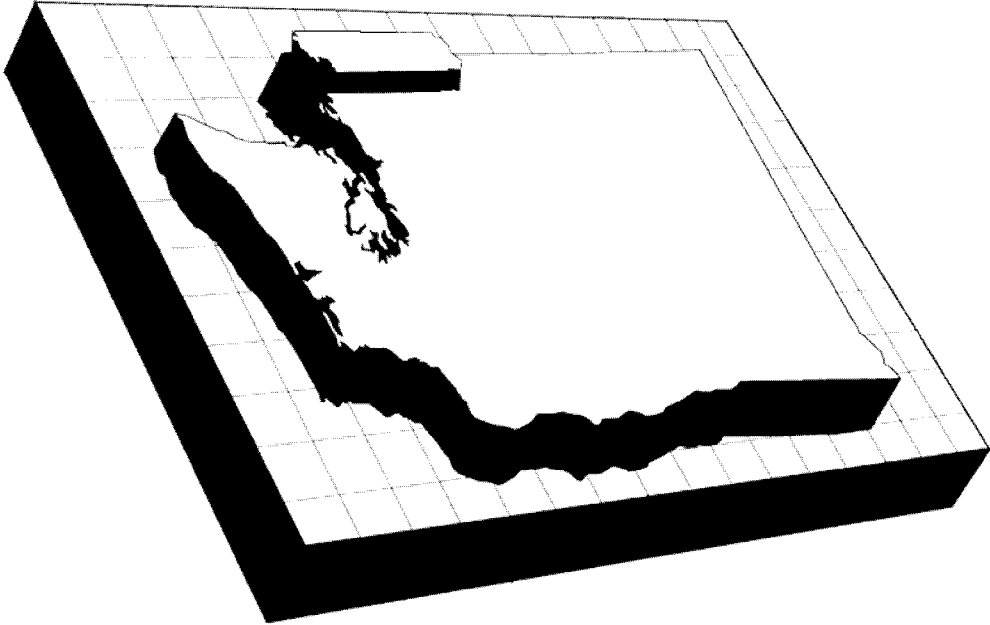


WHATCOM COUNTY PROFILE



March 2001
Labor Market and
Economic Analysis Branch
Greg Weeks, *Director*

**Washington State
Employment Security**

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MARCH 2001

Labor Market and Economic Analysis Branch
Employment Security Department

This report has been prepared in accordance with
RCW 50.38.050.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1	Construction and Mining	
INTRODUCTION	2	Manufacturing	
GEOGRAPHY	3	Transportation and Public Utilities	
ECONOMIC HISTORY	4	Trade	
POPULATION	7	Finance, Insurance, and Real Estate	
Trends		Services	
Towns and Cities		Government	
Age Groups		Industry Projections	
Demographics		OCCUPATIONAL PROFILE	27
CIVILIAN LABOR FORCE	11	PERSONAL INCOME.....	30
Demographics		Total Personal Income	
UNEMPLOYMENT	13	Components of Personal Income	
Trend		Earned Income	
Unemployment Insurance Claims		Transfer Payments	
Industrial Typology		Investment Income	
INDUSTRIES, EMPLOYMENT, AND WAGES	16	EMPLOYMENT SERVICES AND ECONOMIC DEVELOPMENT	34
Employment Trend		Workforce Development	
Location Quotients		Economic Development	
Goods and Services		APPENDIX - Whatcom County	
Annual Average Wage		Selected Economic Data	A-1
Agriculture, Forestry, and Fishing			

EXECUTIVE SUMMARY

The economy of Whatcom County was historically based on agriculture, fishing, and timber. Although all three have declined greatly, both farming and timber remain relatively strong industries and fishing still has a presence. In addition, there has been rapid growth in trade and services employment, making them both very strong divisions. The manufacturing division (which includes the timber industry) is healthy and diversified with strength coming from a number of different industries.

Employment gains in the nonfarm divisions have been impressive over the last twenty-five years. Except for transportation and public utilities, and government divisions, all have outpaced statewide growth, especially trade, FIRE, and services. Overall, the number of jobs in the county grew by about 275 percent since 1970 while the statewide increase was 245 percent. More recently, county job creation has not kept up with job growth in the state. In 1999, county jobs grew by 1.2 percent compared to Washington's 1.8 percent. After a steady decline from 1992 to 1996, trade, the largest division in the county, increased by almost 10 percent from 1996 to 1999, largely due to exchange rates affecting the level of cross-border trade from Canada.

The strengths and attractiveness of the county have led to a large increase in population. In 1970, Whatcom County had about 82,000 residents whose livelihoods were heavily dependent upon the timber industry. In 2000, there were 163,500 residents living and working in a highly diversified economy. The growth over the past thirty years was greater than it was for Washington as a whole: 199 percent versus 170 percent. Even in recent years, when county employment growth faltered a bit,

the increase in population outpaced statewide growth. From 1995 to 2000, Washington's annual population growth averaged 1.4 percent while the county's population growth averaged 2 percent.

Unemployment, historically and presently, is more of a concern for Whatcom County's labor force than it is for the statewide labor force, though not to a large degree. The percentage of joblessness in the county averages close to 1 percentage point more than the statewide average. For 1999 the gap was only .5 percentage points. The county's rate was 5.2 percent while the state's was 4.7 percent. Since 1970, the county has had such a low unemployment rate only once, in 1990. For the state, it's the lowest rate for the past thirty years.

Wages and income in Whatcom County are in the top third when ranked with the other 39 counties in Washington. The average annual wage in the county was \$25,954 in 1999 and ranked thirteenth among the state's 39 counties. (The state's overall average of \$35,929 was strongly influenced by the large number of highly paid workers in King County.) Per capita income was \$21,438 with Whatcom County ranking sixteenth (1999). Median household income for the county was \$41,300 and ranked tenth in the state.

The county is in good shape economically. Employment has been growing and unemployment has been declining. It has strong industries that generate a good level of income and have remained relatively stable over time. After taking a downward dip in 1996, trade, the largest division in the economy, has since been growing strong. Whatcom County has a nicely balanced economy that is performing reasonably well.

INTRODUCTION

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

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

Like the earlier *Whatcom County Profiles* (1990 and 1996), the purpose of this report is to provide a comprehensive labor market and economic analysis of Whatcom County. The characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends

- industries, employment, income, and earnings
- skills and occupations
- employment services and 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 deflator with 1998 equal to 1.0. The data used are the most recently updated, even though some data are up to 2 years old.

The profile is available in a Pdf format from the LMEA Internet homepage. Much of the information included in this report is also regularly updated on the homepage. Current and historical labor market information that can be accessed by area or by type of information can be found at:

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

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

GEOGRAPHY

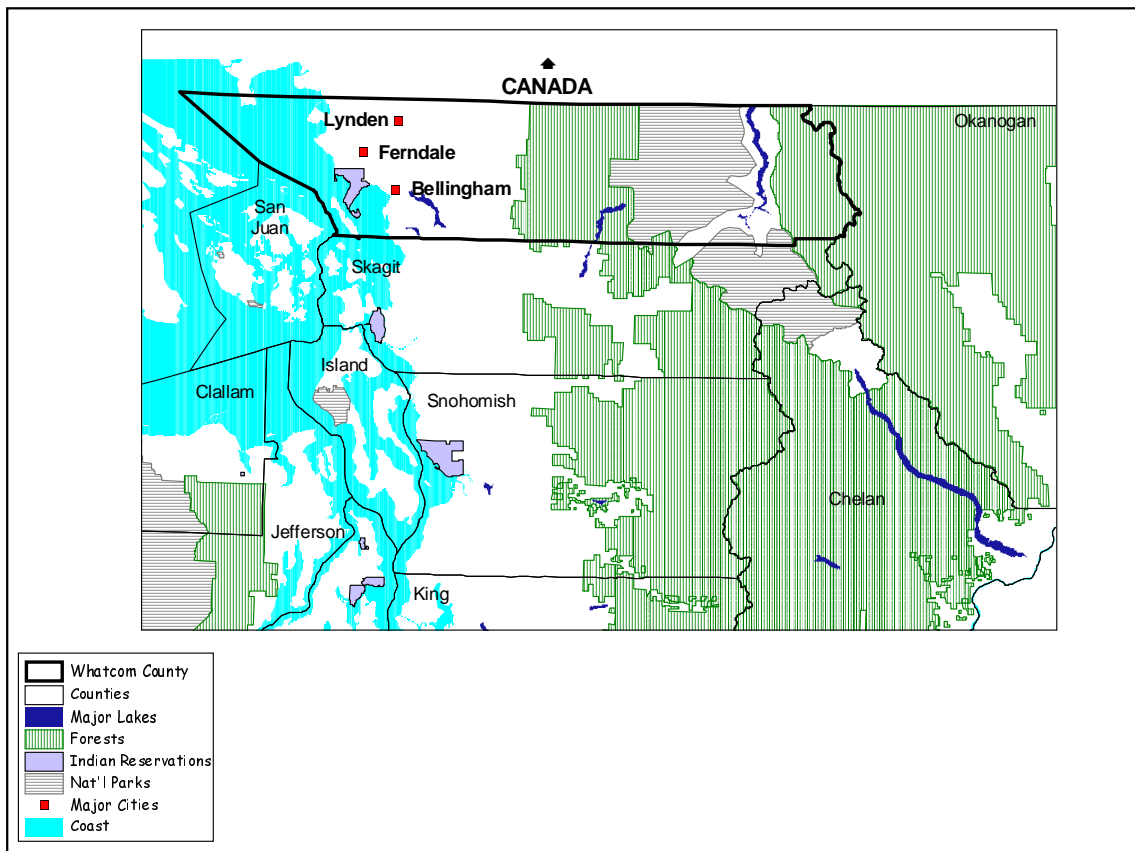
Whatcom County is situated in the furthest northwest corner of both Washington State and the continental United States. The county comprises a total land mass of 2,120 square miles (or 3.2 percent of the state's total land mass). As such, Whatcom County ranks 12th in size among Washington counties.

Whatcom County is a long, rectangular-shaped mass bounded by land on three sides and water on the west. The county is bounded to the south and east by Skagit and Okanogan counties, respectively. The county's northern boundary coincides with the 49th Parallel—the longitudinal line that delineates the U.S.-Canadian border. The county is bounded to the west by both the Strait of Georgia and Rosario Strait. The Strait of Georgia lies off the county's northern shoreline, separating it from several Canadian islands, including Vancouver Island. Rosario Strait lies off the county's southern shoreline, separating it from parts of Washington's San Juan Islands.

The topography of Whatcom County is varied. Once covered with virgin timber, the terrain in the western third of the county is now one of lush rolling hills inter-

persed with areas of level terrain. The terrain is increasingly elevated as it extends east toward the foothills of the Cascades. The terrain in the eastern two-thirds of the county is one of rugged mountains and dense forests. In fact, the entire area is part of either Mt. Baker National Forest or North Cascades National Park. Not surprisingly, the highest elevations in the county are in the eastern portion. They include Mount Baker (10,778 feet), Mount Redoubt (8,956 feet), Jack Mountain (8,928 feet), Mount Challenger (8,236 feet), and American Border Peak (8,026 feet).

The Nooksack River is the principal river in Whatcom County. From high in the Cascades, the Nooksack flows westerly through the county before emptying into Bellingham Bay. During the course of its journey, the river is joined by waters from the Middle and South Forks. Most notable of the county's numerous lakes are Ross Lake in the eastern part of the county, Baker Lake in the central part of the county, and Lake Whatcom in the western part of the county.



ECONOMIC HISTORY

The following is largely excerpted from *The Fourth Corner* by Lelah Jackson Edson and *Entering Bellingham* by Miki Gilliland and Pete Redpath.

The earliest inhabitants of present-day Whatcom County were Native Americans, the largest tribe being the *Lummi*. Among the smaller tribes were the *Samish*, *Semiahmoo*, and *Nooksack*. Salmon from Bellingham Bay and around the San Juan Islands was a staple of the tribal diet, supplemented by shellfish, roots, and berries. When not engaged in internecine warfare, they pursued trade with the *Haida* from Canada as well as with the tribes on Puget Sound.

The Spanish are believed to have been the first white explorers in the region. However, they left little evidence of their presence. The Spanish were followed by the British. In 1792, Capt. George Vancouver—in command of the *H.M.S. Discovery*—charted a natural deepwater inlet and named it Bellingham Bay in honor of Sir William Bellingham, Controller of the British Navy.

The favorable reports issued by the early explorers spawned a fur industry in the new territory. As a result, trappers and traders became the first whites to “settle” the region, though few did so permanently. Between 1825 and 1846, the Hudson’s Bay Company held undisputed reign over the fur trade from Vancouver to Bellingham. In 1846, however, the United States and Great Britain scrapped the Joint Occupation Treaty of 1818 and established a clear boundary at the 49th Parallel (the northern boundary of present-day Whatcom County). With that, the Hudson’s Bay Company moved its operations north to Victoria.

About this time, the first permanent American settlers were beginning to discover the Puget Sound region and points further north. Dr. John McLoughlin, Chief Factor of the Hudson’s Bay Company, had been able to keep most settlers out of the fur region by directing them south into Oregon’s Willamette Valley. In time, however, settlers were finding their way to Bellingham Bay.

Rapid settlement of the area prompted the Washington Territorial Legislature to establish Whatcom County on March 9, 1854. The county got its name from the Indian term *Whatcoom*, which means “rough tumbling waters”—a reference to Whatcom Falls. At that time, the county encompassed all of present Skagit, Island, and San Juan counties (Whatcom was partitioned to cre-

ate San Juan County in 1873 and Skagit County in 1883 which included present-day Island County).

Rapid white settlement eventually led to hostilities, culminating in the Indian War of 1855-56. Though Bellingham Bay was more or less unscathed by the war, the 50 or so men working the mills and mines successfully petitioned the U.S. Congress for protection. Captain George Pickett (later of Civil War fame) and a detachment of infantry were dispatched to Bellingham Bay in 1856 to establish Fort Bellingham.

At war’s end, the Lummi, Nooksack, Samish, and Semiahmoo tribes relocated to the Lummi Reservation under the terms of the Mukilteo Treaty of 1855. The original reservation was twice its present size, extending north to the town of Ferndale. The Nooksack were later allowed to leave the reservation and purchase—though not sell—land; the Samish were relocated to their own reservation; the Semiahmoo relocated to Canada.

As new settlers reached the shores of Whatcom County—mostly at Bellingham Bay—they discovered dense stands of virgin Douglas fir extending virtually uninterrupted from the shoreline into the mountains. It was clear that the stands would have to be felled before farming could proceed. Consequently, the county’s early logging and lumber industry was born.

From a handful of sawmills supplied by individual land owners in the 1850s, the region’s logging and lumber industry expanded over the years into one that boasted more than 70 sawmills, over 100 shingle mills, and numerous logging camps. These operations provided employment to hundreds of new settlers. California was the principle market for local logs, lumber, and numerous other local products. In 1907, Bellingham Bay Lumber Company was one of the world’s largest sawmills.

Once the land—particularly that around Bellingham Bay—was cleared, agriculture proceeded in earnest. In fact, Whatcom County once produced one-third of all dairy products consumed in the Puget Sound region. The land also yielded berries, grains, corn, peas, and hay.

Whatcom County’s population and economy boomed during the summer of 1858 when gold was discovered in the Fraser River region (just across the border in British Columbia). Thousands of prospectors—many from mined-out regions of California—set their sites on the region. Bellingham Bay and Victoria were offloading

points and supply centers for the miners. It is estimated that between 75,000 and 100,000 people arrived that summer. Indeed, upwards of 10,000 prospectors could be found on the shores of Bellingham Bay at any given time—exceeding the combined population of the rest of Washington territory.

Several towns were platted along the Bay during the gold rush—most notably Sehome (May 8, 1858) and Whatcom (July 24, 1858). They lay adjacent to the small town of Bellingham. Fairhaven was platted much later in 1883. All four were later merged under the common charter of the city of Bellingham on July 12, 1904.

The gold rush was over almost as soon as it began. By September, the surface gold was panned out. Most prospectors struck out for more recently discovered mines in Canada and Alaska. The exodus left ghost towns in its wake. Sehome was the most adversely impacted. The communities did, however, acquire their first newspaper during the period—*The Northern Light*.

Interestingly enough, it was *coal*—not gold—that proved to be the most stable mineral source within the region. A substantial coal deposit was discovered near Sehome as early as 1853—five years before the gold rush. In fact, at the height of the rush, the Sehome mine was producing up to 500 tons of coal a year. The allure of gold, however, all but obscured this news. In the end, though, it was coal that rejuvenated the bay side communities when the subsequent bust threatened to turn them into ghost towns.

The Bellingham Bay Coal Company was organized by investors from coal-hungry San Francisco in 1853. The eventual success of their operation gave rise to the Union Coal Company in 1861. By 1878, however, the mines were abandoned. Like the gold bust 20 years earlier, the mine closures caused severe dislocation. By the end of the year, no more than 20 people remained in the Bellingham Bay area. (Coal posted a small comeback when the Fairhaven Coal Mine opened in 1891, about the same time Blue Canyon Coal Company began operating near Lake Whatcom.)

The railroad era came to Whatcom County in the 1870s and 1880s. The prime movers were the Northern Pacific Railroad which built the Seattle-Sedro Woolley-Sumas branch and the Great Northern Railroad which built the Seattle-Bellingham-Vancouver branch. The Bellingham Bay & British Columbia Railroad, along with the Canadian Pacific Railway, completed the Bellingham-Sumas-Glacier run between the town of Whatcom and Burrard Inlet (present-day Vancouver) in 1891. That same year, the Bellingham Bay & Eastern Railroad laid a

line between the Blue Canyon mines near Lake Whatcom and Bellingham Bay (the line was later extended to Wickersham to serve as a logging road).

Given Whatcom County's location, it is not surprising that fish processing and canning became a major industry. The first such cannery was built in 1886 on Lummi Island. It was followed by the Fairhaven Fish Cannery at Dead Man's Point. By the turn of the century, there were 12 canneries operating within the county. These canneries employed more than 5,500 people. In 1905, however, the fish canning machine drastically reduced the number of workers needed. In 1934, overly-effective fish traps were banned—forcing a number of canneries to shut down. During the 1940s, Fairhaven-based Pacific American Fisheries was the largest salmon canning company in the world.

Whatcom County had a brief venture into the brewing business in 1902 when the Bellingham Bay Brewery was constructed by Leopold Schmidt of Olympia Brewery fame. Though successful—it brewed 100,000 barrels of beer annually—the brewery ceased operating in 1917 with the onset of Prohibition. It never reopened.

Education also proved important to Whatcom County's economy. In fact, the town of Sehome in Whatcom County built the northwest's first high school in 1890. Several years earlier in 1886, the Northwest Normal School was established in Lynden, making it the first institution of higher learning north of Seattle (then the site of the Territorial University, which later became the University of Washington). The school closed in 1892 for lack of funds. Several years later, however, the State Legislature appropriated funds for New Whatcom Normal School. Construction began at the Sehome Hill (presently Bellingham) site in 1895 with the school opening in 1899. It became Western Washington College of Education in 1937, Western Washington State College in 1961, and finally Western Washington University shortly thereafter. Whatcom Community College would open in 1970, increasing even more the role of higher education in the local economy.

Hydroelectric power plant construction played a role in Whatcom County in the first half of the 1900s. During that period, three hydroelectric dams were constructed in southeast Whatcom County on the Skagit River. They include Gorge Dam (1924), Diablo Dam (1936), and Ross Dam (1952). Though the dams are owned and operated by the City of Seattle, their employees generally live in the town of Newhalem off State Route 20.

These days, Whatcom County's economy is somewhat removed from its traditional industries. Agriculture and

fishing—though still present—represent a substantially lesser aspect of the local economy than they had in the past. The forest products industry, however, remains a major component of the local economy though it too pales in comparison to its historical presence.

Government has replaced more traditional industries as one of the largest sources of jobs in Whatcom County. The combined presence of Western Washington University, Whatcom Community College, and the U.S. Customs Service is one reason. The division looms even larger after adding an array of local entities.

Over the years, the addition of paper, chemicals, oil refining, aluminum, and food processing industries to Whatcom County's economy have helped diversify a manufacturing division once based almost solely on lumber and wood products. Moreover, small to moderate-scale, light

manufacturing (and wholesaling) has been an increasingly large part of the local manufacturing division.

The greatest recent employment gains, however, have come in the retail trade and service divisions. The majority of these gains came during periods of favorable U.S.Canadian currency exchange-rates. The trend resulted in frequent cross-border shopping by Canadians—not only for consumer goods but also for gasoline. Bellingham benefited greatly from this trend, and built a strong retail goods center around this expanded market. (Evidence of this can be seen in the proliferation of shopping malls and retail outlets.) More recently, however, the Canadian dollar has weakened, making cross-border shopping less attractive. Trade (and trade employment) has abated somewhat in recent years but still remains an important export component of the economy.

POPULATION

Trends

Population is viewed correctly 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 tend to 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 lessens. Nevertheless, population changes provide insight into how the economy is performing, and how the economy has performed over time.

The Office of Financial Management has estimated Whatcom County's 2000 population at 163,500, ranking it the 9th largest of Washington's 39 counties. With an area covering 2,120 square miles, Whatcom County's population density stands at 76 people per square mile, making it the 11th most densely populated county in the state.

Since 1970, Whatcom County's population has increased 199 percent, compared to the state's population, which increased by 170 percent (see Figure 1). During this time, Whatcom County experienced steady growth with yearly rates ranging from 0.5 percent to 3.7 percent and with an average annual growth rate of 2.2 percent. The state's average growth rate has been 1.8 percent.

Components of population change such as births, deaths, and migration can provide insight into larger

population and economic trends. From 1990 to 2000, Whatcom County gained 35,720 residents (see Figure 2). Of that number, 8,363 were the result of natural increase and 27,357 resulted from net in-migration. Sixty-three percent of the total in-migration occurred in the first part of the decade. Figure 3 shows the changing migratory element of Whatcom County for five-year periods from 1971 to 1999. The period with the greatest migration was 1990 to 1994. Net migration then decreased by 24 percent from the 1990-1994 period to the 1995-1999 period. This migratory element has generally followed cyclical economic patterns.

Figure 1
Population Trend
Whatcom County, 1970-2000
Source: Office of Financial Management

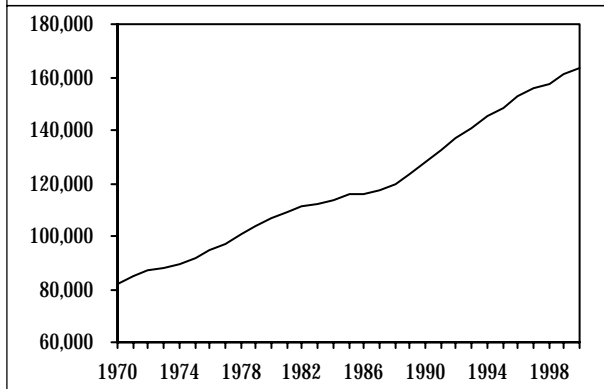


Figure 2
Components of Population Change
Whatcom County, 1990-2000
Source: Office of Financial Management

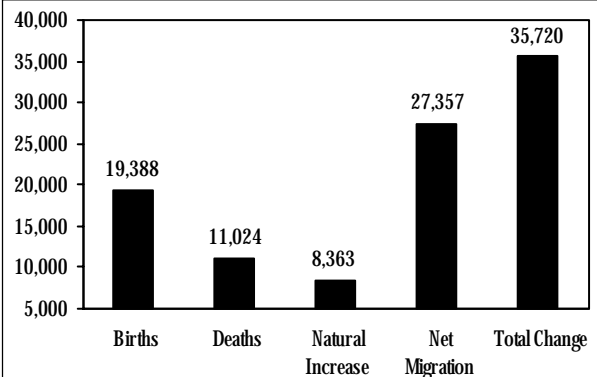
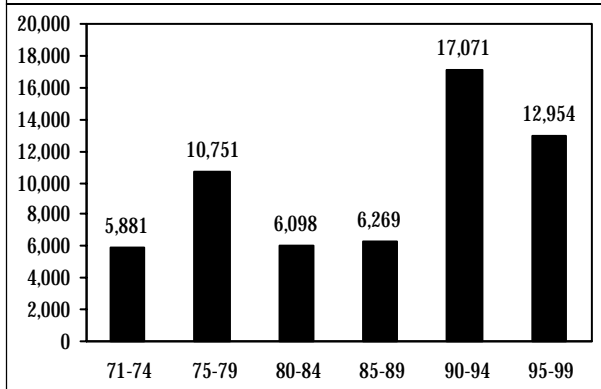


Figure 3
Population Migration
Whatcom County, 1971-1999
Source: Office of Financial Management



Towns and Cities

Of the 163,500 Whatcom County residents in 2000, 55 percent lived in incorporated areas of the county. Since 1990, incorporated and unincorporated regions grew at 30 and 25 percent, respectively. Comparatively, state-wide growth was much more concentrated in the cities with 34 and 3 percent growth for incorporated and unincorporated areas, respectively. Almost three-quarters

of Whatcom County's incorporated population lives in the city of Bellingham, while Lynden and Ferndale hold 10 and 9 percent, respectively. *Figure 4* shows the specific data for Whatcom County between 1990 and 2000, which shows that the greatest rate of growth has been in Lynden at almost 62 percent.

Figure 4
Population of Cities, Towns, and County
Whatcom County, 1990-2000
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	%Chg 90-00
Whatcom	127,780	132,200	137,100	140,900	145,000	148,300	152,800	156,200	157,500	161,300	163,500	28.0%
Unincorporated	59,187	62,073	64,833	66,461	68,157	69,635	71,492	72,402	72,127	73,049	74,242	25.4%
Incorporated	68,593	70,127	72,267	74,439	76,843	78,665	81,308	83,798	85,373	88,251	89,258	30.1%
Bellingham	52,179	53,100	54,270	55,480	57,020	57,830	59,840	61,240	61,980	64,070	64,720	24.0%
Blaine	2,489	2,640	2,730	2,860	2,975	3,125	3,210	3,575	3,595	3,640	3,660	47.0%
Everson	1,490	1,575	1,645	1,685	1,755	1,800	1,805	1,810	1,824	1,840	1,850	24.2%
Ferndale	5,398	5,670	6,000	6,420	6,605	6,830	6,955	7,235	7,620	7,925	7,910	46.5%
Lynden	5,709	5,770	6,170	6,480	6,835	7,315	7,670	8,085	8,510	8,910	9,230	61.7%
Nooksack	584	605	630	675	780	825	860	880	890	890	910	55.8%
Sumas	744	767	822	839	873	940	968	973	954	976	978	31.5%

Age Groups

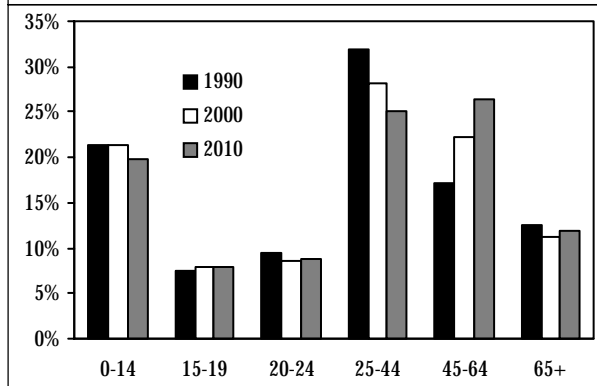
The distribution of the population among various age groups, as well as the changes in this distribution over time shows aspects of the population not revealed by the overall numbers. *Figure 5* categorizes the population of Whatcom County and Washington State by age group share size. The age categories are stratified as follows:

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

In Whatcom County, as in Washington State and the nation, the population is getting older. The primary factor behind this overall trend is the aging of the Baby Boomers (those born between 1946 and 1964). This is clearly seen in *Figure 5*, which shows that the major

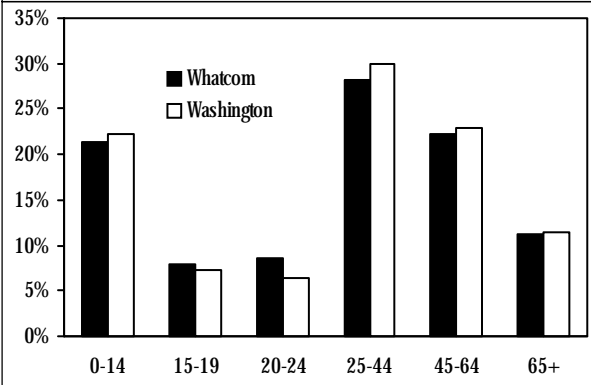
shift occurs between the 25 to 44 and 45 to 64 age groups, continuously from 1990 to 2010. There is very little change among the other age groups. As can be seen in *Figure 6*, Whatcom County does have a slightly

Figure 5
Population by Age Groups
Whatcom County, 1990, 2000, and 2010
Source: Office of Financial Management



younger population compared to the state, especially the 20 to 24 age group, 9 percent compared to 6 percent. This difference can be attributed to the presence of Western Washington University and other smaller community colleges.

Figure 6
Population by Age Groups
Whatcom County and Washington, 2000
Source: Office of Financial Management



Demographics

Though Whatcom County's population grew strongly between 1980 and 1990, its gender makeup did not change. According to the 1980 and 1990 censuses, females accounted for 51 percent of the population.

In accordance with the federal Office of Management and Budget, the state Office of Financial Management tracks five broad race and ethnic groups: White, Black, American Indian/Eskimo or Aleut (AIEA), Asian or Pacific Islander (API), and Hispanic origin. The share of the total population of these categories, for Whatcom

County and Washington, is shown in *Figure 7*. The 1998 estimate is based on the actual 1990 Census figures.

Racial characteristics have shifted slightly over the years. In both Whatcom County and Washington, the white population has decreased from approximately 92 to 89 percent of the total population, from 1990 to 1998. Among the predominate minority groups in Whatcom County the greatest growth has been among the Blacks and the Hispanics, 70 and 75 percent, respectively. Despite the increase, Blacks still make up less than 1 per-

Figure 7
Population Estimates by Race and Hispanic Origin
Whatcom County and Washington, 1990 and 1998
Source: Office of Financial Management

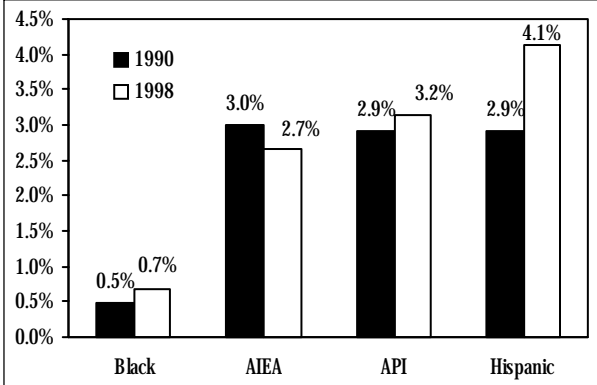
	1990	Census	1998	Estimate	1990-1998 % Change
Whatcom					
Total	127,780	100.0%	157,500	100.0%	23.3%
White	117,275	91.8%	140,776	89.4%	20.0%
Black	624	0.5%	1,061	0.7%	70.0%
Indian/Aleut	3,843	3.0%	4,181	2.7%	8.8%
Asian/Pacific Islander	3,718	2.9%	4,970	3.2%	33.7%
Hispanic*	3,718	2.9%	6,513	4.1%	75.2%
Washington					
Total	4,866,692	100.0%	5,757,400	100.0%	18.3%
White	4,411,407	90.6%	5,107,571	88.7%	15.8%
Black	152,572	3.1%	198,670	3.5%	30.2%
Indian/Aleut	87,259	1.8%	109,509	1.9%	25.5%
Asian/Pacific Islander	215,454	4.4%	341,650	5.9%	58.6%
Hispanic*	214,570	4.4%	356,464	6.2%	66.1%

**Hispanics may be of any race*

cent of the population, compared to the state where Blacks make up 3.5 percent of the total population.

Figure 8 shows that the three other groups (AIEA, API, and Hispanic) each constituted about 3 percent of the Whatcom County population in 1990. In 1998, only the Hispanics showed a significant increase to 4.1 percent. Statewide, American Indian/Eskimo/Aleuts make up 1.8 percent of the population; APIs and Hispanics each make up 4.4 percent. (People of Hispanic origin can be of any race and are tallied separately.) The higher percentage of Native Americans is probably due to the Lummi Island Reservation. The AIEA group was the only group to show a decline in its share of the population, from 1990 to 1998. This is due to their own comparatively low projected growth rate of 8.8 percent and the unusually high rates of growth for the other groups.

Figure 8
Population by Race and Hispanic Origin
Whatcom County, 1990 and 1998
Source: Office of Financial Management



CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces. Like the general population, the labor force can be seen as a key economic indicator. Patterns of growth and decline in the county's labor force are largely driven by economic cycles as well as activity in the local construction, government, and agricultural divisions. 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 substitutes.

Figure 9 displays the trend of the county's labor force from 1970 to 1999. Over that period, Whatcom County's civilian labor force grew from 33,810 to 81,100, a 214 percent increase. By comparison, the state's CLF increased by 217.5 percent. Annual average rates of growth in the local civilian labor force varied somewhat from 1970 to 1999 (see Figure 10), typically ranging from 3 to 6 percent a year, with an overall average of 3.2 percent. Extraordinary gains were posted in 1971 (12.8 percent) and 1989 (8.3 percent). The former resulted from substantial numbers of new jobs associated with construction of the Atlantic Richfield (ARCO) refinery at Cherry Point; the latter from job-generating investments tied to retailing, new manufacturing expansions from Canada, and a number of other divisions including construction and services.

At the other extreme, the local labor force stagnated and declined in the early 1980s as a result of national economic recessions. It did so again in 1984 (-3.6 percent) as a result of downturns in a number of divisions associated with the regional economy and local slumps in fishing, forest products, and agriculture.

The last half of the 1980s and the early part of the 1990s, however, saw Whatcom County experiencing a strong economic expansion. The county's labor force grew between 3 and 7 percent per year until 1991 when a national economic

Figure 9
Civilian Labor Force
Whatcom County, 1970 to 1999
Source: Employment Security Department

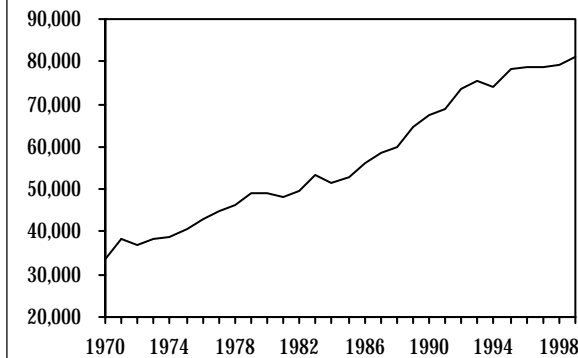
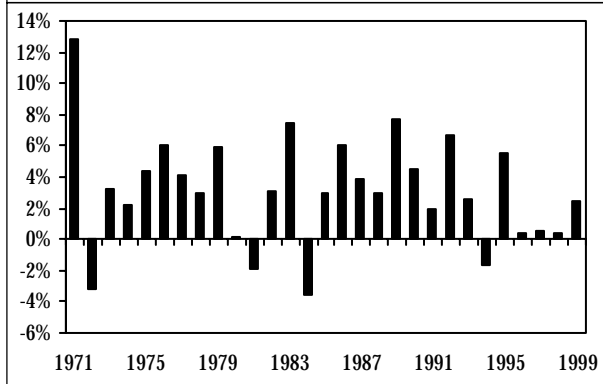


Figure 10
Annual Growth Rate for Civilian Labor Force
Whatcom County, 1971 to 1999
Source: Employment Security Department



recession contributed to the slowing of the growth rate to just under 2 percent. The most recent year of high growth was in 1995 with 5.5 percent growth. The following three years the CLF grew by less than 1 percent each year and then increased to 2.4 percent in 1999.

Demographics

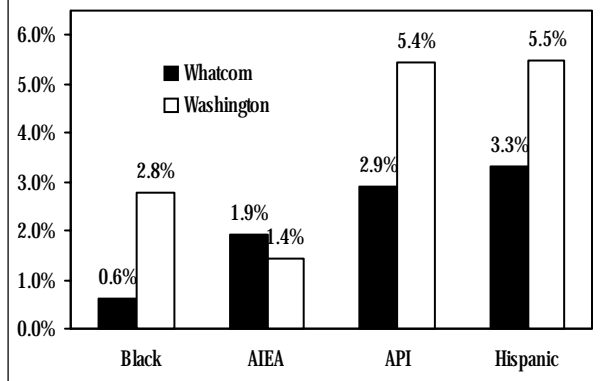
Ethnically, the labor force composition of Whatcom County is nearly equivalent to its general population. Figure 11 shows the 1997 estimate of the percentage of the labor force for each minority group. Whites make up 91.2 percent of the CLF in Whatcom County, compared

to 84.9 for the state. (Whites and females are not shown on the graph so that the smaller percentages will be more visible.) The second largest racial category, Hispanics, made up 3.3 percent of the labor force, followed by Asian and Pacific Islanders (2.9 percent), AIEAs (1.9 percent)

and Blacks (0.6 percent). (Hispanics can be of any race.) The greatest gap between the percentage of the population represented by a minority group and its share of the labor force is observed for the Native Americans, who represent 2.7 percent of the total county population but only 1.9 percent of the civilian labor force.

Although the general population of Whatcom County is relatively evenly split between males and females, the labor force is not. According to the 1997 estimates, extrapolated from the 1990 Census, 55 percent of the work force is male while 45 percent is female. Statewide, males also have the majority at 55 percent. Comparisons of the 1980 and 1990 Censuses show that the county is *not* part of the nationwide trend of increased female participation in the work force. In 1990, women in Whatcom County made up 45 percent of the work force; this was down from the 51 percent of 1980. Statewide the percentage increased from 42 percent in 1980 to 45 percent in 1990.

Figure 11
Labor Force by Race and Ethnicity
Whatcom County and Washington, 1997
Source: Employment Security Department



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. 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.

Trend

Unemployment in Whatcom County averaged 5.2 percent for the year 1999, somewhat higher than the state-wide average of 4.9 percent. *Figure 12* shows the unemployment rates for Whatcom County, Washington, and the U.S. since 1970. Unemployment in the county tracks remarkably well with unemployment in Washington and throughout the nation, rising during periods of economic contraction and falling during economic expansions. After reaching double-digits during the recessionary early 1980s, unemployment in the county fell steadily throughout the remainder of the decade, hitting its lowest point of 5.2 percent in 1990. The 1990-91 recession idled more workers, though, and sent the unemployment rate upward, but not even close to its previous highs. It did reach 7.9 percent in 1992 but has since declined steadily reaching 5.2 percent again in 1999, which equates to 4,200 persons searching for work.

The unemployment rates disaggregated by race, ethnicity, and sex for Whatcom County and the state

are shown in *Figure 13*. Unemployment does not affect all racial groups the same in Whatcom County. The overall unemployment rate was 5.7 percent. Interestingly, the rate for APIs was the lowest at 4.3 percent; followed by Whites at 5.3 percent and Hispanics at 7.7 percent. The rate went as high as 20 percent for Native Americans and Blacks. Although Native Americans and Blacks together make up only 2.5 percent of the labor force, they represent 8.9 percent of the unemployed, 400 individuals.

There were also differences among genders. The unemployment rate for women was 6.4 percent, compared to the overall rate for both sexes of 5.7 percent. Although Native American women make up almost half of the American Indian component of the CLF (700 out of 1,500) they have an unemployment rate of 28 percent, the highest of any female group. The next highest among women is 10 percent for API women.

Figure 12
Unemployment Rates
Whatcom, Washington, & U.S., 1970-1999
Source: Employment Security Department

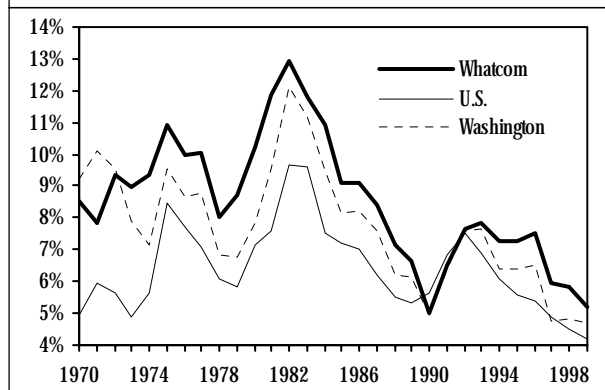
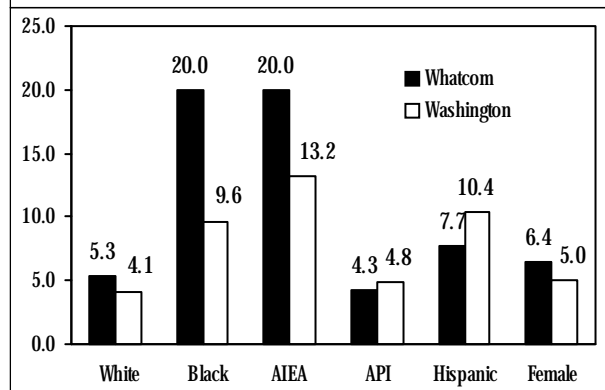


Figure 13
Unemployment by Race, Ethnicity, & Sex
Whatcom County and Washington, 1997
Source: Employment Security Department



Unemployment Insurance Claims

One of the key factors, and perhaps most reliable methods, in determining unemployment is the number of claims filed with the Employment Security Department for unemployment insurance (UI) benefits. *Figure 14* shows the number of UI claims filed in Whatcom County and Washington State during FY1999-2000 by occupational groupings. Occupational groupings 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.

Whatcom County had 10,795 UI claimants between July 1, 1999 and June 30, 2000.

The concentration of UI claims in Whatcom County occupational groupings closely resemble the concentrations statewide. The majority of claims fell in four principal areas: structural work, professional/technical/managerial, service, and clerical. The largest area of difference between the state and county was in the grouping of structural work which accounted for 26.7 percent of all claims in Whatcom County and only 19.2 percent for the state. This would also account for the larger percentage of claimants from blue-collar workers compared to the state, 55.7 versus 54 percent.

Figure 14

Unemployment Insurance Claimants

Whatcom County and Washington State, July 1, 1999 - June 30, 2000

Source: Employment Security Department

	Whatcom		Washington	
	Claimants	Percentage	Claimants	Percentage
Professional, technical, and managerial	2,029	18.8%	69,757	19.7%
Clerical	1,086	10.1%	39,861	11.3%
Service	1,207	11.2%	35,562	10.0%
Sales	457	4.2%	17,729	5.0%
Structural work	2,881	26.7%	68,041	19.2%
Packaging and materials handling	443	4.1%	26,847	7.6%
Machine trades	523	4.8%	21,643	6.1%
Motor freight and transportation	478	4.4%	16,993	4.8%
Agriculture, forestry, and fishing	704	6.5%	26,856	7.6%
Processing	615	5.7%	17,838	5.0%
Benchwork	290	2.7%	10,515	3.0%
Miscellaneous, NEC	82	0.8%	2,444	0.7%
Total	10,795	100.0%	354,086	100.0%
White-Collar*	4,779	44.3%	162,909	46.0%
Blue-Collar*	6,016	55.7%	191,177	54.0%

*Miscellaneous/NEC occupations excluded

Industrial Typology

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, cyclicity, and structural maturity in the area's employment base. These terms are defined as follows.

Industries with *seasonal* employment patterns are characterized by large employment increases and decreases in particular months of the year, for example, construction and retail sales. 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. A seasonal industry is one in which the maximum variation between the highest and lowest monthly employment is 18.9 percent or more of the industry's annual average employment.

Cyclicity refers to business and unemployment patterns caused by or linked to the broader movements of the economy—expansions and contractions. Unemployment in such industries is attributable to a general decline in macroeconomic activity, especially expenditures, which occurs during a business-cycle downturn, for example, ship building, aerospace, and automobile manufacturing. When the economy dips into a contraction, or recession, aggregate demand declines, so less output is produced and sold, and thus fewer workers and other resources are employed. A cyclical industry is one in which its highest to lowest annual average employment varied 24 percent or more from the mid-point trend line from 1982-1990.

Structurally mature industries are 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 displacement 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. Second, unemployment can

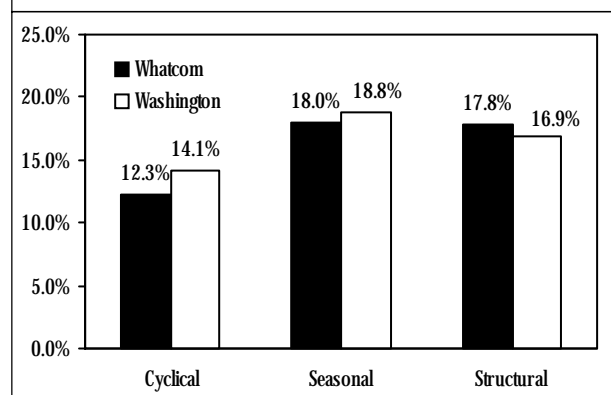
persist because of a mismatch between the skills possessed by the available work force and the skills called for in existing and newly created jobs. An industry is structurally mature if there is a decrease in employment from the pre-recession peak of 1990.

Only private industries were included when producing the figures below, so the large impact of government employment is excluded.

Note: The percentages will not necessarily total 100 percent. An industry can be recognized in more than one typology. Construction, for example, is very dependent upon weather and is also highly sensitive to fluctuations in overall economic activity, i.e., the business cycle. It has been categorized as both seasonal and cyclical.

The percentage of workers employed in these type of industries in Whatcom County is shown in *Figure 15*. In 1999, cyclical, seasonal, and structural industries accounted for 12.3, 18.0, and 17.8 percent of all non-governmental employment, respectively. The industrial typology in Whatcom County and the state are very similar. The number of workers in each type does not vary more than two percentage points, an unusually high congruence. It is not unusual, therefore, that unemployment in the county should follow a pattern very similar to that of the state. Unless radical changes in the industry types occur, unemployment in Whatcom County should remain in consonance with that of the state.

Figure 15
Industrial Typology
Whatcom County and Washington, 1999
Source: Employment Security Department



INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs, which are conducted in Washington by the Employment Security Department. Current Employment Statistics (CES) generates monthly *nonagricultural* employment figures. The Quar-

terly Employment and Wages program (ES-202) includes data on both agricultural and nonagricultural employment *covered* under the state unemployment insurance program. Approximately 85 percent of all workers in the state are covered by unemployment insurance.

Employment Trend

In Whatcom County, the number of nonfarm jobs has been consistently growing since 1982 when the “double-dip” recessions of the early 1980s had halted growth in most areas of Washington (and most of the nation). As *Figure 16* shows, even the 1990-91 national recession did not put a stopper on growth in the county. Overall, for the period 1970-99, the number of jobs grew by 275 percent, going from 24,130 to 66,300. This compares very favorably to Washington as a whole, where growth amounted to 245 percent during the same period.

Since the recession of 90-91, growth has been good but not as strong as prior to the recession. *Figure 17* shows the average annual rate of growth for employment in Whatcom County from 1970 to 1999. The average annual rate of growth from 1983 to 1990 was 5.5 percent, compared to a 2.3 percent average since 1991. The average annual growth for the 90s is also less than for the total average since 1970, which is 3.6 percent. The average annual growth rate for 1998 and 1999 has been less than 1.5 percent. A total of 4,400 new jobs were created since 1991.

Figure 16
Nonagricultural Wage & Salary Employment
Whatcom County, 1970-1999
Source: Employment Security Department

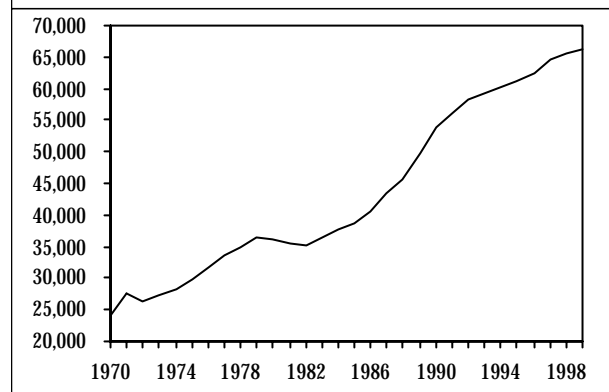
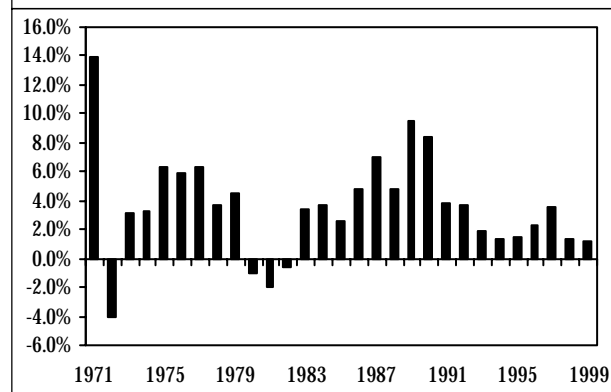


Figure 17
Nonag. Wage & Salary Employment Growth
Whatcom County, 1971-1999
Source: Employment Security Department



Location Quotients

One way of determining the industrial makeup of an area, and thereby its relative economic strength or weakness, is to compare it to another area. This comparison can be done using various measures of economic activ-

ity, 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 industrial division, how Whatcom County's employment patterns both differ from and coincide with Washington State's. When comparing a division's share of all employment at the county level to the same division'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 local industry's share of local total employment by the same industry's share of total employment at the state level. A value higher than 1.0 denotes a local industry with a higher percentage of employment than exists in the same industry at the state level. A value below 1.0 denotes the opposite. A quotient of 1.0 denotes an industry in which the county is comparable to the state as a whole.

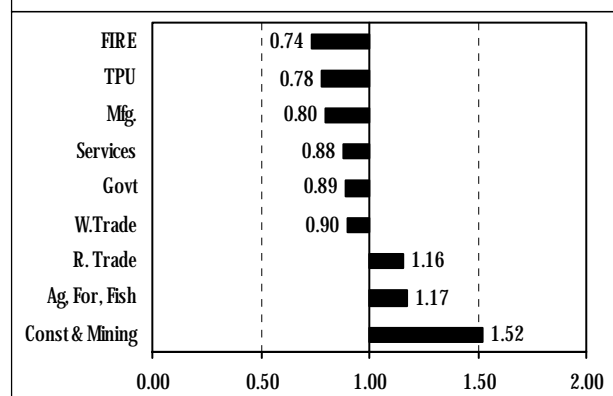
A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above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

Figure 18 shows the location quotients of the major industry divisions in Whatcom County. Except for construction and mining; all divisions are fairly close to the statewide norm (quotient of 1.0), indicating that importing/exporting consumption patterns in the county are very similar to the statewide patterns. Like

the industrial typology discussed earlier, this is another signal that the county's economy tends to work very much like the state's. A quotient of 1.52 shows that the construction division is unusually predominant in the county, compared to the state. It could be that there is one or more large construction companies which all perform outside of the county.

Six of the nine divisions are importing divisions, but only to a small degree. The low quotient in the FIRE division means that these services, primarily financial and insurance services, are probably purchased outside the county. These type of services are highly portable; the proximity of financial and insurance centers in the Seattle area explains the paucity of division employment in Whatcom County.

Figure 18
Location Quotients
Whatcom County, 1999
Source: Employment Security Department



Goods and Services

There are three broad sectors in an economy: primary, secondary, and tertiary. The primary sector is comprised of agriculture and mining. The secondary sector is the goods-producing sector, comprised of manufacturing and construction. Finally, the service sector is everything else—although government is often excluded. (The easiest way to remember the difference between a 'good' and a 'service' is that dropping a 'service' on one's foot doesn't hurt.) Over the past several decades, most job growth in the U.S. has been in the service sector.

Figure 19 shows the percentage of jobs which fall within the goods and service sectors of the economy. Although the percentage of jobs in the goods sector (mining, construction, and manufacturing) has decreased

from 33 percent in 1970 to 24 percent in 1999, the present share is the same as the goods sector for the state as a whole. Figure 20 shows the total number of jobs in each sector from 1970 to 1999 in Whatcom County. Jobs in the goods producing sector has increased from 7,880 to 15,900, a 202 percent increase, while service jobs have increased by 311 percent, from 16,250 to 50,500. The latter calculation includes government jobs in the service sector. Interestingly, if government jobs are not included in the service sector the total percent increase is even greater, 370 percent. The government division has not been growing as strongly as other private service sectors.

Figure 19
Percentage of Nonag Jobs by Sector
Whatcom County, 1970-1999
Source: Employment Security Department

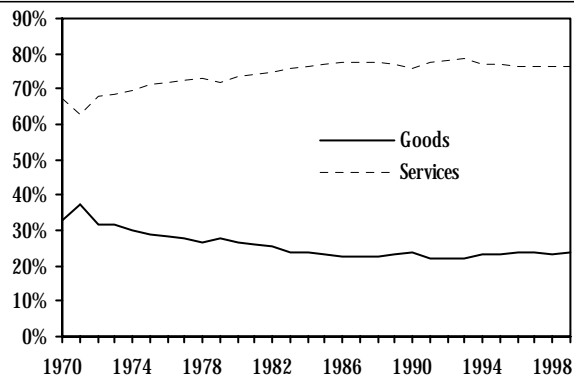
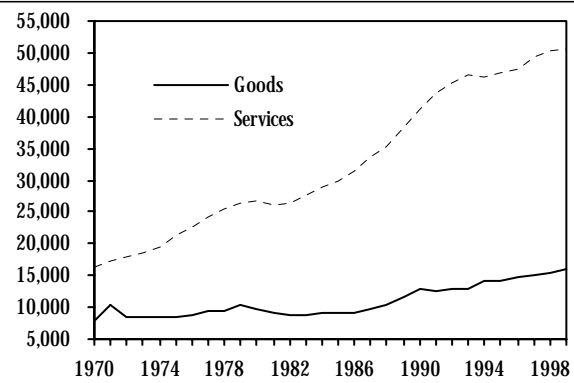


Figure 20
Number of Jobs by Sector
Whatcom County, 1970-1999
Source: Employment Security Department



Annual Average Wage

Annual average covered wages are derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 85 percent of all employment in the state is covered under the program. (*Note all amounts here have been inflation adjusted to 1998 dollars.*) The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

Looking at *Figure 21*, which displays the average wage in Whatcom County, Washington State, and the U.S. since 1970, it is readily apparent that the average wage has declined significantly. From its peak of over \$28,000 in 1971, the wage in Whatcom County fell to \$22,511 in 1988. Since then, it has increased gradually, reaching \$25,954 in 1999, compared to \$35,724 for the state. While it has generally followed the pattern of Washington State as a whole, it has done so from a lower level, and the gap has been increasing since 1995. (It should be noted that the average wage in Washington is driven by the heavily populated and highly paid King County area and that only 3 counties had wages higher than the state-wide average.) Whatcom County's wage ranked 16th among the state's 39 counties.

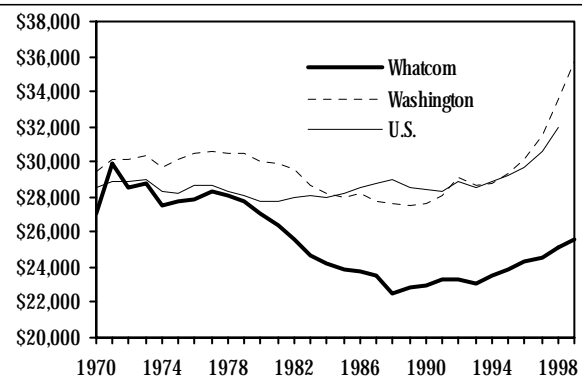
Even though employment has surged over the last 25 years, wages have fallen. One of the reasons cited for the decrease in the average wage was the decrease in the ratio of goods-producing jobs to service-producing jobs. Comparing *Figure 20* to the trend line of the annual average wage in *Figure 21*, one can't help but notice the correspondence between the two. On the other hand, the difference between the average wage

for goods and services is becoming less. In 1999, the average wage for goods-producing industries was \$32,740; the average for services-producing industries was \$27,051. In 1994, the average wage for goods and service industries was \$30,627 and \$20,006. Service industry salaries have increased significantly compared to goods-producing industries.

This overall decline of the average 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.

Figure 21
Real Annual Covered Wage
Whatcom, Washington, U.S., 1970-1999
Source: Employment Security Department



- 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.

The annual average 1999 covered wage, and the number employed, for major industry divisions and permissible two-digit SIC code industries are shown in *Figure 22* for Whatcom County and Washington State. Note that the average wage by division throughout the

Figure 22
Covered Employment and Wages
Whatcom County and Washington State, 1999
Source: Employment Security Department

	Whatcom		Washington	
	Employment	Average	Employment	Average
Total Private	56,524	\$25,185	2,193,832	\$35,929
Agriculture, Forestry, and Fishing	2,717	\$24,254	89,789	\$27,299
01 Agricultural Production - Crops	1,340	\$15,330	54,124	\$13,644
02 Agricultural Production - Livestock	793	\$18,847	5,735	\$20,136
07 Agricultural Services	463	\$15,092	24,882	\$18,995
08 Forestry	44	\$30,281	2,373	\$26,069
09 Fishing, Hunting, and Trapping	77	\$41,718	2,675	\$57,653
Construction	5,730	\$34,577	146,171	\$42,188
10 Metal Mining	*	*	353	\$72,207
13 Oil and Gas Extraction	*	*	38	\$31,507
14 Nonmetallic Minerals, except Fuels	124	\$32,535	2,310	\$36,452
15 General Building Contractors	1,245	\$31,343	39,084	\$34,412
16 Heavy Construction, except Building	1,572	\$41,243	18,981	\$44,229
17 Special Trade Contractors	2,789	\$33,184	85,405	\$34,318
Manufacturing	7,371	\$30,903	359,101	\$40,690
20 Food and Kindred Products	1,472	\$23,220	40,598	\$31,185
22 Textile Mill Products	209	\$30,916	1,008	\$34,866
23 Apparel and Other Textile Products	262	\$18,701	7,098	\$21,469
24 Lumber and Wood Products	1,396	\$28,824	33,149	\$37,785
25 Furniture and Fixtures	*	*	4,608	\$27,877
26 Paper and Allied Products	*	*	15,767	\$51,205
27 Printing and Publishing	498	\$30,145	23,566	\$33,488
28 Chemicals and Allied Products	143	\$40,213	6,050	\$71,530
29 Petroleum and Coal Products	756	\$76,201	2,124	\$66,339
30 Rubber and Miscellaneous Plastic Products	388	\$25,723	10,015	\$31,227
31 Leather and Leather Products	*	*	371	\$21,728
32 Stone, Clay, and Glass Products	214	\$33,054	8,634	\$35,525
33 Primary Metal Industries	*	*	11,593	\$44,041
34 Fabricated Metal Products	204	\$22,270	14,187	\$32,865
35 Industrial Machinery and Computer Equip.	461	\$31,197	24,396	\$46,538
36 Electronic Equipment, except Computer	331	\$25,738	18,222	\$41,005
37 Transportation Equipment	794	\$29,675	114,619	\$55,598
38 Instruments and Related Products	199	\$28,217	14,553	\$54,855
39 Miscellaneous Manufacturing Industries	44	\$19,458	8,543	\$33,987
Transportation and Public Utilities	2,672	\$32,062	132,911	\$43,532
41 Local and Interurban Passenger Transit	178	\$15,351	6,677	\$19,722
42 Trucking and Warehousing	907	\$29,630	31,676	\$30,781
44 Water Transportation	91	\$40,970	8,879	\$55,516
45 Transportation By Air	216	\$34,355	26,427	\$38,454
46 Pipelines, except Natural Gas	*	*	112	\$57,621
47 Transportation Services	374	\$24,951	11,890	\$33,836

state is almost always higher than Whatcom County's average wage. (Again, the state's average wage data are heavily influenced by King County: the high-paying aero-

space and high-tech industries drive up the wage for the densely populated county and, consequently, for the state as a whole.)

Figure 22 (Continued)
Covered Employment and Wages
Whatcom County and Washington State, 1999
Source: Employment Security Department

		Whatcom		Washington	
		Employment	Average	Employment	Average
48	Communication	567	\$33,126	31,586	\$59,030
49	Electric, Gas, and Sanitary Services	339	\$46,047	15,664	\$53,300
	Wholesale Trade	3,471	\$30,642	149,243	\$40,078
50	Wholesale Trade - Durable Goods	1,789	\$35,010	84,828	\$44,229
51	Wholesale Trade - Nondurable Goods	1,682	\$26,274	64,415	\$35,928
	Retail Trade	14,075	\$17,113	472,680	\$22,581
52	Building Materials and Garden Supplies	557	\$23,095	21,934	\$25,028
53	General Merchandise Stores	1,468	\$16,961	49,296	\$21,016
54	Food Stores	2,549	\$20,889	69,488	\$20,311
55	Automotive Dealers and Service Stations	1,441	\$22,559	48,056	\$30,520
56	Apparel and Accessory Stores	521	\$10,903	25,426	\$21,021
57	Furniture and Homefurnishings Stores	618	\$18,370	21,500	\$27,525
58	Eating and Drinking Places	5,455	\$9,101	176,041	\$12,259
59	Miscellaneous Retail	1,466	\$15,028	60,939	\$22,973
	Finance, Insurance, and Real Estate	2,550	\$37,748	134,076	\$53,001
60	Depository Institutions	1,016	\$29,839	38,174	\$37,569
61	Nondepository Institutions	67	\$47,616	11,528	\$49,433
62	Security and Commodity Brokers	88	\$75,426	7,975	\$96,273
63	Insurance Carriers	287	\$36,179	26,893	\$44,664
64	Insurance Agents, Brokers, and Service	224	\$29,979	13,322	\$40,643
65	Real Estate	813	\$23,684	33,597	\$26,370
67	Holding and Other Investment Offices	55	\$21,513	2,587	\$76,058
	Services	16,124	\$20,485	709,303	\$29,785
70	Hotels and Other Lodging Places	818	\$14,923	28,223	\$16,642
72	Personal Services	497	\$15,767	22,501	\$17,467
73	Business Services	2,167	\$21,923	165,396	\$88,785
75	Auto Repair, Services, and Parking	597	\$22,017	25,904	\$24,833
76	Miscellaneous Repair Services	188	\$25,212	7,567	\$29,775
78	Motion Pictures	129	\$13,699	9,922	\$13,456
79	Amusement and Recreation Services	1,174	\$13,563	40,810	\$19,873
80	Health Services	4,699	\$26,388	184,107	\$31,556
81	Legal Services	324	\$27,407	17,509	\$44,889
82	Educational Services	497	\$17,785	22,693	\$27,123
83	Social Services	1,662	\$15,402	59,045	\$17,094
84	Museums, Botanical, Zoological Gardens	27	\$11,346	1,535	\$21,463
86	Membership Organizations	1,266	\$24,123	24,556	\$22,151
87	Engineering and Management Services	1,276	\$39,386	64,019	\$46,620
88	Private Households	760	\$6,986	33,355	\$8,787
89	Services, NEC	43	\$31,833	2,161	\$46,039
	Government	10,333	\$31,910	450,427	\$36,815
	Federal	863	\$45,682	67,631	\$42,858
	State	3,045	\$21,717	116,916	\$35,085
	Local	6,425	\$28,330	265,880	\$32,501

**Employment and wages suppressed to avoid disclosure of data for individual employers.*

A look at Whatcom County's industry divisions shows only one of the SIC two-digit industries as having a significantly higher salary than for the state. The salary for *petroleum and coal products* (29) is \$76,201 compared to the average state salary of \$66,339. Only one other industry—*security and commodity brokers*—pays more than \$70,000 in Whatcom County. Besides these, only two industries have an annual average salary greater than \$45,000 in Whatcom County: *electric, gas, and sanitary services* (\$46,047) and *nondepository institutions* (\$47,616).

The lowest average covered wages were for *eating and drinking places* (58) at \$9,101 and *private households* (88), at \$6,986. These are also at the bottom of the scale for the state, in addition to agriculture production (01).

These figures should be used only to draw broad conclusions. Some industries are purposefully excluded for confidentiality purposes, and the inclusion of data on part-time workers and executive earnings exaggerate wage disparities between otherwise comparable industries. Moreover, the wages have not been adjusted for regional cost-of-living variations, which can be very significant.

Agriculture, Forestry, and Fishing

Whatcom County has a relatively strong agricultural, forestry, and fishing division in terms of employment. The average size of the agricultural work force in Whatcom County is 4.8 percent of the total, compared to 4.1 percent for the state. While this is not a high percentage compared to many eastern Washington counties, it nevertheless represents substantial activity on the western side of the Cascades. Whatcom was ranked 5th for the total number of farms (1,228) in the state, in 1997.

Coming from a strong agricultural history, the bulk of the division's activity is found in dairy and berry farms. In 1999, about 700 workers were employed on 167 dairy farms. Whatcom County was ranked number one for the number of milk cows (67,000) in 1996. Not only is Whatcom County the top producer of milk, but milk is the most valuable agricultural product in Washington State, almost \$850 million in 1998.

Somewhat more than 2,080 workers were employed by the county's 114 berry farms in 1999. They produced more blueberries, raspberries, and strawberries than any other county in the state. Over 4 million pounds of blueberries, 30 million pounds of red raspberries, and 4 million pounds of strawberries were harvested in 1996 in Whatcom County. In 1999, there were another 350-500 persons employed in the production and harvesting of flowers on 22 different farms.

The annual average wage in the agricultural, forestry, and fishing division is lower than the statewide salary: \$24,254 versus \$27,299. But, the largest employing industry (01) does show a higher average salary than the statewide average salary, \$15,330 compared to \$13,644. This is a change from 1994 when it was the county salary for livestock production which was higher than the state average for livestock. Since 1994, the average county salary for crop production has increased by 35 percent (from \$11,322 to \$15,330) while the livestock production salary increased by only 15 percent (from \$16,589 to \$18,847). The salary for crop production is still lower than for livestock, but there does appear to be a shift in the demand for agricultural labor.

It should be noted here that the average wage is computed by dividing total paid wages by the average annual employment. However, no distinction is made between part-time and full-time employment, so those industries with substantial amounts of part-time work will show a relatively low average wage. This same effect will be seen in many of the services and trade industries where there are substantial amounts of part-time work.

The fishing, hunting, and trapping industry offered the highest average salary of \$41,718, but only 77 persons were employed in the industry.

Construction and Mining

Construction and mining employment are rolled up together in this analysis. However, mining only makes up about 2 percent of the division's total employment so the discussion will concentrate on construction. Most of the mining involves sand and gravel pit operations. Em-

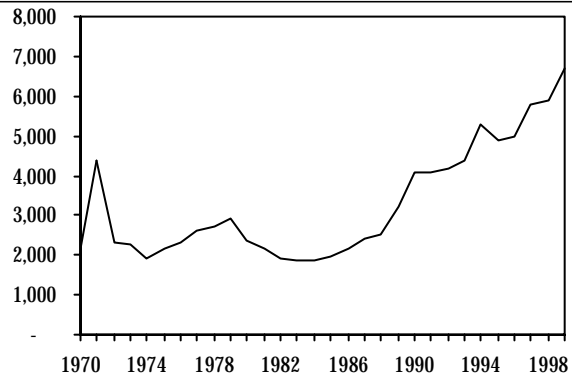
ployment in this division is quite healthy compared to the state as a whole. Washington has 6.7 percent of its nonfarm work force in construction while Whatcom County has 10.1 percent.

Figure 23 shows the level of employment for construction and mining since 1970. The peak of 1971 was caused by work on the ARCO refinery project at Cherry Point—that year employment reached 4,360 and a 15 percent share of the nonfarm work force. Unfortunately, the completion of that project coincided with the 1973-75 national recession, and construction employment dropped significantly through 1974. The ensuing recovery and expansion led to increasing employment in the division, which continued until the “double-dip” recessions of the early 1980s. Construction fell off heavily during this time, and employment almost decreased to its 1974 nadir of 1,920 workers.

Since 1988, construction has grown steadily at an average annual rate of almost 11 percent. The annual average wage for the construction division was \$34,577 in 1999, significantly less than the statewide average of \$42,188. The construction division has the second highest average wage in the county.

Whatcom County’s 6,700 construction workers are categorized into three groupings: general construction, heavy construction, and special trades. General construction in Whatcom County accounts for about 22 percent of the division’s employment and is primarily related to building single-family housing. Their 1999 average wage was \$31,343, the lowest of the three groupings.

Figure 23
Construction and Mining Employment
Whatcom County, 1970-1999
Source: Employment Security Department



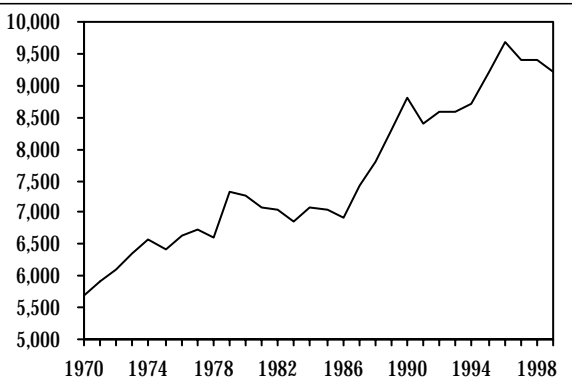
Heavy construction garnered 27 percent of total division employment and also paid the highest average wage in construction, \$41,243. On a proportional basis, heavy construction in the county is greater than it is statewide and it is this heavier than normal concentration that enlarges the size of the overall construction division.

Special trades include carpenters, plumbers, heating and air conditioning workers, painters, etc. This group comprises almost half of the construction division’s employment. These workers were paid, on average, \$33,184.

Manufacturing

In terms of employment, the manufacturing division in Whatcom County has performed much like that of Washington State. Manufacturing comprises 13 and 16.4 percent of all non-farm jobs in Whatcom County and the state, respectively. The total growth from 1970 to 1999 has also been about the same, 162 percent for the county and 151 percent for the state. Figure 24 shows manufacturing employment since 1970. Except for a slump during the first half of the 1980s decade, growth has been fairly steady in the division. Declines have occurred, but usually in conjunction with national recessions and usually not lasting long. (Manufacturing industries tend to be sensitive to the business cycle.) In actual numbers, manufacturing jobs have grown from 5,700 in 1970 to 9,200 in 1999, an increase of 3,500. Although manufacturing formerly (1995) offered the highest salary of all divisions, it is now in fifth place, behind FIRE, TPU, construction, and government, offering a salary of \$30,903 in 1999.

Figure 24
Manufacturing Employment
Whatcom County, 1970-1999
Source: Employment Security Department



The size of the manufacturing division, along with its relatively high payroll, is a very important dimension to the economy of Whatcom County. The payroll is disproportionately large compared to the number of jobs: 13 percent of all jobs and 23.6 percent of the county's total payroll comes from manufacturing (excluding government). The division has a strong, positive effect on the economic well-being of the county. Another plus is that the types of industries in the division reflect a high degree of diversity. There are significant amounts of employment in food processing, lumber and wood products, paper and allied products, oil refining, electrical equipment, and transportation equipment as well as lesser amounts in numerous other smaller industries.

In terms of employment, the largest manufacturing industry in the county is food processing. Forty different firms employ about 1,450 workers. Almost half of these workers (about 700 in 1999) were employed by the seafood industry, producing fresh and frozen prepared fish products. Unfortunately, while food processing is the largest employer in manufacturing, it pays the lowest average wage of any of the county's manufacturing industries that have substantial levels of employment. In 1999, the average was \$20,994, only two-thirds of manufacturing's average salary and even below the county's overall average of \$25,185.

At one time, virtually the only industries in the county were timber-related or agricultural. The lumber and wood processing industry has retained a strong presence and is the county's second largest manufacturing industry, gauged by employment. Since 1988, timber-related employment has declined, overall, in Washing-

ton because of curtailments and set-asides, mostly related to environmental concerns and the spotted owl. However, the level of employment in the timber industry in Whatcom County is about 400 more now than it was in 1988.

About 1,396 workers were employed in the county's timber industry in 1999. Almost half of them (700) were either directly involved in logging or working at sawmills. The remainder were scattered among other industries such as producing plywood, hardwood flooring, millwork, and other value-added activities. The average wage in the lumber and wood products industry was \$28,824.

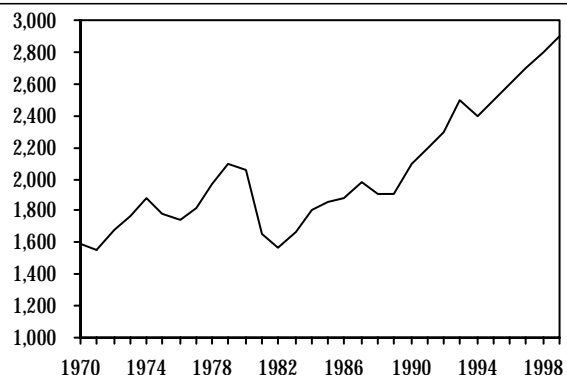
Petroleum refining, primary metal industries, and paper and allied products all offer substantial employment within the manufacturing division, although the number employed in the paper industry has gone down since 1995. Petroleum refining provided 756 jobs in 1999 and paid an exceptionally high average wage (\$76,201). Data on primary metal industries and paper/allied products are suppressed for reasons of confidentiality. These three industries inject large amounts of income into the county's economy.

Transportation equipment is another fairly strong industry in the county. Its 794 workers average about \$29,675 per year. Employment centers around parts and accessories for motor vehicles and aircraft, boat and ship building and repair. The number employed in the production of electronic and electrical equipment has decreased from close to 600 workers in 1995 to 331 in 1999. The primary products are motors and generators and home audio and video equipment.

Transportation and Public Utilities (TPU)

The TPU division is a relatively small one in Whatcom County, constituting only 4.7 percent of nonfarm employment. In 1999 this amounted to 2,672 workers. After losing a massive 500+ jobs in the early 1980s, employment has grown rapidly, adding over 1,300 jobs since 1982 (see *Figure 25*). The main industries in the division are trucking and warehousing (about 900 workers), communications (567 workers), and transportation services (379 workers). Electric, gas, and sanitary services has shown a decrease in employment from over 400 employees in 1995 to 339 in 1999. The average wage of \$32,062 in 1999 was relatively high, surpassed only by FIRE and construction.

Figure 25
TPU Employment
Whatcom County, 1970-1999
Source: Employment Security Department

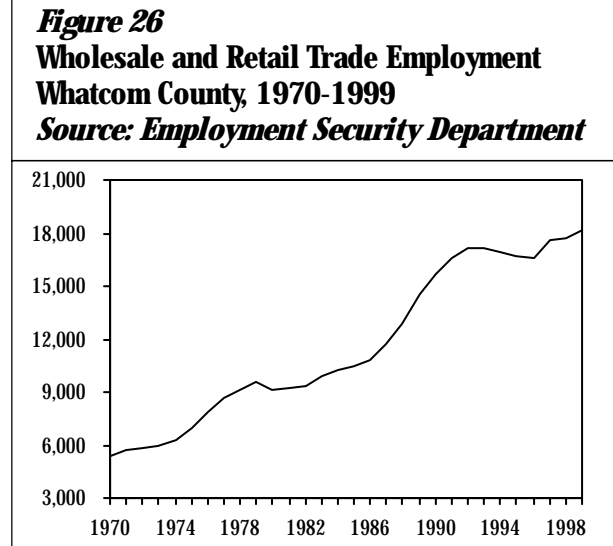


Trade

Trade has enjoyed tremendous growth over the last 30 years, 337 percent since 1970. In 1999, trade amounted to 31 percent of the county's nonfarm employment (25 percent in retail and 6 percent in wholesale). The actual number of jobs increased from 5,400 to 18,200 (see Figure 26). Trade in Washington State as a whole grew only 264 percent over the same period and in 1999 had a 28.3 percent share of all jobs.

Trade in Whatcom County is a highly significant division; it is the largest in the county. After a brief slump, trade employment has been steadily increasing since 1994. Although trade, in terms of employment, is the dominant division, it does not contribute in a like manner to the county's payroll. While it makes up 31 percent of employment, it is responsible for only 22 percent of the county's entire payroll.

In Whatcom County, 20 percent of all trade employment is wholesale, less than the state as a whole where a full 24 percent of trade employment is wholesale. The difference, though, is caused more by the county's large retail division than by a small wholesale division. The size of the wholesale division is somewhat smaller, compared to total employment, than the statewide average, but not significantly so. The average wages for wholesale and retail trade are \$30,642 and \$17,113 respectively. Industries in the retail trade division tend to have large amounts of part-time work. Because the part-time nature of much trade



employment is not factored into wage calculations, the resultant average wage is relatively low.

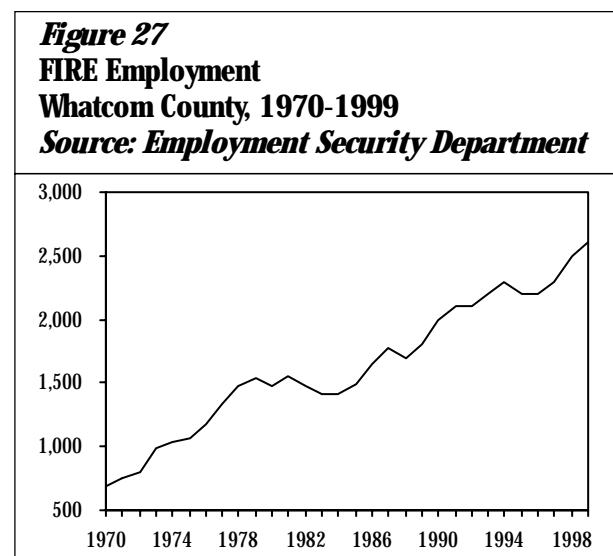
Retail trade employed over 14,000 workers in 1999. Employment in restaurants, grocery stores, and department stores accounted for more than half of the division's jobs. Almost one-third, about 5,400 workers, were employed in eating and drinking places. Grocery stores had about 2,500 employees and department stores about 1,468. The average wage in these specific industries ranged from \$9,101 in restaurants to \$23,095 in building and garden supply stores.

Finance, Insurance, and Real Estate (FIRE)

Like the TPU division, finance, insurance, and real estate (FIRE) is a small division with only 4.5 percent of nonfarm jobs. Although interrupted by the economic downturns of the early 1980s, the FIRE division has shown the greatest growth, besides the service division, since 1970—377 percent (Figure 27). In 1999, the division had a total of 2,550 workers and the average wage of \$37,748, the highest of any division in Whatcom County. The high average salary was very much effected by the few number of security/commodity brokers (3.5 percent of the total employed in the division) who earned an average of \$75,426.

The statewide average FIRE salary was \$53,001, also the highest average salary among divisions.

By far the largest industry in the division is depository institutions. This includes banks, savings and loans, credit



unions, etc. These institutions employed over 1,000 workers in 1999 who earned an average salary of \$29,839. The real estate industry includes apartment house man-

agers (a large group in Bellingham because of the University) as well as agents and brokers. More than 800 people were employed in the real estate industry.

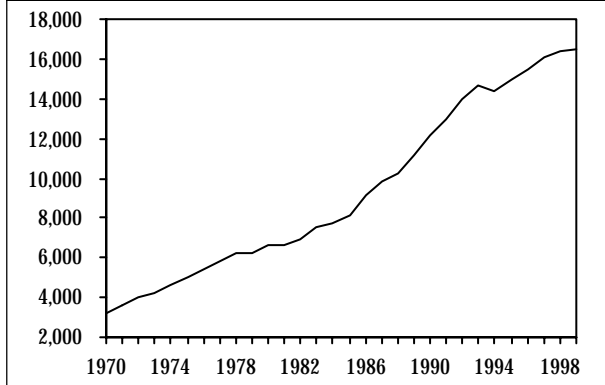
Services

Although the trade division is the largest in the county, the services division has grown the most over the last twenty-five years. The number of jobs increased a phenomenal 517 percent, going from 3,190 in 1970 to 16,500 in 1999. Statewide the division grew 430 percent for the same period of time. Except for a stagnant few years during the late 1970s and early 1980s, the division has had strong, constant growth in terms of employment (see Figure 28). It now captures 28 percent of the county's nonfarm employment and is the second largest division after trade. Unfortunately, like the trade division, much employment in the services division is characterized by part-time work and relatively low wages. The average wage was \$20,485 in 1999.

The services division encompasses many diverse industries, the largest of which, in terms of employment, is health services. Health services includes hospitals, nursing homes, the offices of physicians and dentists, and most businesses related to health care provision. Since 1970, health care services has been one of the big drivers of growth in the services division. Jobs in the health care industry amounted to 4 percent of all county jobs in 1970 and 8 percent in 1999. The approximately 4,700 workers were paid an average wage of \$26,388 in 1999. The largest employers in the health services industry are St. Joseph Hospital, skilled nursing care facilities, the offices of medical doctors, and the offices of dentists.

Business services, i.e., businesses that provide services to other businesses is the next largest industry with over 2,000 employees. The wage in this industry is higher than the division average, \$21,923 in 1999. The largest component was help supply services (mainly, temporary help agencies), and building maintenance services. A fairly large number of workers were employed in producing prepackaged software and designing integrated systems for computers. The third largest industry within

Figure 28
Services Employment
Whatcom County, 1970-1999
Source: Employment Security Department



the service division is social services with 1,662 employees who earned an average salary of \$15,402.

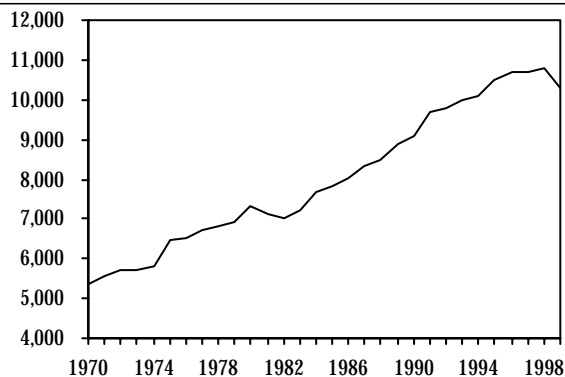
The biggest change since 1994 is the move from the amusement and recreation industry, a low paying industry from second to sixth place within the division. In addition to the three industries already discussed the amusement industry is now also behind membership organizations (86) and engineering services (87). (Indian tribal administration, which is classified in membership organizations, is the cause of the relatively large size of that category.) All of these industries pay more than the amusement industry, especially engineering which had 1,276 employees and an average salary of \$39,386. Part of the shift is due to a decline in the number of employees within the amusement industry from over 1,500 workers in 1994 to 1,174 in 1999. The bulk of them are either associated with the ski industry around Mount Baker or the gaming industry associated with the Lummi Indian tribe. Unfortunately, much of this work is part time, resulting in a low average wage; \$13,563 in 1999.

Government

Employment growth in government has been slow and steady except for a brief period during the national recessions of the early 1980s (see Figure 29). In 1999, government held an 18.3 percent share of all nonfarm jobs, somewhat less than the statewide average of 20.5

percent. Growth since 1970, however, has been slow compared to other divisions, only 191 percent, on a par with government growth statewide, which was 193 percent over the same period. In 1999, government nonfarm employment stood at about 10,333 workers.

Figure 29
Government Employment
Whatcom County, 1970-1999
Source: Employment Security Department



In virtually all counties, including Whatcom, government employment is a strong facet of the local economy. It assists the area's well-being because the employment is quite stable compared to many industries, because it is usually one of the major employing divisions, and because the level of pay is usually above the average. The government average wage in Whatcom County in 1999 was \$31,910, about \$6,000 above the county's overall average wage.

The distribution of employment among the different levels of government is different in Whatcom County than

it is statewide, most notably for the federal presence which is smaller in the county (8 percent of all government employment) than throughout the state (15 percent). State government is somewhat larger in the county, 29.5 percent versus 26 percent, and local government is more, 62.2 percent versus 59 percent. The federal government pays the highest average wage of the three levels, \$45,682 in 1999, which very much skews the average government salary. Almost half of the federal workers are employed by the post office. Other major employers are the local IRS office and the border patrol units.

State government is larger in the county than it is statewide, primarily because of the presence of Western Washington University and Whatcom Community College. The educational institutions' employees, including faculty and staff, all work for state government. In fact, the college and the university employ over 80 percent of all state government employees in the county. Representation of other state agencies is rather minimal. The average wage for state government in 1999 was \$21,717.

Employment in local government, the largest of the three levels, is driven primarily by K-12 education. Almost 60 percent of employment is related to education in Whatcom County. The bulk of the remainder is given over to the county's legislative and executive functions. The average wage for local government was \$28,330 in 1999.

Industry Projections

Nonfarm employment projections for the 1998-2003 period are shown in *Figure 30*. The county is expected to have greater growth in its employment base than the state, 11.5 compared to 9.3 percent. The greatest growth for the county is expected in services and gov-

ernment, both at 16 percent. Manufacturing is expected to grow by 4.2 percent by 2003, while a decline of 2.3 percent is projected for the state. The only divisions expected to have significantly less growth than for the state are TPU and FIRE.

Figure 30
Industry Projections Employment
Whatcom County, 1998 and 2003
Source: Employment Security Department

	Whatcom			Washington		
	1998	2003	% Change	1998	2003	% Change
Total Nonfarm Employment	65,200	72,700	11.5%	2,595,000	2,837,600	9.3%
Manufacturing	9,500	9,900	4.2%	378,800	370,100	-2.3%
Construction & Mining	5,500	6,000	9.1%	147,000	162,100	10.3%
Transportation & Utilities	2,800	2,900	3.6%	136,100	142,700	4.8%
Wholesale & Retail Trade	17,800	19,700	10.7%	624,000	681,800	9.3%
Finance, Ins., & Real Estate	2,500	2,600	4.0%	135,000	142,900	5.9%
Services	16,800	19,600	16.7%	710,000	829,400	16.8%
Government	10,300	12,000	16.5%	464,100	508,600	9.6%

OCCUPATIONAL PROFILE

A different but informative way to view an area's work force is in terms of occupational divisions 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 managerial and administrative, tracks employment and wages for all workers (16 and older) who perform a certain class of duties regardless of the industry. *Figure 31* shows employment in the major occupational divisions as well as the share of each grouping for Whatcom County and the state. The data are based on Occupational Employment Surveys (OES) conducted in the area by the Employment Security Department in 1998.

The occupational makeup reveals only a modest departure from the state's occupational structure. The most visible disparity between the county and state was in professional, paraprofessional, and technical occupations, where the county's 18.9 percent is somewhat under the state's 22.7 percent. This dissimilarity is the result of the larger percentages for service and operator/fabricator occupations. Dividing the occupational mix into blue-collar and white-collar occupations, Whatcom County has a slightly lower percentage of white-collar occupations than the state as a whole.

Occupational employment projections from 1998 to 2008 for Whatcom County are shown in *Figure 32*. The

greatest expected change between the occupations is for paraprofessional and service oriented occupations. This relates well to national trends that show the economy becoming more service-oriented.

Figure 33 is also based on occupational surveys conducted in Whatcom County by the Employment Security Department in 1998. The list of occupations and wages presents the various nonfarm jobs in the area and their average level of pay. Wages are generally provided as hourly rates, except for those occupations for which

Figure 32
Occupational Projections
Whatcom County, 1998 and 2008
Source: Employment Security Department

	1998	2008
Total	100.0%	100.0%
Managerial & Administrative	7.0%	7.3%
Professional, Paraprof., & Tech.	18.9%	20.1%
Marketing & Sales	12.0%	11.8%
Clerical & Admin. Support	13.7%	13.0%
Services	17.4%	18.3%
Ag., Forestry, Fishing & Related	5.1%	4.4%
Prec. Production, Craft, & Repair	11.5%	11.1%
Operators, Fabricators, & Laborers	14.3%	14.0%
White-Collar	69.1%	70.4%
Blue-Collar	30.9%	29.6%

Figure 31
Occupational Employment
Whatcom County and Washington State, 1998
Source: Employment Security Department

	Whatcom		Washington	
	1998	% Share	1998	% Share
Total	80,036	100.0%	3,042,950	100.0%
Managerial and Administrative	5,595	7.0%	236,687	7.8%
Professional, Paraprof., & Tech.	15,156	18.9%	689,989	22.7%
Marketing & Sales	9,591	12.0%	345,850	11.4%
Clerical & Admin. Support	10,977	13.7%	474,747	15.6%
Services	13,950	17.4%	469,185	15.4%
Ag., Forestry, Fishing & Related	4,098	5.1%	119,106	3.9%
Prec. Production, Craft, & Repair	9,211	11.5%	336,198	11.0%
Operators, Fabricators, & Laborers	11,458	14.3%	371,188	12.2%
White-Collar	55,269	69.1%	2,216,458	72.8%
Blue-Collar	24,767	30.9%	826,492	27.2%

hourly rates are unavailable. The rank of each occupation, in terms of the number of people employed, is also shown. The occupation of salesperson is ranked number 1, which means there are more persons employed in sales than any other occupation. The occupations are organized under seven broad categories, for example,

“Managerial and Administrative Occupations.” Within each category the occupations are sorted by rank, the most common occupation will be at the top of the list within its category. For example, the most common occupation within “professional, paraprofessional, and technical occupations” is secondary school teacher.

Figure 33
Occupational Wages
Whatcom County, 1998
Source: Employment Security Department

Occupational Title	Wage*	Rank**	Occupational Title	Wage*	Rank**
Managerial and Administrative Occupations					
General Manager & Top Executive	\$25.62	3	Dental Hygienist	\$29.14	160
All Other Manager & Administrator	\$23.40	16	Electrical & Electronic Technician	\$22.36	163
Food Service & Lodging Manager	\$10.82	36	All Other Health Prof, Paraprof, Tech	\$17.94	166
Financial Manager	\$25.50	45	Emergency Medical Technician	\$14.75	168
Construction Manager	\$23.05	54	Surveying & Mapping Technician	\$15.41	176
Education Administrator	\$28.72	71	Vocational & Educational, Counselor	\$19.86	178
Marketing, Advertising, Public Rel Mgr	\$27.31	104	Personnel, Train & Labor Relation Spec	\$19.64	180
Administrative Service Manager	\$20.85	119	Art, Drama & Music Teacher, Postsec	\$44,700	181
Purchasing Manager	\$17.85	122	Purchase Agent, exc Whlsl, Retail, Farm	\$20.21	182
Industrial Production Manager	\$23.30	145	Clergy	\$17.51	183
Property & Real Estate Manager	\$12.32	149	Librarian, Professional	\$21.42	188
Personnel, Train & Labor Relation Mgr	\$21.91	153	Public Relations Spec, Publicity Writer	\$18.07	189
Communication, Transport, Utilities Mgr	\$29.48	162	Veterinarian, Veterinary Inspector	\$22.17	191
Engineering, Math, Natrl Science Mgr	\$32.59	167	Pharmacist	\$29.06	195
Professional, Paraprofessional, and Technical Occupations					
Teacher, Secondary School	\$42,640	17	Optician, Dispensing & Measuring	\$12.72	196
Teacher, Elementary	\$41,570	18	Dentist	\$53.56	200
Registered Nurse	\$19.92	19	Sales and Related Occupations		
Teacher Aide, Paraprofessional	\$9.12	33	Salesperson, Retail	\$9.63	1
Teacher, Vocational Education	\$18.08	35	Cashier	\$9.40	4
Accountant & Auditor	\$17.67	37	First Line Supervisor, Sales & Related	\$15.80	5
Instructor, Nonvocational Education	\$13.52	51	Sales Rep, exc Retail, Sci, Related	\$18.33	32
Instructor & Coach, Sport	\$13.33	52	Stock Clerk, Sales Floor	\$9.09	41
Artist & Related	\$11.83	55	Salesperson, Parts	\$12.91	81
Designer, except Interior Design	\$10.90	64	Counter & Rental Clerk	\$8.68	103
Comply Officer & Inspector, exc Const	\$19.65	66	Insurance Sales Worker	\$13.34	105
All Other Professional, Paraprof, Tech	\$18.04	69	All Other Sales & Related Occupation	\$10.40	117
Teacher, Preschool & Kindergarten	\$0.00	70	Sales Rep, Science & Related, exc Retail	\$21.38	146
All Other Postsecondary Teacher	\$34,960	72	Sales Agent, Real Estate	\$13.62	161
Licensed Practical Nurse	\$12.39	73	Travel Agent	\$9.04	175
Drafter	\$16.70	76	Telemarketer, Door-To-Door Sales & Rel	\$8.95	192
Residential Counselor	\$9.08	78	Broker, Real Estate	\$29.34	199
All Other Management Support Worker	\$17.30	79	Clerical and Administrative Support Occupations		
Social Work, exc Medical & Psychiatric	\$16.54	83	Bookkeeping, Accounting & Auditing Clerk	\$11.44	2
Lawyer	\$31.67	86	General Office Clerk	\$10.13	6
Physician & Surgeon	\$45.68	93	Secretary, except Legal & Medical	\$11.70	13
Human Service Worker	\$10.25	96	Receptionist, Information Clerk	\$9.58	20
Social Work, Medical & Psychiatric	\$14.45	109	First Line Supervisor, Clerical	\$15.75	27
Writer & Editor	\$14.35	110	Traffic, Shipping & Receiving Clerk	\$11.61	34
Cost Estimator	\$21.19	114	All Other Clerical & Admin Support	\$10.38	40
Social Science Teacher, Postsec	\$0.00	115	Bank Teller	\$9.37	56
Civil Engineer, including Traffic	\$25.72	124	Typist, including Word Processing	\$10.46	82
English & Foreign Lang Tchr, Postsec	\$0.00	130	Stock Clerk, Stockroom or Warehouse	\$11.77	85
Wholesale, Retail Buyer, except Farm	\$14.77	135	Teacher Aide & Educational Asst, Clerk	\$8.77	88
Teacher, Special Education	\$41,660	137	Postal Mail Carrier	\$16.19	108
Computer Engineer	\$19.96	140	Billing, Cost & Rate Clerk	\$12.35	136
Loan Officer & Counselor	\$20.58	142	Switchboard Operator	\$8.63	139
Recreation Worker	\$8.83	144	Legal Secretary	\$14.24	141
Mechanical Engineer	\$30.39	156	Order Clerk, Materials, Service	\$9.99	148
Computer System Analyst, EDP	\$32.40	157	Insurance Policy Processing Clerk	\$10.69	170
All Other Teacher, Instructor	\$30,170	159	Loan & Credit Clerk	\$12.71	171
			Data Entry Keyer, except Composing	\$10.83	172
			Medical Secretary	\$11.20	177

Figure 33 (Continued)

Occupational Wages

Whatcom County, 1998

Source: Employment Security Department

Occupational Title	Wage*	Rank**	Occupational Title	Wage*	Rank**
Bill, Post & Calculate Machine Oper	\$10.59	184	Electrician	\$21.30	31
File Clerk	\$8.70	193	Hand Packer & Packager	\$7.68	39
Service Occupations			Truck Driver, Light, incl Delivery & Rel	\$9.79	44
Waiter & Waitress	\$5.84	8	Painter & Paperhanger, Constr & Maint	\$14.97	47
Child Care Worker	\$7.53	10	First Line Supervisor, Production	\$16.78	48
Janitor & Cleaner, except Maid	\$9.16	12	Plumber, Pipefitter, Steamfitter	\$24.21	49
Combined Food Preparation & Service	\$6.58	14	First Line Supervisor, Constr & Extract	\$20.75	58
Food Preparation Worker	\$7.15	23	Bus Driver, except School	\$13.81	62
Cook, Restaurant	\$8.54	25	All Other Hand Worker	\$8.97	63
Nursing Aide, Orderly & Attendant	\$7.78	26	Machine Feeder & Offbearer	\$11.11	65
Maid & Housekeeping Cleaner	\$7.34	29	Industrial Truck & Tractor Operator	\$12.38	67
Cook, Institution or Cafeteria	\$9.15	42	Welder & Cutter	\$15.69	68
Personal Home Care Aide	\$7.66	43	All Other Freight, Stock, Mat Move, Hand	\$8.77	74
Cook, Fast Food	\$6.11	46	Bus Driver, School	\$12.92	75
Counter Attendant, Lunchroom, Cafeteria	\$6.36	50	Vehicle Washer & Equipment Cleaner	\$8.63	84
Bartender	\$7.45	53	Packaging & Filling Machine Op/Tend	\$12.08	89
Hairdresser & Cosmetologist	\$9.24	57	Cannery Worker	\$8.23	90
Amusement & Recreation Attendant	\$6.44	59	Automotive Body, Related Repairer	\$14.33	92
All Other Service Supervisor	\$13.17	60	Laund, Dry-clean Mach Op/Tend, exc Pres	\$8.00	98
Guard & Watch Guard	\$9.72	61	Heat, A/C, Refrigeration Mech & Install	\$14.50	100
Home Health Aide	\$7.84	77	Operating Engineer	\$21.29	101
Baker, Bread & Pastry	\$10.13	87	First Line Supervisor, Mechanic & Repair	\$19.64	102
Dining Room, Cafeteria & Bartender Help	\$6.30	91	Helper, Carpenter & Related Worker	\$14.22	107
Dental Assistant	\$12.00	94	All Other Mechanic, Installer & Repairer	\$15.53	111
Police Patrol Officer	\$24.86	99	Roofer	\$12.94	112
Host & Hostess, Restaurant, Lounge	\$6.51	106	Furnace Operator/Tender	\$14.25	113
All Other Food Service Worker	\$7.00	116	Millwright	\$20.37	118
Medical Assistant	\$10.60	126	Woodworking Mach Op/Tender, exc Sawing	\$10.45	120
Child Care Worker, Private Household	\$0.00	128	Machine Builder & Precision Assembler	\$14.68	121
Cleaner & Servant, Private Household	\$0.00	131	Meat, Poultry, Fish Cut, Trim, Hand	\$10.44	123
Cook, Short Order	\$8.24	134	Farm Equipment Mechanic	\$13.04	125
All Other Service Worker	\$6.31	143	All Other Const & Extract, exc Helper	\$16.18	127
All Other Cleaning & Building Service	\$15.92	147	All Other Machinery Mechanic	\$19.65	129
Fire Fighter	\$20.59	169	Bus & Truck Mechanic & Diesel Specialist	\$16.25	132
Agricultural, Forestry, Fishing and Related Occupations			Driver/Sales Worker	\$13.70	133
Farmworkers, Food/Fiber Crops	\$7.04	15	Petroleum Refinery, Control Panel Oper	\$21.46	150
Farmworkers, Farm/Ranch Animals	\$8.10	22	Sewing Machine Operator, Garment	\$7.87	151
Fisher, Hunter & Trapper	\$0.00	24	Sheet Metal Worker	\$18.10	152
Laborer, Landscaping & Groundskeeping	\$9.87	38	Production Inspector, Grade, Sort, Test	\$13.86	154
All Other Agricultural, Forestry, Fish	\$11.56	80	Helper, Mechanic & Repairer	\$11.49	155
Log-Handling Equipment Operator	\$15.08	97	All Other Machine Operator/Tender	\$14.11	158
First Line Supervisor, Agr, Forest, Fish	\$15.88	138	Aircraft Structure & Related Assembler	\$17.83	164
Farm Equipment Operator	\$8.23	173	Excavating & Loading Machine Operator	\$19.96	165
Animal Caretaker, except Farm	\$6.49	174	Crush, Grind, Mix Machine Op/Tender	\$14.54	179
Production, Construction, Oper, & Material Handling Occupations			Precision Instrument Repairer	\$21.02	185
Carpenter	\$18.42	7	Extrude, Form, Press Mach Op/Tender	\$15.14	186
All Other Help, Labor, Matl Move, Hand	\$11.27	9	Sheet Metal Duct Installer	\$21.31	187
Truck Driver, Heavy or Tractor-Trailer	\$15.52	11	Hoist & Winch Operator	\$15.50	190
Maintenance Repairer, General Utility	\$14.94	21	Inspector, Tester, Grader, Precision	\$18.35	194
Assemble, Fabricate, ex Mach, Elec, Prec	\$10.20	28	Insulation Worker	\$16.01	197
Automotive Mechanic	\$14.21	30	Water, Liquid Waste Treat Plant, Sys Op	\$27.47	198

*Wages are either hourly or annual.

**Ranking is by amount of employment per occupation, from highest (1) to lowest (200)

PERSONAL INCOME

The following sections relate to income, which includes both wage and non-wage sources. The data are derived from the U.S. Department of Commerce, Bureau

of Economic Analysis. All income data have been adjusted to constant 1998 dollars.

Total Personal Income

Personal income is generally seen as a key indicator of a region's economic vitality. Conceptually, personal income captures all forms of income: wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent, but not contributions toward social insurance. By definition business and corporate incomes are not included.

Figure 34 displays both real and nominal (not adjusted for inflation) since 1970. In 1998, total personal income in Whatcom County amounted to \$3.57 billion dollars, up 5.2 percent from the previous year. The average annual rate of growth since 1970 is 4 percent and 4.2 percent since 1990. Since 1970, real personal income in Whatcom County grew 299 percent comparable to Washington's overall growth of 297 percent.

Per capita income (PCI) is calculated by dividing total personal income by the total population for an area. PCI provides a figure that can be used as a common denominator between different time periods and/or different areas. It is also useful as an indicator of the character of consumer markets and of the overall economic well being of the residents of an area. Figure 35 compares the changes in the adjusted per capita

personal income for the county, the state, and the nation. As the chart shows, growth in the county has not kept pace with the statewide average. The effect of the "double-dip" recessions of the early 1980s was more pronounced in Whatcom County than throughout the state, and the gap which began then has since continued. From 1970 to 1998, PCI increased approximately 180 percent for both the state and the U.S., but only 157 percent for Whatcom County.

From its most recent decline to \$20,290 in 1993 the Whatcom County PCI has since climbed steadily to \$22,732 in 1998. Per capita income for Washington State was \$28,719 in 1998.

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. Whatcom County fares well in this regard. The estimated median income in Whatcom County in 1998 was \$39,242 and ranked 15th among Washington's 36 counties. The county ranked 16th for per capita income.

Figure 34
Total Personal Income (in thousands)
Whatcom County, 1970-1998
Source: Bureau of Economic Analysis

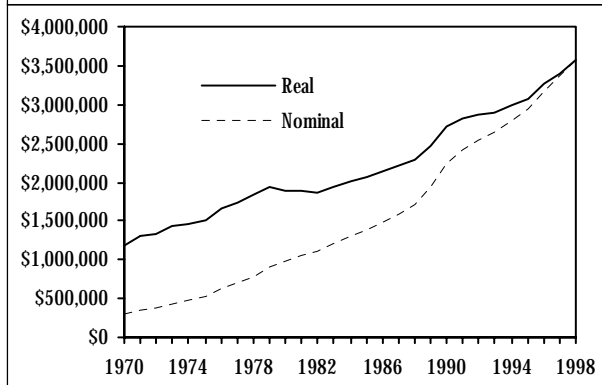
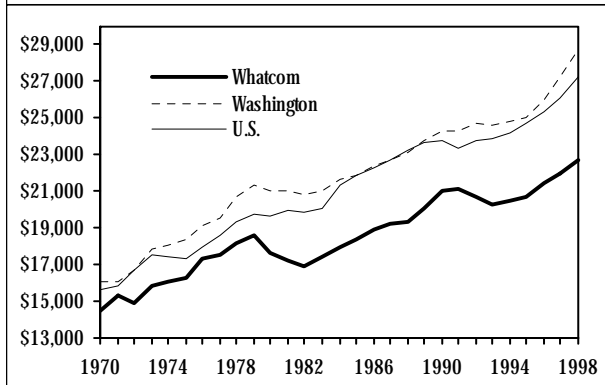


Figure 35
Per Capita Income
Whatcom, Washington, & U.S., 1970-1998
Source: Bureau of Economic Analysis



Components of Personal Income

Personal income encompasses several different types of income, which can be categorized within three broad categories: earnings, transfer payments, and investment income. Earnings include wages, salaries, proprietors' income, and "other" income. Transfer payments include income maintenance, unemployment insurance, retirement and medical payments. Investment income consists of interest, dividends, and rent. *Figure 36* shows how these components of personal income have changed over time in Whatcom County.

In general, while all components have been growing, growth of transfer payments and investment in-

come have outstripped earnings. Since 1970, earnings grew by 259 percent while investment income and transfer payments increased by 441 and 404 percent, respectively. Consequently, the portion of total income constituted by earnings has fallen from 75 percent in 1970 to 67 percent in 1998 (*see Figure 37*). The sources of income are shifting and earnings are making up a lesser share. The same shift has occurred throughout the state but not quite to the same degree as in Whatcom County. In 1998, Washington's earnings made up 72 percent of personal income.

Figure 36
Personal Income Component Trends
Whatcom County, 1970-1998
Source: Bureau of Economic Analysis

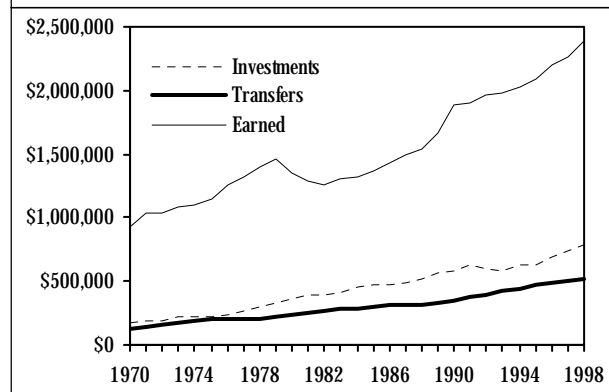
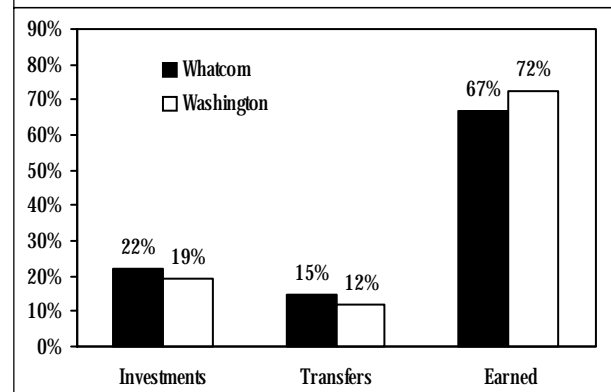


Figure 37
Personal Income Components
Whatcom County and Washington, 1998
Source: Bureau of Economic Analysis



Earned Income

As mentioned earlier, the largest portion of personal income in Whatcom County is earned income (\$2.38 billion). Although its percentage of the total has diminished over the last 28 years, from 77 to 67 percent, it nevertheless retains the lion's share of all income. This component of personal income is an important reflection of an area's economy because it shows how much income is derived directly from work and work-related factors by residents of Whatcom County, regardless of where individuals work.

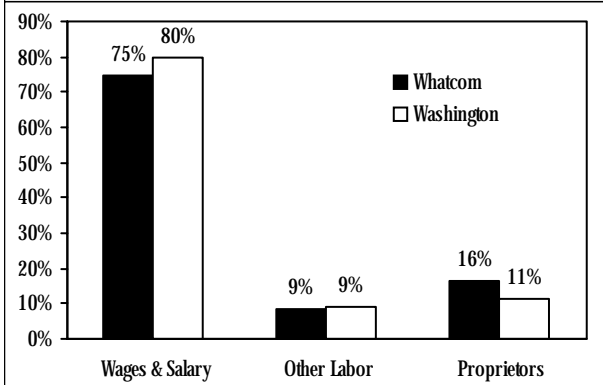
The primary reason for the decline is that increases in earned income has just not kept pace with growth of other income sources. Earned income includes wages and salaries, proprietors' income, and what is called "other labor" income. Other labor income subsumes an assortment

of incomes but primarily consists of employer payments into employee pension and health care plans.

As shown in *Figure 38*, wage and salary disbursements accounted for 75 percent of earned income in 1998, compared to 80 percent for the state. The difference between the value for the county and the state is made up for in the higher percentage of income from proprietors' income, 16 percent compared to 11 percent for the state. This is likely due to the high demand for rental property by university students.

Other labor income was the smallest component of earned income. Other labor income consists of employer payments to private pension and profit-sharing plans, private group health and life insurance plans, privately administered worker's compensation plans, and supple-

Figure 38
Components of Earned Income
Whatcom County and Washington, 1998
Source: Bureau of Economic Analysis



mental unemployment benefit plans. On the other hand, since 1970, other labor income has had the greatest growth, 440 percent. Wages/salaries and proprietor's income grew by 262 and 205 percent, respectively.

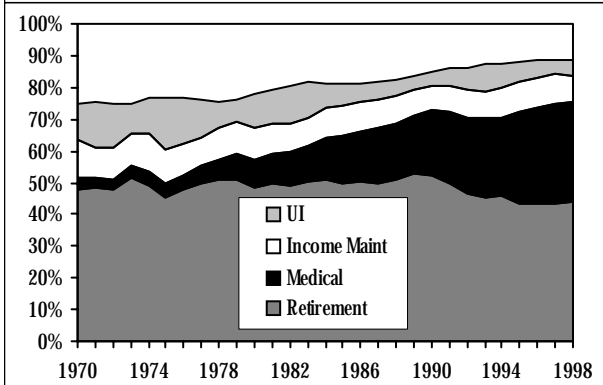
Employers (and employees) often find it advantageous, for tax purposes, to increase benefits in lieu of a direct pay raise. The growth in these three categories of earned income was fairly close to statewide growth where other labor income increased by 460 percent, wages and salaries by 268 percent, and proprietors' income by 247 percent.

Transfer Payments

Transfer payments are defined as payments, generally to individuals, from the government for which no service was performed. In previous reports, transfer payments were broken down into three components: retirement, unemployment insurance, and income maintenance. Medical payments were included as part of retirement. Since medical payments have grown

considerably, since 1970, as a share of transfer payments it will now be shown as a distinct component. The four components of transfer payments are shown in *Figure 39*, which denotes their shares since 1970.

Figure 39
Transfer Payment Component Trends
Whatcom County, 1970-1998
Source: Bureau of Economic Analysis

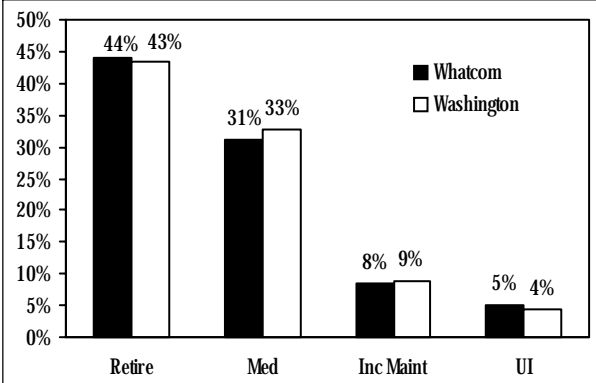


Retirement includes military and civilian government (federal, state, and local) retirement payments. Although retirement remains as the largest component of transfer payments, its share has decreased from 48 percent in 1970 to 43 percent in 1998. While retirement payments increased by 370 percent since 1970, medical increased by over 1,000 percent for the same period. Medical, which includes medicare and medicaid, increased from 3 percent of transfer payments in 1970 to 33 percent in 1998, the largest growth of all components.

Income maintenance includes those payments generally thought of as welfare, including food stamps, AFDC, Supplemental Social Security Income, and others. Income maintenance share of transfer payments has decreased from 12 to 8 percent. Unemployment insurance, the last portion of transfer payments, decreased from 11 percent of transfer payments to 5 percent. Since 1970, income maintenance and UI increased by 275 and 188 percent, respectively.

The shares of all transfer payment components for both Whatcom County and Washington State in 1998 are shown in *Figure 40*. The biggest difference, which is small, between the county and the state is for medical. A slightly larger portion of transfer payments in the state goes toward medical, compared to the county.

Figure 40
Components of Transfer Payments
Whatcom County and Washington, 1998
Source: Bureau of Economic Analysis



Investment Income

Investment income is income derived from dividends, interest, and rent. The share of investment income of personal income has averaged 22 percent since 1981, when it first increased to 21 percent from 19 percent. In 1998 it occupies a larger niche than transfer payments, accounting for 22 percent of the total. Investment

income's 22 percent share of personal income is also greater than the statewide share, which stood at 19 percent in 1999. Further, investment income in the county outgrew that in the state; since 1970, investment income increased over 441 percent in Whatcom County and only 395 percent statewide.

EMPLOYMENT SERVICES 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 create a streamlined and customer focused work force development system. The service delivery system, known as WorkSource in Washington State, is governed by local Workforce Development Councils working in cooperation with local elected officials. WIA funded programs provide training, education, and other services that prepare individuals for current and future jobs. The WorkSource system is guided by several key principles: universal access, individual empowerment, streamlined services, state and local flexibility, a strong local role in design and system operation, increased accountability, and improved youth programs. It is upon this legislation that employment and training service providers base their service programs.

The **Northwest Workforce Development Council (NWDC)** was established in accordance with the requirements of the Workforce Investment Act. It represents Region 3, which encompasses Whatcom, Skagit, Island, and San Juan counties. Each WDC is responsible for strategic planning for employment and training related programs, oversight of the WorkSource system within its specific geographic area, and service delivery to eligible dislocated workers, adults, and youth. The WDC is led by private business and has wide representation from labor, education, and other local organizations in the community. The WIA and Governor Locke's Executive Order 99-02 describe the functions of the WDC as follows:

- Provide input to the state Workforce Development Board (WDB) in the development of the state unified plan, which articulates their local strategies and needs.
- In partnership with the local elected officials, develop and maintain a local unified plan for the work force development system including, but not limited to, the local plan required by law. The WDC submits a unified plan to the WDB for review and to the Governor for approval.
- Conduct oversight of the local one-stop (WorkSource) system, including selection, certification, and de-certification of one-stop providers.

- Promote coordination of work force development activities at the local level and ensure that they are linked with local economic development strategies.
- Establish youth councils, which are responsible for developing portions of the local plan relating to eligible youth, as well as implement and administer youth programs.
- Provide for a coordinated and responsive system of outreach to employers.
- Identify eligible providers using performance standards established by the WDB.
- On behalf of the Governor, negotiate with local elected officials and the WDB to develop performance measures for local programs.
- Assess the planning process to identify quality improvements.
- Implement a partnership agreement with local elected officials that establishes the working relationships and specific responsibilities of each body in the partnership.
- Collaborate in the development of WorkFirst service area plans.

The Northwest Workforce Development Council is located at 101 Prospect Street, Bellingham, Washington. Hours of operation are 8:00 a.m. to 5:00 p.m. Monday through Friday. Telephone: (360) 671-1660. Fax: (360) 671-4948. Email: nwpic@nwpic.bellingham.wa.us Website: www.nwwdc.org

The Whatcom Career Center. The WorkSource Center is a one-stop career center facility characterized by the provision of co-located and integrated services offered through a variety of self-service, group, and one-on-one activities. The Centers provide customers one point at which to access employment and training programs administered by multiple agencies. They offer access to all WorkSource Center system services, most of which are available on site. However, not all services are necessarily provided on a full-time basis. In terms of services, the centers:

- provide all core services;
- serve as a "broker" for services not available on site such as training or support services;
- provide referrals for services not provided through the WorkSource System;

- coordinate services for customers; and
- provide access to the Internet and other electronic linkages.

The core services, which are available onsite or through electronic access and which are available to all customers (no eligibility required), include:

- initial assessment to evaluate job readiness based on job skills, experience, aptitudes, interests, and abilities;
- job counseling to help customers determine what services are available and best use of the information;
- job referral and placement providing access to available jobs and posting of resumes;
- employer services that provide access to labor market information, recruitment, screening, and referral of qualified applicants;
- information and referral to services such as housing, food, and medical assistance;
- information on training and retraining programs such as basic skills, literacy, occupational skills training, and apprenticeships;
- labor market information on current occupational supply and demand and occupational wages;
- computers with Internet access;
- access to a telephone to file for Unemployment Insurance benefits; and
- translation services to customers in their first language using AT&T services or the Internet.

The WIA required programs (eligibility required) include:

- WIA Title I (adults, dislocated workers, youth, and national programs)
- Title V of the Older Americans Act
- Veterans' Employment Programs
- Claimant Placement Program
- Worker Retraining
- Post Secondary Vocational-Technical Programs
- Vocational Rehabilitation
- Welfare to Work
- Adult Basic Education Programs
- ESL Programs
- Worker Profiling
- Migrant Farm Worker Services
- NAFTA/Trade Assistance Act
- HUD Employment & Training
- Early Intervention services to potentially dislocated workers
- Rapid Response to plant closures
- WorkFirst (employment services only)
- Community Services Block Grant

The WorkSource-Whatcom Center is located at 101 Prospect Street, Bellingham, Washington and is open 8:00 a.m. to 5:00 p.m. Monday through Friday.

It is planned that services presently provided by the Bellingham Job Service Center will be integrated into the Worksource-Whatcom Center, sometime early in the year 2001. Until then they are located at: 216 Grand Avenue, P.O. Box 938, Bellingham, Washington 98227. Telephone: (360) 676-1521. Switchboard: (360) 676-2090.

Educational Facilities. *Bellingham Technical College (BTC)* was established on its present 29-acre site in 1957. BTC subscribes to a philosophy of partnerships for excellence among education, business, and industry. Support from the local community has been instrumental in helping BTC achieve its goal of quality technical/occupational education. The college is a positive, dynamic force in economic development. Technical/occupational education allows each student an opportunity to pursue career goals through lifetime learning.

A follow-up report summarizing surveys conducted as a component of the Bellingham Technical College Student Assessment and Outcomes Plan for 1994-95 revealed a 98.8 percent level of satisfaction with BTC hires from responding employers. Over 90 percent of BTC students gain employment.

Bellingham Technical College is authorized by the Washington State Legislature and the State Board for Community and Technical Colleges to grant degrees and certificates. BTC currently offers thirty primary occupational programs. Associate in Applied Science degrees (AAS) are awarded in eighteen programs. Certificate options are offered in twenty-seven specialties.

Until 1991, BTC was a vocational-technical institute under the jurisdiction of the Bellingham School District. In 1991 the Washington State Legislature merged the state's five VTIs into the community college system under the governance of the State Board for Community and Technical Colleges.

In December of 1995, Bellingham Technical College was approved as a candidate for accreditation by the Northwest Association of Schools and Colleges following a comprehensive two-year study and the development of a core library.

Bellingham Technical College offers a wide variety of short technical/occupational courses and evening programs designed to meet the upgrading and retraining needs of business, industry, and the community. Basic Academic Skills, GED preparation and testing, and Family Living courses also are available at convenient hours.

Whatcom Community College opened to the public in the Fall of 1970 and was designed to serve mainly the residents of Whatcom County. In addition to its main campus in north Bellingham, the College has satellite

campuses in northwest Bellingham and south Bellingham as well as in Blaine and Lynden. Whatcom Community College has been accredited by the Northwest Association of Schools and Colleges since 1976.

Whatcom Community College offers a variety of *Associate Degrees*. They include Associate in Arts and Sciences (AAS), Associate in Liberal Studies (ALS), Associate in Sciences (AS), and Associate in Arts (AA). The AAS degree is also referred to as the Transfer Degree insofar as it satisfies the general requirements of the freshman and sophomore years of a bachelor degree program at most colleges and universities. The ALS degree is similar to the AAS, but is tailored to the needs of those who do not want to transfer to four-year institutions. The AS and AA degrees are tailored to vocational and technical fields.

The College also has certain *Certificate Programs* that emphasize training in specific occupational fields. The College offers four certificate programs: Business Computing, Chemical Dependency Studies, Early Childhood Education, and Office Administration. Other certificate programs can be designed by students to fit their individual needs.

Western Washington University is a four-year public institution located in the city of Bellingham. The 190-acre main campus (which houses 78 permanent buildings) sits on Sehome Hill overlooking Bellingham Bay and parts of the San Juan Islands. The University also has satellite facilities—primarily in the teaching and

education fields—in Seattle and Olympia. Another University satellite is the Shannon Point Marine Center at Anacortes. The Center has more than a half mile of beach on Guenes Channel, 71 wooded acres, and a small fresh water pond, as well as lecture rooms, laboratories, boats, seawater tanks, and other research equipment.

The University was established by the Legislature in 1893 as New Whatcom State Normal School. The college underwent several more name changes before becoming Western Washington University in 1977. More importantly, the University implemented major changes in its mission, programs, and curriculum.

Western Washington University is one of three state-funded comprehensive universities (the others being Central Washington University and Eastern Washington University) accredited by the Northwest Association of Schools and Colleges—not to mention various other boards and commissions. In fact, it has at times been ranked among the top comprehensive, liberal arts institutions in the West.

Western Washington University has five colleges and two schools: College of Arts and Sciences, College of Business and Economics, College of Fine and Performing Arts, Fairhaven College (for self designed study), Huxley College of Environmental Studies, School of Education, and the Graduate School. These colleges and schools offer a combined total of six bachelor degrees and five master degrees via a wide range of majors.

Economic Development

The **Bellingham Whatcom Economic Development Council (BWEDC)** is a private non-profit association of private and public members organized to provide economic development programs to sustain and enhance the economic vitality of the Bellingham metropolitan area that includes all of Whatcom County and the cities of Bellingham, Blaine, Everson, Ferndale, Lynden, Nooksack, and Sumas. The BWEDC encourages selected investments in Whatcom County that can provide quality employment and enhance the economic base. The BWEDC works with all prospective investors other than those involved in retail trade, personal services, and tourism.

Organization. Members of the BWEDC are representative of all sectors of the community including large, medium, and small businesses; county and city governments; the port; council of governments; education institutions; unions; Native American tribes; and many others. The EDC Board is composed of top local execu-

tives and officials who are key decision-makers and leaders for the community.

Programs. The primary focus for the BWEDC is to encourage new job creating investments through business attraction, formation, and expansion. A secondary program is business retention on an as needed basis.

Primary projects and activities of the BWEDC:

- **Promotion:** The EDC promotes Whatcom County and its communities through a variety of means such as advertising, conferences, exhibits, publications, reports, websites, direct email, and other forms of communication.
- **Investment Assistance:** Potential investors are assisted through provision of decision-making data and information, introductions to public officials and community leaders, business referrals, workforce and training programs, buildings and sites, infrastructure, financing, and help with permit processes among other important services.

- **General:** In order to help accommodate new and existing businesses, the EDC continuously works to improve local infrastructure and services, building and site availability, and provision of information useful to business investment and expansion. It maintains an active Telecommunications Solution Group Committee (TSG), mounts an annual Tele-Tech Conference, provides telecommunications, technology, and business information seminars, issues economic development reports, and holds an anchor position with the Bellingham Whatcom Technology Alliance Group (TAG).

Association: The EDC works closely with local governments, the Port of Bellingham, Western Washington University, Whatcom Community College, Bellingham Technical College, local school districts, workforce training organizations, infrastructure service providers, the Small Business Development Center, the Chamber's Business Information Center, and other key local groups useful to economic development. It is a member of the Washington Association of Economic Development Councils (WAEDC), Pacific Northwest Economic Development Council (PNEDC), Vancouver Board of Trade, American Economic Development Council (AEDC), Council for Urban Economic Development (CUED) and National Association of Industrial and Office Properties (NAIOP).

The EDC is an associate development organization (ADO) with the State of Washington Office of Trade and Economic Development (OTED). As such it represents Whatcom County as a member of "Team Washington," a state-local partnership designed to promote economic growth and development in Washington State. It acts as the principle contact for state agencies involved in economic development efforts.

Contact: Fred Sexton, president and Anne Bowen, vice president. Telephone: (360) 676-4255 or (800) 810-4255. Fax: (360) 647-9413. Email: bwedc@bwedc.org Website: www.bwedc.org

Port of Bellingham. Founded in 1920, the Port of Bellingham is a municipal corporation dedicated to fulfilling the essential transportation needs of the region, while providing leadership in maintaining Whatcom County's overall economic vitality. It is the northern-most port district in Washington State and as such has the advantage of being two sailing days closer to Pacific Rim ports than ports in California. The Port Manages more than 2,000 acres of developed and undeveloped property. Its major business activities include:

Marine Terminals. The Port of Bellingham plays an important role in providing local producers and shippers access to the export marketplace. The port's modern shipping facility, *Whatcom International Shipping Termi-*

nal, is designed to expedite the shipment of bulk and breakbulk cargoes such as aluminum, pulp, logs, lumber, and wood chips. The port also operates the Bellingham Cruise Terminal. This facility is currently served by the Alaska Marine Highway, foot ferries, and smaller charter vessels carrying passengers to and from Alaska, Victoria, British Columbia, and the local island region.

Marinas. The port owns and operates two marinas at which more than 2,000 pleasure and commercial craft are moored. Squalicum Harbor in Bellingham and Blaine Harbor enjoy a wide reputation for facilities and service as well as for their location near the renowned San Juan and Gulf islands.

Aviation. Bellingham International Airport provides regional and national air service, as well as air cargo services. Annual passenger loads exceed 100,000. The airport also serves as a base for charter airlines and is a port of entry for general aviation aircraft.

Properties. The port manages a diverse group of properties in Whatcom County including waterfront and upland commercial and industrial sites. More than 320 companies work at the port utilizing ground and facilities leased to support their enterprises.

Economic Development. The port works closely with private enterprise, as well as local, state, and federal agencies to facilitate the retention and location of new businesses to the Whatcom County area.

Foreign Trade Zones. The port administers five federally designated foreign trade zones to promote manufacturing, warehousing, and trade in the region. Within these zones, manufacturing, warehousing, and product manipulating operations may qualify for duty deferment, or reduced customs duties.

Chambers of Commerce. There are five Chambers of Commerce in Whatcom County: Blaine Community, Ferndale, Lynden, Point Roberts, and Whatcom (Bellingham). Chambers of commerce are groups of local businesses and other interested individuals and parties who work together to further the business interests of their respective communities. The county also sponsors the Bellingham/Whatcom County Visitors and Convention Bureau.

Infrastructure. An area's infrastructure is an integral part of economic development. The following are primary elements currently in place in Whatcom County.

Roads and Highways. The local road and highway system is relatively well developed in the western third of Whatcom County (where the vast majority of its populace resides). Whatcom County's transportation network is anchored by U.S. Interstate 5. I-5 extends north

and south near the coast, linking Bellingham with Puget Sound counties to the south and British Columbia to the north.

State Routes 9, 539, 542, and 544 form a highway grid that covers most of the interior of western Whatcom County. The routes link with I-5 around Bellingham. Local roads extend from I-5 to points along the coast.

The mountainous and forested eastern two-thirds of Whatcom County are not as easily accessed as the western third; travelers must heavily rely on local and logging roads. State Route 542 connects I-5 (Bellingham) to the Mount Baker Ski Area but no further. State Route

20 is the only highway link over the Cascades in northwest Washington. It extends east from I-5 in Skagit County through the town of Newhalem and Ross Lake National Recreation Area in east Whatcom County before proceeding over Washington Pass into Okanogan County.

Air Transportation. Whatcom County has four air facilities: Bellingham International Airport (5,000 foot asphalt runway), Lynden Airport (2,400 foot asphalt runway), Blaine Municipal Airport (2,100 foot blacktop runway), and Floathaven (10,000 foot water runway). Bellingham International is the largest of the four as well as the only one served by commercial air carriers. The others accommodate private and charter aircraft only.