



COUNTY PROFILE

SKAGIT



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Labor Market and
Economic Analysis Branch
Greg Weeks, *Director*



**SKAGIT COUNTY PROFILE
JANUARY 2002**

Labor Market and Economic Analysis Branch
Employment Security Department

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EXECUTIVE SUMMARY

The population of Skagit County has been growing at rates surpassing population growth throughout the state. This has been particularly noticeable in the last few years: from 1990 through 2001. The county added almost 25,000 residents. This 31 percent increase was considerably greater than the statewide 23 percent growth. An almost identical growth occurred in the labor force, which also outpaced statewide increases. The percentage of the labor force without jobs was also greater—largely attributed to the seasonal nature of the county's economy. In 2000, 6.9 percent of Skagit County's labor force and 5.2 percent of Washington's labor force was unemployed. Current unemployment in Skagit County, while high compared to the state, is less than the county's average of the last 25 years, which was at 10.2 percent.

Supplementing the above, the county has a number of important advantages over other areas. Transportation systems, ports, abundant land and resources, and a relatively strong labor force combine to attract and maintain viable industries. Skagit County also lies between two major metropolitan areas: Seattle-Bellevue-Everett and Bellingham-Vancouver, B.C. Skagit County is ideally situated to be both a supplier of goods to these two major metropolitan markets and a conduit for trade between the two.

Skagit County has traditionally relied upon timber, agriculture, and food processing as its economic mainstays and these industries all remain viable, even dynamic. Even though the timber industry has had difficult times, it remains a significant industry in the county—and its worst times are probably over. One of the strong points of the county's economy is its industrial diversification. Skagit County's manufacturing sector has a number of strong industries that are not mutually dependent. They include food processing, timber, petroleum refining, and transportation equipment. With its accessible ports and refineries, Skagit County is the center of the state petroleum industry. Outside manufacturing, Skagit County has strong trade and services sectors.

Growth in industry employment has varied from sector to sector. Over the last 20 years, there has been a significant shift from goods-producing to services-producing employment in the county. Manufacturing has seen its share of total county employment decline from 25 percent in 1970 to 13 percent in 2000. The actual numbers in manufacturing increased, but at a slower

pace than other sectors. Since 1970, it has added about 2,300 jobs. Trade (wholesale and retail) has become the largest industry sector, employing 11,100 workers in 2000, a 25 percent share of the county's nonfarm employment. The services sector, which has grown more rapidly than any other, is now the second largest industry sector in Skagit County with about 9,200 workers. Government, which used to be the county's largest sector in 1970, now falls behind the service sector in size. Government's 8,300 workers comprise 19 percent of the county's employment. Unusual for western Washington, Skagit County's agricultural sector is a strong one, with about 3,600 covered workers, the bulk involved in bulb production (Skagit Valley's famous tulips), vegetable crops, and dairying.

Wages are finally starting to rise at a pace greater than inflation. After steadily declining for more than a decade, real wages are beginning to improve. The average dropped almost \$7,400 from 1976 to 1990, falling from \$29,906 to \$22,512. Since 1990, the low point, the average wage for Skagit County has been moving up and reached \$26,634 in 2000. Per capita income, which captures all types of income, has increased about \$3,300 since 1990. In 1999, Skagit County's per capita income of \$25,184 ranked 15th among Washington's thirty-nine counties. Growth of total personal income has outpaced the statewide growth rate, but the county's population increases have been even greater. The result is a per capita income somewhat lower than the statewide average. However, it gives no indication of how income is distributed among the population. To a degree, median household income does that. For 2000, Skagit County's median household income was \$44,495, ranking the county 11th among all Washington counties.

The economy in Skagit County is performing well. The 1999-2000 industry growth analysis indicated that Skagit County outpaced the state, except for two industry sectors (construction and mining and TCU, which covers transportation, communications, and utilities). Manufacturing employment growth in Skagit County for 1999-2000 was up 8.5 percent, considerably higher than the statewide -3.7 percent. The county's FIRE sector (finance, insurance, and real estate) employment growth for 1999-2000 increased 9.1 percent, much higher than the statewide -0.6 percent. Skagit County's services employment for 1999-2000 grew by 9.3 percent versus the

statewide 6.1 percent; trade, by 5.1 percent versus the statewide 2.7 percent; and government, by 4.1 percent versus the statewide 2.2 percent. Overall, the 1999-2000 nonagricultural industry employment growth for Skagit County was 6.0 percent, which was comparably higher than the statewide 2.8 percent. The county's proximity to major markets as well as its access to all forms of transportation gives it a comparative advantage over many other areas. Skagit County's economy is not de-

pendent upon a single industry. Its economy shows strong diversification with solid representation by many different types of industries. There is also significant "spillover" from Puget Sound, with many county residents commuting to jobs in Snohomish and King counties and bringing their paychecks home. Strong economies at the national, and particularly the state level, have contributed to the overall economic growth of Skagit County.

INTRODUCTION

This report profiles the labor market and economic characteristics of Skagit County to date. The Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department prepared this report, which 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.

The purpose of this report is to provide a comprehensive labor market and economic analysis of Skagit County. Characteristics profiled include the following:

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

The data for this profile are derived from various state and national sources. All dollar figures are in current or nominal values, except where real values are specified. Real dollars are inflation adjusted, using the Personal Consumption Expenditures deflators. The data used are the most recently updated, even though some data are up to 4 years old.

This profile is currently available under Online Publications on the LMEA Internet homepage. Accessed by area or by type of information, the homepage contains regularly updated current and historical labor market information included in this report. The website 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

Topography. Skagit County is situated in the north-western part of Western Washington, between Seattle, Washington and Vancouver, B.C. Canada. It is bounded by Whatcom County to the north, Snohomish County to the south, and parts of Chelan and Okanogan counties to the east. To its west lie the Strait of Juan de Fuca and the mouth of Puget Sound, as well as San Juan and Island counties which lie scattered off its coastline.

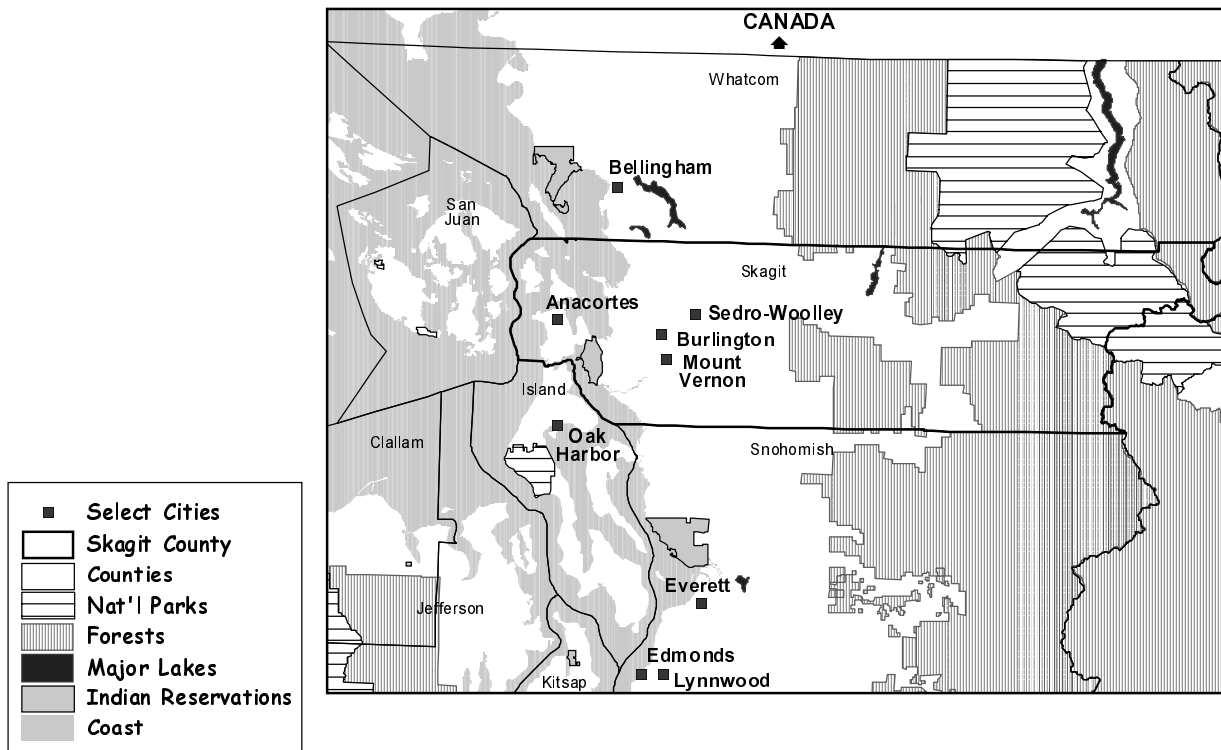
Comprising a geographic area of 1,735.3 square miles, or just over 2.6 percent of the state's total land area, Skagit County ranks a modest 21st in size among Washington's 39 counties.

The county is one of marked contrasts. The western one-third includes a broad delta and flood plain, both of which extend inland through the rich and fertile Skagit Valley, or Skagit Flats. At its western extreme, the county's boundary envelops some of the islands perched on the leeward edge of the San Juan Archipelago, including the large Fidalgo Island. The eastern two-thirds of the county are dominated by the rugged, heavily wooded and mountainous Cascade Range. The majestic Cascade Mountains stand to the east, overlooking a fertile valley boasting a

variety of agricultural crops. Most of the Cascades that run through Skagit County are part of either the Mount Baker National Forest or North Cascades National Park. The highest point in Skagit County is Mount Logan (at 8,966 feet), the peak around which the North Cascades National Park was defined.

Climate. The average annual rainfall in the Anacortes area is 26 inches and in Mount Vernon, 32.31 inches. The precipitation level in Concrete stays relatively high at 65 inches a year. In the spring, world famous tulip fields blanket the valley. In the winter, flocks of Canadian geese, snow geese, and trumpeter swans can be seen. Year round, bald eagles soar overhead and great blue herons stand along the shorelines.

Water Supply. From its origin in the northeastern part of the county and running through the valley, the powerful Skagit River flows down from the Cascades. Along the county's north central border it passes Lake Shannon, a body of water created by the Lower Baker Dam. From there, it continues west towards the beautiful San Juan Islands before emptying into the mouth of Puget Sound.



ECONOMIC HISTORY

Skagit County derived its name from the Indian tribe, which once inhabited much of the area. The county was established through a bill passed by the Washington Territorial Legislature on November 24, 1883. Skagit County was created by partitioning what was then Whatcom County. The right to be a county was not gained easily. The area about to become Skagit County was in the midst of an economic boom, and Whatcom County officials argued forcefully against the bill. But to no avail, Governor William Newell signed it on November 30, 1883.

Commerce and industry existed in the region long before it became a county. Indians plied the coast in canoes, fishing for salmon, and hunting mammals for furs and pelts. The first white settlers were mostly homesteaders, who arrived in the mid-1850s. Although their initial attempts to establish Skagit Valley as an agricultural region failed, farming took hold in 1863 when settlers in La Conner successfully planted and harvested a modest barley crop.

The 1870s stood out as the watershed decade of economic expansion in Skagit County. By 1873, all of the Skagit islands were settled and farming machinery was being used in harvesting. Most of the Skagit flats was cultivated soon after. The region's principal crops were oats, barley, and hay.

At the same time, the town of Coupeville, located in Island County, emerged as the major port of trade for goods and supplies from San Francisco and other parts of the world. Coupeville served as the region's ear and, at times, lifeline to the rest of the world. A travel route established between Coupeville and La Conner brought both towns prosperity.

Also in 1873, significant deposits of limestone, coal, and iron were discovered along the Skagit River, between what are now the towns of Concrete and Marblemount. Several years later, a gold rush occurred in the upper Skagit Valley. It would be shortlived as news of Alaskan gold emptied the valley of miners.

Although the gold boom faded, the logging boom was here to stay. In the span of a couple of years, logging

towns appeared along the Skagit River, wherever there were forests to be harvested. Not far behind came sawmills, shippers, and other complementary industries. The logging industry soon dominated the area's economy, particularly in the upper valley.

In the late 1870s, the commercial salmon and cod fishing industries began in Skagit County. Concentrated around Anacortes and La Conner, fishing spread quickly from the Skagit River to Puget Sound. Complementary industries, such as canning and packing, were quickly established in its wake. A vegetable-seed-growing industry also proved to be profitable during this period.

By the turn of the century, the main economic activities in Skagit County were natural resources oriented. Dairy farming, logging, lumber production, fishing, and other agricultural activities provided the backbone of the county's industrial base. Other industries also appeared.

In the mid-1950s, Shell Oil Company built an oil refinery on Fidalgo Island near Anacortes. In 1958, Texaco followed suit and erected a refinery nearby. Both provided a substantial boost to the local economy.

Beginning in the 1970s, but especially through the mid-1980s, regional and national economic downturns hit Skagit County hard. The adverse impact was particularly evident in the lumber and wood products industry, as well as the food processing industry. Since then, economic expansion had been a consistent factor in the county's economy.

Skagit County's economy is growing steadily and it is historically regarded as one of the fastest growing areas in the state. The national trend toward employment in retail trades and personal/professional services is evident in Skagit County with malls and a presence of almost every national retail chain. Agriculture, fishing, wood products, tourism, international trade, and specialized manufacturing make up the economy of Skagit Valley. With its accessible ports and refineries, Skagit County is the center of the state petroleum industry.

POPULATION

The Office of Financial Management estimated Skagit County's population at 104,100 in 2001, ranking it the 12th most populated of Washington's 39 counties. With an area covering 1,735.3 square miles, Skagit County's population density stands at 60 people per square mile, making it the 13th most densely populated county in Washington.

Population is viewed as a key economic indicator of an area's vitality. With the exception of retirees and a minority of "footloose" workers, people tend to migrate

to an area that has economic opportunities. In short, people follow jobs. However, changes in population are lagging, not leading, indicators. It takes time for people to arrive in an area where jobs are prevalent, and it takes time for them to leave once the demand for labor eases. Nevertheless, population changes provide insight into how the economy is performing and how the economy has performed over time.

Trends

Significant population growth usually signals a robust economy, or at least access to a robust economy and jobs. Skagit County's location between two major metropolitan areas (Seattle-King and Bellingham-Whatcom), and the health of its own industries, has been a major draw. With the exception of 1972, the population of Skagit County increased every year from 1970 to 2001 (see *Figure 1*).

Skagit County's resident population was 104,100 in 2001. This was up 1.1 percent from 2000 and an increase of 30.9 percent over 1990. In the last thirty-one years, Skagit County's population had increased 98.7 percent, indicating an average annual growth rate of 2.3 percent. In comparison, the state as a whole grew 75.1 percent, which translates to an average annual growth of 1.8 percent.

The course of the county's population growth over the 1970 to 2001 time period fluctuated. Change in the early 1970s was flat, a result of the national recession and the Boeing Bust, which erased a tremendous number of jobs in the Puget Sound area, spurring out-migration. Growth then picked up rapidly until the doubledip recessions of the early-1980s, which lowered population gains until 1987. *Figure 2*, a look at population growth for Skagit County and Washington, depicts the fairly similar population changes in the county and the state over the 1971 to 2001 period.

From 1988 to 1999, Skagit County boomed, averaging an annual growth rate of 3.0 percent, widely surpassing the state's respectable 2.1 percent average population increase. The 1990-91 national recession did little to lessen the county's expansion. The ensuing expansion had only further strengthened Skagit's population growth. Population continued to grow in 2000 and

Figure 1
Population Trend
Skagit County, 1970-2001
Source: Office of Financial Management

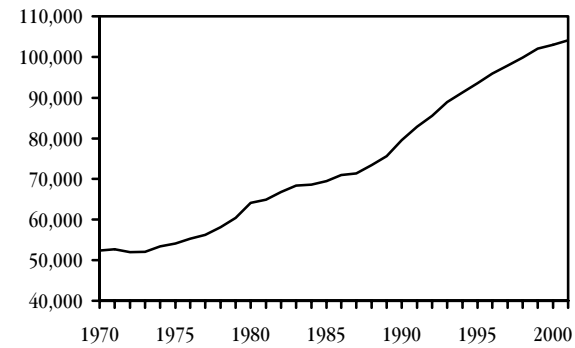
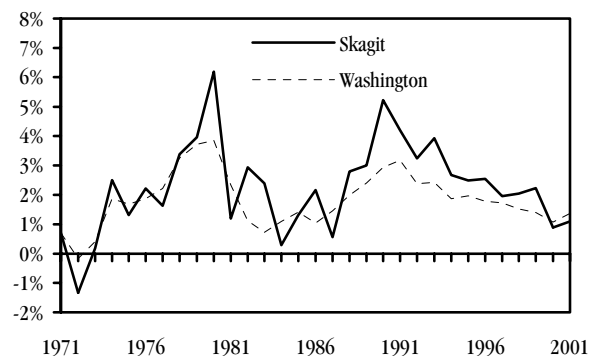


Figure 2
Population Trend
Skagit County and Washington, 1971-2001
Source: Office of Financial Management



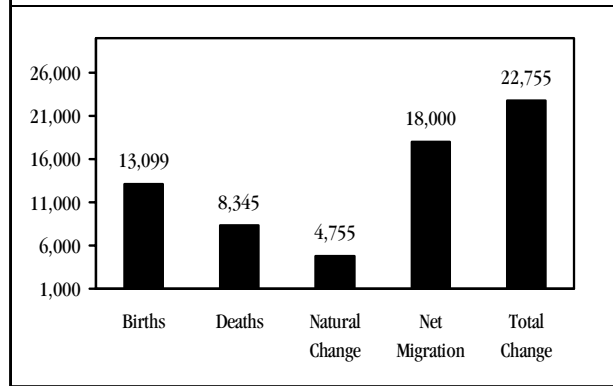
2001, but slower than the state. Even with the slowdown, Skagit County's annualized growth rate from 1970 to 2001 was 2.3 percent, which was higher than the state average of 1.8 percent over the same period. Skagit County's strong population growth was influenced by its high number of in-migration due to its proximity to Snohomish and King counties. Another attraction to population growth is Skagit County's more affordable housing.

Two components constitute population change. One cause is the natural change, which is derived from number of births less number of deaths. Only major socio-economic occurrences alter the pattern of natural change. Examples are: the Great Depression, which led to the lowest birth rate in the 20th century; and the aftermath of World War II, which resulted in the Baby Boom. The second cause of population change is migration, which can give insight into an area's current economic trend.

From 1990 to 2000, Skagit County gained 22,755 residents (see Figure 3). Of that number, 4,755 were the result of natural population increase (13,099 births less 8,345 deaths) and 18,000 were the result of net migration. The changes in Skagit County's population

were due primarily to the migratory element (in-migration less out-migration), which responds quickly to economic conditions. Natural change combined with net migration produced an overall population gain of 29.5 percent in Skagit County from 1990 to 2000, which was greater than Washington's 21.1 percent gain.

Figure 3
Components of Population Change
Skagit County, 1990-2000
Source: Office of Financial Management



Cities and Towns

The Office of Financial Management estimated Skagit County's resident population at 104,100 in 2001. Out of that approximation, 43.0 percent of the county's residents lived in unincorporated areas. Since 1990, population in unincorporated regions grew by 18.4 percent, while the population for incorporated cities increased 42.2 percent. Similarly, statewide growth was also concentrated in the cities with 41.2 percent and 2.9 percent growth for incorporated and unincorporated areas, respectively.

Figure 4 shows the population for all cities in Skagit County between 1990 and 2001. Skagit has a total of 8

incorporated cities. Of these, the largest is Mount Vernon, which serves as the county seat. Mount Vernon accounts for roughly 44.6 percent (26,460) of the county's incorporated population. Other major cities include: Anacortes (25.0 percent at 14,840), Sedro Woolley (14.7 percent at 8,700), and Burlington (11.8 percent at 6,995).

Other significant jurisdictions in Skagit County include: the Swinomish Indian Reservation, home to many Swinomish and Skagit Indians, and the Upper Skagit Indian Reservation beyond Sedro Woolley.

Figure 4
Population of Cities, Towns, and County
Skagit County, 1990-2001
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	%Chg 90-01
Skagit	79,545	82,790	85,490	88,500	91,000	93,100	95,500	96,900	98,700	100,600	102,979	104,100	30.9%
Unincorporated	37,841	39,139	40,490	42,213	43,260	43,936	45,442	45,893	46,750	47,685	44,506	44,815	18.4%
Incorporated	41,704	43,651	45,000	46,287	47,740	49,164	50,058	51,007	51,950	52,915	58,473	59,285	42.2%
Anacortes	11,451	11,700	12,110	12,260	12,510	12,820	13,140	13,460	13,900	14,370	14,557	14,840	29.6%
Burlington	4,349	4,760	4,690	4,690	5,170	5,385	5,445	5,445	5,525	5,635	6,757	6,995	60.8%
Concrete	735	735	730	7,300	740	740	765	770	785	780	790	790	7.5%
Hamilton	228	230	230	234	240	250	248	297	300	300	309	325	42.5%
La Conner	686	720	690	713	720	737	780	780	775	800	761	765	11.5%
Lyman	275	290	290	290	290	312	320	325	320	320	409	410	49.1%
Mount Vernon	17,647	18,720	19,550	20,450	20,950	21,580	21,820	22,280	22,540	22,700	26,232	26,460	49.9%
Sedro-Woolley	6,333	6,496	6,710	6,920	7,120	7,340	7,540	7,650	7,805	8,010	8,658	8,700	37.4%

Age Groups

The distribution of the population among various age groups as well as the changes in this distribution over time reveals patterns that are not apparent in the population. *Figure 5* illustrates Skagit County and Washington populations measured by age group share size for 2000. These age categories are stratified based on the following labor market assumptions:

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

In 2000, a major difference between Skagit County and Washington was in the share of the population in the 25-44 and 65+ age groups, where the county shares were both lower than the state by 4 percent. Skagit County had a higher share than the state for the remaining age groups by one percent, except for the 65+ age group where the county share was higher than the state by 4 percent. In 2000, the median age (the age at which there is an equal number above and below) was 35.6 in Skagit County and 35.3 in Washington.

A major similarity between Skagit County and Washington is that both populations are aging. The primary factor behind this overall trend is the aging of the Baby Boomers (those born between 1946 and 1964). This aging accelerates in coming years as the Baby Boomers approach retirement age.

The Office of Financial Management has estimated Skagit County's population by age groups through 2020 (*see Figure 6*). The 25-44 age group, those in their prime productivity years, will see their share decrease as the smaller percentage of 15 to 24-year-olds reach that age group. A shortage of young, entry-level workers may also be a possibility. Over the next ten to twenty years, the projections indicate that the 45-64 age group, those mature workers seasoned with years of accumulated skills and experience, will dominate Skagit County's work force. The labor force derived from the populace will be older and more experienced, but possibly more resistant to change. This may also have a large effect on many institutions: medical services, assisted living facilities, nursing homes, and a host of other socioeconomic services. This, of course, is not unique to Skagit County. The nation and the state are both graying.

Figure 5
Population by Age Groups
Skagit County and Washington, 2000
Source: Office of Financial Management

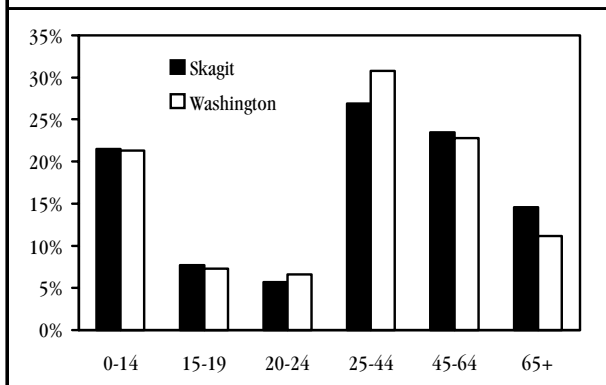
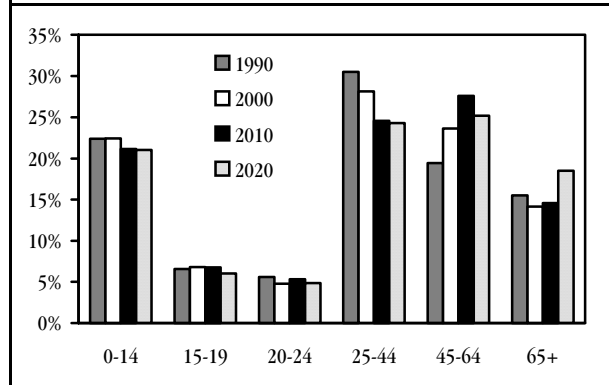


Figure 6
Population by Age Groups
Skagit County, 1990, 2000, 2010, & 2020
Source: Office of Financial Management



Demographics

Gender. A notable change has been seen in the gender makeup of Skagit County from 1990 to 2000 (see *Figure 7*). The 1990 Census showed the county as predominantly male, with the female population at 47.3 percent. A turnaround occurred with the 2000 Census, where Skagit County's female population (at 50.5 percent or 51,997 of the county population) held a very slight advantage over males. The same was true statewide, where females also held a slight majority of 50.2 percent (2,959,821) of the state population. By 2020, the Office of Financial Management estimated that females in Skagit County will maintain their slight advantage over males at a similar rate.

Race and ethnicity. *Figure 7* shows the racial characteristics in Skagit County based on the Censuses taken in 1990 and 2000. The Native American population constituted 3.5 percent of Skagit County's population in 1990, which was higher than the state's 1.8 percent share. Other non-white resident shares fell below the state average, with a black population of 0.2 percent (statewide 3.1 percent) and Asian/Pacific Islanders at 0.8 percent (statewide 4.4 percent). The white population (92.6 percent) comprised a share higher than the state share (90.6 percent).

The 2000 Census as shown in *Figure 7* used a different set of classifications to derive a more accurate account of

racial diversification and interracial characteristics. The changes in the 2000 Census were as follows:

- The word "alone" was added to each race category.
- Native Hawaiian/Pacific Islander was a separate race category from Asian.
- Some other race category was added.
- Two or more races category was added.

In 2000, Skagit County's population share of 1.9 percent American Indians/Alaskan Natives alone was higher than the state's 1.6 percent share. Skagit County's share of the white alone (86.5 percent) and some other race alone (7.2 percent) was much higher than the statewide population of 81.8 percent and 3.9 percent, respectively. The other racial resident shares fell below the state average, with black/African American alone at 0.4 percent (statewide 3.2 percent), Asians alone at 1.5 percent (statewide 5.5 percent), Native Hawaiian/Pacific Islanders alone at 0.2 percent (statewide 0.4 percent), and two or more races at 2.4 percent (statewide 3.6 percent).

From an ethnic rather than a racial perspective, Skagit County has a substantial and growing segment of Hispanics. People of Hispanic origin—who can be of any race and are accounted for separately—comprised a considerable 5.6 percent of Skagit County's population, higher than the state's share of 4.4 percent in 1990. The share size of Hispanics increased to 11.2 percent, which was higher than the 7.5 percent statewide share in 2000.

Figure 7
Population Estimates by Race and Hispanic Origin
Skagit County and Washington State, 1990 and 2000
Source: Office of Financial Management

1990 Census		2000 Census	
Skagit		Skagit	
Total	79,555 100.0%	Total	102,979 100.0%
White	74,133 92.6%	White alone	89,070 86.5%
Black	280 0.2%	Black or African American alone	450 0.4%
Indian/Aleut	1,712 3.5%	American Indian/Alaska Native alone	1,909 1.9%
Asian/Pac Is	782 0.8%	Asian alone	1,538 1.5%
Hispanic	4,335 5.6%	Native Hawaiian/Other Pacific Islander alone	163 0.2%
Female	37,665 47.3%	Some Other Race alone	7,381 7.2%
		Two or More Races	2,468 2.4%
		Hispanic	11,536 11.2%
		Female	51,997 50.5%
Washington		Washington	
Total	4,866,692 100.0%	Total	5,894,121 100.0%
White	4,308,937 90.6%	White alone	4,821,823 81.8%
Black	149,801 3.1%	Black or African American alone	190,267 3.2%
Indian/Aleut	81,483 1.8%	American Indian/Alaska Native alone	93,301 1.6%
Asian/Pac Is	210,958 4.4%	Asian alone	322,335 5.5%
Hispanic	214,570 4.4%	Native Hawaiian/Other Pacific Islander alone	23,953 0.4%
Female	2,452,952 50.4%	Some Other Race alone	228,923 3.9%
		Two or More Races	213,519 3.6%
		Hispanic	441,509 7.5%
		Female	2,959,821 50.2%

*Hispanics may be of any race

CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older in a specified geographic area who are either employed—excluding those serving in the armed forces—or unemployed and actively seeking work. Like the general population, the labor force can be seen as a key economic indicator. The labor force tends to grow along with population but at a slightly higher rate due to the increasing percentage of women in the paid labor force. Patterns of growth and decline in the county's labor force are largely driven by economic cycles as well as activity in the local industry sectors.

At the state and national level, the labor force and unemployment rate are determined by a monthly survey of households. At the county level, the state's portion of this household survey is integrated with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce estimates. Since gross domestic product and gross state product are not gathered at the county level, labor force changes, as well as other measures, serve as proxies of economic performance. Because there is no direct measurement of labor force and unemployment at the county level, these estimates do not have the same degree of accuracy as the national level has.

Trends

In 2000, the labor force in Skagit County was estimated at 51,640. *Figure 8* displays the trend of the county's labor force from 1970 to 2000. Over that period, Skagit County's civilian labor force grew from 21,990 to 51,640. This translates into annualized growth of 2.9 percent over the thirty-year period, which is greater than the statewide growth rate of 2.6 percent.

In the 1970s, Skagit County experienced a labor force growth stronger than the state (*see Figure 9*). From 1970-79, the county's labor force had a 3.8 percent average annual growth rate compared to 3.6 percent for the state. The county had 8,540 people added to its labor force from 21,990 in 1970 to 30,530 in 1979. This 38.8 percent increase outpaced Washington's overall civilian labor force growth of 37.0 percent in the seventies.

During the 1980s, labor force growth in Skagit County ranged from a low of -3.6 percent in 1984 to a high of 9.1 percent in 1989, going from 31,480 in 1980 to 37,780 in 1989. This 20.0 percent increase lagged behind Washington's overall civilian labor force growth of 23.5 percent. Skagit in the eighties went through extremes. By 1982, a severe national recession drove the county's unemployment rate to its historical high. An upward trend followed from 1987 to 1989, which was fairly consistent with the state as a whole. In 1989, Skagit County exceeded the state's civilian labor force growth with a 9.1 percent growth. The main reason for this increase in the county's labor force figure appeared to be a much higher total nonagricultural employment than the state.

Figure 8
Civilian Labor Force
Skagit County, 1970-2000
Source: Employment Security Department

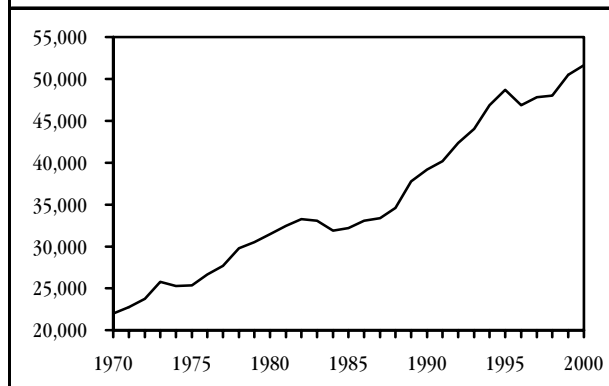
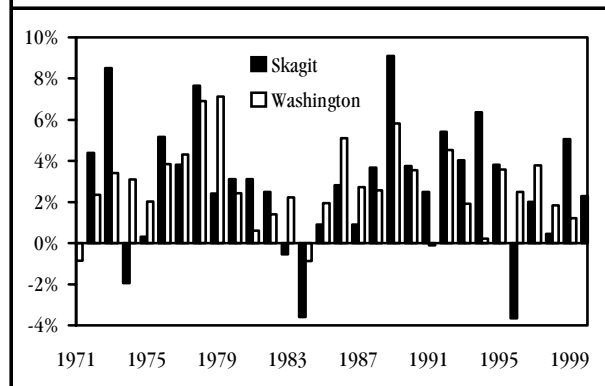


Figure 9
Civilian Labor Force Annual Growth Rates
Skagit County and Washington, 1970-2000
Source: Employment Security Department



In spite of a mild recession-based setback in 1991 and the slowing economy of the late 1990s, Skagit County's labor force grew 3.0 percent between 1990 and 1999. The county's labor force growth for the nineties markedly surpassed that of the state (at 2.3 percent). The county had 11,280 people added to its labor force from 39,200 in 1990 to 51,640 in 1999. This 28.8 percent increase was ahead of Washington's overall civilian labor force growth of 21.2 percent. However, the slowing economy

of the late 1990s was reflected in Skagit County's labor force decline of -3.7 percent in 1996 and again, down to 0.5 percent in 1998. The reasons for the decrease in the county's labor force were due to a much slower total nonagricultural employment than the state in those two years and the job attraction to the booming economies in the nearby counties of Snohomish and King. The county labor force again declined 2.3 percent in 2000; simultaneously, Washington's declined -1.0 percent.

Demographics

Demographic data on the civilian labor force are prepared in a fashion that combines race and ethnicity so that minority characteristics can be counted. Unlike Census data on the general population, those of Hispanic origin are not counted in their racial groups. The latest available demographic data compiled by the Employment Security Department from the Office of Financial Management is based on the 1997 population data for Skagit County labor force as shown in *Figure 10*.

Gender. As mentioned earlier, Skagit County's population is relatively evenly split between males and females. The county's labor force, however, is not. In 1997, the estimates showed that 55.0 percent of the county labor force were males compared to 45.0 percent females, mirroring the state ratio. Of Skagit County's white population in 1997, 89.2 percent were female; of its Native Americans, 2.2 percent were female; of its Asian/Pacific Islanders, 1.4 percent were female; and of its blacks, 0.2 percent were female. Those of Hispanic origin in the county were 7.0 percent female.

Race and Ethnicity. Skagit County's racial and ethnic labor force composition is similar to the composition of its population as a whole (*see Figure 10*). The 1997 estimates showed that 89.0 percent of the county's labor force was predominantly white. Native Americans, the largest non-white group in the labor force, accounted for 2.1 percent of the county labor force. Asian/Pacific Islanders accounted

Figure 10
Civilian Labor Force Annual Growth Rates
Skagit County, 1997
Source: Employment Security Department

Sex and Minority, 1997 Status	Labor Force	Percent Distribution
Both Sexes Total	47,940	100.0
White	42,650	89.0
Black	120	0.3
Native American	1,030	2.1
Asian & Pacific Islander	670	1.4
Hispanic	3,470	7.2
Female Total	21,570	100.0
White	19,230	89.2
Black	50	0.2
Native American	480	2.2
Asian & Pacific Islander	310	1.4
Hispanic	1,500	7.0
Female Percent of Total	45.0	---

*Please note: data are being reprinted because more current and accurate information is not available.
 New information will be provided after the 2000 Census.
 Note: All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.
 Race estimates are based on 1990 Census and 1997 population data from the Office of Financial Management.
 Detail may not add to indicated totals because of rounding.

for 1.4 percent, and blacks for 0.3 percent of the labor force. Those of Hispanic origin, who can be of any race, accounted for 7.2 percent of Skagit County's labor force. Data from the 2000 Census, with its new racial categories, are expected to alter the racial composition in significant ways, particularly for Hispanics.

UNEMPLOYMENT

The civilian labor force consists of both those who are working and those without a job who are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively looking for work. The unemployed do not include retirees, persons in institutions (including students), or those who have come to be known as “discouraged workers,” i.e., persons who would like to work but who are not actively searching for a job. None of these groups of people are included in the

unemployment figures because they are not looking for work. Military personnel are another group not included in the civilian labor force figures.

At the national level, the unemployment rate is determined by a monthly survey of households. At the local level, the state’s portion of this household survey is integrated with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates at the state and county level.

Trends

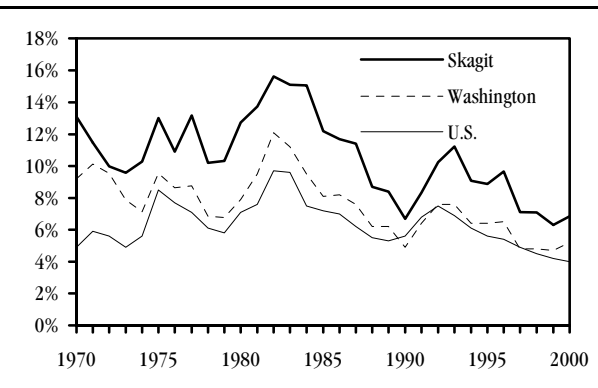
The unemployment rate for Skagit County has historically been higher than Washington and the United States. Even so, unemployment in the county follows the same patterns set by the state and the nation, indicating an interconnected relationship of their economies. As the economy contracts, unemployment rises; as it expands, unemployment shrinks (see Figure 11).

After the 1970 recession, employment increased rapidly. Oil prices began to soar. More profitable, oil drilling in Alaska proliferated. As the manufacturers of oil drilling modules for Alaska-based companies, many Skagit County firms experienced substantial job growth. Consequently, by 1973, the county’s annual average jobless rate fell to 9.6 percent from 13.1 percent in 1970. In Skagit County, the mid-1970 recession (1974-75) caused the county’s labor force to dip by about 4 percent and the annual average jobless rate to rise to 13.0 percent. There was a period of recovery between 1975 and 1980 for the state and the nation, but Skagit County experienced another year of high unemployment (13.2 percent) in 1977. In the following two years, the county’s labor force and employment took on aspects of recovery.

When the two recessions of the early-1980s struck, Skagit County was hit hard. Although employment grew, the labor force rose by a greater percentage. For three years between 1982 and 1984, the county’s annual average unemployment rate reached its historical highs, which exceeded 15 percent. While the state and the nation were recovering from two severe recessions, Skagit County still had high jobless rates. In 1988, the rate of joblessness started declining and continued doing so until 1990.

In 1990, Skagit County’s unemployment rate hit its lowest level (6.7 percent) since 1970. The growth in the

Figure 11
Unemployment Rates
Skagit, Washington, and U.S., 1970-2000
Source: Employment Security Department



labor force and the unusually low unemployment rates can mainly be attributed to job creation in the nonmanufacturing sectors. Food processing and other manufacturing industries also showed very good growth. Almost nine-tenths of the new jobs since 1987 stemmed from nonmanufacturing, with the greatest number found in the trade sector. The national recession of 1990-91 sent the unemployment rate back up. In 1993, the rate reached a high 11.2 percent. The rate moved down in the next two years, and inched back up in 1996 to 9.7 percent. For three years between 1997 and 1999, the county’s annual average unemployment rate ran substantially low. In 1999, Skagit County’s unemployment rate fell to a historical low of 6.3 percent and rose up to 6.9 percent in 2000. The latest rise on the county’s unemployment rate was due to the slowing economies of the northwest counties and the rural nature of Skagit County’s economy.

Industrial Typology

A number of specific industries within Washington have been defined as being seasonal, cyclical, or structurally mature. These designations relate to the level of variation in employment or to a change in employment over specific time periods. Because all three categories reflect employment instability or change, the characteristics of an area's industrial base hint at the unemployment patterns that the area might face. Therefore, calculations were made to establish the share of seasonality, cyclical, and structural maturity in the area's employment base. These terms are defined as follows.

Seasonality refers to business and employment patterns characterized by large employment increases and decreases in particular months of the year, often season-related. These variations occur during the same months each year and are caused by factors that repeat each year; for example: poor weather conditions, holiday seasons, and weather-related activities such as harvesting. Industries susceptible to seasonal factors are classified as seasonal industries; for example: construction, retail sales, and agriculture. 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.

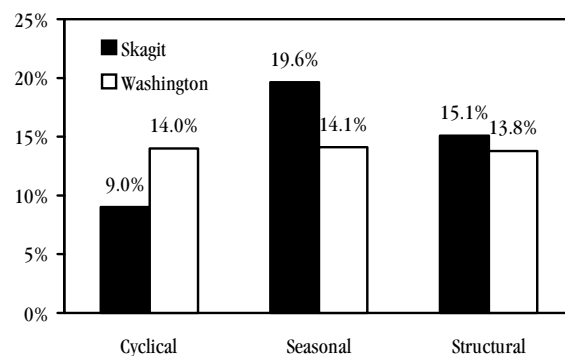
Cyclical refers to business and unemployment patterns caused by or linked to the broader movements of the economy—growth expansions and contractions. Unemployment in such industries is attributed to a general decline in macroeconomic activity, especially expenditures which occur during a business-cycle downturn. When the economy dips into a contraction or recession, aggregate demand declines. Less output is produced and sold. Fewer workers and other resources are employed. Business activity of the cyclical variety decreases and unemployment increases. Industries that are especially sensitive to these economic swings are classified as cyclical industries; for example: aerospace, automobile manufacturing, and ship building. A cyclical industry is one in which the total employment variation over a seven-year period is very high when compared to a straight-line trend projection for the same period.

Structural maturity refers to business and employment patterns characterized by long-term declines in total annual average employment. These declines may be the result of increased productivity, automation, technological change, exhaustion of natural resources, or other factors. Decreasing sales are due to either dis-

placement by less-expensive competitors or decreasing overall demand for the good. Affected industries must either shut down or restructure. Areas with a high degree of structurally mature industries experience specific unemployment issues. First, structurally mature industries shed a significant number of workers causing unemployment to increase. Secondly, unemployment can persist because of a mismatch between the skills possessed by the available work force and the skills called for in existing and newly-created jobs. The impact of structurally mature industries on local economies can be devastating in the short run. The structurally mature designation is determined by comparing an industry's current employment against its employment at the peak of the last business cycle.

The percentage of workers employed in these type of industries in Skagit County is shown in *Figure 12*. Only private industries were included when producing these percentages. The large impact of government employment had been excluded. As the chart shows, in 2000 seasonal industries accounted for 19.6 percent of all private covered employment in Skagit County, considerably higher than the state's 14.0 percent. That same year, cyclical industries recorded only 9.0 percent of all private covered employment in the county, considerably lower than the state's 14.0 percent share. Structurally mature industries had 15.1 percent of all private covered employment in the county, somewhat higher than the statewide 13.8 percent. *Note: The percentages will not necessarily add up to 100 percent. An industry can be recognized in more than one typology. Construction, for example, is very dependent upon weather*

Figure 12
Industrial Typology
Skagit County and Washington, 2000
Source: Employment Security Department



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.

Skagit County has a higher concentration of workers in seasonal industries than does the state primarily due to its large construction and agricultural sectors. During the course of a year, Skagit County has a tendency toward a high variation in unemployment. As *Figure 11* shows, unemployment in the county tracks very closely with the state (albeit, at a higher level); it rises and falls simultaneously with a similar amplitude of changes.

Because the typologies of Skagit County and the state differ, it is not unusual that the county has a higher unemployment rate than the state. The higher percentage of workers in seasonal type industries will cause a higher variation of unemployment throughout the year, as mentioned earlier. Although Skagit County's concentration of workers in cyclical industries is considerably less than the state, the chart reveals that Skagit's concentration of workers in seasonal and structural industries is greater than the state.

Demographics

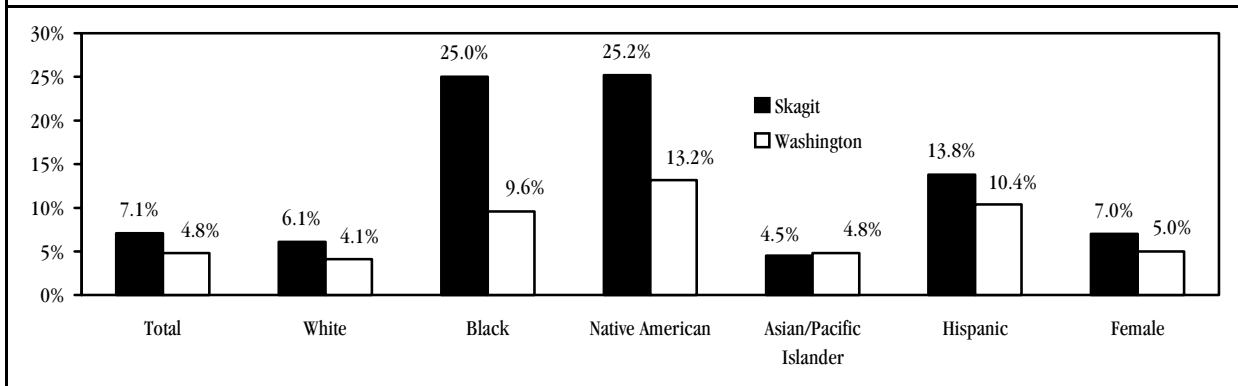
Figure 13 compares unemployment among the various racial groups and between the state and the county. When categorized by race and ethnicity there are pronounced differences. Unemployment statistics by race and sex are extrapolated from the Census and updated by Employment Security Department analysts, factoring in population changes and other variables. The most recent update for Skagit County was in 1997, when the overall unemployment rate was 7.1 percent.

Gender. Within Skagit County, the number of unemployed females and males in 1997 was at 44.6 percent and 55.4 percent, respectively. Statewide, the female unemployment composition was higher at 47.9 percent; the unemployed males, lower at 52.1 percent. The county's unemployment rate for women was 7.0 percent, relatively higher than the statewide rate of 5.0 percent.

Race and Ethnicity. The 1997 unemployment rate for whites in Skagit County was 6.1 percent, higher than the statewide 4.1 percent. Among the non-whites, unemployment rates in the county were as follows: Native Americans had the highest at 25.2 percent; blacks were at 25.0 percent; and Asian/Pacific Islanders had the lowest at 4.5 percent. Those of Hispanic origin, who can be of any race and are excluded from the racial categories in this data series, had an unemployment rate of 13.8 percent in Skagit County, higher than 10.4 percent statewide.

The patterns above were the same statewide, in that whites and Asian/Pacific Islanders throughout the state have the lowest unemployment rates, and unemployment among women is less than among men.

Figure 13
Unemployment by Race, Ethnicity, and Gender
Skagit County and Washington, 1997
Source: Employment Security Department



Unemployment Insurance Claims

One of the key factors used to determine county unemployment rates is the number of claims filed with the Employment Security Department for unemployment insurance (UI) benefits. Only one-third to one-half of all unemployed persons file claims, making it an inexact indicator. UI claim figures at the county level are not maintained according to occupations. However, UI claims do contain occupational information. *Figure 14* shows the number of UI claims filed in Skagit County and Washington during fiscal year (FY) July 1, 2000 to June 30, 2001 by occupational groups. Occupational groups differ from industry designations in that the former deal with the type of work performed regardless of industry and the latter deal with work performed within a given industry. Skagit County residents filed a total of 8,539 UI claims during FY 2000-2001.

The concentration of UI claims in Skagit County's occupational groups, ranked by size, appeared to resemble the concentrations statewide. The difference between county and state were in the degree of UI concentration in each of these groups. The majority of Skagit County's UI claims fell into four principal groups: structural work (30.6 percent), professional/technical/managerial (13.3 percent), service (9.5 percent), and agriculture/forestry/fishing (8.6 percent). Structural work, primarily construction occupations, was the largest source of UI claims in the county. Its share in the county was a third as much as that seen statewide (30.6 percent compared to 19.6 percent). The large share of UI

claims in the structural category reflected the seasonal nature of the work as well as the tendency to file a claim for the often short time periods between construction projects. Agriculture/forestry/fishing work, also seasonal in nature, was the county's fourth largest group of UI claims. Its concentration in the county was a fifth as much as that of the state (8.6 percent compared to 6.9 percent). In reviewing these data, it is important to note that the percent of unemployed in each occupation, who file for unemployment, may vary widely. Claims data should not be viewed as representative of the unemployed as a whole.

Classifying the groupings in *Figure 14* rather loosely into "white-collar" and "blue-collar" jobs, both the county (65.7 percent at 5,608) and the state (52.8 percent at 209,217) have the majority of UI claims stemming from blue-collar occupations. Blue-collar includes the groupings of structural work, agriculture/forestry/fishing, packaging/materials handling, motor freight/transportation, machine trades, processing, and benchwork occupations; white-collar subsumes the rest. UI claims from white-collar occupations were more prevalent statewide (at 47.2 percent compared to 34.3 percent) given the influence of the larger, more urban metropolitan areas statewide. The state white- to blue-collar UI claimant ratio is more evenly distributed—greatly influenced by a more diversified economic base. Overall, Skagit County is clearly more blue-collar, which means its occupational structure is less diverse than the state's.

Figure 14
Unemployment Insurance Claimants
Skagit County and Washington State, July 1, 2000-June 30, 2001
Source: Employment Security Department

	Skagit		Washington	
	Claimants	Percentage	Claimants	Percentage
Structural	2,615	30.6%	77,515	19.6%
Professional, technical and managerial occupations	1,132	13.3%	82,581	20.8%
Service	815	9.5%	38,074	9.6%
Agriculture, Forestry, and Fishing	738	8.6%	27,209	6.9%
Clerical	676	7.9%	45,618	11.5%
Processing	520	6.1%	19,128	4.8%
Motor Freight and Transportation	518	6.1%	18,453	4.7%
Machine Trades	489	5.7%	23,387	5.9%
Packaging and Materials Handling	389	4.6%	27,243	6.9%
Sales	308	3.6%	20,598	5.2%
Benchwork	282	3.3%	13,121	3.3%
Miscellaneous	57	0.7%	3,161	0.8%
Total	8,539	100.0%	396,088	100.0%
White-Collar*	2,931	34.3%	186,871	47.2%
Blue-Collar*	5,608	65.7%	209,217	52.8%

*Miscellaneous/NEC occupations excluded

INDUSTRIES, EMPLOYMENT, AND WAGES

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

(ES-202), includes data on both agricultural and non-agricultural employment covered under the state Unemployment Insurance (UI) program. Covered employment data are used to revise the initial survey-based CES estimates. All wage data and agricultural employment data in this section stem from the ES-202 program; other employment information comes from the CES program.

Employment Trend

Nonagricultural employment has been growing healthily over the last ten to fifteen years. The first of the two charts (*Figure 15*) shows Skagit County's nonagricultural employment numbers from 1970 to 2000. The number of county jobs rose from 13,670 in 1970 to 41,990 in 2000, an overall increase of 307 percent. This increase translated to a county annualized average growth of 3.7 percent. During the same period, the state was at a lesser 3.0 percent. Skagit County's nonagricultural employment averaged at 3.8 percent from 1996 to 2000. More recently, the number of county jobs rose from 39,630 in 1999 to 41,990 in 2000, an increase of 6.0 percent versus the statewide 2.8 percent.

The second chart (*Figure 16*) shows employment growth in the county and the state from 1970 to 2000. Growth was strong throughout most of the 1970s, was essentially flat from 1979 to 1985, and has been quite robust since then. More specifically, employment averaged a 4.8 percent annual increase from 1970 to 1979; a 0.5 percent annual decrease from 1979 to 1985; and an annual increase of 4.8 percent from 1985 to 2000. Job growth has been relatively greater in Skagit County than in Washington as a whole, especially since 1988. More recently, the 1999-2000 nonagricultural industry employment growth for Skagit County was 6.0 percent, which was comparably higher than the statewide 2.8 percent.

Figure 15
Nonagricultural Wage & Salary Employment
Skagit County, 1970-2000
Source: Employment Security Department

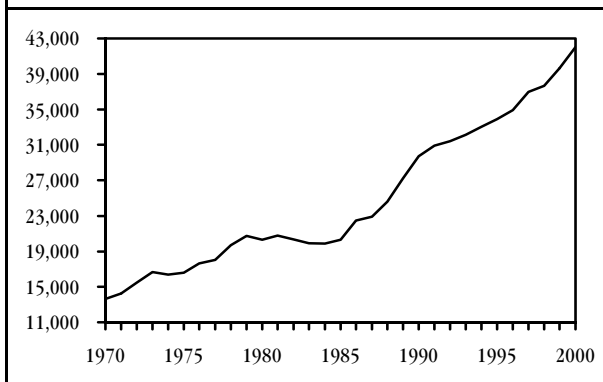
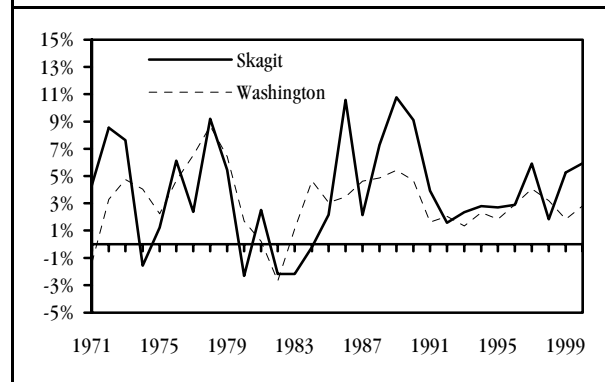


Figure 16
Nonagricultural Wage & Salary Growth Rate
Skagit County and Washington, 1970-2000
Source: Employment Security Department



Industry Projections

Figure 17 shows Skagit County's nonagricultural employment estimates for 2000 and industry projections for 2008. Looking ahead, Employment Security Department analysts made these projections based on historical trends and anticipated developments in the various industries. Skagit County's employment is expected to grow at 12.6 percent by 2008, behind the statewide 13.4 percent. This growth change translates into 5,300 more jobs in Skagit County by 2008. The county growth, which works out to

an annualized average of 1.5 percent, is slightly less than the statewide growth, which is projected to increase at an annualized average growth of 1.6 percent. Just like the statewide trend, most of the county's growth is expected to be in the trade and services sectors. Combined, these sectors are expected to account for almost 3,300 of the new jobs by 2008. Slow growth is anticipated in most resource-based industries.

Figure 17
Industry Projections
Skagit County and Washington State, 2000 and 2008
Source: Employment Security Department

	Skagit				Washington			
	2000	2008	% Chg	% Growth	2000	2008	% Chg	% Growth
Total Nonfarm Employment	41,930	47,230	12.6%	1.5%	2,716,800	3,080,700	13.4%	1.6%
Manufacturing	5,920	6,160	4.1%	0.5%	350,300	365,500	4.3%	0.5%
Construction/Mining	3,200	3,450	7.8%	0.9%	161,600	180,000	11.4%	1.4%
Transportation & Public Utilities	1,810	1,920	6.1%	0.7%	146,600	162,200	10.6%	1.3%
Wholesale & Retail Trade	11,060	12,650	14.4%	1.7%	653,200	731,400	12.0%	1.4%
Finance, Ins. & Real Estate	1,300	1,470	13.1%	1.5%	137,200	153,300	11.7%	1.4%
Services	10,090	11,790	16.8%	2.0%	780,800	940,800	20.5%	2.4%
Government	8,550	9,790	14.5%	1.7%	483,500	543,700	12.5%	1.5%

Location Quotients

One way of determining the industrial makeup of an area, and thereby its relative economic strength or weaknesses, is to compare it to another area. This comparison can be done using various measures of economic activity, such as employment, income, or retail sales. In the following analysis, location quotients are calculated using employment figures.

The following section shows fairly specifically, by industry sector, how Skagit County's employment patterns both differ from and coincide with Washington as a whole. When comparing an industry's share of all employment at the county level to the same industry's share at the statewide level, it becomes apparent that some county employment is distributed differently than statewide employment. The location quotient compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

The quotient is determined by dividing the county industry's share of total employment by the same industry's share of total employment statewide. A quo-

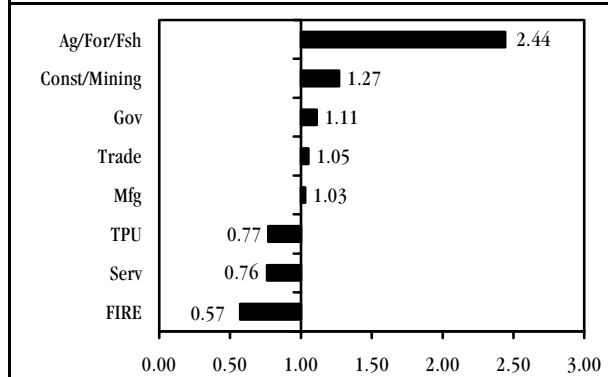
tient of 1.0 denotes an industry in which the county is comparable to the state as a whole. A quotient higher than 1.0 denotes a county industry with a higher concentration of employment than in the same industry statewide. A quotient below 1.0 denotes a county industry with a lesser concentration of 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 2000 location quotients of the major industry sectors in Skagit County, which both reveal and conceal several interesting characteristics. Two of the county's major industries had location quotients significantly greater than 1.0, suggesting significant levels of exportation. These industries were agriculture/forestry/fishing (2.44) and construction/mining (1.27).

Agriculture/forestry/fishing is the strongest exporter in Skagit County. There are far more tulips grown in the county than the residents can buy. Construction is not a typical export industry. Construction's quotient is high, driven primarily by an unusually high level of heavy construction, mostly related to work on water, sewer, and utility lines. Housing construction is also at a higher level than it is statewide. The high demand for housing stems from the county's high level of in-migration and population growth. There is no significant difference between government, trade, and manufacturing at the county level and at the state level—all three are clustered closely around the 1.0 quotient level. The quotients for TPU, services, and FIRE are enough below 1.0 to suggest that importation of these services occurs at a moderate level.

Figure 18
Location Quotients
Skagit County, 2000
Source: Employment Security Department

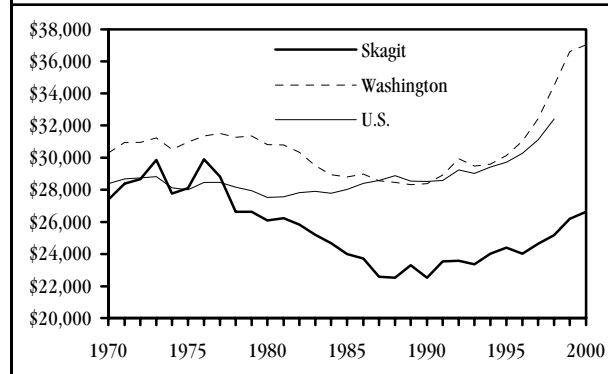


Annual Average Covered Wage

The annual average covered wage is derived by dividing the total wages and salaries paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance (UI) program are excluded. Covered employment, jobs that are covered by the UI program, constitutes over 85 percent of all employment in the state. The annual average covered wage does not include any benefits, like insurance or retirement plans. The annual average covered wage computation includes part-time workers; if they were excluded, the wage would undoubtedly be higher. (Note: all amounts here have been inflation-adjusted to 2000 dollars.)

Figure 19 shows the real annual average covered wages (adjusted to 2000 dollars) in Skagit County, the state, and the nation from 1970 to 2000. In 1970, the real annual average covered wage in Skagit County was \$27,376. In 2000, Skagit County's real annual average covered wage was \$26,634. It was as high as \$29,906 in 1976 and as low as \$22,512 in 1990. The wage difference was seen when Skagit County's economy became trade and service-oriented. Traditionally, trade and service wages were lower than those of manufacturing and government. The significant aspect of the chart is that the county shows a long downward spiral, which lasted from 1977 to 1990, where it has bottomed out and is now on the upswing. It has increased by \$4,122 from 1990 to 2000. Even so, the average wage has not come close to recapturing its 1976 peak. More recently, the annual average wage increased by \$455, from \$26,179 in 1999 to \$26,634 in 2000.

Figure 19
Real Average Covered Wage
Skagit County, Washington, & U.S., 1970-2000
Source: Employment Security Department



The annual average covered wage in Skagit County has historically been lower than the statewide average. Skagit County does not have the level of high-tech and aerospace industries, which are the prime drivers of the higher statewide average. The county's annual average covered wage has been as much as 95 percent of the state's in 1973 and as little as 79 percent in 1992. In 2000, it stood at 72 percent of the statewide average.

The decrease of wages from \$27,376 in 1970 to \$26,634 in 2000 is not unique to Skagit County. This overall decline of the annual average covered wage has been a subject of considerable discussion for it is a national trend. Some of the explanations proffered are listed below. Undoubtedly, each is a contributing factor.

- Pay declines within industries caused by international competition, restructuring, the decreased power of unions to set wages, and other factors.
- An overall decline in high-paying, goods-producing jobs accompanied by a large increase in lower-paying trade and services jobs.
- The substitution of employee benefits for direct pay increases.
- Increase in part-time workers.

Figure 20 displays the 2000 annual average covered wages of the major industry sectors and a number of particular industries within the sectors for Skagit County and Washington. Annual average covered wages based on total wages and salaries for 2000 were used to compare earnings in comparable county and state industries at the two-digit level of the Standard Industrial

Classification (SIC) code. The estimates should be used for general comparisons only. Suppressed industries and part-time workers can exaggerate wage disparities between comparable industries.

By major sector classification, retail trade in 2000 made the county's lowest annual average covered wage of \$17,355. Construction paid Skagit County's highest annual average covered wage of \$37,234. Manufacturing, mining, and TCU were next in line with annual average covered wages of \$35,817; \$35,153; and \$33,835, respectively. Overall, the annual average covered wage for Skagit County in 2000 as a whole was less than that of the state. All industry sectors were less than the state-wide same-sector averages, except for Skagit County's agriculture/forestry/fishing sector.

Figure 20
Annual Covered Wage and Employment
Skagit County and Washington State, 2000
Source: Employment Security Department

SIC Total	Skagit		Washington	
	Employment	Avg Wage	Employment	Avg Wage
Agriculture, Forestry, and Fishing	43,762	\$26,633	2,703,725	\$37,063
01 Agricultural Production - Crops	3,621	\$21,503	91,576	\$18,019
02 Agricultural Production - Livestock	2,512	\$19,135	54,818	\$14,528
07 Agricultural Services	348	\$21,085	5,785	\$21,087
08 Forestry	444	\$19,944	26,187	\$20,017
09 Fishing, Hunting, and Trapping	226	\$36,916	2,354	\$29,575
Mining	35	\$35,153	3,478	\$46,730
10 Metal Mining	*	*	330	\$72,058
13 Oil and Gas Extraction	*	*	30	\$42,995
14 Nonmetallic Minerals, except Fuels	35	\$35,153	2,590	\$39,884
Construction	3,106	\$37,234	149,341	\$37,478
15 General Building Contractors	781	\$28,764	40,105	\$36,664
16 Heavy Construction, except Building	465	\$43,723	17,853	\$45,414
17 Special Trade Contractors	1,860	\$39,169	91,383	\$36,285
Manufacturing	5,761	\$35,817	345,904	\$47,069
20 Food and Kindred Products	1,269	\$22,949	40,957	\$31,916
22 Textile Mill Products	25	\$36,698	1,058	\$34,679
23 Apparel and Other Textile Products	59	\$18,602	6,431	\$23,125
24 Lumber and Wood Products	559	\$32,647	32,197	\$37,950
25 Furniture and Fixtures	63	\$29,460	4,715	\$29,302
26 Paper and Allied Products	*	*	15,531	\$52,135
27 Printing and Publishing	258	\$26,350	23,652	\$35,174
28 Chemicals and Allied Products	79	\$53,414	6,066	\$115,756
29 Petroleum and Coal Products	809	\$70,280	2,195	\$68,331
30 Rubber and Miscellaneous Plastic Products	84	\$28,618	9,941	\$31,864
31 Leather and Leather Products	*	*	332	\$22,158
32 Stone, Clay, and Glass Products	208	\$31,737	8,941	\$36,476
33 Primary Metal Industries	51	\$29,582	10,939	\$46,624
34 Fabricated Metal Products	250	\$30,917	14,505	\$33,703
35 Industrial Machinery and Computer Equipment	423	\$34,979	24,550	\$53,578
36 Electronic Equipment, except Computer	463	\$32,934	19,870	\$43,186
37 Transportation Equipment	904	\$35,398	101,030	\$58,884
39 Miscellaneous Manufacturing Industries	162	\$21,820	8,506	\$38,665

Figure 20 (Continued)
Annual Covered Wage and Employment
Skagit County and Washington State, 2000
Source: Employment Security Department

SIC	Skagit		Washington	
	Employment	Avg Wage	Employment	Avg Wage
Transportation, Communications and Utilities	1,740	\$33,835	139,716	\$47,472
41 Local and Interurban Passenger Transit	36	\$11,424	6,787	\$20,697
42 Trucking and Warehousing	660	\$32,179	32,417	\$32,006
44 Water Transportation	196	\$33,470	8,732	\$58,033
45 Transportation By Air	276	\$29,827	27,261	\$40,422
46 Pipelines, except Natural Gas	12	\$38,493	107	\$61,731
47 Transportation Services	71	\$22,021	12,214	\$38,074
48 Communication	269	\$32,485	35,857	\$68,641
49 Electric, Gas, and Sanitary Services	220	\$53,032	16,341	\$55,875
Wholesale Trade	1,494	\$31,263	150,246	\$43,602
50 Wholesale Trade - Durable Goods	652	\$33,061	85,868	\$48,301
51 Wholesale Trade - Nondurable Goods	842	\$29,870	64,378	\$37,334
Retail Trade	9,327	\$17,355	483,808	\$20,879
52 Building Materials and Garden Supplies	508	\$22,770	21,839	\$26,117
53 General Merchandise Stores	882	\$17,347	51,392	\$23,110
54 Food Stores	1,350	\$18,620	69,792	\$21,254
55 Automotive Dealers and Service Stations	1,546	\$30,247	48,856	\$31,838
56 Apparel and Accessory Stores	327	\$13,521	25,586	\$22,773
57 Furniture and Homefurnishings Stores	408	\$17,580	22,189	\$29,754
58 Eating and Drinking Places	3,408	\$10,808	178,116	\$13,557
59 Miscellaneous Retail	898	\$16,348	66,038	\$24,941
Finance, Insurance, and Real Estate	1,240	\$30,249	133,969	\$44,422
60 Depository Institutions	459	\$30,070	38,769	\$38,614
61 Nondepository Institutions	19	\$41,314	10,020	\$52,715
62 Security and Commodity Brokers	51	\$74,519	8,964	\$102,679
63 Insurance Carriers	301	\$37,187	26,537	\$47,635
64 Insurance Agents, Brokers, and Service	89	\$26,425	13,240	\$42,465
65 Real Estate	310	\$15,500	33,476	\$28,344
67 Holding and Other Investment Offices	11	\$70,098	2,963	\$77,775
Services	9,183	\$22,009	747,145	\$41,006
70 Hotels and Other Lodging Places	538	\$12,099	28,678	\$16,921
72 Personal Services	227	\$14,311	22,285	\$18,202
73 Business Services	1,233	\$26,544	182,202	\$79,193
75 Auto Repair, Services, and Parking	417	\$22,855	26,415	\$25,915
76 Miscellaneous Repair Services	240	\$24,352	7,473	\$30,336
78 Motion Pictures	48	\$8,038	9,588	\$14,358
79 Amusement and Recreation Services	1,213	\$18,539	43,807	\$21,653
80 Health Services	2,332	\$27,831	186,901	\$33,219
81 Legal Services	143	\$26,626	18,152	\$47,946
82 Educational Services	199	\$16,875	24,156	\$30,002
83 Social Services	1,235	\$18,734	62,756	\$17,902
84 Museums, Botanical, Zoological Gardens	13	\$21,986	1,884	\$24,674
86 Membership Organizations	561	\$19,449	25,868	\$22,924
87 Engineering and Management Services	348	\$32,717	67,829	\$48,909
88 Private Households	421	\$7,660	37,064	\$9,239
89 Services, NEC	15	\$24,067	2,087	\$44,625
Government	8,255	\$30,992	458,540	\$36,299
Federal	471	\$35,839	69,907	\$44,721
State	1,271	\$35,197	119,056	\$36,842
Local	6,513	\$29,822	269,577	\$33,874

**Employment and wages not shown to avoid disclosure of data for individual employers*

Commuting

A fairly large portion of Skagit County residents commutes to work outside the county. The Office of Financial Management will not release the most current data based on the 2000 Census until June 2002. According to the 1990 Census, about 5,700 commuters have been recorded as Skagit County residents. These commuters comprise about 17 percent of the county's employed residents.

Most of Skagit County's resident commuters go to neighboring Snohomish County (2,245). A sizable number go to Whatcom (1,526), King (818), or Island (628)

counties. In 1990, these commuters, many who work in relatively high-paying manufacturing and construction jobs, have brought home to Skagit County about \$220 million in wages.

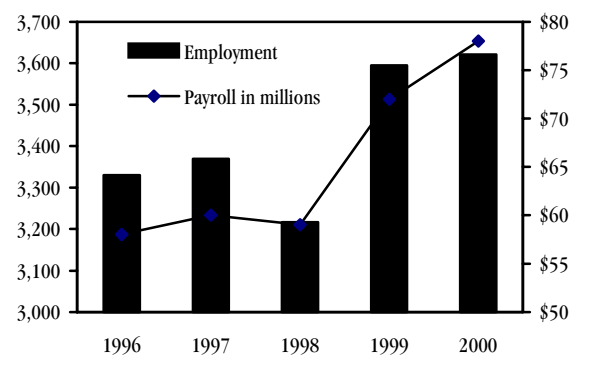
The county's resident commuters help explain the difference in figures between labor force employment, which is based on the place of residence, and the non-agricultural employment series, which is based on the place of work.

Agriculture, Forestry, and Fishing

The agriculture/forestry/fishing sector is a significant one in Skagit County. In 2000, this sector employed 3,621 workers on average, which accounted for an 8 percent share of the total covered employment in the county. The share of the work force employed in this sector was greater than any other county in western Washington, and the absolute numbers were greater than all western counties, except King. The great majority of the workers in this sector (a total of 3,304) are engaged in agriculture. A fairly small number (226) are involved in forestry. A significant few (91) are commercial fishermen. *Figure 21* shows the sector's employment numbers from 1996 to 2000 and the sector's annual payroll for each of those years. Except for 1998, the chart depicts that employment and payroll have both been growing at a steady rate. More recently, Skagit County's agriculture/forestry/fishing employment averaged a growth rate of 0.7 percent from 1999 to 2000; lower than the state average of 2.0 percent. During the same two years, the sector's annual payroll increased 2.0 percent; lower than the state average of 6.7 percent. In 2000, the annual average wage of workers in the agriculture/forestry/fishing sector was \$21,503 in 2000, almost \$3,500 higher than the same-sector pay statewide.

Agriculture is divided into three four-digit SIC codes in Skagit County: crop production, livestock, and agricultural services. Please note that the figures discussed in this section only include farm workers, not farm owners and perhaps a good number of unpaid family members. Crop production employed the majority of Skagit County's agricultural workers. In 2000, crop production had 2,512 workers with an annual average wage of \$19,135, which was \$4,600 higher than the statewide average. The county's highest paid and highest number of workers in crop production were engaged in orna-

Figure 21
Agriculture, Forestry, & Fishing Employment
Skagit County, 1996-2000
Source: Employment Security Department



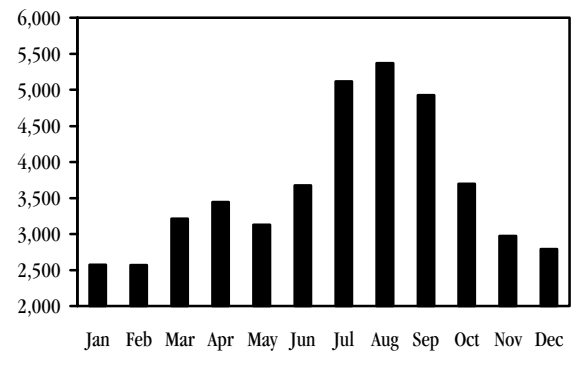
mental nursery products, which includes tulips and other bulbs. There were 1,206 ornamental nursery product workers in the county that earned an annual average wage of \$22,955 in 2000. Skagit County, which also produces corn, green peas, carrots, barley, and others, ranked vegetables and melons second in crop production, with 520 workers earning \$16,044 annual average wage. Berry crop production—raspberries, blueberries, and strawberries—ranked third with 410 workers earning a yearly average pay of \$11,464. Livestock, although with the least number (348) of agricultural workers, paid the highest agricultural annual average wage of \$21,085 in 2000, equivalent to the state's \$21,087. Skagit County is home to a large number of cattle, both beef and dairy. The highest employment in livestock was in dairy farms, which had 234 workers. The highest pay in livestock was in animal aquaculture with yearly average pay of \$40,068. Agricultural services in Skagit County includes industries which are as diverse as veterinarian

and lawn maintenance services. Agricultural services employed 444 workers with an annual average wage of \$19,944 in 2000, which was \$73 lower than the statewide average. The majority (142) of the workers in agricultural services earned \$22,069 average yearly pay in livestock services, excluding veterinary. The highest paid in agricultural services worked in crop planting and protecting with \$41,012 annual average pay in 2000.

Forestry in Skagit County includes timber tracts and forestry services. Forestry employed 226 workers with an annual average pay of \$36,916 in 2000. The county's forestry workers are paid \$7,300 higher than their statewide counterparts. Timber tracts had the most number employed at 204 and the highest paid at \$39,251 average yearly. Forestry services had the least number of workers at 25 and the lowest paid at \$14,656 average yearly.

Fishing, hunting, and trapping, which primarily reflects commercial fishing in Skagit County, employed the lowest number of workers but also paid the sector's highest wages. In 2000, commercial fishing generated a payroll larger than either agriculture or forestry in the county. Commercial fishers earned \$57,801 in annual average wage, which was almost \$2,000 more than the same sector statewide. The highest employment and the highest paid in commercial fishing were involved with finfish, which had 53 workers making \$83,016 annual average pay. The lowest employment and lowest paid were in hunting/trapping/game propagation at \$9,524 average yearly.

Figure 22
Agriculture, Forestry, & Fishing Employment
Skagit County, 2000
Source: Employment Security Department



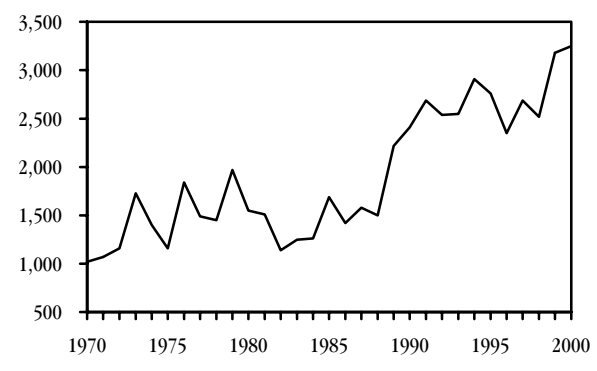
As mentioned earlier, employment in the agriculture/forestry/fishing sector in Skagit County has averaged 3,261 in 2000. During the course of a year, that number varies considerably because of the seasonal nature of work. *Figure 22* shows employment in the sector went from a low of 2,570 workers in February and to a high of 5,367 in August. December, January, and February are typically the low-season months while July, August, and September are the high season. This type of variation, associated mostly with agricultural work, has a strong effect on the unemployment in Skagit County.

Construction and Mining

These two sectors, construction and mining, are normally grouped together because mining normally has a very small number of employment. This is true in Skagit County, where there are only a handful of 35 workers employed in the mines in 2000. Mining workers in the county average \$35,153 in 2000, which is almost \$11,600 lower than their statewide counterpart.

Figure 23 shows construction and mining employment from 1970 to 2000 in Skagit County and *Figure 24* shows the employment annual growth for the county and the state. During this period, the number of jobs in the county grew from 1,020 to 3,250. Overall for the period, Skagit County's construction employment grew at an annual average of 6.0 percent, greater than the statewide growth of 4.0 percent. In 2000, the county's construction and mining employment retained a greater share of total non-farm employment than its same sector statewide: 7.2 percent versus 5.7 percent, respectively.

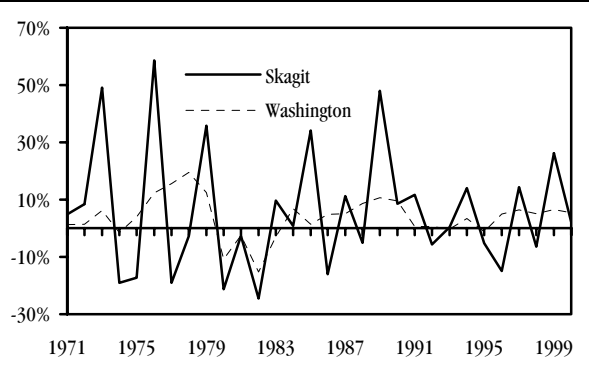
Figure 23
Construction & Mining Employment
Skagit County, 1970-2000
Source: Employment Security Department



Figures 23 and 24 also show that employment changes in construction and mining are neither moderate nor gradual: they tend to occur abruptly and in large increments. After seesawing up and down throughout the 1970s and most of the 1980s, construction and mining employment increased strongly in the late 1980s and early 1990s. Even though the county's construction and mining employment declined in 1992, 1995, 1996, and 1998, its growth still outpaced that of the state for the rest of the nineties. Due to Skagit County's proximity to Snohomish and King counties, there was an increase in housing development, residential construction, as well as commercial development for most of the nineties. More recently, the highest construction and mining employment growth in the nineties was in 1999, when the county reached 26.2 percent. The year 2000 started out with a lower growth (2.2 percent) compared to its statewide counterpart (5.4 percent). It saw the end or slowdown of the construction boom of the nineties, which has resulted to overbuilt and vacancies.

Construction can be subdivided into three types of industries: general building, heavy construction, and special trades. Of the three, special trades industry employs the most workers. These include painters, plumbers, carpenters, electricians, etc. In 2000, there were 1,860 workers in this category—they were paid an annual average wage of \$39,169, almost \$2,900 higher than their statewide counterpart. The general building category, the bulk of whose workers are involved with single-family residential construction, employed about 781 workers. General building contractors were paid a

Figure 24
Construction & Mining Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



yearly average wage of \$28,764, which was \$7,900 lower than the statewide pay. Heavy construction employed 465 workers and they were paid an annual average wage of \$43,723, almost \$1,700 lower than the state.

Employment growth in construction and mining will continue in the future at a slower rate than the state. Employment Security Department analysts have projected construction and mining in Skagit County will grow 7.8 percent from 2000 to 2008, lagging behind the statewide 11.4 percent. Construction and mining jobs are expected to grow at a county annualized average growth of 0.9 percent, lower than the statewide 1.4 percent. Over the eight-year period, this growth projects 250 new jobs, giving construction and mining a 7 percent share of Skagit County's nonfarm jobs by 2008.

Manufacturing

After declining during much of the 1970s and 1980s, primarily because of losses in the timber industry, manufacturing made a turnaround following its 1987 low point, thanks mainly to the seafood processing industry. Overall, Skagit County manufacturing increased its number of jobs by 65.8 percent from 1970 to 2000, which translated into annualized growth of 0.5 percent. That includes two distinct periods: from 1974 to 1987, when the sector lost 1,040 jobs, and from 1987 to 2000, when it gained 2,390 jobs. From 1970 to 2000, the state manufacturing jobs increased at a lower 46.3 percent or an equivalent annualized growth of -3.4 percent. Although statewide manufacturing outgrew the county from 1974 to 1987, the county's manufacturing jobs increased 71.8 percent from 1987 to 2000. Washington's grew by only 10 percent. More recently,

Skagit County's manufacturing employment averaged a strong growth rate of 8.5 percent from 1999 to 2000, which was considerably higher than the same two-year state average (-3.7 percent). The changes in the sector's employment level are shown in Figures 25 and 26.

In 2000, the size of Skagit County's manufacturing sector at 13.2 percent is slightly larger than the statewide 12.8 percent. In both locales, the share size of manufacturing has declined significantly over time. Back in 1970, manufacturing accounted for 25 percent of all jobs in the county and 22 percent in the state.

A fortunate aspect of Skagit County's manufacturing is its diversity (see Figure 27). The sector has a number of strong, but very different, manufacturing industries. Diversity is important because declines in one

industry may be offset by strengths in another. The situation cited earlier concerning timber and food processing is a perfect example. To have all employment in one basket invites dire consequences, if that industry hits hard times.

Food and kindred products, better known as food processing, is Skagit County's largest manufacturing industry. With 22 percent of the sector's jobs, it employed 1,269 workers in 2000. Growth in this industry has been strong: from 1987 to 2000, employment has almost doubled. Most of these workers are involved in processing seafood in some manner; frozen, fresh, canned, or cured. Skagit County's annual average wage in the food processing industry is relatively low by sector standards at \$22,949 in 2000 while the sector average was \$35,817 (the second highest in the county after construction). National Frozen Foods, a major employer, moved out of the county to Moses Lake in Grant County. Their relocation will impact the county's food processing employment, which has not been reflected in the 2000 data.

Transportation equipment is the second largest industry in Skagit County's manufacturing sector. Employment is scattered among aircraft and automotive manufacturing and boat/ship building and repair. This is a relatively high-paying industry with its 904 workers being paid an annual average wage of \$35,398 in 2000.

Petroleum and coal products, better known as gas refining, is the third major industry within Skagit County manufacturing. Not only does it employ a large number of workers, it pays the highest average wage of any industry in the county. The gas refineries at Anacortes employ 809 workers, and the number has been relatively stable for a number of years. The total payroll for the gas refining industry was \$57 million in 2000, a large amount to inject into the county's economy. It worked out to an annual average wage of \$70,280 in 2000, higher by \$1,949 statewide.

Lumber and wood products, better known as the timber industry, had a significant employment decline in Skagit County from 1989 through 1993. In 2000, the timber industry remained a major industry: fourth in the county manufacturing sector. Most industry workers are loggers with a good number working in sawmills and plane mills. With employment at 559, the county's timber industry paid an annual average wage of \$32,647 in 2000.

Figure 25
Manufacturing Employment
Skagit County, 1970-2000
Source: Employment Security Department

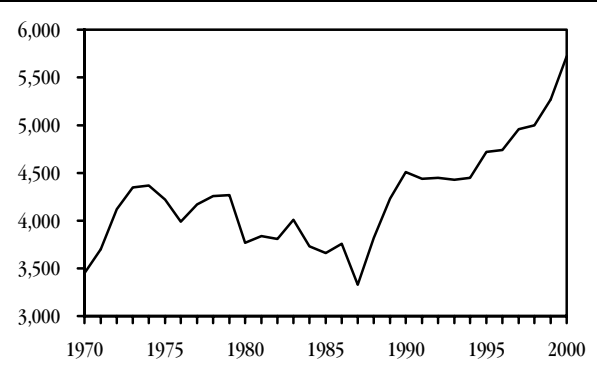


Figure 26
Manufacturing Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department

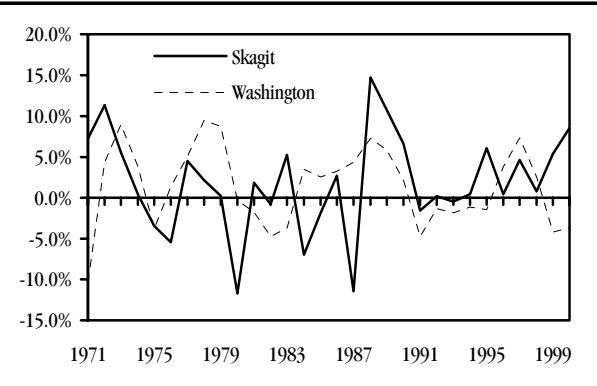
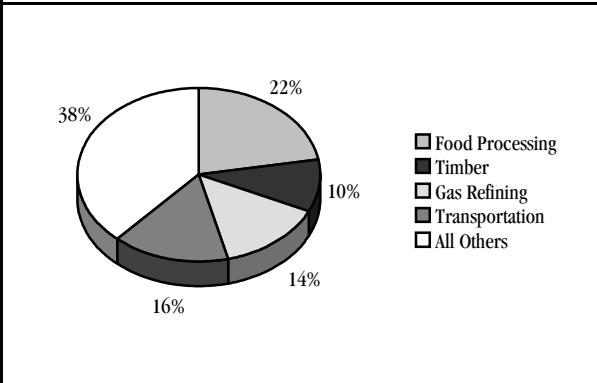


Figure 27
Major Manufacturing Industries
Skagit County, 2000
Source: Employment Security Department



Employment growth in manufacturing will continue in the future at a slightly lower rate than the state. Employment Security Department analysts have projected manufacturing in Skagit County will grow 4.1 percent from 2000 to 2008, higher than the statewide 4.3 per-

cent. Manufacturing jobs are expected to grow at the same county and state annualized average growth of 0.5 percent. Over the eight-year period, this growth projects 240 new jobs, giving manufacturing a 13 percent share of Skagit County's nonfarm jobs by 2008.

Transportation, Communications, and Public Utilities (TCU)

TCU is a relatively small sector in Skagit County with only a 4 percent share of nonfarm employment in 2000. Industries include passenger transit, water and air transportation, trucking and warehousing (transportation); telephone, television, and radio (communications); and electric, gas, and sanitary services (utilities). Even though the county TCU is proportionally smaller than the same sector statewide, its growth has been greater (see Figures 28 and 29). Statewide TCU grew by 103 percent or an annualized average growth of 2.4 percent from 1970 to 2000. During the same period, Skagit County's sector grew by a higher 153 percent or an annualized average growth of 3.3 percent, with the number of jobs growing from 690 to 1,750. More recently, Skagit County's 1999-2000 TCU employment growth rate dipped from 9.5 percent to 1.2 percent, which was considerably lower than the same two-year state average of 5.2 percent. The passing of initiative I-695, which basically cut down the taxes imposed on motor vehicles and other forms of transportation, has impacted the county's transportation employment.

The greatest factor behind the county's TCU growth rate has been trucking. The county has larger agricultural, logging, and petroleum industries than does the state. These industries require extensive support from

the trucking industry. Trucking is affected by the petroleum industry because its finished product is either trucked out of the county or piped out. Consequently, Skagit County's trucking employment within the TPU sector is disproportionately large, and has been steadily growing. Out of the county's 1,740 TCU workers in 2000, trucking and warehousing account for 660 workers, almost half of the TCU jobs in the sector.

The county TCU's yearly average wage was \$33,835 in 2000, almost \$13,700 lower than the state. The highest annual average wage of \$53,032 was paid in electric, gas, and sanitary services; \$32,485 in communications; and the lowest at \$11,424, in local and interurban passenger transit.

Employment growth in TCU will continue in the future at a slower rate than the state. Employment Security Department analysts have projected that the TCU sector in Skagit County will grow 6.1 percent from 2000 to 2008, lower than the statewide 10.6 percent. TCU jobs are expected to grow at a county annualized average growth of 0.7 percent, lower than the statewide 1.3 percent. Over the eight-year period, this growth projects 110 new jobs, giving TCU a 4 percent share of Skagit County's nonfarm jobs by 2008.

Figure 28
TCU Employment
Skagit County, 1970-2000
Source: Employment Security Department

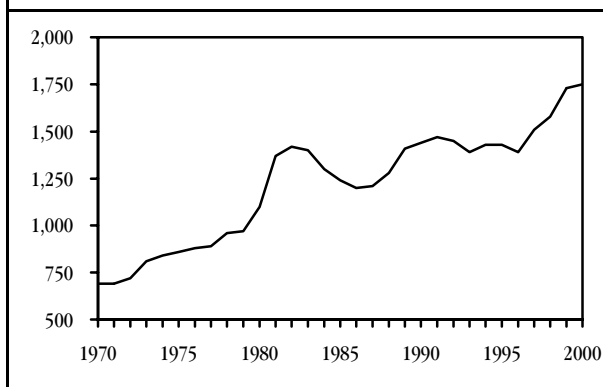
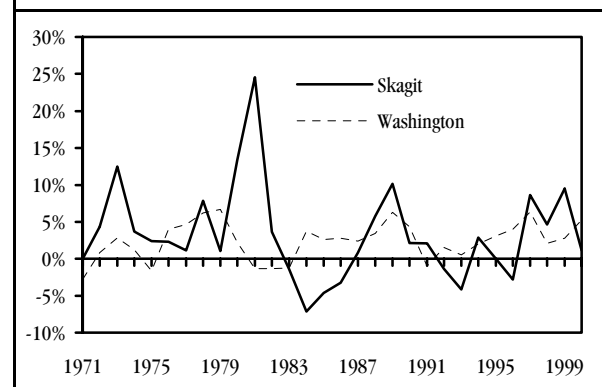


Figure 29
TCU Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



Trade

Trade, wholesale and retail combined, is the largest employing sector in Skagit County. Almost one out of every four nonfarm workers is involved in trade and the share is continuing to grow, increasing from 22 percent in 1970 to 24.7 percent in 2000. The county's share rose to a high 30 percent in 1996. Although growth in trade has always been strong (see Figures 30 and 31), it has surpassed statewide growth to a large degree in the late-1980s with the construction of new shopping centers, including malls and factory outlets. The trade sector continued to grow, outpacing the state in the 1990s, except when it slowed down in 1991-92 and dipped in 1997. In 2000, the trade sector growth more than doubled from 2.2 percent in 1999 to 5.1 percent. Trade grew to service the county's population growth. The trade sector has situated its malls, shopping centers, factory outlet stores, and restaurants along the I-5 corridor, taking advantage of its high level of traffic. The shopping areas also beckon to Canadian visitors.

Skagit County's trade employment has jumped from 3,060 in 1970 to 11,130 in 2000. This equates to an average 4.5 percent growth per year. The statewide trade sector grew at a lower 3.4 percent over the same period. While this tremendous growth is beneficial in that it provides a large number of jobs, the drawback is that wages are quite low compared to other sectors in the county. The annual average wage for retail trade employees in Skagit County was \$17,355 in 2000, the lowest of all its sectors. The annual average wage is somewhat misleading, in that it does not necessarily reflect the annual wage of a full-time worker. A part-time job counts the same as a full-time job when the average employment is divided into total paid wages to determine the average wage. The trade sector is replete with part-time employment. Also contributing to the low average are the many entry-level jobs found in the trade sector.

The vast majority of the trade employment is in the retail sector. In 2000, some 86 percent of the trade jobs in Skagit County were in retail; almost 14 percent, in wholesale. This is also a factor in the sector's low average wage. Retail is usually not as well paid as wholesale and the number of wholesale jobs is low by statewide standards (almost one-fourth of the state's trade sector is wholesale). Wholesale paid an annual average wage of \$31,263 in Skagit County and employed 1,494 covered workers in 2000. Retail, which employed 9,327 workers in the county, paid an annual average wage of only \$17,355 in 2000.

Figure 30
Wholesale and Retail Trade Employment
Skagit County, 1970-2000
Source: Employment Security Department

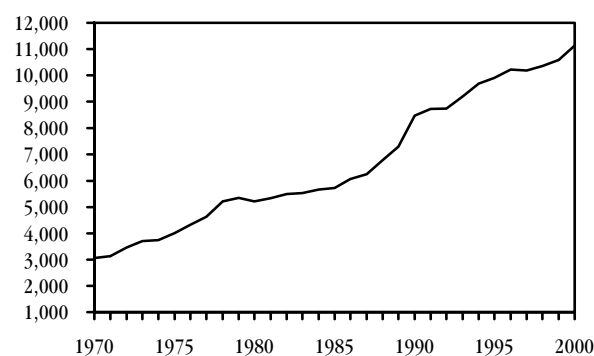
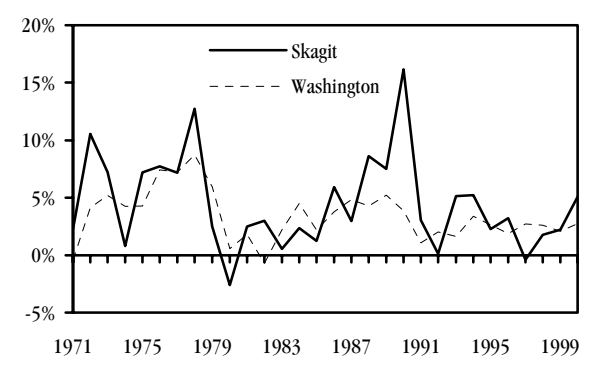


Figure 31
Trade Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



Within Skagit County's retail sector, the largest industry is eating and drinking places, which employed 3,408 workers in 2000. With very large amounts of part-time work in eating and drinking places, the annual average wage came down to \$10,808, the sector's lowest. The sector's lowest paid was receiving \$1,591 less than their statewide counterpart in 2000. The sector's highest paid at \$30,247 annual average worked with automotive dealers and service stations, which employed 1,546 workers in 2000. The sector's highest paid was receiving \$2,750 less than their statewide counterpart in 2000.

Trade and services are the two industry sectors projected to have the most growth in Skagit County between 2000 and 2008. Employment growth in trade will continue in the future at a slightly faster pace than the state.

Between 2000 to 2008, Employment Security Department analysts have projected that trade in Skagit County is expected to grow faster than the state at 14.4 percent, outpacing the statewide 12.0 percent. Trade jobs are expected to grow at a county annualized average growth

of 1.7 percent, slightly higher than the statewide 1.4 percent. Over the eight-year period, this growth projects 1,590 new jobs, giving trade a 27 percent share of Skagit County's nonfarm jobs by 2008.

Finance, Insurance, and Real Estate (FIRE)

Finance, insurance, and real estate (FIRE) is the smallest of Skagit County's nonfarm industry sectors in 2000, with less than 3 percent of the total county employment versus 5 percent share statewide. In 2000, FIRE employed 1,240 workers, a record high since 1970. Growth in the sector has been good for most of the last thirty-one years, except the first half of the 1980s decade when the "double-dip" national recessions stopped growth (see Figures 32 and 33). Employment gains were especially strong during the second half of the 1980s when large trade expansions took place. Real estate and banking were strongly affected by that surge. FIRE growth in Skagit County outpaced that of the state for most of the 1990s. More recently, Skagit County's 1999-2000 FIRE employment averaged a strong growth rate from -1.6 percent to 9.1 percent, which was considerably higher than the state average of -0.6 percent. The sector's strong growth was in consonance with a strong growth in population as well as housing and commercial growth. All these factors needed some form of financing, insurance, and/or real estate lease or purchase.

In 2000, FIRE employees were paid an annual average wage of \$30,249, which was \$14,173 lower than

their statewide counterpart. The finance industry, including banks, credit unions, and savings and loans was the largest industry in the sector, employing 450 workers. These depository institutions paid their employees an annual average wage of \$30,249. Security and commodity brokers, the highest paid in the FIRE sector, had 51 employees earning \$74,519 average yearly. Insurance carriers, with 310 employees, paid a yearly average of \$37,187, which was \$10,448 lower than the state. Real estate, with 310 employed, paid the sector's lowest yearly average pay of \$15,500, which was \$12,844 lower than their counterpart statewide.

Employment growth in the FIRE sector will continue in the future at a relatively higher rate than the state. Employment Security Department analysts have projected that the FIRE sector in Skagit County will grow 13.1 percent from 2000 to 2008, higher than the statewide 11.7 percent. FIRE sector jobs are expected to grow at a county annualized average growth of 1.5 percent, slightly higher than the statewide 1.4 percent. Over the eight-year period, this growth projects 170 new jobs, giving the FIRE sector a 3 percent share of Skagit County's nonfarm jobs by 2008.

Figure 32
FIRE Employment
Skagit County, 1970-2000
Source: Employment Security Department

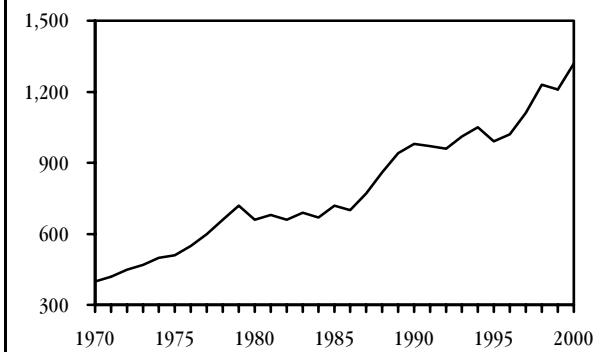
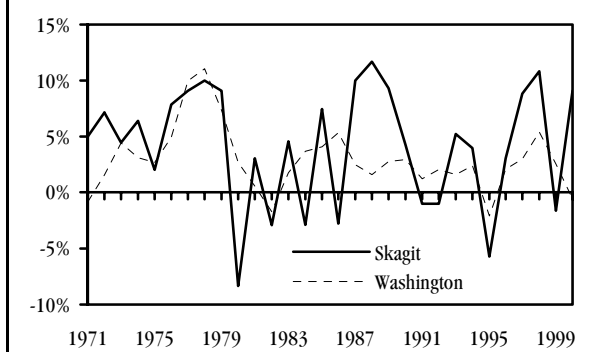


Figure 33
FIRE Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



Services

The services sector encompasses many diverse types of industries ranging from hotels and lodging places to health care. It has grown, in terms of employment, at a very rapid pace over the last quarter-century, the fastest growing of all sectors. In 1996, services overtook government to make it the second largest sector in the county after trade and has continued to maintain second in 2000. The number of jobs increased from 1,460 in 1970 to 10,410 in 2000, an amazingly strong annualized growth rate of 5.2 percent, which eclipsed the strong statewide growth of 2.6 percent. More recently, Skagit County's 1999-2000 services employment averaged a strong growth rate of 9.3 percent, which was higher than the state average of 6.1 percent.

Figures 34 and 35 show the changes in employment from 1970 to 2000. The growth is part of a trend occurring throughout the state and the nation. In 1970, services comprised only 11 percent of Skagit County's nonfarm employment total; in 2000, the share almost doubled to 21 percent. Throughout Washington, the share size went from 16 percent in 1970 to 28 percent in 2000. Nationwide, since 2000 figures are not yet available as of this writing, the proportion went from 16 percent in 1970 to 30 percent in 1999.

No single industry has been the dominant influence upon this growth; rather, most services industries have contributed to the expansion. The largest industry is health care, which includes employment in hospitals, the offices of physicians and dentists, nursing homes, etc. There were 2,332 covered employees in this industry in 2000. Social services is the next largest, with 1,233 workers. Amusement and recreation services came in third, with 1,213 workers. All of these industries had employment increases of more than 100 percent over the last fifteen years.

Unfortunately, like in the trade sector, average wages are relatively low. The sector average was \$22,009 in 2000, driven down by substantial amounts of part-time employment in some of the industries with large employment numbers. Hotels and lodging places averaged a little over \$12,000 per year; amusement and recreation services averaged \$18,539; and private household services came in the lowest at \$7,660. Health care paid a moderate \$27,831 annual average wage in 2000. Engineering and management services, with 348 employed in 2000, had the sector's highest annual average pay at \$32,717.

Figure 34
Services Employment
Skagit County, 1970-2000
Source: Employment Security Department

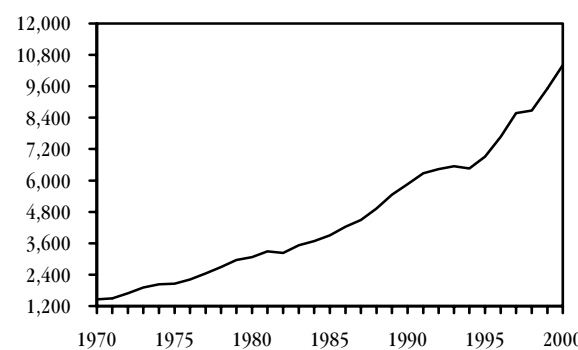
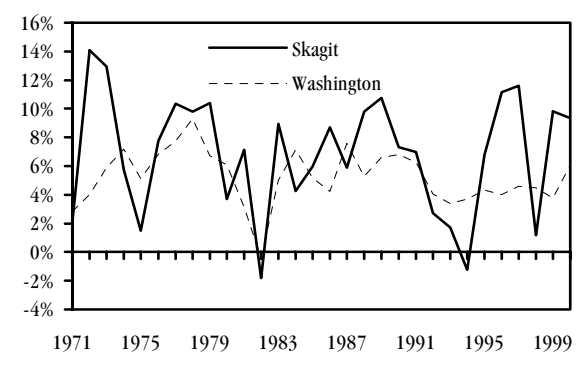


Figure 35
Services Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



Services and trade are the two industry sectors projected to have the most growth in Skagit County between 2000 and 2008. Employment growth in services will continue in the future but not at quite the blistering pace it has historically enjoyed. Employment Security Department analysts have projected that the services sector in Skagit County will grow 16.8 percent from 2000 to 2008, slower than the statewide 20.5 percent. Services jobs are expected to grow at a county annualized average growth of 2.0 percent, slightly lower than the statewide 2.4 percent. Over the eight-year period, this growth projects 1,700 new jobs, giving services a 25 percent share of Skagit County's nonfarm jobs by 2008.

Government

The government or public sector has a strong, stabilizing impact on Skagit County's employment picture. It employs almost one out of every five workers, and its growth, especially since the recessions of the early-1980s, has been steady. In 2000, there were 8,255 government workers in Skagit County, up from 3,590 in 1970, an increase of 3 percent. During that thirty-year period, government employment statewide grew by only 2.3 percent. More recently, Skagit County's government employment averaged a growth rate of 4.1 percent, which was higher than the state average of 2.2 percent.

In 2000, the county's government employees averaged an annual pay of \$30,992, which was \$5,306 lower than their statewide counterpart. *Figures 36 and 37* depict government employment changes from 1970 to 2000.

Local government is by far the largest level of government employment in Skagit County. Local government contains over three-quarters of the county's public employment. State government has a 15.4 percent share; federal government, about 5.7 percent. The bulk of local government is given over to the K-12 public education system, which employs 2,975 workers, including faculty and staff. The second largest in local government is the executive and legislative functions of service provision. The county's two public hospitals come in as the third largest local government employers with some 1,490 workers. Public education in Skagit County paid an annual average covered wage of \$27,848; public hospitals, \$32,788; and the county's executive and legislative combined, \$31,142 in 2000. Overall, local government wages in Skagit County averaged \$29,822 in 2000.

The largest employer in state government is the Skagit Valley Community College (SVCC). SVCC employed 477 faculty and staff in 2000 and paid an annual average wage of \$26,004. Other state-level employers in the county were the ferry system, land/mineral/wildlife conservation programs, and various social programs. The annual average covered wages for these other state-level employers vary from \$35,000 to \$52,000 in 2000. Overall, the county average wage for state government employees in 2000 was \$35,197, which was \$1,645 lower statewide.

The federal government's strongest presence in Skagit County is the U.S. Postal Service, with 206 employees averaging an annual pay of \$37,134 in 2000. Amusement and recreation, general economic programs, and conservation efforts, including the U.S. Forest Service, employ a relatively large number of workers. The federal government annual average wage was \$35,839 in 2000, which was almost \$8,900 lower than the rest statewide.

Employment growth in government will continue in the future at a slightly higher rate than the state. Employment Security Department analysts have projected that the government sector in Skagit County will grow 14.5 percent from 2000 to 2008, higher than the statewide 12.5 percent. Government jobs are expected to grow at a county annualized average growth of 1.7 percent, slightly higher than the statewide 1.5 percent. Over the eight-year period, this growth projects 1,240 new jobs, giving government a 21 percent share of Skagit County's nonfarm jobs by 2008.

Figure 36
Government Employment
Skagit County, 1970-2000
Source: Employment Security Department

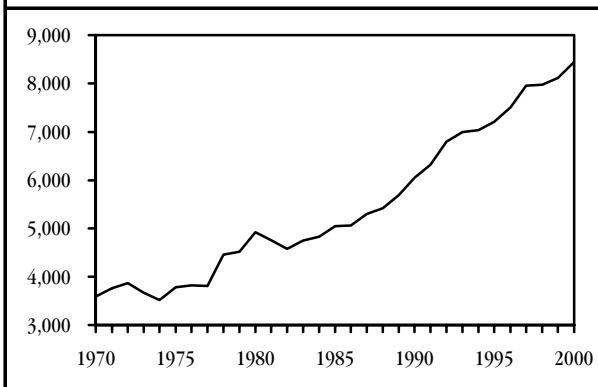
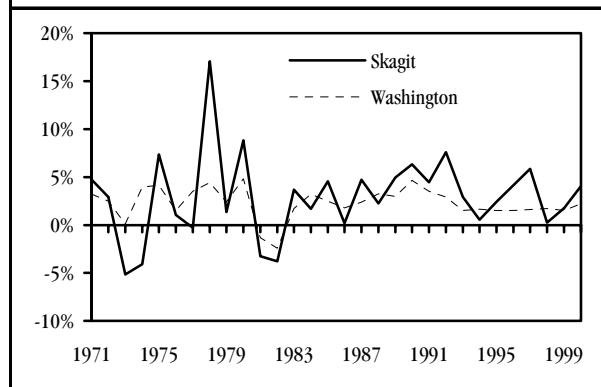


Figure 37
Government Employment Growth
Skagit County and Washington, 1970-2000
Source: Employment Security Department



OCCUPATIONAL PROFILE

A different but informative way to view an area's work force is in terms of occupational categories rather than industrial divisions. Occupation data differ from industry data in that the former are categorized by job function regardless of output, whereas the latter are

categorized by final product. In other words, an occupation category, such as operator, fabricator, and laborer, tracks employment and wages for all workers (16 and older) who perform a certain class of duties regardless of the industry.

Employment

The occupation data used for employment are based on Occupational Employment Statistics (OES) surveys conducted by the Employment Security Department in 2000.

Figure 38 shows employment in the major occupational categories as well as the share of each grouping for the four-county region encompassing Skagit, San Juan, Island, and Whatcom counties and Washington State. From the occupational perspective, the prominence of professional/paraprofessional/technical work in both the four-county region and Washington is quite striking. In 2000, 19.8 percent of the workers in the four-county region had occupations in the professional/paraprofessional/technical fields. For the state, the proportion was 23.5 percent. This means that almost one in five workers in the four-county region was involved in professional/paraprofessional/tech-

nical jobs, compared to less than one in four for the state as a whole.

In general terms, the four-county region's occupational profile is more "blue-collar" than the state's, and vice-versa with respect to "white-collar" occupations (see Figure 38). Blue-collar work is defined loosely as work done for wages, as opposed to salary, and usually involves some form of non-office work. Based on this definition, the last three occupations listed in the figure are combined to generate the total share of all blue-collar workers.

In 2000, blue-collar work represented a total of 30.5 percent of the four-county region's employment, higher than the statewide 26.5 percent. White-collar work, on the other hand, represented 69.5 percent of the four-county region's employment, versus 73.5 percent for the state's.

Figure 38
Occupational Employment
Skagit, San Juan, Island, Whatcom Counties and Washington State, 2000
Source: Employment Security Department

TOTAL	Counties		Washington	
	156,516	100%	3,154,747	100%
Managerial and Administrative	10,553	6.7%	251,217	8.0%
Professional, Paraprofessional, and Technical	30,923	19.8%	740,215	23.5%
Marketing and Sales	17,501	11.2%	362,655	11.5%
Clerical and Administrative Support	22,152	14.2%	470,640	14.9%
Services	27,696	17.7%	492,741	15.6%
Agriculture, Forestry, Fishing, and Related	9,000	5.8%	121,036	3.8%
Prec. Production, Craft, and Repair	19,400	12.4%	350,389	11.1%
Operators, Fabricators, and Laborers	19,291	12.3%	365,854	11.6%
White-Collar	108,825	69.5%	2,317,468	73.5%
Blue-Collar	47,691	30.5%	837,279	26.5%

Wages

Figure 39 is based on Occupational Employment Statistics (OES) wage and salary surveys conducted in the four-county region encompassing Skagit, San Juan, Island, and Whatcom counties by the Employment Security Department in 2000. Wages are arrayed by hourly or monthly rates. Also included is a ranking of the top 199 occupations based on the size of employment in the particular occupation.

While the information is somewhat dated, the list of occupations and wages offer a good perspective of the types of nonfarm jobs in the four-county region along with their pay levels. This information may be helpful to those unemployed and seeking work or those employed

and seeking a career change. The wage factor and employment size may also help with the job search and re-training/career change decisions of these individuals.

In 2000, the four-county region ranked cashiers and retail salespersons as the top two highest employed occupations. Editors and food preparation/serving-related workers in all other categories were the four-county region's lowest employed occupations. Earnings-wise in the four-county region, dental hygienists and general/operations managers were the top two highest paid. Lowest paid on the four-county region's list were cafeteria/food concession/coffee shop counter attendants and amusement/recreation attendants.

Figure 39
Occupational Wages
Skagit, Island, San Juan, and Whatcom Counties, 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Management, Professional and Related Occupations		
Teacher Assistants	\$22,832.00	6
Elementary School Teachers, Except Special Education	\$42,137.00	12
General and Operations Managers	\$34.98	22
Secondary School Teachers, Except Special and Vocational Education	\$40,878.00	28
All Other Teachers, Primary, Secondary, and Adult	\$26,549.00	30
Middle School Teachers, Except Special and Vocational Education	\$40,316.00	35
Registered Nurses	\$22.55	37
Vocational Education Teachers, Postsecondary	\$23.17	40
Accountants and Auditors	\$23.54	51
Business Operations Specialists, All Other	\$22.16	54
Special Education Teachers, Preschool, Kindergarten, and Elementary School	\$41,386.00	65
Rehabilitation Counselors	\$13.90	66
Dental Hygienists	\$36.98	71
Licensed Practical and Licensed Vocational Nurses	\$13.76	72
Instructional Coordinators	\$29.11	76
Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportation	\$20.75	86
Educational, Vocational, and School Counselors	\$21.31	88
Self-Enrichment Education Teachers	\$14.54	89
Child, Family, and School Social Workers	\$13.58	90
Education Administrators, Elementary and Secondary School	\$72,829.00	91
Financial Managers	\$29.77	94
Graphic Designers	\$11.17	96
Computer Support Specialists	\$19.05	100
Adult Literacy, Remedial Education, and GED Teachers and Instructors	\$16.38	101
Pharmacy Technicians	\$12.94	104
Occupational Health and Safety Specialists and Technicians	\$18.53	105
Cost Estimators	\$22.10	106
Engineers, All Other	\$29.73	109
Social and Human Service Assistants	\$11.39	110
Coaches and Scouts	\$25,331.00	111
Floral Designers	\$8.65	120
Computer Programmers	\$24.69	122
Art, Drama, and Music Teachers, Postsecondary	\$46,476.00	123
Graduate Teaching Assistants	NA	125
Preschool Teachers, Except Special Education	\$9.70	127

Figure 39 (Continued)
Occupational Wages
Skagit, Island, San Juan, and Whatcom Counties, 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Network and Computer Systems Administrators		
Wholesale and Retail Buyers, Except Farm Products	\$22.85	133
Public Relations Specialists	\$18.52	136
Construction Managers	\$33.53	137
Managers, All Other	\$30.50	139
Librarians	\$23.23	141
Loan Officers	\$23.41	145
Purchasing Agents, Except Wholesale, Retail, and Farm Products	\$19.96	146
Mechanical Engineers	\$29.58	149
Surveyors	\$20.60	150
Computer Systems Analysts	\$22.25	153
Industrial Production Managers	\$32.17	155
Kindergarten Teachers, Except Special Education	\$38,443.00	156
Paralegals and Legal Assistants	\$16.38	157
English Language and Literature Teachers, Postsecondary	\$45,560.00	160
Civil Engineers	\$27.66	166
Postsecondary Teachers, All Other	\$44,817.00	169
Medical Records and Health Information Technicians	\$9.95	171
Electrical and Electronic Engineering Technicians	\$22.80	172
Education Administrators, Postsecondary	\$31.65	179
Surveying and Mapping Technicians	\$13.80	180
Environmental Scientists and Specialists, Including Health	\$18.65	181
Employment, Recruitment, and Placement Specialists	\$20.60	182
Administrative Services Managers	\$26.13	183
News Analysts, Reporters and Correspondents	\$17.07	188
Library Technicians	\$12.23	189
Sales Managers	\$32.15	190
Pharmacists	\$34.71	195
Editors	\$18.89	199
Service Occupations		
Waiters and Waitresses	\$7.36	3
Combined Food Preparation and Serving Workers, Including Fast Food	\$7.20	4
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	\$7.00	10
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$10.23	11
Maids and Housekeeping Cleaners	\$7.63	13
Cooks, Fast Food	\$7.10	14
Cooks, Restaurant	\$9.90	27
First-Line Supervisors/Managers of Food Preparation and Serving Workers	\$15.10	31
Dishwashers	\$7.59	36
Landscaping and Groundskeeping Workers	\$10.82	41
Dental Assistants	\$15.02	45
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$7.54	46
Dining Room and Cafeteria Attendants and Bartender Helpers	\$7.25	48
Food Preparation Workers	\$8.44	49
Personal and Home Care Aides	\$7.83	52
Nursing Aides, Orderlies, and Attendants	\$8.73	55
Home Health Aides	\$8.11	57
Bartenders	\$7.73	60
Recreation Workers	\$9.31	62
Fitness Trainers and Aerobics Instructors	\$12.36	68
Security Guards	\$11.22	70
Cooks, Short Order	\$7.09	73
Amusement and Recreation Attendants	\$7.05	74
Cooks, Institution and Cafeteria	\$10.20	84
Hairdressers, Hairstylists, and Cosmetologists	\$10.82	87

Figure 39 (Continued)
Occupational Wages
Skagit, Island, San Juan, and Whatcom Counties, 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Child Care Workers	\$8.38	97
Fire Fighters	\$15.70	103
Police and Sheriff's Patrol Officers	\$23.03	108
Medical Assistants	\$10.79	129
First-Line Supervisors/Managers of Housekeeping and Janitorial Workers	\$13.59	140
Chefs and Head Cooks	\$15.72	165
Veterinary Assistants and Laboratory Animal Caretakers	\$9.74	178
Food Preparation and Serving Related Workers, All Other	\$7.20	198
Sales and Office Occupations		
Cashiers	\$9.31	1
Retail Salespersons	\$10.76	2
Bookkeeping, Accounting, and Auditing Clerks	\$12.56	5
Office Clerks, General	\$10.57	8
First-Line Supervisors/Managers of Office and Administrative Support Workers	\$18.98	16
Counter and Rental Clerks	\$7.16	18
Secretaries, Except Legal, Medical, and Executive	\$12.06	19
First-Line Supervisors/Managers of Retail Sales Workers	\$18.51	20
Customer Service Representatives	\$13.63	23
Stock Clerks and Order Fillers	\$10.51	24
Receptionists and Information Clerks	\$9.71	25
Tellers	\$9.70	33
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Production	\$21.80	34
Shipping, Receiving, and Traffic Clerks	\$11.41	39
Executive Secretaries and Administrative Assistants	\$14.87	43
Medical Secretaries	\$12.75	44
Hotel, Motel, and Resort Desk Clerks	\$7.77	58
Billing and Posting Clerks and Machine Operators	\$12.44	59
Postal Service Mail Carriers	\$17.06	69
Insurance Sales Agents	\$24.31	92
Parts Salespersons	\$13.56	95
Data Entry Keyers	\$10.05	98
Advertising Sales Agents	\$20.06	119
Payroll and Timekeeping Clerks	\$13.93	124
All Other Secretaries, Administrative Assistants, and Other Office Support	\$13.34	126
First-Line Supervisors/Managers of Non-Retail Sales Workers	\$28.23	131
Order Clerks	\$11.74	132
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	\$23.31	135
Sales and Related Workers, All Other	\$22.96	142
Office and Administrative Support Workers, All Other	\$13.53	143
Bill and Account Collectors	\$12.07	147
Switchboard Operators, Including Answering Service	\$8.97	148
Reservation and Transportation Ticket Agents and Travel Clerks	\$11.21	151
File Clerks	\$7.92	158
Insurance Claims and Policy Processing Clerks	\$14.14	163
Word Processors and Typists	\$11.40	168
Dispatchers, Except Police, Fire, and Ambulance	\$15.34	176
Human Resources Assistants, Except Payroll and Timekeeping	\$12.74	186
New Accounts Clerks	\$11.43	187
Eligibility Interviewers, Government Programs	\$17.97	193
Postal Service Clerks	\$18.21	194
Production, Transportation, and Material Moving Occupations		
Carpenters	\$18.30	7
Maintenance and Repair Workers, General	\$14.96	15
Automotive Service Technicians and Mechanics	\$14.80	17
Electricians	\$15.86	21

Figure 39 (Continued)**Occupational Wages****Skagit, Island, San Juan, and Whatcom Counties, 2000****Source: Employment Security Department**

Occupational Title	Wage*	Rank**
Construction Laborers		
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	\$17.08	32
First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	\$24.30	50
Operating Engineers and Other Construction Equipment Operators	\$23.95	53
Plumbers, Pipefitters, and Steamfitters	\$20.52	64
Telecommunications Equipment Installers and Repairers, Except Line Installers	\$21.21	67
Logging Equipment Operators	\$18.49	99
Sheet Metal Workers	\$17.03	121
Hazardous Materials Removal Workers	\$16.14	128
Farming, Fishing, and Forestry Workers, All Other	\$12.63	144
Drywall and Ceiling Tile Installers	\$14.03	159
Helpers--Carpenters	\$21.05	170
Cement Masons and Concrete Finishers	\$20.11	184
Tire Repairers and Changers	\$10.14	185
Tapers	\$23.87	196
Natural Resources, Construction, and Maintenance Occupations		
Truck Drivers, Heavy and Tractor-Trailer	\$15.69	9
Laborers and Freight, Stock, and Material Movers, Hand	\$9.98	26
Packers and Packagers, Hand	\$8.08	29
Truck Drivers, Light or Delivery Services	\$10.85	38
Meat, Poultry, and Fish Cutters and Trimmers	\$8.45	42
First-Line Supervisors/Managers of Production and Operating Workers	\$22.13	47
Industrial Truck and Tractor Operators	\$13.12	56
Bus Drivers, School	\$13.24	61
Team Assemblers	\$10.91	63
Helpers--Production Workers	\$11.38	75
Welders, Cutters, Solderers, and Brazers	\$14.86	77
Chemical Plant and System Operators	\$17.50	78
Machine Feeders and Offbearers	\$12.33	79
Packaging and Filling Machine Operators and Tenders	\$11.24	80
Inspectors, Testers, Sorters, Samplers, and Weighers	\$13.46	81
Cleaners of Vehicles and Equipment	\$8.41	82
Petroleum Pump System Operators, Refinery Operators, and Gaugers	\$19.65	83
Food Batchmakers	\$10.07	85
Bakers	\$10.38	93
Electrical and Electronic Equipment Assemblers	\$7.96	107
Cutting and Slicing Machine Setters, Operators, and Tenders	\$9.89	112
First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle	\$19.26	113
Motor Vehicle Operators, All Other	\$11.21	130
Driver/Sales Workers	\$15.93	138
Laundry and Dry-Cleaning Workers	\$8.46	152
Sawing Machine Setters, Operators, and Tenders, Wood	\$12.76	154
Bus Drivers, Transit and Intercity	\$10.74	161
Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	\$12.95	162
Machinists	\$15.47	164
Sailors and Marine Oilers	\$19.03	167
First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	\$20.35	173
Water and Liquid Waste Treatment Plant and System Operators	\$20.70	174
Textile Winding, Twisting, and Drawing Out Machine Setters, Operators, and Tenders	\$11.07	177
Fiberglass Laminators and Fabricators	\$13.37	191
Excavating and Loading Machine and Dragline Operators	\$19.80	192
Service Station Attendants	\$8.00	197

* *Wages either hourly or annual.*** *Rank is by number employed per occupation, from highest (1) to lowest (199).*NA *Wage not available—data did not pass confidentiality guidelines.*

Projections

Occupational employment projections based on estimated annual openings over the 2000-2008 period for Skagit, San Juan, Island, and Whatcom counties are shown in *Figure 40*. Overall, the four-county area is projected to gain 19,645 jobs, a 12.6 percent gain. The results are displayed as a percentage of total jobs.

There is expected growth in professional/paraprofessional/technical and services employment. Professional, paraprofessional, and technical jobs are expected to account for 20.3 percent of the new jobs in the four-county region by 2008 because of the foreseeable demand for highly-skilled and technical jobs. Consequently, the share for blue-collar occupations is expected to fall to 29.3 percent for the four-county region and 25.5 percent for the state by 2008. Services jobs are expected to account for 18.3 percent of the new jobs in the four-county region by 2008 due to national trends toward becoming a more service-oriented economy.

Figure 40
Occupational Projections
Skagit, San Juan, Island,
and Whatcom Counties, 2000 and 2008
Source: Employment Security Department

	2000	2008
TOTAL	100.0%	100.0%
Managerial & Administrative	6.7%	6.9%
Professional, Paraprof., & Tech	19.8%	20.3%
Marketing & Sales	11.2%	11.0%
Clerical & Admin. Support	14.2%	14.2%
Services	17.7%	18.3%
Ag., Forestry, Fishing & Related	5.8%	5.3%
Prec. Production, Craft, & Repair	12.4%	12.2%
Operators, Fabricators, & Laborers	12.3%	11.8%
White-Collar	69.5%	70.7%
Blue-Collar	30.5%	29.3%

INCOME

This section deals with income rather than wages, which were discussed earlier and which are only one aspect of income. Data in this section are derived from the U.S.

Department of Commerce, Bureau of Economic Analysis. All income data have been adjusted to 1999 dollars.

Total Personal Income

Personal income is generally seen as a key indicator of a region's economic vitality. Conceptually, personal income captures all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent are all included in this measure. Because business and corporate incomes are not included, it is considered personal income.

Figure 41 displays both real (adjusted for inflation) and nominal total personal income (TPI) in Skagit County since 1970. From 1970 to 1999, TPI in Skagit County increased from \$778 million to roughly \$2.5 billion. This 327 percent increase equates to an average 4.2 percent annual growth rate, slightly higher than the state's 4.1 percent annual growth (see Figure 42). Skagit County's TPI growth outpaced that of Washington's overall, especially since 1988. While this looks very good for the county, population growth deflates the escalation. In 1999, Skagit County was ranked 10th among all 39 counties for TPI and ranked 12th in terms of population.

The total amount of income in an area is only a sensible concept if there is some relationship to the number of people in that area. Per capita personal income captures that. By dividing total personal income by the

population, one arrives at a figure that can be used as a common denominator between different time periods or different areas. Figure 43 on the next page shows per capita personal income for Skagit County and the state since 1970 (in constant 1999 dollars).

Generally, the county has followed the trend of the state, though at a lower level. In 1999, the per capita personal income (PCPI) in Skagit County was \$25,184; in Washington, \$30,380. From 1970 to 1999, PCPI in Skagit County has increased 170 percent, with an average annual growth rate of 1.8 percent, below the state average growth rate of 2.2 percent. More recently, the county's PCPI average growth rate was 2.1 percent from 1995 to 1999; the state average over the same five years was 3.6 percent. Since 1977, PCPI in the county has lagged that of the state. Although growth of total personal income has outstripped statewide growth, so has the population. The result is a PCPI somewhat lower than the statewide average. Of Washington's thirty-nine counties, Skagit County's PCPI ranked 10th in 1999.

The 1999 statewide average per capita figure was \$30,380. King and San Juan were the only two counties that exceeded the state. King County had the top PCPI of \$44,719. It should be noted that the statewide average

Figure 41
Total Personal Income, Real and Nominal
Skagit County, 1970-1999
Source: Bureau of Economic Analysis

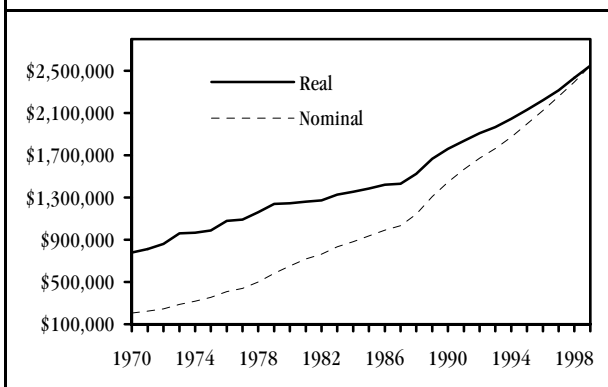
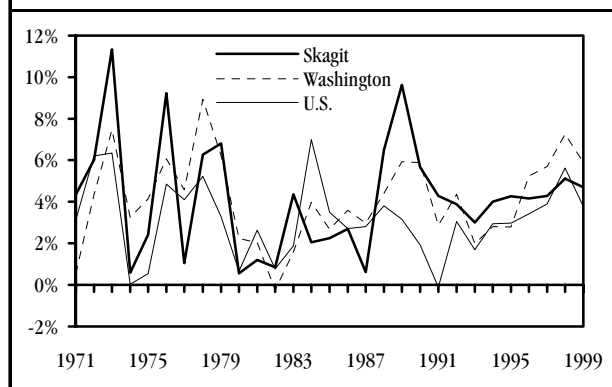


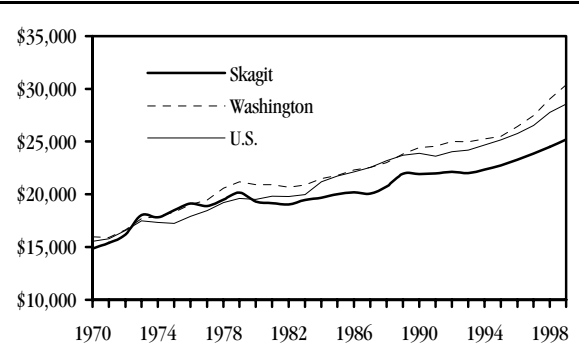
Figure 42
Personal Income Annual Growth Rates
Skagit, Washington, & U.S., 1970-1999
Source: Bureau of Economic Analysis



PCPI figures were heavily driven by King County and its concentration of wealth and population.

Per capita personal income is a good measure of how personal income is growing relative to the population. However, it gives no indication of how income is distributed among the population. To a degree, *median household income* does that. It indicates the point in income where half of all households have a higher income and half have a lower income. By this measure, Skagit County is doing well. The Office of Financial Management has made estimates through 2000 of median household income. For 2000, Skagit County's median household income was \$44,495, ranking the county eleventh among all Washington counties. The statewide median household income was estimated at \$50,182.

Figure 43
Per Capita Personal Income
Skagit County, Washington, & U.S., 1970-1999
Source: Bureau of Economic Analysis

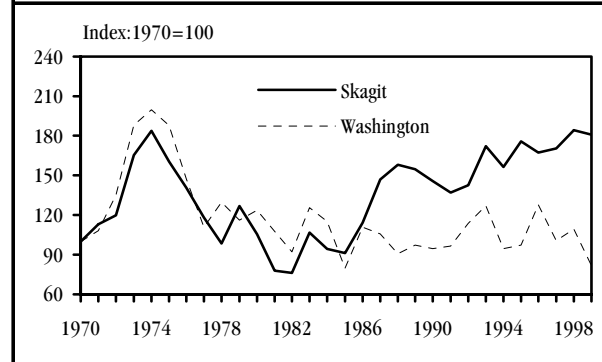


Farm Income

The Bureau of Economic Analysis, in one of its data series, separates personal income into two categories: farm and nonfarm income. This is an important measure for an area like Skagit County, which has a significant amount of farming. In 1999, farm income totaled \$79 million in the county. This equates to 3.1 percent of total personal income, significantly more than the statewide figure of 0.6 percent. Personal income in Skagit County totaled roughly \$2.5 billion in 1999. Of that amount, nonfarm income accounted for 96.9 percent of total personal income with farm proprietary income contributing the remaining 3.1 percent. *Figure 44* indexes farm income to 1970=100 and compares Skagit County with Washington from 1970 to 1999. The changes in farm income can be quite volatile as the chart shows. The county seems to have emerged from the doldrums of the mid-1970s through the mid-1980s and had strong gains from 1985 through 1999. Skagit County's farm income has increased at an annualized growth rate of 4.7 percent from 1985 to

1999, outpacing the state annualized growth rate of 0.2 percent over the same five years.

Figure 44
Farm Income
Skagit County and Washington, 1970-1999
Source: Bureau of Economic Analysis



Components of Personal Income

As mentioned earlier, personal income encompasses many different types of income. All the various types can be subsumed under the three broad categories of earnings, transfer payments, and investment income. Earnings include wages, salaries, and proprietors' income. Transfer payments include income maintenance, unemployment insurance, and retirement payments. Investment income consists of interest, dividends, and rent.

Figure 45 shows Skagit County's components of personal income from 1970 to 1999. Earned income sky-

rocketed at an annual average of 3.5 percent over the period, growing from \$555 million to \$1.5 billion. Transfers rose at an average of 5.1 percent—from \$94 million up to \$413 million. Investments increased at an annual average of 5.6 percent, starting at \$121 million to \$614 million. More recent rates of changes for these three personal income components will be discussed in separate sections to follow.

When analyzing the trend from 1970 to 1999, *Figure 46* reveals that the sources of personal income are

shifting away from earnings and moving towards investments and transfer payments. In 1970, earned income accounted for 71 percent of personal income; investments, 16 percent and transfer payments, 12 percent. By 1999, earned income accounted for a lower 61 percent of personal income; investments, a dramatic 24 percent increase; and transfer payments, up by 16 percent. The increase in investment income reflects the growth of 401 (k) and other pension funds, and the bull market of the 1990s.

Figure 47 shows the personal income components for Skagit County and Washington in 1999. Earned income has the lion's share of total income; its \$1.5 billion equates to 61 percent of the total. Investment income, at \$614 million, captures 24 percent of the total. Transfer payments, with \$413 million, constitute 16 percent.

Figure 45
Personal Income Component Trends
Skagit County, 1970-1999
Source: Bureau of Economic Analysis

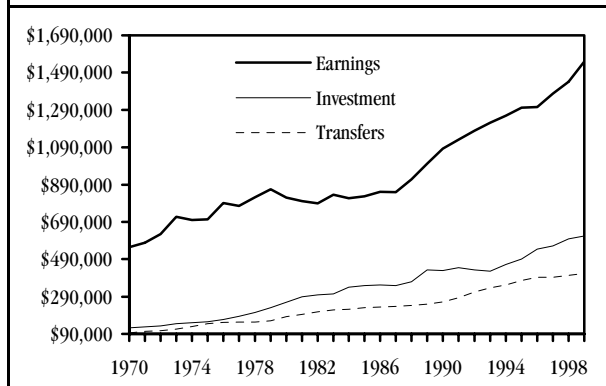


Figure 46
Personal Income Component Trends
Skagit County, 1970-1999
Source: Bureau of Economic Analysis

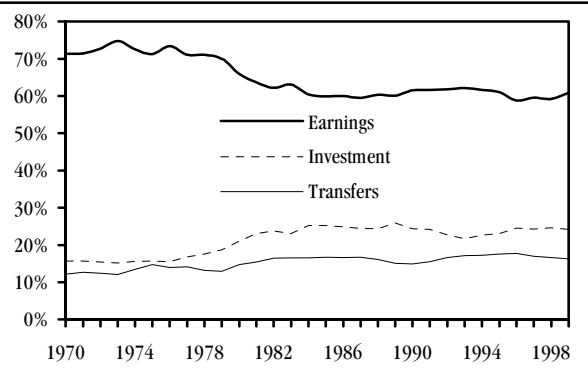
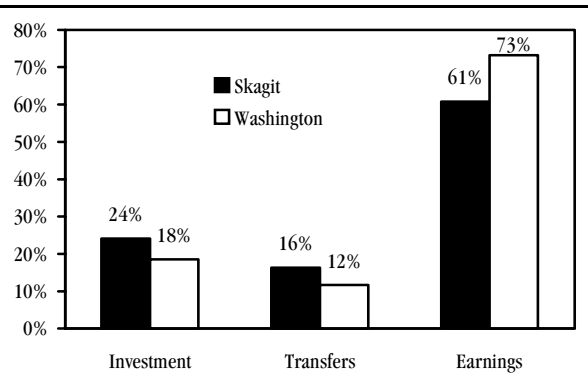


Figure 47
Personal Income Components
Skagit County and Washington, 1999
Source: Bureau of Economic Analysis

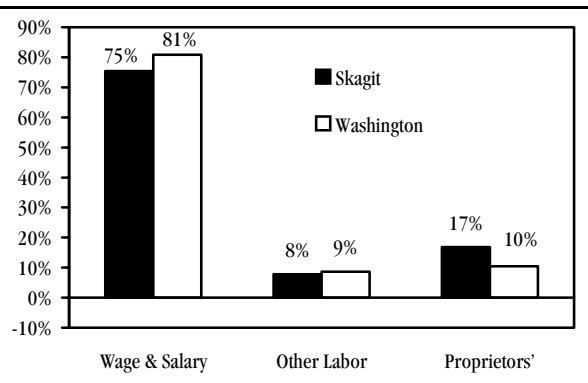


Earned Income

Figure 48 shows the 1999 share sizes of earned income components in both the county and the state; Figure 49, their growth in Skagit County from 1970 to 1999. The county's earned income rose from \$555 million in 1970 to \$1.5 billion in 1999. This 301 percent increase equates to a 3.5 percent annualized growth, slightly lower than the state's 3.7 percent. More recently, Skagit County's earned income average growth rate increased to 4.4 percent from 1996 to 1999; lower than the state average of 5.5 percent over the same four years.

Wages and salaries make up the largest part of Skagit County's earnings, but the growth has been moderate compared to the others. From 1970 to 1999, the county wages and salaries grew from \$397 million to \$1.1 billion at an annual average of 3.7 percent, which was at the same rate

Figure 48
Earned Income Component Trends
Skagit County and Washington, 1999
Source: Bureau of Economic Analysis

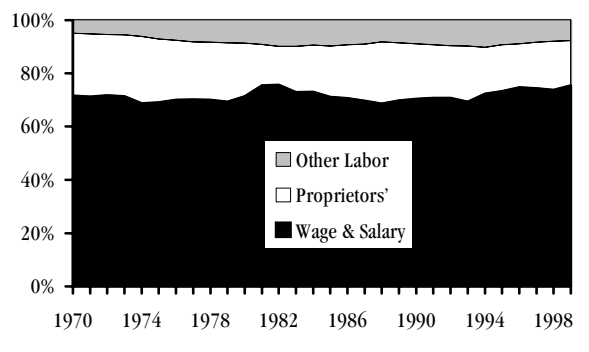


as that of the state. More recently, wages and salaries of Skagit County residents averaged at a higher growth rate of 4.2 percent from 1995 to 1999; lower than the state average of 6.2 percent over the same five years.

Proprietors' income in the county grew from \$129 million to \$260 million over the same period by 2.3 percent, lower than 3.1 percent recorded statewide. Proprietors' income is the aggregate earnings of all the self-employed workers in the county, including farmers. After the severe "double-dip" national recession of the early 1980s proprietors' income has grown strongly, averaging 3.8 percent per year. More recently, Skagit County's proprietors' income average growth rate was up 5.2 percent from 1996 to 1999; stronger than the state average of 2.5 percent over the same four years.

Other labor income in Skagit County ballooned from \$27 million to \$120 million over the same period by 5.0 percent per year, lower than the state's 5.3 percent. More recently, Skagit County's other labor income average growth rate was 2.0 percent from 1998 to 1999;

Figure 49
Earned Income Component Trends
Skagit County, 1970-1999
Source: Bureau of Economic Analysis



higher than the state average of 1.6 percent over the same two years. Other labor income is becoming a popular form of compensation with employers (and employees) because of its tax advantage that is not realized with direct compensation.

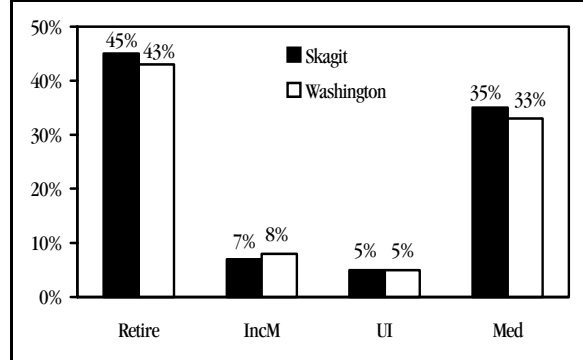
Transfer Payments

A transfer payment is generally seen as a payment from someone (usually the government) to another (usually an individual) from whom no service is received. This form of income has increased far more rapidly than the other two main components of personal income. Transfer payments in Skagit County grew by 439 percent since 1970, going from \$94 million to \$413 million in 1999. This increase equated to a 5.1 percent annual average growth rate, higher than the state's 4.5 percent annual growth. More recently, Skagit County's transfer payments average growth rate was 1.9 percent from 1995 to 1999; slightly higher than the state average of 1.7 percent over the same five years.

In 1970, transfer payments accounted for 12 percent of Skagit County's personal income, higher than the state's 10 percent. By 1999, transfer payments' share of the county's personal income grew by 16 percent, higher than the recorded 12 percent statewide.

Figure 50 shows the major components of transfer payments and their respective share of total transfer payments to Skagit County and Washington residents in 1999. Previous county profiles included the medical component under retirement. As this component has become a significant percentage of transfer payments over time, it is now shown and discussed as a separate component. The county component shares are very similar to the state,

Figure 50
Transfer Payment Components
Skagit County and Washington, 1999
Source: Bureau of Economic Analysis



except that retirement and medical are slightly higher, and income maintenance is slightly less.

Figure 51 shows the major components of transfer payments from 1970 to 1999 for Skagit County. The county's medical component dramatically increased from 14 percent of transfer payments in 1970 to 35 percent in 1999. All other components have decreased as a share of the county's total transfer payments over time. Unemployment insurance decreased steadily from 15 percent to 5 percent of the total; income maintenance,

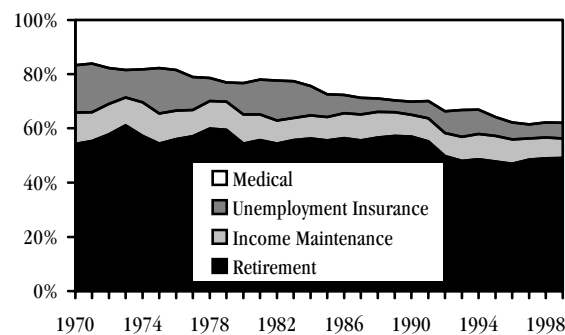
from 10 percent to 7 percent of the total; and retirement, from 46 percent to 45 percent of the total.

Medical transfer payments, which includes Medicare and Medicaid, increased in Skagit County by 1,065 percent from 1970 to 1999, which translated into 8.2 percent annualized growth, higher than the statewide 7.5 percent. Skagit County's medical component had the highest increase among all the transfer components, even higher than the state. The county's medical annual growth rate, however, declined from 5.9 percent in 1970 to 2.5 percent in 1999. The state's medical annual growth rate increased from -2.8 percent in 1970 to 3.4 percent in 1999. More recently, Skagit County's medical transfer payments averaged a growth rate of 2.5 percent from 1995 to 1999; lower than the state average of 3.0 percent over the same five years.

Retirement holds the largest portion of transfer payments. Retirement-related category includes social security payments, civilian federal, state, and local government retirement payments, and military pensions. As mentioned earlier, Medicare and Medicaid payments, very fast-growing items, have been excluded from retirement and are now discussed as a separate component. Retirement-related transfer payments have grown 422 percent from 1970 to 1999, which translated into 4.9 annualized growth rate. Statewide, retirement-related transfer payments trailed behind at 3.1 percent annual rate. More recently, Skagit County's retirement-related transfer payments averaged a growth rate of 2.3 percent from 1995 to 1999; higher than the state average of 2.0 percent over the same five years.

Income maintenance includes Temporary Assistance to Needy Families (TANF), general assistance, food stamps, and other transfer programs generally thought of as welfare. Income maintenance has grown in Skagit County from \$9 million in 1970 to \$27 million in 1999. This translated into 3.7 percent annualized growth. Statewide, income maintenance was lower at 3.1 percent annual rate. More recently, Skagit County's income maintenance averaged a growth rate of -4.2 percent from 1995 to 1999; lower than the state average of -2.6 percent over the same five years. The lower average

Figure 51
Transfer Payment Component Trend
Skagit County, 1970-1999
Source: Bureau of Economic Analysis



growth rates in both the county and the state may be attributed to the state's successful implementation of the WorkFirst program, which seeks to make those on public assistance self-sufficient through employment.

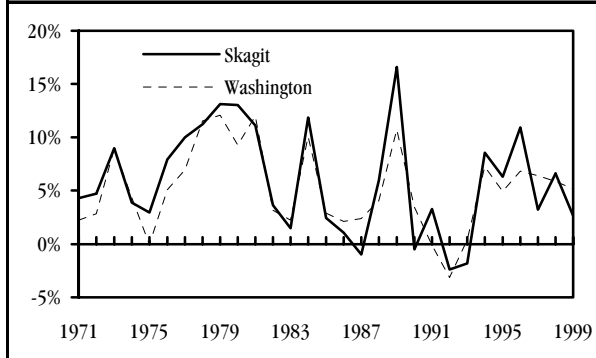
Unemployment insurance is the fourth and last significant component of transfer payments. It went from \$14 million in 1970 to \$21 million in 1999, which represented 1.5 percent annualized growth. Statewide, unemployment annualized growth was a low 0.9 percent during the same period. The county's unemployment had a steady decline from 1993 to 1997, but had gradually risen in 1998 and 1999. More recently, Skagit County's unemployment insurance payments averaged a growth rate of a low -2.1 percent from 1995 to 1999; lower than the state average of -0.2 percent over the same five years. In 1998-99, unemployment insurance payments averaged a growth rate of 2.9 percent; the state at a higher 6.3 percent. Unlike the other component trends, unemployment insurance expands and contracts along with the economy, growing greatly as unemployment increases and falling off as it decreases. Unemployment insurance payments are particularly sensitive to the business cycles, with some sharp ups and downs. As such, the share of all transfer payments and TPI has varied over time. In 1999, unemployment insurance payments stood at 5 percent of transfer payments in both Skagit County and Washington.

Investment Income

Investment income consists of income derived from dividends, interest, and rent, which are prime examples of making money with money. Money that has been used to purchase stocks and bonds, that resides in bank accounts, or that has been used to purchase rental properties can return a profit. No service or work is performed, yet income is derived from the investment.

Growth in investment income in Skagit County has readily outpaced that of the state. *Figure 52* shows the investment income annual growth rates for Skagit County and Washington from 1970 to 1999. Over that period, investment income in Skagit County increased by 506 percent, from \$121 million to \$614 million. This translated to an annual average growth rate of 5.9 percent in investment income over the period. In comparison, statewide investment income increased by 412 percent, which translates to a lower annual average growth rate of 5.2 percent. The sharp increase of the late-1980s ended abruptly with the 1990-91 national recession in both the county and the state. Since then (except for the years 1993, 1997, and 1999), the investment income stream in the county was higher than the state. Investment income in Skagit County took a dive from 6.6 percent

Figure 52
Investment Income
Skagit County and Washington, 1970-1999
Source: Bureau of Economic Analysis



growth in 1998 to 2.6 percent in 1999. Statewide, investment income declined from 5.8 percent in 1998 to 5.2 percent in 1999.

As shown in *Figure 46*, investment income represented 24 percent of Skagit County's 1999 personal income. This was greater than the state's 18 percent share in 1999.

WORKFORCE AND ECONOMIC DEVELOPMENT

WorkForce Development

The Workforce Investment Act (WIA) of 1998 replaced the Job Training Partnership Act (JTPA) of 1982 on July 1, 2000. The purpose of WIA is to provide training, education, and other services that prepare all individuals, not just youth and unskilled adults, for current and future jobs. It is guided by several principles: universal access, individual empowerment, streamlined services, state and local flexibility, strong local role, increased accountability, and improved youth programs. It is upon this legislation that the Employment Security Department and other providers base their training and employment service programs.

Northwest Workforce Development Council (WDC). The Northwest WDC was established in accordance with the requirements of the Workforce Investment Act in 1999. The Northwest WDC, a 26-member policy and oversight entity, is responsible for organizing a comprehensive, region-wide response to the challenges of building a highly-skilled workforce. The Northwest WDC represents Region III, which encompasses Skagit, San Juan, Island, and Whatcom counties. The Northwest WDC, in multiple productive partnerships, has a systematic approach to workforce development programs in this four-county region.

The Northwest WDC strategically functions as follows:

- Oversees the quality and design of the local workforce development system, comprised of all public and private investments
- Undertakes activities to ensure that individuals are both employable and have jobs
- Ensures that companies can find and develop the skilled workforce they need to be successful in the world marketplace
- Maintains majority of the private sector representation
- Ensures the voices of local businesses as key customers of the system
- Keeps local businesses informed with policy-setting and decision-making
- Works as an equal partner with local elected officials
- Provides registered core intensive and training services for adults, dislocated workers, and youth

- Monitors the development and operation of WorkSource Centers, the statewide name for community-based, one-stop career centers, which serve as convenient access points to the workforce development system.

The Northwest Workforce Development Council is located at 2021 East College Way, Suite 210, Mount Vernon, Washington 98273. Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Staff can be reached by phone at (360) 336-5781 or by fax at (360) 428-6983.

Skagit Career Center. The Skagit Career Center is a one-stop career center, which provides comprehensive access to a full array of the following services:

- Business
- Employment
- Training
- Education
- Workforce development

Additionally, Skagit Career Center serves as a source of many kinds of information, including:

- Availability and quality of education and training options
- Labor market information
- Job and candidate availability
- Career and skill assessment
- Internet access for job search

The Skagit Career Center is located at 2021 East College Way, Suite 210, Mount Vernon, Washington 98273. Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Staff can be reached by phone at (360) 336-5781 or by fax at (360) 428-6983.

Mount Vernon Job Service Center (JSC). The Mount Vernon JSC is a full-service office that provides a wide range of services to Skagit County. Many of the programs administered by the JSC are described briefly in the following section.

Employment Services are offered to the public, which includes a resource area, equipped with (1) personal computers having Internet access in order to conduct job search activities, resumé writing, and career exploration, (2) local telephone, (3) fax service, (4) laser printers, and (5) copiers.

Unemployment Insurance (UI) provides temporary financial assistance to eligible unemployed individuals who are able, available, and actively seeking work, or who are in approved training programs. UI claims service is accessible at the JSC through the Internet website go2UI.com and via toll-free telephone call to the TeleCenters at (800)362-4636. Direct fax service to the TeleCenters is also available at (877) 766-6178.

WorkFirst is administered in cooperation with the Department of Social and Health Services (DSHS) and seeks to make those on public assistance self-sufficient through employment. *WorkFirst* services include job search assistance, vocational counseling, training, and supportive services for child care, financial assistance, transportation, and case management.

The *Claimant Placement Program (CPP)* targets recent UI applicants for job placement services, performs worker profiling, and conduct workshops to speed their return to work. This shortens the duration of unemployment for the individual and saves costs to the UI trust fund.

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 UI benefits—work with counselors to assess their job skills and interests and draw up an individual training strategy. The strategy may include retraining at a community college, with tuition and fees paid by the state. The program also provides clients with job search workshops to enhance skills, such as resumé writing, application processing, and interviewing.

The *Trade Adjustment Act (TAA)* is another program administered by the JSC. This program is designed to assist those who have been displaced due to 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 Mount Vernon JSC. These programs include the *Local Veterans Employment Representative (LVER)* program and the *Disabled Veterans Outreach Program (DVOP)*. The Veterans Programs provide counseling, career search skills, and job placement assistance.

The Mount Vernon Job Service Center is located at 301 Valley Mall Way Suite 110, Mt. Vernon, Washington 98273. The mailing address for the Mount Vernon JSC is P. O. Box 160, Mt. Vernon, Washington 98273. Staff can be reached by phone at (360) 416-3500 or by fax at (360) 416-3580. Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Colleges and Universities. Skagit County has neither a four-year college nor university, but Western Washington University is only 27 miles north of Mount Vernon. Furthermore, a select number of courses are offered through the Washington State University Cooperative Education program in Mount Vernon.

The Skagit Valley Community College has come to play an important educational and economic development role in the region. Established in 1926, the Mount Vernon-based college offers courses in the areas of vocational and technical training, continuing education and adult basic education, as well as a college transfer program.

Economic Development

The **Economic Development Association of Skagit County (EDASC)** exists to promote a healthy economy for the county. EDASC is a private, nonprofit corporation, which seeks to create jobs, retain jobs, and recruit new businesses.

EDASC works to identify and attract businesses to invest in Skagit County through its *Business Recruitment Program*. EDASC analyzes a prospect's needs and interests in order to provide the highest level of assistance in expansion or relocation to Skagit County. The Business Recruitment Program efforts include:

- providing access to capital;
- reviewing tax incentive programs;
- identifying sites;
- providing research and information;
- assisting in the permit process;
- and other general business assistance services.

In the last five years, EDASC and its BRP efforts have created close to 2,000 jobs.

The *Business Retention and Expansion Program* provides technical assistance and guidance, and sometimes professional services, to firms in danger of layoffs or closure. Over the last five years, the retention program has provided assistance to 124 companies, impacting over 3,800 workers. This program also helps companies who are planning to expand or in the process of expansion.

The *Procurement Technical Assistance Center Program (PTAC)* acts as a resource for companies, who are interested in doing business with federal, state and local government agencies. The PTAC program provides:

- procurement information;
- assistance to companies in obtaining necessary government registrations;
- answer questions that arise during the bid process; and
- host procurement information seminars and workshops for interested companies.

EDASC also serves as an information clearinghouse and resource center. EDASC also holds workshops and seminars on various subjects of interest to the business and economic community.

EDASC is located at 204 West Montgomery, Mount Vernon, Washington 98273. The mailing address for EDASC is P.O. Box 40, Mount Vernon, Washington 98274.

Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Staff can be reached by phone at (360) 336-6114, by fax at (360) 336-6116, by e-mail at info@skagit.org or visit their website at www.skagit.org.

Transportation. Skagit County is accessible by several modes of transportation. Major highways, railroads, marine ports, and airports are located in the area, facilitating the county's economic development. Interstate 5, the primary north-south highway, connects the county with major markets to the north and south. Highway 20 runs east-west and connects most of the county's larger cities.

The county has five airfields, three public and two private. The Skagit Regional Airport in Burlington has two runways, one at 5,475 feet in length and a second one at 3,000 feet. The Anacortes Municipal Airport, operated by the Port of Anacortes, has a 3,015-foot runway. The third public airfield, which is the Concrete Municipal Airport, has a 2,600-foot runway, found outside of the Skagit Valley.

The Port of Anacortes, in addition to servicing ships, has two deep water berths to handle cargo such as logs, steel, lumber, and dry bulk commodities. The port also has two slips for barge service. There are a number of companies that provide various marine services such as chandlery, charters, loading, barging and other activities. The mailing address for the Port of Anacortes is P.O. Box 297, Anacortes, Washington 98221. Staff can be reached by phone at (360) 293-3134, by fax at (360) 293-9608, by e-mail at postmaster@portofanacortes.com or visit their website at www.portofanacortes.com.

Washington State ferries run from Anacortes to the San Juan Islands and Vancouver Island. The county-owned Guemes Island Ferry has a regular daily schedule. Ferry information can be reached toll-free by phone at 1 (800) 84-FERRY.

The Burlington Northern Railroad Company operates 20 active spurs within Skagit County. It hauls cargoes similar to those hauled by the port. There is also a daily high-speed commuter Amtrak train service between Seattle and Vancouver with a stop in Mount Vernon.

Industrial Parks. The Port of Skagit County operates the Bayview Business and Industrial Park, which consists of 1,800 acres. Other Industrial parks in the county are the Fredonia Industrial Park, Burlington Hill Business Park, and the City of Anacortes Industrial Park.

SKAGIT COUNTY RESOURCE LIST

WorkSource Washington:

Northwest Workforce Development Council
2021 East College Way, Suite 210
Mount Vernon, Washington 98273
Phone: (360) 336-5781
Fax: (360) 428-6983

Skagit Career Center
2021 East College Way, Suite 210
Mount Vernon, Washington 98273
Phone: (360) 336-5781
Fax: (360) 428-6983

Mount Vernon JSC
301 Valley Mall Way, Suite 110
Mt. Vernon, Washington 98273
P.O. Box 160
Mt. Vernon, Washington 98273
Phone: (360) 416-3500
Fax: (360) 416-3580

Economic Development Council:

Economic Development Association of Skagit County
204 West Montgomery
Mt. Vernon, Washington 98273
P.O. Box 40
Mount Vernon, Washington 98274
Phone: (360) 336-6114
Fax: (360) 336-6116
E-mail: info@skagit.org
Website: www.skagit.org

Chambers of Commerce:

Anacortes Chamber of Commerce
819 Commercial Avenue
Anacortes, Washington 98221
Phone: (360) 293-3832
Fax: (360) 293-1595
E-mail: anacortes@sos.net
Website: www.anacortes-chamber.com

Burlington Chamber of Commerce
600 E. Victoria Avenue
Burlington, Washington 98233
Phone: (360) 757-0994
Fax: (360) 757-0821
E-mail: bchamber@cnw.com
Website: www.skagit.com/chambers/burl.htm

Concrete Chamber of Commerce
P.O. Box 743
Concrete, Washington 98237
Phone: (360) 853-7042
E-mail: ccofo@concrete-wa.com
Website: www.concrete-wa.com

La Conner Chamber of Commerce
P.O. Box 1610
La Conner, Washington 98257
Phone: 1-888-642-9284
E-mail: laconnerinfo@aol.com
Website: www.laconnerchamber.com

Mount Vernon Chamber of Commerce
P.O. Box 1007
Mount Vernon, Washington 98273-1007
Phone: (360) 428-8547
Fax: (360) 424-6237
E-mail: director@mountvernonchamber.com
Website: www.mvcofc.org/home.htm

North Cascades Chamber of Commerce
P.O. Box 175
Marblemount, Washington 98267-0175
Phone: (360) 873-2106 or (877) 875-2448
E-mail: chamber@marblemount.com
Website: www.marblemount.com

Sedro Woolley Chamber of Commerce
714B Metcalf Street
Sedro Woolley, Washington 98284
Phone: (360) 855-1841
Fax: (360) 855-1582
E-mail: chamber@sedrowoolley.com
Website: www.sedro-woolley.com

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Appendix I

**Skagit County, Selected Economic Data
Dollars are current unless otherwise noted**

Year	Resident Population ¹		Civilian Labor Force ²					Nonagricultural Employment ²							Annual Avg. Gov. Wage ² 2000 Dollars
	Total	65 & Older	Total	Employed	Unempl.	Unemp. Rate	Total	Const. & Mining	Mfg.	TPU	Trade	FIRE	Services	Gov't	
1970	52,381	6,600	21,990	19,110	2,880	13.1%	13,670	1,020	3,450	690	3,060	400	1,460	3,590	\$7,011
1971	52,700	6,740	22,760	20,150	2,610	11.5%	14,260	1,070	3,700	690	3,130	420	1,490	3,760	\$7,596
1972	52,000	6,760	23,760	21,390	2,370	10.0%	15,480	1,160	4,120	720	3,460	450	1,700	3,870	\$7,943
1973	52,100	6,940	25,780	23,310	2,470	9.6%	16,660	1,730	4,350	810	3,710	470	1,920	3,670	\$8,717
1974	53,400	7,190	25,280	22,680	2,600	10.3%	16,400	1,400	4,370	840	3,740	500	2,030	3,520	\$8,927
1975	54,100	7,390	25,360	22,060	3,300	13.0%	16,600	1,160	4,220	860	4,010	510	2,060	3,780	\$9,762
1976	55,300	7,610	26,670	23,760	2,910	10.9%	17,620	1,840	3,990	880	4,320	550	2,220	3,820	\$10,984
1977	56,200	7,960	27,690	24,040	3,650	13.2%	18,040	1,490	4,170	890	4,630	600	2,450	3,810	\$11,286
1978	58,100	7,230	29,810	26,770	3,040	10.2%	19,700	1,450	4,260	960	5,220	660	2,690	4,460	\$11,187
1979	60,400	8,500	30,530	27,380	3,150	10.3%	20,770	1,970	4,270	970	5,350	720	2,970	4,520	\$12,194
1980	64,138	8,782	31,480	27,470	4,010	12.7%	20,290	1,550	3,770	1,100	5,210	660	3,080	4,920	\$13,246
1981	64,900	9,133	32,460	28,000	4,460	13.7%	20,800	1,510	3,840	1,370	5,340	680	3,300	4,760	\$14,514
1982	66,800	9,430	33,270	28,080	5,190	15.6%	20,350	1,140	3,810	1,420	5,500	660	3,240	4,580	\$15,114
1983	68,400	9,898	33,090	28,090	4,990	15.1%	19,910	1,250	4,010	1,400	5,530	690	3,530	4,750	\$15,408
1984	68,600	10,158	31,900	27,100	4,800	15.0%	19,870	1,260	3,730	1,300	5,660	670	3,680	4,830	\$15,658
1985	69,500	10,509	32,190	28,280	3,910	12.2%	20,300	1,690	3,660	1,240	5,730	720	3,900	5,050	\$15,794
1986	71,000	10,848	33,100	29,230	3,870	11.7%	22,450	1,420	3,760	1,200	6,070	700	4,240	5,060	\$16,060
1987	71,400	11,185	33,400	29,590	3,810	11.4%	22,930	1,580	3,330	1,210	6,250	770	4,490	5,300	\$15,868
1988	73,400	11,573	34,630	31,610	3,010	8.7%	24,600	1,500	3,820	1,280	6,790	860	4,930	5,420	\$16,446
1989	75,600	12,063	37,780	34,620	3,170	8.4%	27,250	2,220	4,230	1,410	7,300	940	5,460	5,690	\$17,767
1990	79,545	12,332	39,200	36,570	2,620	6.7%	29,730	2,410	4,510	1,440	8,480	980	5,860	6,050	\$17,955
1991	82,882	12,601	40,180	36,820	3,350	8.3%	30,900	2,690	4,440	1,470	8,740	970	6,270	6,320	\$19,481
1992	85,574	13,026	42,360	38,020	4,340	10.2%	31,390	2,540	4,450	1,450	8,750	960	6,440	6,800	\$20,107
1993	88,938	13,377	44,070	39,120	4,950	11.2%	32,130	2,550	4,430	1,390	9,200	1,010	6,550	7,000	\$20,403
1994	91,316	13,687	46,880	42,620	4,260	9.1%	33,030	2,910	4,450	1,430	9,680	1,050	6,470	7,040	\$21,403
1995	93,584	13,990	48,670	44,340	4,320	8.9%	33,920	2,760	4,720	1,430	9,900	990	6,910	7,210	\$22,219
1996	95,962	14,304	46,890	42,370	4,530	9.7%	34,900	2,350	4,740	1,390	10,220	1,020	7,680	7,510	\$22,350
1997	97,848	14,503	47,830	44,440	3,400	7.1%	36,970	2,690	4,960	1,510	10,180	1,110	8,570	7,950	\$23,339
1998	99,847	14,705	48,050	44,350	3,380	7.1%	37,650	2,520	5,000	1,580	10,360	1,230	8,670	7,970	\$24,118
1999	102,071	14,968	50,480	47,300	3,180	6.3%	39,630	3,180	5,270	1,730	10,590	1,210	9,520	8,110	\$25,541
2000	102,979	15,237	51,640	48,110	3,540	6.9%	41,990	3,250	5,720	1,750	11,130	1,320	10,410	8,440	\$26,634

¹ Source: Office of Financial Management

² Source: Employment Security Department

Appendix II

Skagit County, Selected Economic Data

Current Dollars

Dollars in Thousands except Per Capita Income

Year	Personal Income ³											Farm Income & Expenses	
	Place of Residence				Transfer Payments				Place of Work				
	Per Capita Income	Total	Investment Income	Total	Retirement	Income Maint.	UI	Medical	Total Earnings	Wage/Salary	Other Labor		Proprietors
1970	\$3,910	\$204,951	\$31,998	\$24,822	\$11,509	\$2,459	\$3,703	\$3,531	\$146,150	\$104,629	\$7,299	\$34,222	\$11,553
1971	\$4,241	\$223,481	\$34,868	\$28,313	\$13,419	\$2,569	\$4,356	\$3,907	\$159,539	\$113,564	\$8,435	\$37,540	\$13,641
1972	\$4,614	\$245,206	\$37,787	\$30,463	\$14,926	\$2,911	\$3,392	\$4,592	\$178,214	\$127,882	\$9,971	\$40,361	\$14,957
1973	\$5,404	\$287,740	\$43,403	\$34,757	\$18,183	\$3,068	\$3,022	\$5,484	\$214,993	\$153,386	\$12,212	\$49,395	\$21,782
1974	\$5,885	\$318,661	\$49,630	\$42,644	\$21,295	\$4,602	\$4,528	\$6,781	\$231,164	\$158,842	\$14,565	\$57,757	\$26,640
1975	\$6,603	\$352,813	\$55,217	\$51,729	\$24,360	\$4,961	\$7,536	\$7,926	\$251,510	\$173,820	\$18,170	\$59,520	\$25,138
1976	\$7,214	\$407,356	\$62,989	\$56,872	\$27,906	\$5,212	\$7,508	\$9,181	\$299,067	\$209,517	\$23,146	\$66,404	\$23,273
1977	\$7,601	\$438,757	\$73,848	\$61,884	\$31,208	\$5,264	\$6,681	\$11,487	\$311,748	\$218,533	\$25,701	\$67,514	\$20,822
1978	\$8,407	\$500,333	\$88,134	\$66,062	\$34,697	\$5,867	\$4,922	\$12,392	\$355,597	\$249,134	\$30,071	\$76,392	\$18,662
1979	\$9,481	\$582,558	\$108,675	\$75,116	\$39,325	\$6,906	\$4,723	\$15,242	\$407,445	\$282,452	\$35,169	\$89,824	\$26,158
1980	\$10,074	\$649,653	\$136,221	\$95,332	\$46,247	\$9,155	\$9,845	\$19,854	\$428,322	\$305,567	\$37,864	\$84,891	\$24,122
1981	\$10,894	\$716,590	\$164,956	\$110,252	\$54,849	\$9,332	\$12,673	\$21,643	\$456,406	\$344,274	\$42,198	\$69,934	\$19,448
1982	\$11,433	\$763,871	\$180,697	\$125,200	\$61,345	\$9,637	\$16,708	\$25,172	\$474,773	\$359,140	\$47,221	\$68,412	\$20,097
1983	\$12,233	\$832,979	\$191,559	\$137,487	\$69,535	\$10,095	\$17,079	\$28,118	\$525,387	\$383,297	\$52,574	\$89,516	\$29,411
1984	\$12,826	\$882,367	\$222,437	\$145,250	\$73,942	\$11,244	\$14,213	\$32,008	\$532,948	\$389,046	\$50,755	\$93,147	\$27,068
1985	\$13,531	\$935,550	\$236,272	\$156,030	\$78,423	\$12,210	\$11,791	\$38,805	\$560,150	\$398,469	\$54,967	\$106,714	\$27,076
1986	\$14,052	\$988,585	\$245,646	\$163,681	\$83,414	\$13,730	\$9,982	\$40,874	\$592,769	\$418,981	\$55,299	\$118,489	\$34,879
1987	\$14,499	\$1,032,435	\$252,535	\$171,742	\$86,556	\$14,783	\$9,695	\$44,653	\$614,080	\$427,615	\$55,842	\$130,623	\$46,553
1988	\$15,550	\$1,142,538	\$278,009	\$183,019	\$94,123	\$15,641	\$8,251	\$48,231	\$689,080	\$473,008	\$57,552	\$158,520	\$52,055
1989	\$17,195	\$1,307,733	\$338,464	\$196,376	\$102,230	\$15,631	\$7,958	\$52,978	\$784,968	\$547,681	\$68,094	\$169,193	\$53,172
1990	\$17,969	\$1,445,330	\$352,251	\$214,529	\$111,784	\$15,653	\$9,643	\$59,005	\$888,671	\$625,844	\$79,859	\$182,968	\$52,357
1991	\$18,696	\$1,564,440	\$377,596	\$241,372	\$121,890	\$18,933	\$14,079	\$65,957	\$963,389	\$681,876	\$90,414	\$191,099	\$51,140
1992	\$19,391	\$1,673,796	\$379,601	\$276,762	\$126,614	\$21,757	\$20,486	\$85,646	\$1,033,804	\$731,416	\$100,314	\$202,074	\$54,853
1993	\$19,757	\$1,765,287	\$381,674	\$302,720	\$134,227	\$24,599	\$27,800	\$92,932	\$1,095,746	\$758,999	\$108,022	\$228,725	\$67,796
1994	\$20,443	\$1,872,554	\$422,653	\$323,069	\$144,284	\$28,005	\$26,515	\$98,515	\$1,153,085	\$833,334	\$118,968	\$200,783	\$62,756
1995	\$21,299	\$1,997,275	\$459,595	\$351,897	\$154,388	\$30,608	\$22,590	\$115,611	\$1,218,296	\$892,617	\$114,144	\$211,535	\$72,225
1996	\$22,263	\$2,123,934	\$520,518	\$376,366	\$162,728	\$31,097	\$21,809	\$131,212	\$1,248,282	\$932,183	\$113,153	\$202,946	\$70,137
1997	\$23,259	\$2,259,029	\$547,890	\$383,348	\$169,990	\$27,443	\$18,201	\$135,019	\$1,345,128	\$999,549	\$112,616	\$232,963	\$72,975
1998	\$24,104	\$2,395,698	\$589,338	\$397,608	\$177,723	\$27,970	\$20,160	\$137,118	\$1,418,321	\$1,046,871	\$113,762	\$257,688	\$79,568
1999	\$25,184	\$2,548,086	\$614,517	\$413,735	\$184,337	\$27,407	\$21,693	\$142,775	\$1,548,879	\$1,168,425	\$120,248	\$260,206	\$79,334

³ Source: Bureau of Economic Analysis

Appendix III

Skagit County, Selected Economic Data

Constant 1999 Dollars

Dollars in Thousands except Per Capita Income

Year	Personal Income ³											
	Per Capita Income	Place of Residence					Place of Work					
		Total	Investment Income	Transfer Payments			Total Earnings	Wage/Salary	Other Labor	Proprietors		
				Total	Retirement	Income Maint.					UI	Medical
1970	\$14,851	\$778,441	\$121,534	\$94,278	\$43,713	\$9,340	\$14,065	\$13,411	\$555,104	\$397,400	\$27,723	\$129,981
1971	\$15,414	\$812,269	\$126,732	\$102,907	\$48,773	\$9,337	\$15,832	\$14,200	\$579,864	\$412,762	\$30,658	\$136,444
1972	\$16,203	\$861,093	\$132,697	\$106,977	\$52,416	\$10,223	\$11,912	\$16,126	\$625,836	\$449,085	\$35,015	\$141,736
1973	\$18,005	\$958,691	\$144,610	\$115,803	\$60,582	\$10,222	\$10,069	\$18,272	\$716,313	\$511,051	\$40,688	\$164,574
1974	\$17,809	\$964,317	\$150,188	\$129,047	\$64,442	\$13,926	\$13,702	\$20,520	\$699,338	\$480,680	\$44,076	\$174,782
1975	\$18,484	\$987,666	\$154,575	\$144,810	\$68,193	\$13,888	\$21,096	\$22,188	\$704,078	\$486,592	\$50,865	\$166,620
1976	\$19,106	\$1,078,859	\$166,823	\$150,622	\$73,907	\$13,804	\$19,885	\$24,315	\$792,062	\$554,894	\$61,301	\$175,867
1977	\$18,884	\$1,090,077	\$183,473	\$153,749	\$77,535	\$13,078	\$16,599	\$28,539	\$774,528	\$542,938	\$63,853	\$167,736
1978	\$19,466	\$1,158,491	\$204,069	\$152,963	\$80,339	\$13,585	\$11,397	\$28,693	\$823,363	\$576,855	\$69,628	\$176,881
1979	\$20,140	\$1,237,503	\$230,854	\$159,566	\$83,536	\$14,670	\$10,033	\$32,378	\$865,518	\$600,001	\$74,708	\$190,809
1980	\$19,296	\$1,244,391	\$260,927	\$182,606	\$88,585	\$17,536	\$18,858	\$38,030	\$820,438	\$585,305	\$72,527	\$162,606
1981	\$19,144	\$1,259,272	\$289,879	\$193,747	\$96,387	\$16,399	\$22,270	\$38,034	\$802,048	\$604,997	\$74,155	\$122,896
1982	\$19,008	\$1,269,972	\$300,417	\$208,151	\$101,989	\$16,022	\$27,778	\$41,850	\$789,333	\$597,087	\$78,507	\$113,738
1983	\$19,462	\$1,325,231	\$304,762	\$218,736	\$110,627	\$16,061	\$27,172	\$44,734	\$835,867	\$609,808	\$83,643	\$142,416
1984	\$19,659	\$1,352,414	\$340,932	\$222,626	\$113,332	\$17,234	\$21,784	\$49,059	\$816,855	\$596,295	\$77,793	\$142,767
1985	\$19,999	\$1,382,766	\$349,216	\$230,616	\$115,911	\$18,047	\$17,427	\$57,355	\$827,915	\$588,947	\$81,243	\$157,726
1986	\$20,184	\$1,419,973	\$352,838	\$235,106	\$119,813	\$19,721	\$14,338	\$58,710	\$851,435	\$601,812	\$79,430	\$170,194
1987	\$20,064	\$1,428,669	\$349,454	\$237,654	\$119,775	\$20,457	\$13,416	\$61,790	\$849,755	\$591,728	\$77,273	\$180,754
1988	\$20,710	\$1,521,682	\$370,265	\$243,753	\$125,357	\$20,831	\$10,989	\$64,236	\$917,747	\$629,973	\$76,650	\$211,124
1989	\$21,936	\$1,668,291	\$431,783	\$250,519	\$130,416	\$19,941	\$10,152	\$67,585	\$1,001,393	\$698,684	\$86,868	\$215,842
1990	\$21,915	\$1,762,740	\$429,609	\$261,642	\$136,333	\$19,091	\$11,761	\$71,963	\$1,083,832	\$763,286	\$97,397	\$223,150
1991	\$21,967	\$1,838,157	\$443,661	\$283,603	\$143,216	\$22,246	\$16,542	\$77,473	\$1,131,945	\$801,178	\$106,233	\$224,534
1992	\$22,120	\$1,909,366	\$433,026	\$315,713	\$144,434	\$24,819	\$23,369	\$97,700	\$1,179,301	\$834,355	\$114,432	\$230,514
1993	\$22,009	\$1,966,536	\$425,186	\$337,231	\$149,529	\$27,403	\$30,969	\$103,527	\$1,220,665	\$845,528	\$120,337	\$254,800
1994	\$22,327	\$2,045,129	\$461,605	\$352,843	\$157,581	\$30,586	\$28,959	\$107,594	\$1,259,354	\$910,134	\$129,932	\$219,287
1995	\$22,739	\$2,132,302	\$490,666	\$375,687	\$164,825	\$32,677	\$24,117	\$123,427	\$1,300,659	\$952,963	\$121,861	\$225,836
1996	\$23,279	\$2,220,885	\$544,278	\$393,546	\$170,156	\$32,516	\$22,805	\$137,201	\$1,305,262	\$974,734	\$118,318	\$212,210
1997	\$23,844	\$2,315,830	\$561,666	\$392,987	\$174,264	\$28,133	\$18,659	\$138,414	\$1,378,950	\$1,024,682	\$115,448	\$238,821
1998	\$24,490	\$2,434,029	\$598,767	\$403,970	\$180,567	\$28,418	\$20,483	\$139,312	\$1,441,014	\$1,063,621	\$115,582	\$261,811
1999	\$25,184	\$2,548,086	\$614,517	\$413,735	\$184,337	\$27,407	\$21,693	\$142,775	\$1,548,879	\$1,168,425	\$120,248	\$260,206

³ Source: Bureau of Economic Analysis