

# Washington State

## Employment Security Department

### Labor Market Information



# for Whatcom County 2006



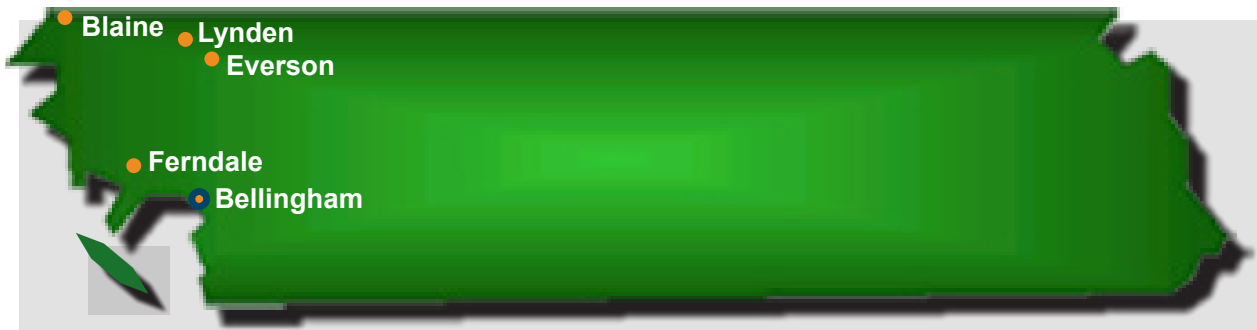
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# WHATCOM COUNTY ECONOMIC OVERVIEW

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While the 1990's were a time of consistent if not spectacular growth for the county the Y2K era has brought growth that far surpasses the U.S. and the state as a whole. In 2000 nonagricultural wage and salary employment grew at a 5.8percent clip as the U.S. average was 2.2 percent and the state's 2.4percent. Between 2004 and 2005 the picture was much the same as jobs in the county gained at a 4.9percent clip as the U.S. (+1.5 percent) and the state (+2.8 percent) struggled to keep pace.

Since posting a down year (-3.2 percent) in 2000 and a flat year in 2001 the construction sector has been responsible for much of what is right in the local economy. While following up 2001's flat showing the sector has gained in four consecutive years peaking at 2005 with a total job growth figure of 14.5 percent. More impressive still is that the gains in the sector are across the board with residential, commercial and highway all getting in on the act.

Still with its entire job gains the industry accounts for a shade under 10 percent of the total. Running neck and neck for the title in that department is government (19.4 percent) and trade, transportation, warehousing and utilities (19.3 percent). Government employment which made up just 16.9 percent of the total job base has increased over the years peaking at 20.8 percent in 2002 before sliding back the last couple of years. The trade grouping has been going the other way peaking at 22.3 percent in 1993 and declining to a low of 18.9 percent in 2003 before raising slightly the last couple of years.

## Outlook

- Construction projects will continue to provide growth and jobs for the region with interest rates playing a role in how significant a factor building will be.
- The 2010 Olympics in Vancouver B.C. will provide added punch to the economy especially if the Canadian Dollar and the Euro continue to trade at more favorable rates.
- Continued growth in tribal gaming promises to bring construction jobs to build them and service employment to run them.
- Western Washington University has consistently seen larger and larger freshman classes, this trend will continue as Bellingham and the county continue to get national press on livability and recreational opportunities.



# EMPLOYMENT BY INDUSTRY

## General Trends

Whatcom county had 80,600 nonfarm jobs in 2005. Since 1991 annual job growth was its highest between 1991 and 1992 at 8 percent and it's lowest between 1996 and 1997 at -0.2 percent. Since 1990 the annual average growth rate is 2.7 percent, which compares favorably to the 1.3percent U.S. average and the 1.7percent state average over the same time frame. The 2004-2005 growth rates of 4.9 percent are the second highest figure since 1990.

## Industry detail

**Construction and mining** employed 7,900 workers in 2005 or 9.8 percent of the county total. The **construction** employment total has been buoyed by everything from residential development, new building at the University and community college and hotel additions at tribal casinos. In the residential arena single family **housing permits** have totaled almost 1,000 almost ever year since 2000 peaking at over 1,600 in the year 2004.

**Manufacturing employment** totaled 8,500 jobs in 2005 an increase of 3.3 percent over 2004. Not a bad figure when compared to the 6.6 percent and 4.7 percent job loss totals posted in the years 2000-2002. The manufacturing trend in the county fits closely what has been happening around the country as **manufacturing** makes up 10.6percent of the nonfarm total in 2005 after accounting for 14.8percent in 1990 and 1991.

**Trade, transportation, warehousing and utilities** in 2005 accounted for 15,500 jobs in the county. That is a 4,000 increase from 1990. This sector has grown over 5 percent in each of the last two years. The **retail trade** component of that sector is responsible for 2,100 of those jobs since 1990. With the Canadian dollar now showing new found strength the only catch becomes the perception if not the reality of rigorous checks at the border. The federal government has proposed a passport requirement to go into effect but both the governments of Washington state and the British Columbia have voiced objections to the plan. Stay tuned.

The **financial activities** sector has shown steady but unremarkable growth in the county. In 2005 it accounted for 3,100 jobs up 700 paychecks from 2000's total of 2,400.

**Professional and business services** employment totaled 6,600 in 2005 up from 5,500 in the year 2000. The 9.1percent job increase from 2004 to 2005 represents the largest jump since 1991- 1992's increase of 11.1 percent.

After jumping nearly 22 percent between 1999 and 2000 the **leisure and hospitality** sector has slowed down growing at just 1.6percent between 2004 and 2005. The sector accounted for 9,100 jobs in 2005. Things should pick up in the **hospitality** side as the 2010 Olympics come to Vancouver. As Boise, Idaho was able to siphon off a fair amount of dollars from Salt Lake City in 2002 Bellingham being closer to the action should reap some of the gold.

**Government** jobs accounted for nearly 20 percent of total nonfarm jobs in 2005. Western Washington University, Whatcom community college and Bellingham technical college provide solid government employment and continuing expansion at the Port of Bellingham promises to add local jobs to the economy.



In the year 2007 it is projected that 78,700 employees will work in Whatcom county or a 1.9 percent annual increase over 2002's total. Between 2007 and 2012 that rate of increase will cool slightly to an annual increase of 1.5 percent.

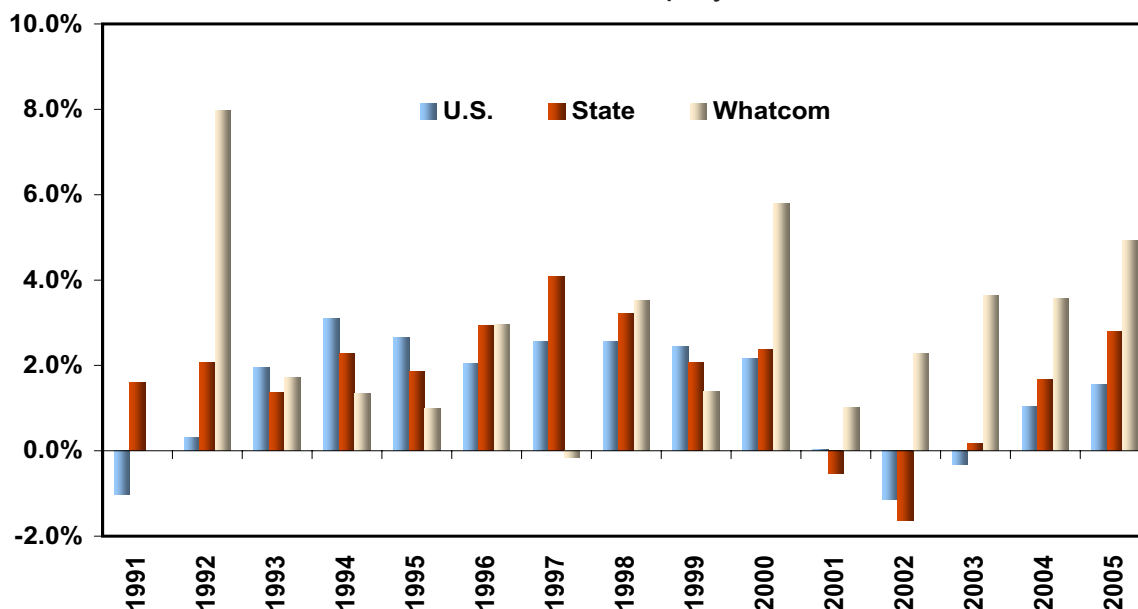
Between 2002 and 2007 goods producing employment will expand at 1.3 percent annually while the service providing sector will realize a 2.1 percent annual gain over the same time frame. On the goods side employment in construction is expected to increase at a 2.3 percent annual pace with manufacturing only gaining at a 0.7 percent rate. The small gain in manufacturing is the result of a projected annual drop of 1.4 percent in food manufacturing in the county. On the service side of the ledger government employment will add jobs at a 2.1 percent rate with federal employment bulking up at 4.1 percent each year to 2007. Other areas of note are information and financial activities (+2.1 percent) and trade, transportation and utilities (+1.7 percent).

### Percent of Employment by Industry

NAICS Industry Title	2001	2002	2003	2004	2005
<b>Whatcom</b>	<b>70.0</b>	<b>71.6</b>	<b>74.2</b>	<b>76.8</b>	<b>80.6</b>
<b>TOTAL NONFARM</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>TOTAL PRIVATE</b>	<b>79.7%</b>	<b>79.2%</b>	<b>79.4%</b>	<b>79.9%</b>	<b>80.6%</b>
<b>GOODS PRODUCING</b>	<b>20.9%</b>	<b>20.1%</b>	<b>19.9%</b>	<b>19.7%</b>	<b>20.4%</b>
<b>NAT. RESOURCES, MINING, &amp; CONSTR.</b>	<b>8.7%</b>	<b>8.8%</b>	<b>8.9%</b>	<b>9.0%</b>	<b>9.8%</b>
<b>MANUFACTURING</b>	<b>12.1%</b>	<b>11.3%</b>	<b>11.1%</b>	<b>10.7%</b>	<b>10.6%</b>
<b>SERVICES PROVIDING</b>	<b>79.0%</b>	<b>79.9%</b>	<b>80.1%</b>	<b>80.3%</b>	<b>79.6%</b>
<b>PRIVATE SERVICES PROVIDING</b>	<b>58.9%</b>	<b>59.1%</b>	<b>59.6%</b>	<b>60.2%</b>	<b>60.2%</b>
Trade, Transportation, Warehsg, & Utilities	19.1%	19.0%	18.9%	19.2%	19.3%
Retail Trade	12.9%	12.8%	12.8%	12.8%	12.8%
Financial Activities	3.7%	3.6%	3.8%	3.9%	3.8%
Professional and Business Services	8.1%	8.0%	8.0%	7.9%	8.2%
Leisure and Hospitality	10.6%	11.5%	11.2%	11.4%	11.3%
<b>GOVERNMENT</b>	<b>20.1%</b>	<b>20.8%</b>	<b>20.6%</b>	<b>20.1%</b>	<b>19.4%</b>
Federal Government	1.3%	1.4%	1.5%	1.5%	1.5%
Total State Government	7.4%	7.4%	7.1%	6.8%	6.5%
Total Local Government	11.6%	12.0%	12.0%	11.8%	11.5%

In 2012, it is expected that 84,800 will work in Whatcom county with 68,600 of that total counting the servicing providing sector as their home. Between 2007 and 2012 service providing employment will expand at a rate of 1.7 percent a year as goods producing jobs grow at just under a 1 percent clip. In the county government jobs will grow at 1.9 percent as the trade grouping increases employment by 1.2 percent annually. On the goods side construction will grow at a rate of 1.2 percent as manufacturing gains at only a rate of 0.7 percent a year.

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





# POPULATION, LABOR FORCE, AND UNEMPLOYMENT

## Population

Whatcom county's population was estimated to be 184,300 in 2006 making it the 8th largest county in the state. The largest city in the county is Bellingham with a population of 73,460. That 2006 total makes it the 11th largest city in the state. Other cities in the county with more than 10,000 populations were Lynden at 10,750 and Ferndale at 10,280.

Since the 2000 Census population in the county has grown by 10.5 percent slightly better than the state average of 8.2 percent.

## Age

Not surprisingly the largest age categories are in the 15-19 and 20-24 groups. With the numerous educational opportunities including a four year institution, this statistic is hardly surprising.

## Race and Ethnicity

Whatcom County is less diverse than the state or the nation according to the 2000 Census, 86.2 percent of the population counted as white. The Hispanic category made up 5.2 percent of the total county population.

Population by Race and Ethnicity, 2000 Census

	Total	Total Single Race	White Non- Hispanic	African American	American Indian
U.S.	281,421,906	246,183,425	194,514,140	33,707,230	2,091,206
State	5,894,121	5,276,686	4,652,490	184,631	85,396
Whatcom	166,814	154,473	143,842	1,065	4,396

	Asian American	Pacific Islander	Other	Multiracial	Hispanic
U.S.	10,067,813	342,743	447,552	5,012,741	35,305,818
State	319,401	22,779	11,989	175,926	441,509
Whatcom	4,598	223	349	3,654	8,687

## Educational Attainment

As of the 2000 Census, Whatcom county had far fewer adults who did not complete high school (12.5 percent versus the national average of nearly 20 percent) and more adults with a bachelor or higher degree (27.2 percent) than the national average 24.4 percent. While the county beats the nation in the bachelor and above category it lags the state by half a percentage point.

## Labor Force and Unemployment

In 1990 the state and Whatcom county shared the same unemployment rate at 5.1. Then started a stretch where the county rate was always higher than the statewide average. In 1999 the two met again at 4.8 percent, then again beginning in the year 2000 the county rate was always higher than the state. Then came 2002 and the great turn around. Now the shoe is on the other foot as the 2005 unemployment rate in the county was 4.9 compared to 5.5 at the state level and 5.1 nationwide.

Unemployment Rates	2001	2002	2003	2004	2005
Whatcom	6.5	6.8	6.7	5.7	4.9
State	6.2	7.3	7.4	6.2	5.5
U.S.	4.7	5.8	6.0	5.5	5.1

Civilian Labor Force	88,100	92,200	96,200	100,000	103,800
Total Employment	82,400	85,900	89,800	94,300	98,700
Total Unemployment	5,700	6,300	6,400	5,700	5,100
Percent of Labor Force	6.5	6.8	6.7	5.7	4.9

## INDUSTRY EMPLOYMENT BY AGE AND SEX

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

In the 3rd quarter of 2005 men and women were equal participants in the world of work (50.2 percent versus 49.8 percent)

There were, however, substantial differences in industries. Male dominated industries include construction (86 percent) and manufacturing (74 percent). Female dominated industries include health care and social assistance (83 percent) and finance and insurance at nearly 77 percent.

## WAGES AND INCOME

### Average Annual Wage

In 2004, Whatcom county averaged over 75,000 jobs covered by unemployment insurance, with a total payroll of 2.3 billion.

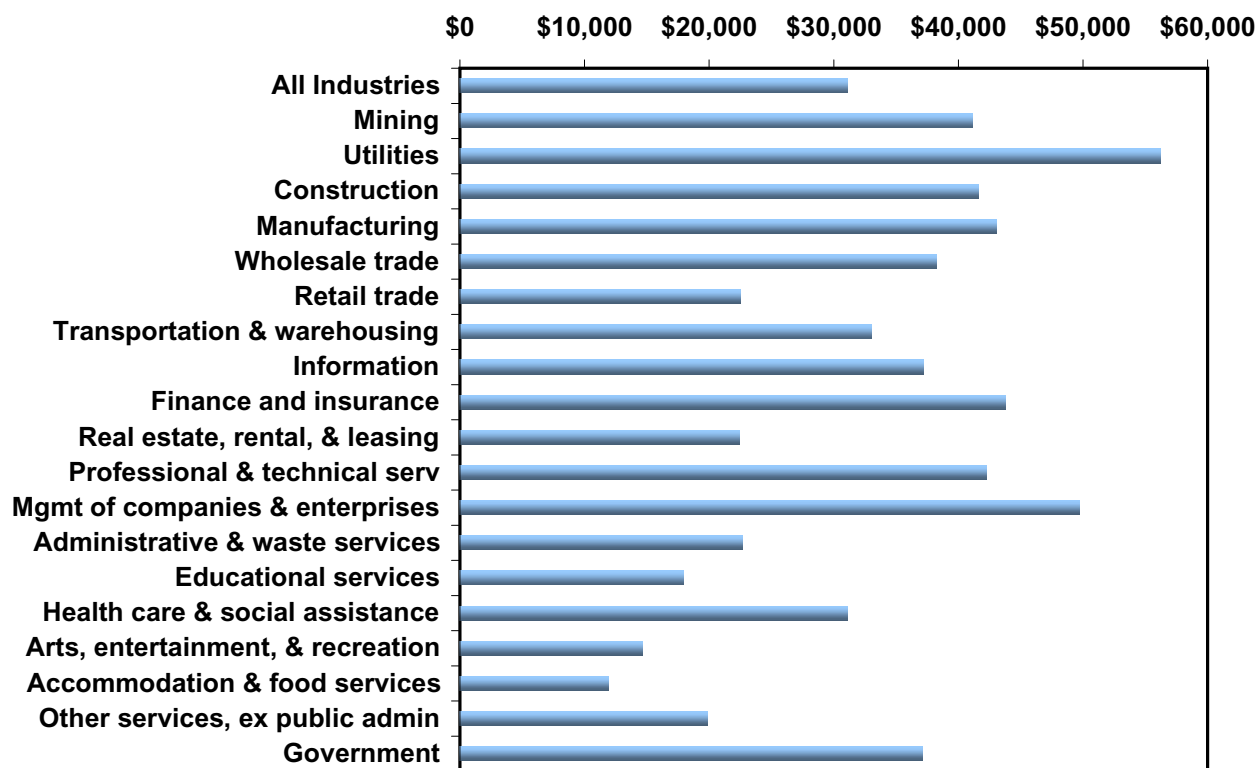
The county's average annual wage was \$30,117, below the state average of \$39,689 but closer to the state average if we pretend King County doesn't exist (\$33,258). In 2003 and 2004 Whatcom county has ranked 12th in the state for average annual wage.

### Hourly Wages

The 2004 median hourly wage in Whatcom county was \$15.03 compared to \$17.52 for the state. The lowest paid ten percent of jobs paid \$7.53 an hour as the highest paid ten percent of jobs paid \$46.11

The gap between the top 10 percent of wage earners and the bottom ten percent wage earners is greater than it was in 1990.

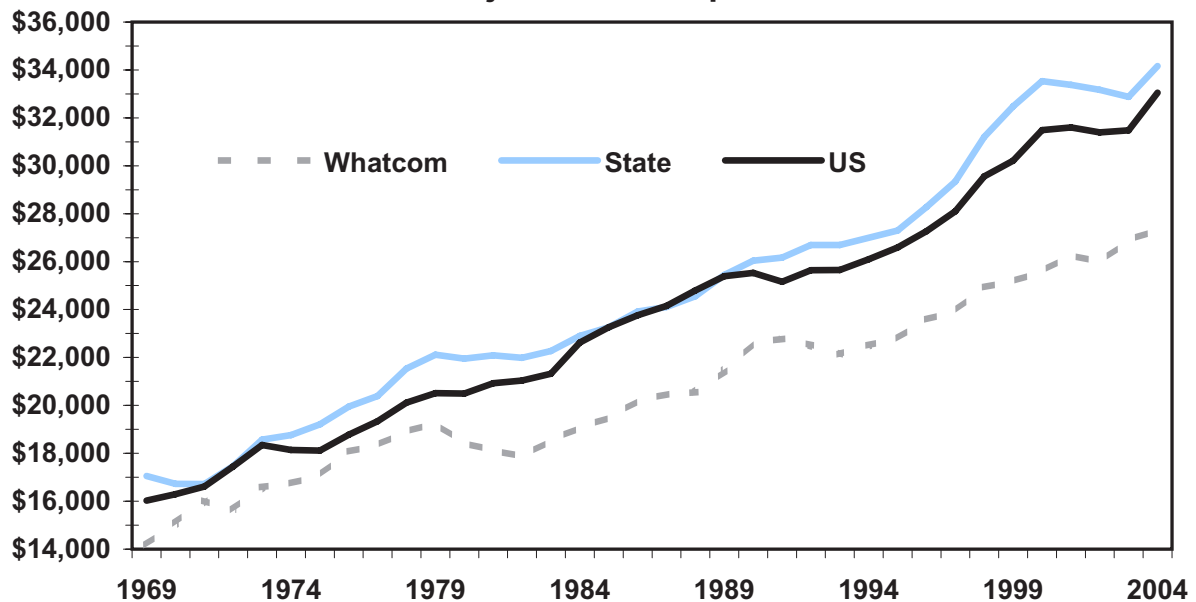
**Average Annual Wage by Industry, 2004, Whatcom County**



## Personal and Per Capita Income

In 2003 personal income in Whatcom county averaged \$17,563 or 85.4 percent of the U.S. average and 82 percent of the state average. In per capita income the county lagged the state with a 2003 total average of \$26,884. The state average was \$32,882 and the U.S. figure was \$31,484. The 2003 per capita income level places Whatcom county as the 16th ranked county in the state.

### Inflation-Adjusted Per Capita Income

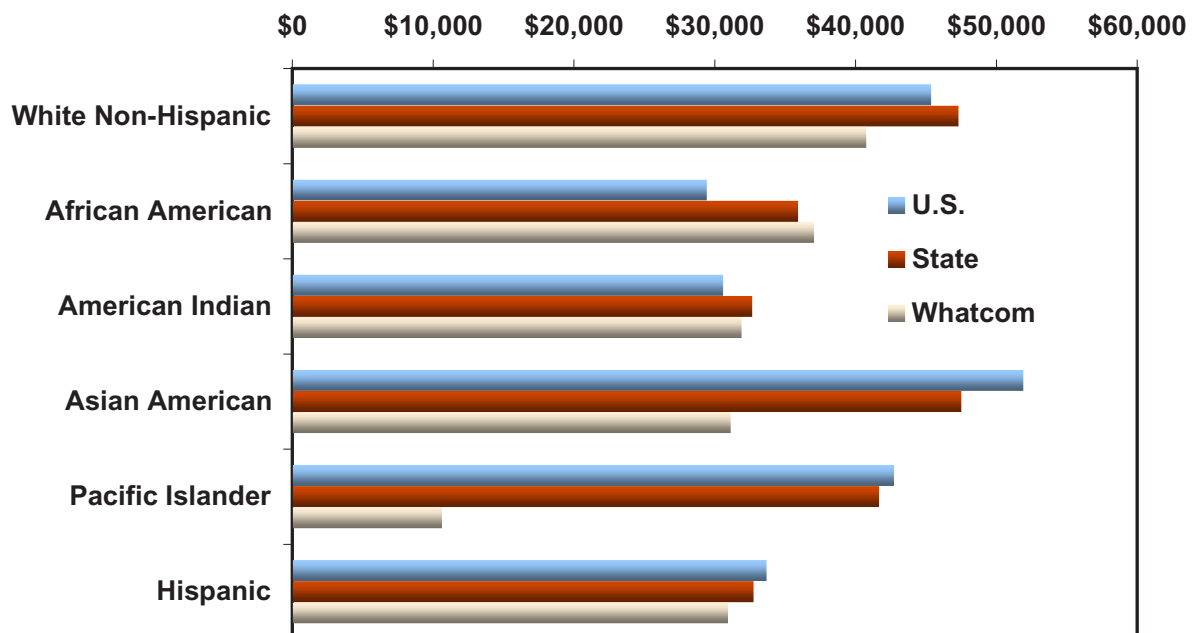


## Household and Family Income

In 1999, Whatcom county median household income was \$40,005 which was high enough to rank 11th in the state. The total however lags both the statewide total of \$45,776 and the U.S. amount of \$41,994.

In 1999, 14.2 percent of the county population was below the official poverty line. The statewide average was lower at 10.6 percent as the national average hovered around 12.4 percent.

### Median Household Income by Race/Ethnicity, 1999



# County Resource List

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

WorkSource Center  
101 Prospect Street  
Bellingham, WA 98225  
Phone: (360) 671-1660  
Email: [gsmith@nwisd.bellingham.wa.us](mailto:gsmith@nwisd.bellingham.wa.us)

Bellingham/Whatcom Chamber  
of Commerce and Industry  
1201 Cornwell Ave. Suite 100  
Bellingham WA 98225  
Phone (360) 734-1332  
<http://chamber@bellingham.com>

Bellingham/Whatcom Economic  
Developmental Council  
105 East Holly, P.O. Box 2803  
Bellingham WA 98225  
Phone (360) 676-4255 or 1-800-810-4255  
[bwedc@bwedc.org](mailto:bwedc@bwedc.org)

Bellingham/Whatcom County  
Convention and Visitor Bureau  
904 Porter Street  
Bellingham WA 98226  
Phone (360) 671-3990  
[www.bellingham.org](http://www.bellingham.org) <http://www.bellingham.org/>



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AREA POPULATION	2001	2002	2003	2004	2005	2006
U.S.	284,959,000	287,812,000	290,656,000	293,540,000	296,383,000	299,101,114
Washington State	5,974,910	6,041,710	6,098,300	6,167,800	6,256,400	6,375,600
Metropolitan Divisions	3,090,310	3,127,310	3,150,500	3,177,100	3,220,000	3,280,600
Metro Area	2,106,800	2,132,300	2,161,500	2,196,900	2,231,700	2,278,400
Micropolitan Areas	529,854	533,600	537,800	543,900	551,700	560,100
Rural counties	247,946	248,500	248,500	249,900	253,000	256,500
Whatcom County	170,600	172,200	174,500	177,300	180,800	184,300
Unincorporated	75,682	76,718	77,796	78,746	79,848	81,066
Incorporated	94,918	95,482	96,704	98,554	100,952	103,234
Bellingham	68,890	69,260	69,850	71,080	72,320	73,460
Blaine	3,855	3,975	4,025	4,115	4,240	4,480
Everson	2,050	2,015	2,030	2,055	2,080	2,135
Ferndale	8,925	8,925	9,155	9,305	9,750	10,280
Lynden	9,285	9,380	9,740	10,010	10,480	10,750
Nooksack	918	920	902	910	970	1,004
Sumas	995	1,007	1,002	1,079	1,112	1,125



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