

# Washington State

## Employment Security Department

### Labor Market Information



# for Skagit County 2006



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# SKAGIT COUNTY ECONOMIC OVERVIEW

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The numbers are compelling, since 1991 only twice has Skagit County's annual employment growth by industry been below that of the statewide average. The year 2005 was no different as annual job growth between 2004 and 2005 was 4.1 percent in the county while the state posted a growth rate of 2.6 percent. The national average for 2005 was 1.5 percent.

Since posting a half a percentage point loss between 2001 and 2002 the over the year figures have been positive, with 2003 up 2.4 percent and 2004 up 2.1 percent.

The goods producing sector has been finding the going tough after posting strong gains in 1999 and 2000 the following two years found employment slipping until a small 1.2 percent increase in 2003. The year 2004 saw that increase evaporate (-1.2%) before 2005 saw a strong 8.3% jump. Most of that increase can be credited to the strong showing in construction which gained at an 11.4 percent pace between 2004 and 2005.

A snapshot of the local economy shows that government employment is the largest employment sector accounting for 10,300 jobs or 22.7 percent of the nonfarm employment total. Trade, transportation, warehousing and utilities account for 21.3 percent of the total employment. Manufacturing employment accounts for 11.7 percent of the county total.

## Outlook

With the cost of living growing, Skagit County has been an attractive respite from high prices and the crowded environs of King and Snohomish counties. This will continue to be the case with residential construction expanding and commercial real estate more affordable.

Small boat building has shown strength and expansion in the local economy and Indian Gaming in the way of the Skagit Valley Hotel Resort and Casino. This facility has expanded and has become a destination for many in the area and Canada. The annual Tulip festival also attracts a number of out of town and local visitors.



# EMPLOYMENT BY INDUSTRY

## General Trends

Skagit County had 45,400 nonfarm jobs in 2005. Since 1991 annual job growth was its highest between 1999 and 2000 at 8.8 percent and it's lowest between 2001 and 2002 at -0.5 percent. Since 1990 the annual average growth rate is 2.9 percent, which compares favorably to the state (+1.7%) and the national average of +1.3 percent. The 2004-2005 growth rates are the third highest annual increase since 1990.

## Industry Detail

**Goods producing employment** accounted for 9,200 jobs in the year 2005 with the construction grouping adding 3,900 to the total and manufacturing kicking in the remaining 5,300 jobs. The construction totals have been helped by all means of building in residential, commercial and highway. The manufacturing sector has seen many increases in light manufacturing and has seen gains in boat and ship building.

After posting a robust 16.7 percent gain between 1999 and 2000 the following four years were either job losses or flat. The 2004-2005 data reveal a 6.2 percent over the year increase which may be the beginning of a turnaround for that sector.

**Trade, transportation, warehousing and utilities** in 2005 accounted for 9,700 in the county that is a 2,800 job increase from 1990. This sector has posted 4 straight years of job growth after a roller coaster up and down during the late nineties. Of the 2,800 job gain 2,200 of those were centered in retail trade as the consumer dollar has stretched from the north and the south to meet in Skagit.

**Leisure and Hospitality** accounted for 4,800 jobs in 2005 and represented just over 10 percent of nonfarm employment in the county. In 2000 the total employment in this sector was 5,300, so there has been some fluctuation over the last several years. The numbers are now showing consistent growth since 2002 and there is no reason to believe that this trend will not continue.

**Government employment** in the county totaled 10,300 in 2005 with the vast majority of these paychecks found in the local sector (8,300). The other parts of the troika, state (1,600) and federal (400) have been less involved numerically speaking. Employment in the government sector has been growing albeit at small portions since 1999.

The annual average employment projections show a slowing of the Skagit economy. Total nonfarm employment is expected to grow at 1.6 percent annually between 2002 and 2007 and then slow to 1.3 percent annual growth between 2007 and 2012.

Between 2002 and 2007 goods producing employment will grow by 0.7 percent with service providing employment gaining jobs at a 1.9 percent clip. The detail shows information and financial activities adding employment at a rate of 3 percent a year as retail trade jobs expand at 2.4 percent. Other industries of note are the transportation grouping (+1.5%) and government which shows a 1.7 percent increase. On the goods side, the construction grouping shows a gain of 1.7 percent per year as manufacturing employment continues to struggle at a 0.1 percent increase. Overall, the projected 2007 total nonfarm employment in Skagit county will total 45,280.

In the years 2007-2012, employment in the **goods sector** will total 9,150 or an annual rate gain of 0.8 percent from 2007. The service providing sector will yield a 1.5 percent increase to 2012 with 39,230 counted as working in those industries. The detail shows construction up 1.3 percent annually as manufacturing struggles to a half a percentage point annual gain from 2007. On the service side government has increased 1.5% and information and financial activities have increased 1.3% respectively. The trade, transportation and utilities sector will yield an annual average growth rate of 1.1 percent between the years 2007 and 2012.

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The **goods producing sector** after posting strong over the year gains in 1999 and 2000 has been finding the positive side of the ledger hard to find as employment slipped until the 2002-2003 modest gain of 1.2 percent. The 2005 increase of 8.3 percent may mean a turnaround for that sector.

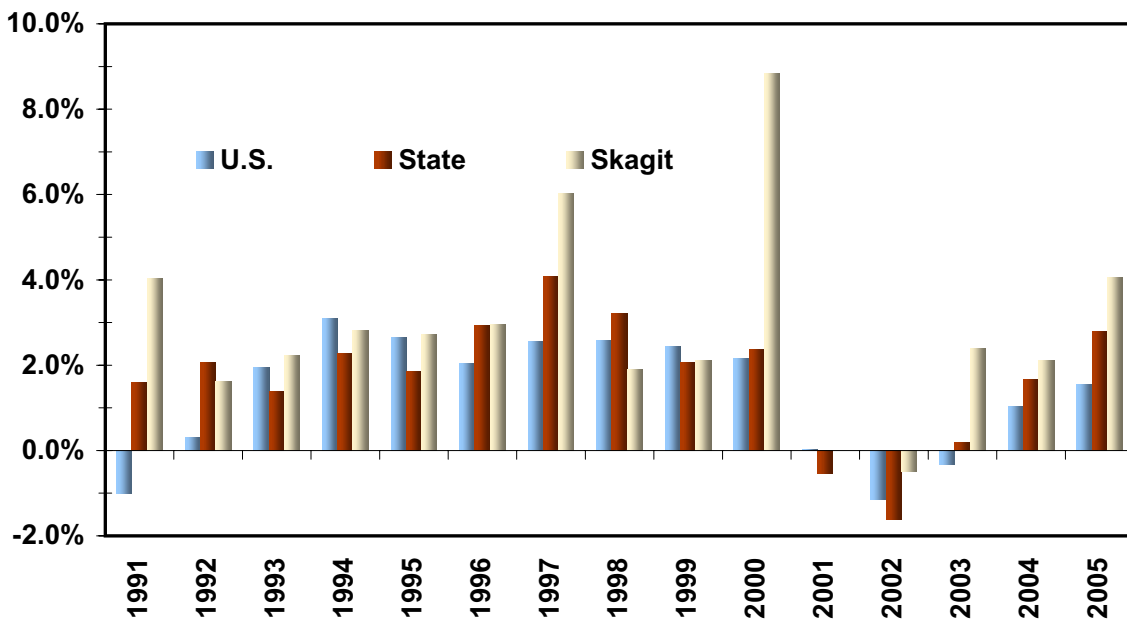
The **service providing sector** buoyed by population growth has seen positive annual average growth rates since 1990. Between 2004 and 2005 the sector grew at a rate of 3 percent. Between 1999 and 2000 the sector posted its best increase gaining jobs at an 8.6 percent clip.

This sector has posted 4 straight years of job growth after a roller coaster up and down during the late nineties.

The 2004-2005 job increase amounted to a 5 percent gain for the sector. From 2001 to 2005 the county has added 1,300 retail trade jobs with that number expected to continue to go up.

The last two years of 2004 and 2005 have seen **government** totals surpass the 10,000 job total-a total that will be there to build on in the coming years even if at a slow pace. But as the detail shows some **sectors of government** are growing at a better rate than others. The 2005 federal government total of 400 jobs is identical to the 400 total posted in 1990. The 1990 total for state government was 1,300. In 2005 state government accounted for 1,600 jobs. With the exception of 1991-1992 and 2003-2004, when the sector was flat, local government has grown annually every year since 1990. The 2005 increase was small but since 1996 the sector has grown by 2,300 jobs or a rate of 38.3 percent. Over the same time span the overall nonfarm totals have gained just over 30 percent in the last ten years.

**Annual Growth in Nonfarm Employment, 1991-2005**





# POPULATION, LABOR FORCE, AND UNEMPLOYMENT

## Population

Skagit County's population was estimated to be 113,100 in 2006 making it the 11th largest county in the state. The largest city in the county is Mount Vernon with a 2006 estimated population of 28,710. Other cities of note are Anacortes (16,170), Sedro-Woolley (9,755) and Burlington (8,120).

Since the 2000 Census, population in the county has grown by 9.8 percent which is better than the state average of 8.2 percent.

## Age

With affordable prices and a slower pace it's not surprising that the county has a higher over 60 population than the state as a whole. In 2004 the 60 and over crowd accounted for 19.5 percent of the county's total population. At the state level the 60 plus number was just 15.5 percent of the state total. With disposable income a concern it's obvious than many retirees have found their way north on I-5 to Skagit County.

## Race and Ethnicity

Skagit County is less diverse than the state and the nation as according to the 2000 Census, 83 percent of the local population were counted as white. The 2000 Census counted the Hispanic population as the largest minority group in the county at just over 11 percent of the total population.

Population by Race and Ethnicity, 2000 Census

	Total	Total Single Race	White Non-Hispanic	African American	American Indian
U.S.	281,421,906	246,183,425	194,514,140	33,707,230	2,091,206
State	5,894,121	5,276,686	4,652,490	184,631	85,396
Skagit	102,979	89,518	85,496	422	1,783

	Asian American	Pacific Islander	Other	Multiracial	Hispanic
U.S.	10,067,813	342,743	447,552	5,012,741	35,305,818
State	319,401	22,779	11,989	175,926	441,509
Skagit	1,513	146	158	1,925	11,536

## Educational Attainment

While the county leads both the U.S. and State when it comes to some college credits and associate degrees, the county lags both the state and nation when it comes to Bachelor's degrees and higher education attainment. According to the 2000 Census the county had 20.8 percent with bachelor degrees. The U.S. average was 24.4 percent while statewide the figure was 27.7 percent.

## Labor Force and Unemployment

Since 1990 the unemployment rate in Skagit County has always been higher than the state average. In fact, in some years the gap is quite large, for example in 1993 the unemployment rate in Skagit was 10.6 percent while the state average was 7.1. The good news is that the gap is closing and as of 2005 the county rate was 5.8 while the state total was 5.5. In 2001 the national unemployment rate was 5.1 percent.

Unemployment Rates	2001	2002	2003	2004	2005
Skagit	7.1	8.2	8.0	6.8	5.8
Washington State	6.2	7.3	7.4	6.2	5.5
U.S.	4.7	5.8	6.0	5.5	5.1
Civilian Labor Force	51,520	52,980	54,280	55,620	56,860
Total Employment	47,860	48,640	49,920	51,820	53,570
Total Unemployment	3,660	4,340	4,360	3,800	3,290
Unemployment Rate	7.1	8.2	8.0	6.8	5.8

# INDUSTRY EMPLOYMENT BY AGE AND SEX

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and sex. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers like the self-employed are not. Data is presented by place of work, not place of residence. Some highlights include:

- In the first quarter of 2005 men and women were nearly equal participants in the world of work (50.2% versus 49.8%)
- There were however substantial differences in industries. Male dominated industries include construction (87 percent) and manufacturing (75 percent). Female dominated industries include health care and social assistance (82 percent) and finance and insurance at nearly 75 percent.

## WAGES AND INCOME

### Average Annual Wage

In 2004 Skagit County averaged over 45,300 jobs covered by unemployment insurance, with a total payroll over 1.3 billion dollars.

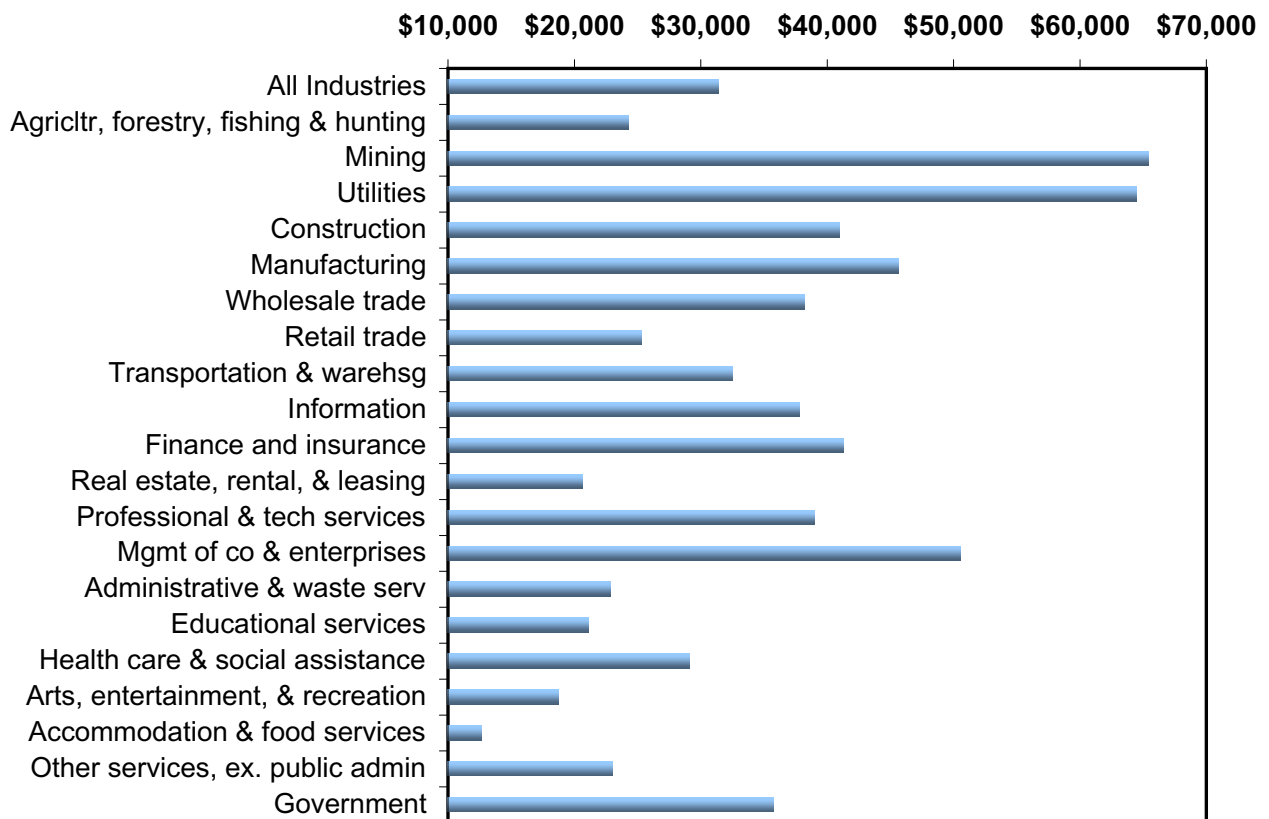
The county's average annual wage was 30,017 below the state average of \$39,689 but good enough to rank the county as 14th in the state for annual average wage.

### Hourly Wages

The 2004 median hourly wage in Skagit County was \$14.98 compared to \$17.52 for the state. The lowest paid ten percent jobs paid \$7.37 an hour as the highest paid ten percent jobs paid \$47.05.

The gap between the top ten percent earners and the bottom ten percent wage earners is greater now than it was in 1990.

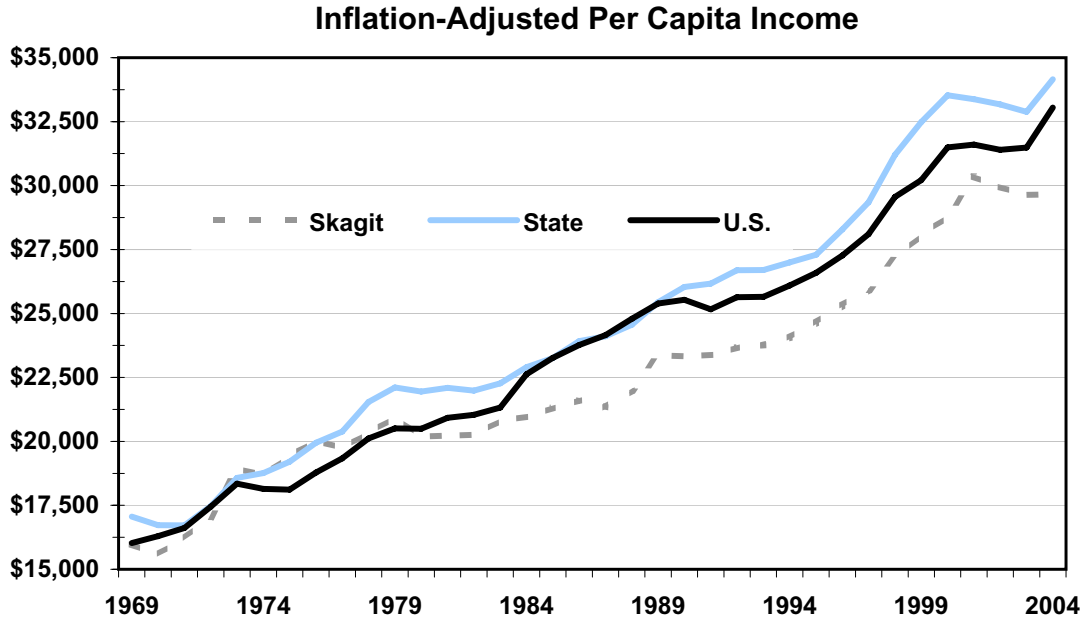
**Average Annual Wage by Industry, 2004, Skagit County**



## Personal and Per Capita Income

In 2003 Skagit County personal income was \$19,185 a total that lagged both the U.S. and state totals. The Skagit total was nearly 96 percent of the U.S. and 91 percent of the state personal income totals. The 2003 average dollar amount was broken down as 64 percent coming from earnings, 19 percent from investments and 17 percent from transfer payments.

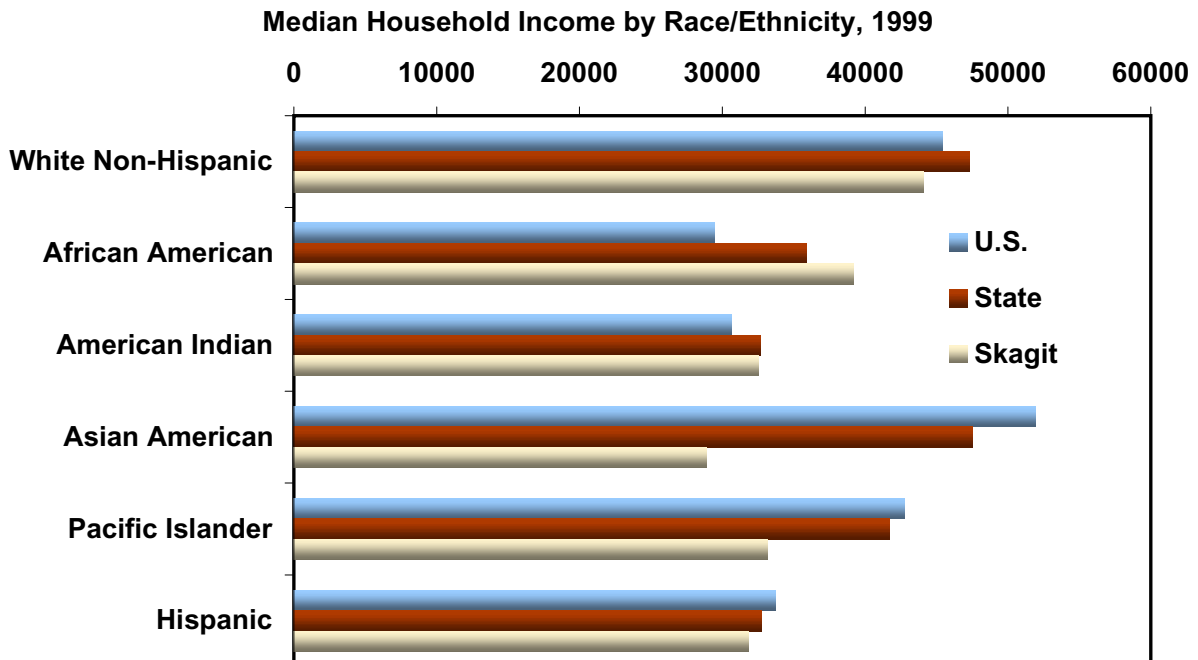
“Inflation – adjusted” per capita income placed Skagit county at just over \$30,000 dollars which was below both the state and U.S. totals for 2003.



## Household and Family Income

In 1999, Skagit County median household income was \$42,381 which was high enough to rank 10th in the state. The total, however, lags the statewide total of \$45,776 but exceeds the U.S. average of \$41,994.

In 1999, 11.1 percent of the county population was below the official poverty line. The statewide average was lower at 10.6 percent as the national average hovered around 12.4 percent.



# County Resource List

Washington State  
Employment Security Department  
[www.wa.gov/esd](http://www.wa.gov/esd)

WorkSource Skagit  
2005 E. College Way  
Mount Vernon, WA 98273  
Phone: (360) 416-3600  
Fax: (360) 416-3636

Economic Development Association  
of Skagit County  
P.O. Box 40  
Mount Vernon WA 98274  
Phone: (360) 336-6114  
Fax: (360) 336-6116  
E-mail: [info@skagit.org](mailto:info@skagit.org)  
[www.skagit.org](http://www.skagit.org)

Anacortes Chamber of Commerce  
819 Commercial Avenue  
Anacortes WA 98221  
Phone: (360) 293-3832  
Fax: (360) 293-1595  
E-mail: [anacortes@sos.net](mailto:anacortes@sos.net)  
[www.anacortes-chamber.com](http://www.anacortes-chamber.com)

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

Concrete Chamber of Commerce  
P.O. Box 743  
Concrete, WA 98237  
Phone: (360)853-7042  
E-mail: [ccoafc@concrete-wa.com](mailto:ccoafc@concrete-wa.com)  
[www.concrete-wa.com](http://www.concrete-wa.com)

La Conner Chamber of Commerce  
P.O. Box 1610  
La Conner, WA 98257  
Phone: 1-888-642-9284  
E-mail: [laconnerinfo@aol.com](mailto:laconnerinfo@aol.com)  
[www.laconnerchamber.com](http://www.laconnerchamber.com)

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

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

Sedro Woolley Chamber of Commerce  
714B Metcalf Street  
Sedro Woolley, WA 98284  
Phone: (360) 855-1841  
Fax: (360) 855-1582  
E-mail: [chamber@sedrowoolley.com](mailto:chamber@sedrowoolley.com)



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