H	\$14.14	\$6.20	\$22.62
Computer Operator	M	\$2,027.00	\$1,390.00	\$2,770.00	Service Representative	H	\$14.07	\$8.50	\$25.89
Medical/Dental Records Clerk/Trans	M	\$1,608.00	\$1,152.00	\$2,572.00	Heating & Air Conditioner Mechanic	H	\$10.88	\$8.00	\$16.40
Secretary I	M	\$1,418.00	\$1,100.00	\$1,882.00	Maintenance Repairer, General Util	H	\$10.91	\$5.50	\$19.91
Secretary (II & III)	M	\$1,757.00	\$1,304.00	\$2,666.00	Supervisor, Maintenance	M	\$2,710.00	\$1,401.00	\$4,500.00
Secretary, Executive	M	\$2,529.00	\$1,849.00	\$4,114.00	Carpenter, Maintenance	H	\$9.55	\$6.00	\$14.57
Administrative Clerk	M	\$1,476.00	\$1,043.00	\$2,225.00	Electrician, Maintenance	H	\$16.48	\$11.68	\$22.51
File Clerk	M	\$1,350.00	\$956.00	\$1,589.00	Painter, Maintenance	H	\$13.09	\$9.00	\$19.37
General Office Clerk I	M	\$1,288.00	\$939.00	\$1,667.00	Plumber/Pipefitter	H	\$15.31	\$10.00	\$22.05
General Office Clerk II	M	\$1,670.00	\$982.00	\$2,770.00	Laundry Worker	H	\$6.61	\$5.00	\$10.86
General Office Clerk III	M	\$2,404.00	\$1,423.00	\$3,599.00	Baker	H	\$7.72	\$5.50	\$11.95
General Office Worker, 1 Person	M	\$1,618.00	\$1,130.00	\$2,239.00	Butcher/Meat Cutter	H	\$11.70	\$6.75	\$15.46
Desk Clerk, Hotel/Motel	H	\$7.27	\$5.25	\$8.00	Inspector, Quality Control	H	\$15.21	\$7.00	\$19.18
Accounting Clerk (I & II)	M	\$1,686.00	\$1,100.00	\$2,765.00	Supervisor, Other First Line	M	\$2,355.00	\$1,236.00	\$4,580.00
Accounting Clerk III	M	\$1,995.00	\$1,448.00	\$3,280.00	Delivery Driver/Route Worker	H	\$8.50	\$5.10	\$12.35
Auditing Clerk	M	\$2,214.00	\$1,043.00	\$3,386.00	Truckdriver, Heavy/Tractor Trailer	H	\$11.45	\$6.30	\$15.53
Bookkeeper, Full Charge	M	\$1,649.00	\$912.00	\$3,042.00	Truckdriver, Light	H	\$8.10	\$6.00	\$9.59
Payroll Clerk	M	\$1,656.00	\$1,163.00	\$2,998.00	Truckdriver, Log	H	\$15.64	\$12.00	\$20.00
Receptionist	M	\$1,389.00	\$985.00	\$2,320.00	Forklift Operator	H	\$8.05	\$5.75	\$19.37
Switchboard Operator	M	\$1,065.00	\$852.00	\$1,241.00	Heavy Equipment Operator	H	\$15.28	\$9.00	\$27.12
Switchboard Operator/Receptionist	M	\$1,411.00	\$1,100.00	\$2,193.00	Log Handling Equipment Operator	H	\$19.82	\$15.00	\$21.88
Dispatcher, Motor Transportation	H	\$11.60	\$9.50	\$18.93	Laborer, Material Handling	H	\$7.84	\$6.50	\$13.93
Order Filler	H	\$6.74	\$5.35	\$8.20	Sorter/Grader, Agricultural Prod	H	\$6.39	\$5.95	\$6.85
Purchasing Clerk	M	\$2,073.00	\$1,043.00	\$2,934.00	Supervisor, Warehouse	M	\$2,369.00	\$1,399.00	\$5,200.00
Shipper/Receiver	H	\$7.03	\$5.00	\$20.46	Warehouse Worker	H	\$7.47	\$5.95	\$11.13
Stock Clerk	H	\$6.31	\$4.90	\$11.10	Laborer, Construction	H	\$11.17	\$6.00	\$20.63
Teller, General	H	\$7.35	\$6.25	\$8.68	Packer, Fruit	H	\$6.94	\$4.90	\$8.81
Teller, New Accounts	H	\$8.77	\$7.90	\$10.01					

INCOME

This section deals with total income rather than wages, which were discussed earlier and which are only one aspect of income. All the data here are derived

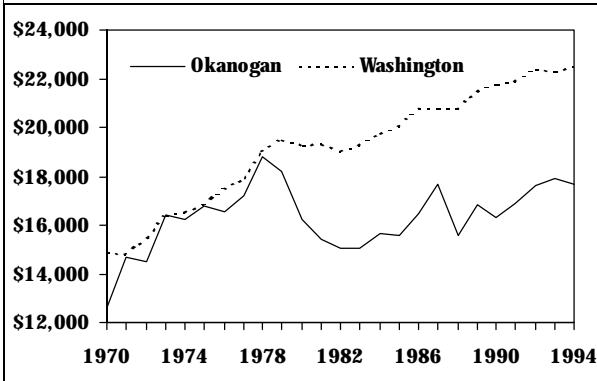
from the U.S. Department of Commerce, Bureau of Economic Analysis.

Personal Per Capita Income

Personal per capita income is usually cited as a key indicator of a region's economy. It differs from the average annual wage discussed earlier in that it takes into account all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, and income from interest, dividends, and rent, are all included in this measure. Because business and corporate incomes are not included, it is considered personal income. The total personal income of an area is divided by the resident population of the area to determine the *per capita* income.

Over the 1970-94 period, per capita income (adjusted to 1994 dollars) in Okanogan County grew by 40 percent (see *Figure 38*). From \$12,597 in 1970, it increased to \$17,648 in 1994. Until 1978, it tracked neatly with per capita income of Washington and of the U.S. Although it actually grew by 49 percent from 1970-78, it has since fallen and has not yet regained its 1978 level of \$18,833. Its low point was hit in 1983 when it ended its fall at \$15,054 (at that time, Washington's had also decreased, but only to \$19,046). Since the end of the double-dip recessions of 1981-82, the county's per

Figure 38
Personal Per Capita Income
Okanogan County & Washington, 1970-1994
Source: Bureau of Economic Analysis



capita income has fluctuated up and down but within a trend of growth rather than decline. However, the gap between the county and the state that materialized in the late 1970s has not appreciably narrowed. Okanogan County's per capita income in 1994 was at about the same level it had reached in 1977.

Personal Income

Total personal income in the county increased by 94 percent between 1970 and 1994, going from about \$326 million (in 1994 dollars) in 1970 to \$631 million in 1994. *Figure 39* on the next page shows the growth of total personal income in Okanogan County during that period (indexed to 1970=100). Although the average growth per year was 2.8 percent, the chart shows that this growth rate is deceptive: virtually all of it occurred prior to 1979. In fact, personal income grew by 69 percent between 1970 and 1978 but from 1978

to 1994 it only increased by 15 percent. Growth since 1982 (when the major decline ended) has been sporadic, with a number of minor declines interspersed with periods of growth.

As mentioned earlier, personal income encompasses many different sources of income. Three broad categories, however, which include all the various types of income, are net earnings, transfer payments, and investment income. Net earnings include wages, salaries, and proprietors' income (less contributions for social secu-

Figure 39
Personal Income
Okanogan County & Washington, 1970-1994
Source: Bureau of Economic Analysis

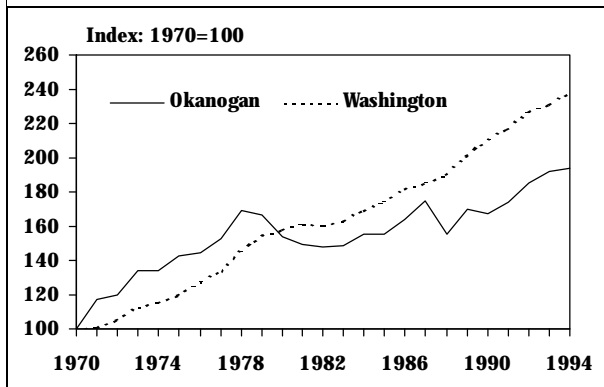
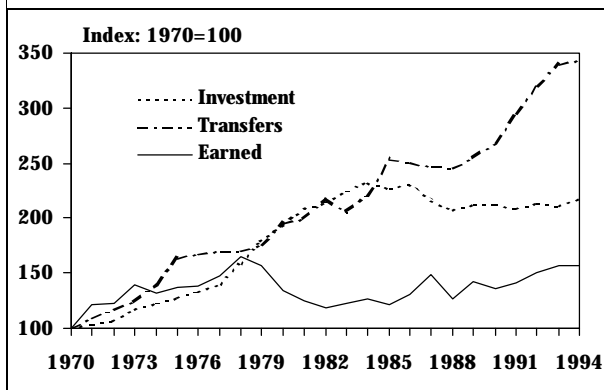


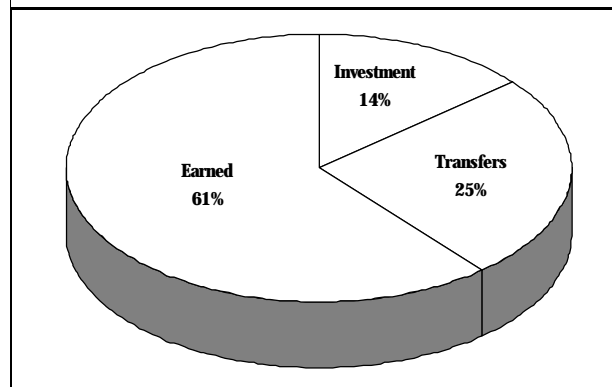
Figure 40
Changes in Personal Income Components
Okanogan County, 1970-1994
Source: Bureau of Economic Analysis



rity plus an adjustment for residence); transfer payments include income maintenance, unemployment insurance, and retirement payments; investment income includes income generated from interest, dividends, and rent. *Figure 40* shows how these components of personal income have changed over time and *Figure 41* shows the share sizes of each for 1994, the most recent data available. Earnings have been, and undoubtedly will continue to be, the major source of personal income.

However, as a percentage of all personal income, net earnings decreased from 72 percent in 1970 to 61 percent in 1994. The biggest gainer in this redistribution

Figure 41
Components of Personal Income
Okanogan County, 1994
Source: Bureau of Economic Analysis



of income sources was transfer payments. They increased from 15 percent to 25 percent of the total. Investment income's share grew from 13 percent to 14 percent. Looking at it a little differently, earned income grew by 57 percent over the period while transfer payments grew by 243 percent and investment income grew by 118 percent. A significant shift has occurred, and perhaps is still occurring, in the sources of income in Okanogan County.

A chief culprit behind the decline in personal income after 1978 was a decrease in farm income. It's difficult to overemphasize the importance of agriculture and farm income to the county's economy (*see Figures 42 and 43 on the next page*). The Bureau of Economic Analysis income figures provide a perspective on this: one way they categorize personal income is by dividing it into farm and nonfarm income. In Okanogan County in 1994, farm income accounted for 8 percent of all personal income; the figure was as high as 19 percent in 1975. For Washington State, the share was 1 percent in 1994. The fall in farm income from 1978 to 1982 reduced per capita income by about three thousand dollars. During that period, total personal income declined by \$71 million; of that, farm income fell by almost \$53 million while nonfarm income only fell by \$17 million. Three-fourths of the overall decline can be attributed to the farm sector. Since then, farm income has been increasing, albeit with some troughs, and has strongly contributed to the rise in personal income.

Figure 42
Farm Income
Okanogan County, 1970-1994
Source: Bureau of Economic Analysis

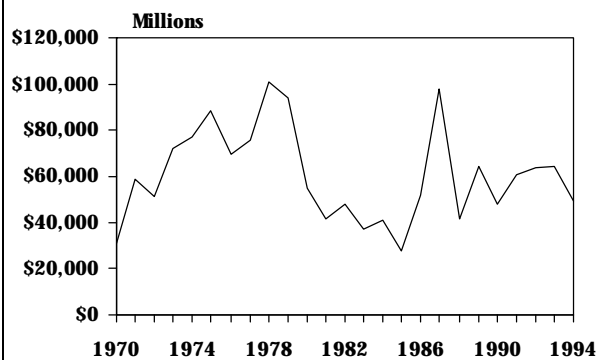
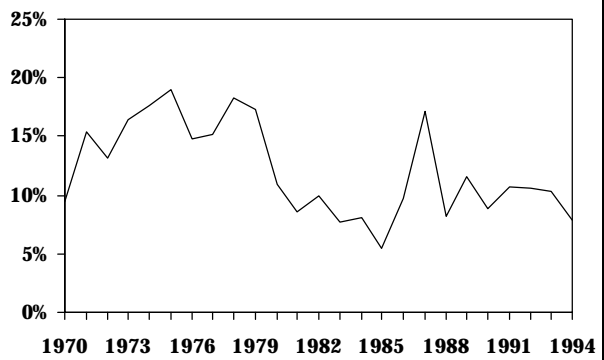


Figure 43
Farm Income as a % of Personal Income
Okanogan County, 1970-1994
Source: Bureau of Economic Analysis



Total Earnings

The greatest component of personal income is total earnings, although its share has been shrinking over time. (Total earnings differ from net earnings in that social security is not factored out, nor is there an adjustment for residence.) The total earnings component is an important reflection of an area's economy because it shows how much income people derive directly from their jobs. The increase since 1970 was 57 percent; statewide, the increase was 120 percent.

The largest component of total earnings is wages and salaries (*see Figure 45*). Its share of total earnings has diminished since 1970; from 82 percent to 73 percent in 1994. Over that period, the dollar value of wages and

salaries increased by only 40 percent. The second largest component of earnings was proprietors' income, which showed a relatively large increase in dollar value: 105 percent. Its share of total earnings grew from 15 percent to 20 percent. The bulk of this increase stemmed from farm proprietors' income. The smallest, but fastest growing component, was "other labor income." The bulk of this category (about 85 percent) consists of employer contributions to private pension plans and health and welfare programs. Other labor income grew by 332 percent from 1970 to 1994, almost doubling its share of total earnings from 3 percent to 7 percent.

Figure 44
Changes in Total Earnings Components
Okanogan County, 1970-1994
Source: Bureau of Economic Analysis

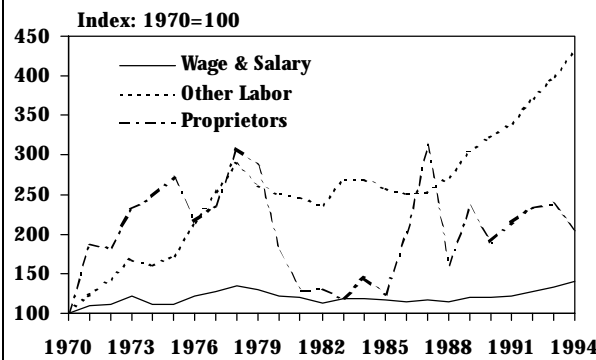
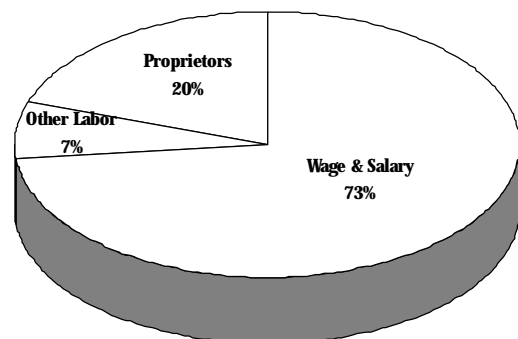


Figure 45
Components of Total Earnings
Okanogan County, 1994
Source: Bureau of Economic Analysis



Transfer Payments

A transfer payment is generally seen as a payment by the government to someone from whom no service is rendered. Transfer payments grew by 243 percent from 1970 to 1994 in Okanogan County, increasing from \$49 million to \$167 million. Except for the periods 1982-83 and 1985-88, growth has been constant throughout the two decades.

By far the largest component of transfer payments is retirement related. This includes social security payments, federal civilian and military retirement pay, and state and local government retirement pay. Retirement and related payments increased by 268 percent from 1970-94, giving this component an 81 percent share of all transfer payments (see Figures 46 and 47).

Income maintenance, which includes Aid to Families with Dependent Children (AFDC), general assistance, food stamps, and other transfers generally thought of as welfare, had 11 percent of the total in 1994, less than its 13 percent of 1970. Although its share size diminished, there was, nonetheless, a 196 percent increase in the dollar value.

The third component, unemployment insurance, increased by 131 percent over the period and garnered 8 percent of the total, down from its 1970 share of 12 percent. As the chart shows, UI payments fluctuate dramatically with turns in the economy.

Figure 46
Changes in Transfer Payment Components
Okanogan County, 1970-1994
Source: Bureau of Economic Analysis

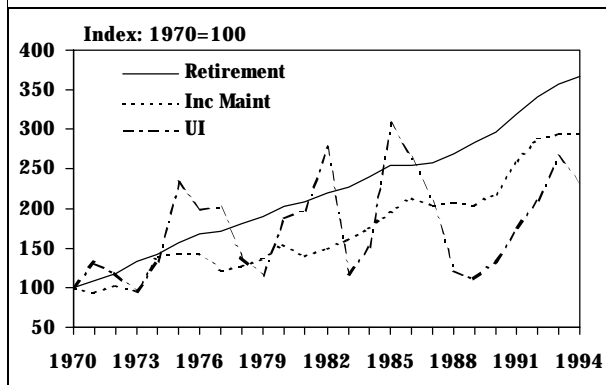
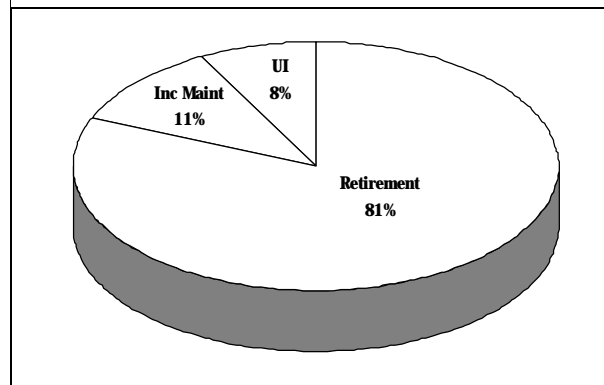


Figure 47
Components of Transfer Payments
Okanogan County, 1994
Source: Bureau of Economic Analysis



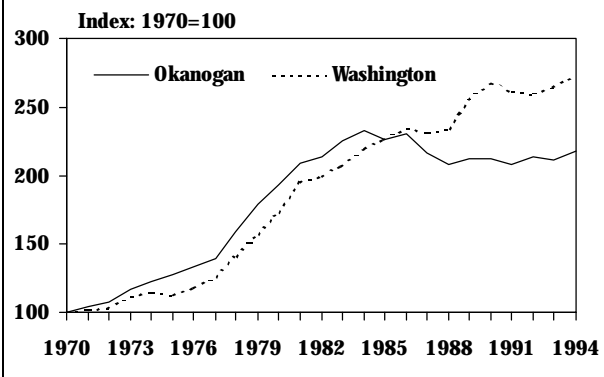
Investment Income

The final component of personal income, consisting of dividends, interest, and rent, grew much faster than earnings but at a lesser rate than transfer payments. It increased by 118 percent since 1970, going from \$43 million to \$93 million (see Figure 48 on the next page).

Growth was constant throughout the 1970s and accelerated after the recessions of that decade. The in-

crease peaked, though, in 1984 at \$99 million. After declining from 1984 to 1988, investment income has been essentially stagnant. In 1970, it represented 12 percent of personal income; at its peak in 1984, 19 percent; in 1994, 14 percent.

Figure 48
Investment Income
Okanogan County & Washington, 1970-1994
Source: Bureau of Economic Analysis



JOB TRAINING AND ECONOMIC DEVELOPMENT

Job Training

The *Job Training Partnership Act (JTPA)* of 1982 established programs to prepare youth and unskilled adults for entry into the labor force. Of note is the emphasis placed on economically disadvantaged individuals and others who face serious barriers to employment. It is upon this legislation that the Employment Security Department and other providers base their programs.

Okanogan Job Service Center. Operated by the Employment Security Department, the Okanogan County Job Service Center (JSC) in Omak provides job services to residents of Okanogan County. Unlike many JSCs in the state, the one in Omak is colocated with the local DSHS office as well as with the JTPA training program. The Department of Vocational Rehabilitation is also housed in the JSC. Such centralization makes service provision to clients more convenient and efficient. The JSC has an agreement with the Colville Confederated Tribes to provide employment services in Nespelem using Employment Security's computer matching system. Programs offered through the JSC include:

Labor Exchange: Staff assist employers in finding the work force they need and help job seekers connect with employers.

WorkFirst: Administered in cooperation with the Department of Social and Health Services, WorkFirst involves UI recipients in intense work search activities through job search workshops, job clubs, and use of a resource room.

The *Early Intervention* program targets those unemployment insurance applicants deemed most likely to exhaust benefits. It provides job placement services to speed their return to work. It also exposes them to potential services through the JTPA program. The goal is to shorten the duration of unemployment for the individual and to save costs to the unemployment insurance trust fund.

Unemployment Insurance provides temporary financial assistance to eligible unemployed individuals

who are able, available, and actively seeking work, or who are in approved training programs.

The *Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA)* is a program designed to assist clients laid-off because of either plant closures or plant restructuring and technology improvements. Through this program, clients—in addition to receiving regular unemployment insurance benefits—work with counselors to assess their jobs skills and interests and draw up an individual training strategy. The strategy might include retraining at the community college with tuition and fees paid by the state. The program also provides clients with job search workshops to enhance skills such as resume writing, application processing, and interviewing.

The *Trade Adjustment Act (TAA)* and/or *North American Free Trade Act (NAFTA)* is another JSC administered program. This one is designed to assist those who have been displaced because of the impact of foreign imports on their industries. While the amount of benefits and compensation periods vary, the program offers services only after the U.S. Department of Labor certifies that the individual has indeed been dislocated as a result of such impacts on his or her industry.

Veterans Programs are also operated out of the JSC. The goal of the *Local Veterans Employment Representative (LVER)* program is to provide counseling, career search skills, and job placement assistance to veterans.

Agricultural Employer Outreach sends Job Service Specialists out into the agricultural community to assist in labor exchange activities during peak harvest and other times of critical farm activities when large numbers of workers are required.

The *Migrant and Seasonal Farmworker Outreach* program operates as an advocate for agricultural workers, referring them to services as needed during times of limited employment opportunity.

A *GED/ABE* class is offered in the JSC to assist those preparing to take the GED test and wishing to upgrade their basic skills prior to further training or job search. This is offered in conjunction with the local community college.

Public Access Career Laboratory (PAC-Lab) is the name given to the office's resource center. It consists of several personal computers that the public can use in their job search. The PCs have programs for helping to construct a resume, write a cover letter, do self-assessment activities, learn about labor market information, and access the Internet.

Employment 2000 is a week-long job search workshop that is offered monthly. The workshop is led by a variety of JSC employees from different programs. It consists of motivational activities, dissemination of labor market information, assistance with job applications and resumes, and techniques for job interviewing.

Automated Office Systems is an open-entry, self-paced class teaching a full spectrum of office skills, including word processing and spread sheets, accounting and data processing, and secretarial and receptionist skills.

Pentad Private Industry Council. The Pentad Private Industry Council maintains jurisdiction over JTPA Service Delivery Area VIII, which includes Okanogan, as well as Adams, Grant, Douglas, and Chelan counties. All

administrative responsibilities (e.g., record keeping, data collection, program planning, employer contact, etc.) and oversight are handled by the council. The PIC contracts with the Okanogan Job Service Center to provide training for Okanogan County residents.

Educational Facilities. Heritage College of Toppenish maintains a satellite campus in Omak and is Okanogan County's only four-year educational institution. The Omak campus offers associate degrees in education, public administration, psychology, and social work; bachelor degrees in education and psychology; and there is also a master's degree program in education.

East of the Cascade Range, the closest four-year state institutions are Eastern Washington University in Cheney and Central Washington University in Ellensburg, both of which are roughly 150 miles from the Okanogan-Omak area.

Although there are no two-year community colleges in Okanogan County, Wenatchee Valley College from nearby Chelan County maintains an Omak Campus and offers a number of associate degrees in business technology, nursing, and office technology. Students can use the academic credits to transfer to a four-year college or university. The campus also offers voctech training in a variety of disciplines.

Economic Development

The **Okanogan County Council for Economic Development (OCCED)** is a public-private partnership composed of business and civic leaders and associations and local governments. As such, the Okanogan-based organization is the principal source of economic and business assistance in the county. The OCCED is designated as the county's Associate Development Organization through the state's Local Economic Development Assistance Program, and OCCED serves as the Small Business Development Center through a contract with Wenatchee Valley College.

The OCCED coordinates countywide economic development efforts geared toward creating new jobs and business opportunities, diversifying the economy, and enhancing the quality of life in Okanogan County. These efforts include assisting in new business ventures, collecting business climate information, analyzing project costs, identifying and assessing industrial sites, loan package preparation, and marketing and promotion.

The services are typically provided through one-to-one counseling, workshops, and seminars.

During the years 1995 and 1996, OCCED has assisted over 307 business clients. Ten new ventures were funded during that period with a total investment of \$2,700,402. The initial startup of these businesses created 40 positions in the job market. 1997 continues this trend with over \$330,000 invested and 33 new jobs created.

Chambers of Commerce. Other county economic development organizations, more municipally-oriented, are the Chambers of Commerce in Oroville and Omak.

Infrastructure. Air Transportation. Okanogan County has seven airports which serve the general aviation needs. Methow Valley State is the county's longest with a 5,000-foot asphalt runway (it is also the home of the oldest Smoke-jumpers Base in the state of Washington). Omak Municipal Airport has a 4,650-foot asphalt runway and receives weekday, daily visits from Federal Express. Dorothy Scott Municipal Airport in Oroville has a 4,000-foot asphalt runway (and is also the Port of

Entry). Tonasket Municipal Airport has a 3,000-foot asphalt runway; Okanogan Legion Airport has a 2,500-foot asphalt runway; Twisp Municipal Airport has a 2,700-foot asphalt runway; and Anderson Field in Brewster has a 4,000-foot asphalt runway.

Rail Service. The Cascade and Columbia River Railroad, a subsidiary of Rail America, carries general cargo and wood and lumber products five days a week through Pateros, Brewster, Okanogan, Omak, Riverside, Tonasket, and Oroville. This short line connects with the Burlington Northern line in Wenatchee, Washington.

SUMMARY

Okanogan County's immense geographic area and abundant natural resources tend to obscure an economy that is struggling to make the transition from an extractive, resource base to a more diversified one with large trade and services components. Much of the labor force is still grounded in traditional industries such as lumber and wood products, agriculture, and wholesale trading of agricultural products, but employment based on services rather than goods production rapidly gaining headway.

While unemployment remains a problem, it is nowhere near the depression era levels it reached in the early 1980s. Even so, the percentage of the labor force in Okanogan County that is jobless is high by statewide standards. Although it is misleading to compare an economy such as Okanogan's with the statewide economy, which is driven by large Puget Sound industries, the county's unemployment rate is greater even than the average of the combined eastern Washington counties. However, at 11.4 percent in 1996, the rate is at a lower point than its historical average of around 13 percent. The nature of agriculture in the county's economy—tree fruit operations that are highly labor-intensive—contributes heavily to unemployment problems because of its sharp seasonality; but at the same time the farm sector provides thousands of very important jobs.

Overall since 1970, growth of the population and the civilian labor force has been less in Okanogan County than statewide. However, since the county recovered from the debilitating effects of the 1980s—a period of stagnation for most of eastern Washington—both have increased at rates either equaling or surpassing the state. In 1996, the population stood at 37,500 and the labor force totaled 23,290.

The population and labor force increases came in conjunction with strong performance by nonfarm industries, particularly trade, services, and government. In the latter part of the 1980s, these sectors began expanding rapidly and growth hasn't stopped since. In 1995, trade surpassed government in size to become the largest nonfarm sector, with employment totaling 4,310 in 1996. That year government employed 4,100 and services 2,790. The farm sector employed almost 5,000 workers on average in 1995.

Wages and income, adjusted for inflation, have not fared as well. The real average wage in Okanogan County reached its high point in 1973 (\$27,625 dollars) and then went into an almost two-decade decline. It hit bottom in 1991 (\$15,898) after falling almost \$12,000. Fortunately, the wage has been gradually rising since then, coming in at \$16,918 in 1995. While real wages are significantly less than in the past, the downward spiral, which occurred throughout the state but more severely in Okanogan County, seems to have bottomed out. Real per capita income, which takes into account all sources of income, reached its high point in 1978, declined sharply until 1982, and since then has been fluctuating up and down, but on an overall growth trend. In 1994 it was \$17,648 and ranked twenty-sixth among Washington's 39 counties.

The largest employment sector in the county is agriculture. About 28 percent of all covered employment in 1995 was agricultural. And the overwhelming portion of that was in crop production, primarily apples. Consequently, farm income is an immensely important part of the county's economy. In 1994, it constituted 8 percent of all personal income—statewide, farm income accounts for 1 percent. The level of farm income can vary tremendously, depending upon how well the crop did and the price of apples (or other commodities) in the market. As recently as 1987, for example, farm income amounted to 17 percent of all income in the county.

The county's economy will undoubtedly continue to be driven by agriculture and its associated industries. This is fortunate in that it provides employment for a large number of people; it is unfortunate in that much of the employment is seasonal and part time and the wages are relatively low. Further, the farm sector is subject to implacable forces such as the vagaries of weather and the sharply fluctuating price of farm commodities in the market place. The manufacturing sector, particularly lumber and wood products, is not as robust as it once was, yet continues to provide a relatively large number of jobs that pay greater than average wages. The trade and services sectors constitute a growing part of the county's total job picture and are providing a large number of jobs. And, an element of stability is provided by the large public sector. Even so, the future of Okanogan County will remain interwoven with the farm community and resources-based industries.

