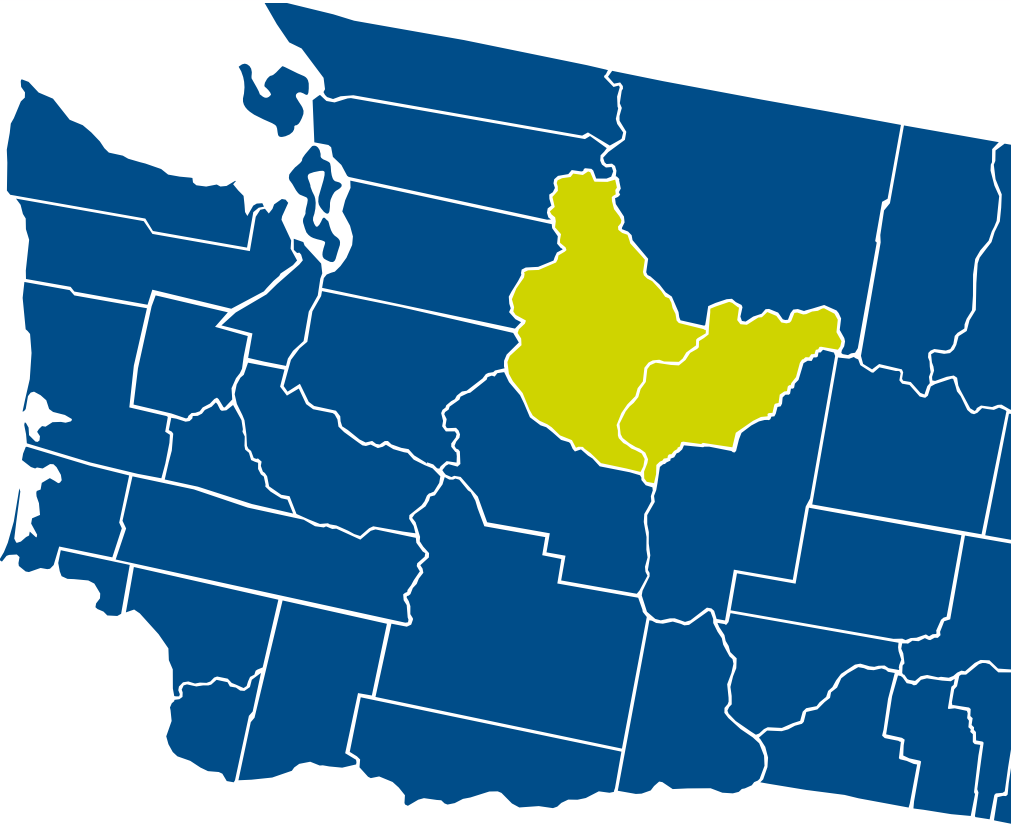


CHELAN-DOUGLAS COUNTIES

2017 ECONOMIC PROFILE



CENTER OF ECONOMIC AND BUSINESS RESEARCH

About this Report

The following report is intended to give a basic overview of the local economy and some factors that may impact it. Unless otherwise stated, the data in this report is the most recent complete annual data for the region, which at the time of publication is 2017.

About the Authors

The Center for Economic and Business Research is an outreach center at Western Washington University located within the College of Business and Economics. The Center connects the resources found throughout the University to assist for-profit, non-profit, government agencies, quasi-government entities, and tribal communities in gathering and analyzing useful data. We use a number of collaborative approaches to help inform our clients so that they are better able to hold policy discussions and craft decisions.

The Center employs students, staff and faculty from across the University as well as outside resources to meet the individual needs of those we work with. Our work is based on academic approaches and rigor that not only provides a neutral analysis perspective but also provides applied learning opportunities. We focus on developing collaborative relationships with our clients and not simply delivering an end product.

The approaches we utilize are insightful, useful, and are all a part of the debate surrounding the topics we explore; however, none are absolutely fail-safe. Data, by nature, is challenged by how it is collected and how it is leveraged with other data sources; following only one approach without deviation is ill-advised. We provide a variety of insights within our work – not only on the topic at hand but the resources (data) that inform that topic.

The Center for Economic and Business Research is directed by Hart Hodges, Ph.D. and James McCafferty.

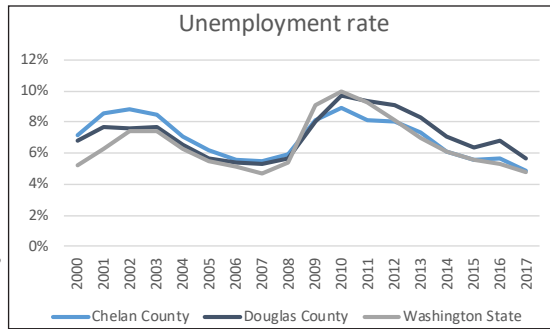
County Demographics

	Chelan County	Douglas County	Washington	United States
Population				
Population estimates, July 1, 2017	76,533	41,945	7,405,743	325,719,178
Population estimates base, April 1, 2010	72,533	38,431	6,724,545	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017	5.6%	9.1%	10.1%	5.5%
Population, Census, April 1, 2010	72,753	38,431	6,724,540	308,745,538
Labor Force				
In civilian labor force, total, percent of population age 16 years+, 2013-2017	61.0%	61.6%	63.4%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	55.3%	55.6%	58.3%	58.2%
Income and Poverty				
Median household income (in 2017 dollars), 2013-2017	\$54,975	\$55,805	\$66,174	\$57,652
Per capita income in past 12 months (in 2016 dollars), 2013-2017	\$27,605	\$25,060	\$34,869	\$31,177
Persons in poverty, percent	13.3%	13.4%	11.0%	12.3%

Source: <https://www.census.gov/quickfacts/fact/table/US/PST045217>

We begin with county demographics to provide a starting point for further discussions about data found in this profile. Since 2010, Chelan's population has grown 5.6 percent, a rate comparable to the nation's 5.5 percent growth. Douglas' population growth has been more rapid, increasing 9.1 percent over the same period, a rate that is closer to the state's growth of 10.1 percent than those of either Chelan or the US. Given Douglas' small population, this faster expansion could push it to closer resemble Chelan in size. Given its rurality, the Chelan-Douglas region's low median household and per capita incomes and a higher poverty rate than both Washington and the US are not surprising.

In 2017, Chelan's annual unemployment rate was 4.9 percent. Douglas' annual unemployment was higher at 5.7 percent. While these rates may sound concerning when compared to Seattle's 2018 Q2 unemployment rate of 3 percent, it is important to remember that these are annual numbers are from 2017 and are historically some of the lowest rates the region has ever seen. Management of companies and enterprises had the highest average weekly wage in 2017 at \$1,369. Educational services had the lowest at \$257.



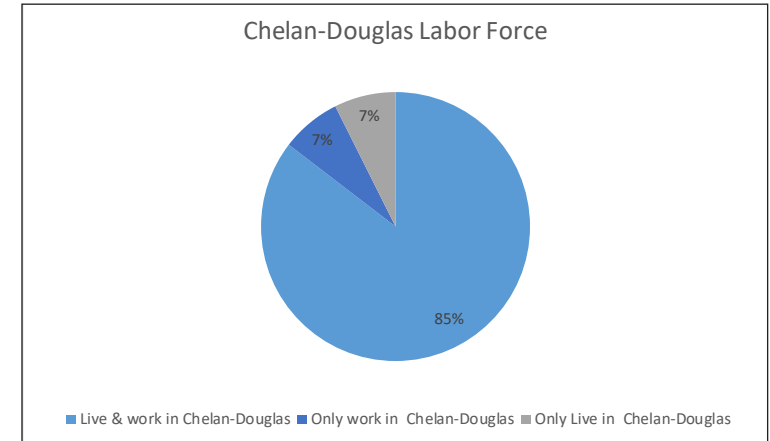
Source: <https://fred.stlouisfed.org/categories/30336>

*Wages were averaged between the two counties

Industry subsector	Average Firms	Average Annual employment	Average annual wage	Average weekly wage
Management of companies and enterprises	9	30	\$71,151	\$1,369
Professional and technical services	243	603	\$71,027	\$1,366
Government	152	4,589	\$54,273	\$1,044
Finance and insurance	104	399	\$51,264	\$986
Wholesale trade	39	507	\$49,733	\$956
Construction	591	1,160	\$47,908	\$922
Information	51	289	\$46,135	\$887
Healthcare and social assistance	690	3,489	\$45,244	\$870
Manufacturing	151	1,201	\$45,022	\$866
Transportation and warehousing	47	126	\$43,370	\$834
Retail trade	414	3,037	\$29,592	\$569
Administrative and waste services	209	727	\$29,008	\$558
Real estate and rental and leasing	151	364	\$27,085	\$521
Other services, except public administration	257	475	\$27,069	\$521
Agriculture, forestry, fishing and hunting	788	6,832	\$26,425	\$508
Utilities	107	1,132	\$25,427	\$489
Accommodation and food services	365	2,824	\$19,600	\$377
Arts, entertainment, and recreation	68	431	\$19,316	\$372
Not elsewhere classified	15	34	\$15,768	\$303
Educational services	36	78	\$13,330	\$257
Total	4,487	28,327	\$37,887	\$729

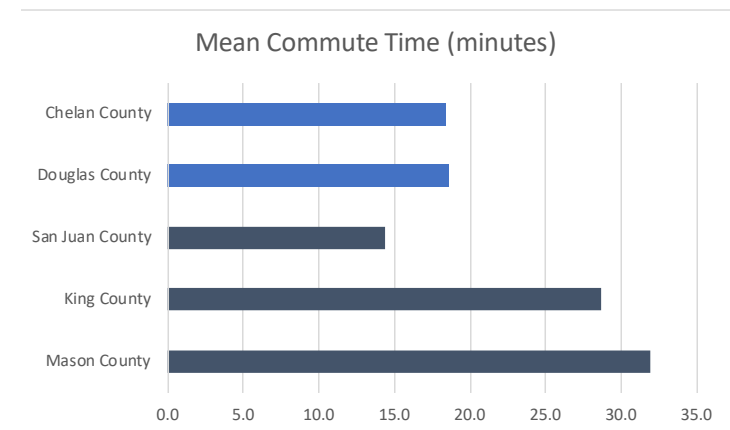
* Employment and wages not shown to avoid disclosure of data for individual employer.

Of the 59,529 people that worked in either Chelan or Douglas in 2017, 54,788 also lived within the region. 4,616 Chelan-Douglas residents worked outside of the region, and 4,741 people commuted to the region for work.



Source: <https://esd.wa.gov/labormarketinfo/covered-employment> QCEW

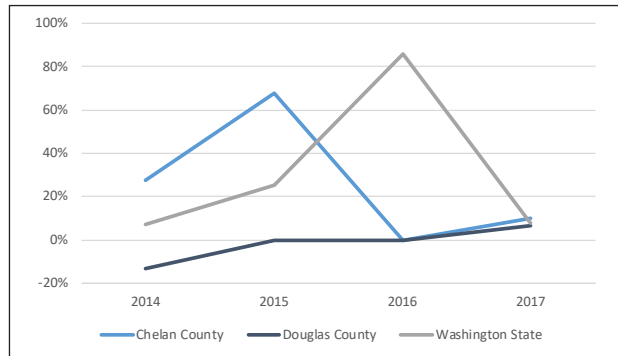
From 2012 to 2016 the mean commute in Chelan County was 18.4 minutes, while Douglas' was nearly identical at 18.6 minutes. Both were slightly shorter than the state average of 23.1 minutes. San Juan and Mason Counties represent the shortest and longest commutes respectively at 14.4 and 30.3 minutes. King County, the home of backups that can easily last hours, had a mean commute time of 28.7 minutes. When considering this data, it is important to note that this data was collected by the American Community Survey from 2012-2016, it is possible that these numbers do not reflect current commute times.



Source: JobsEQ

Building Permits Annual Percent Change

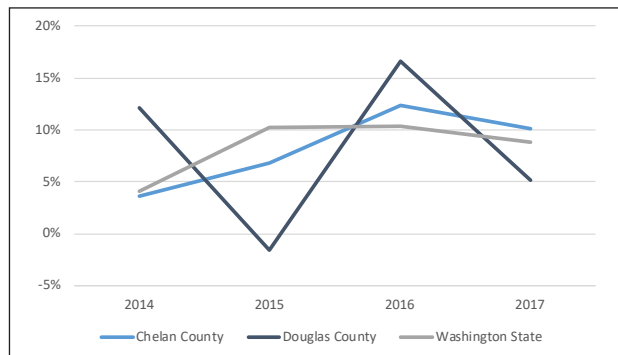
Building permits are volatile, often fluctuating greatly from year to year. Furthermore, data were not collected for all regions in 2016. As a result, it is difficult to draw a more detailed observation than that rate was lower in 2017 than in 2015.



Building Permits Annual Percent Change				
	2014	2015	2016	2017
Chelan County	27.6%	67.6%	na	9.9%
Douglas County	-13.3%	0.0%	na	6.7%
Washington State	7.1%	25.1%	86.2%	7.9%

Median House Resale Price Annual Percent Change

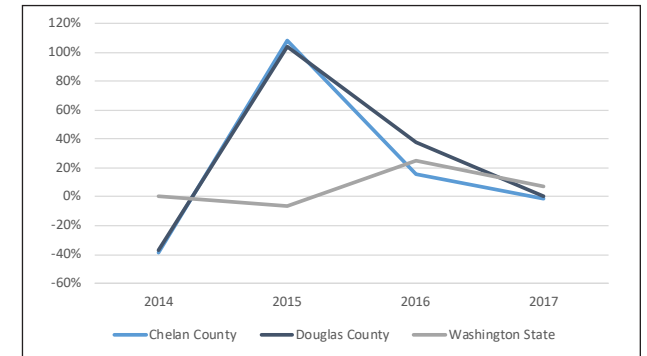
While the rate at which home prices are increasing dropped across Chelan, Douglas and the State, this drop was far more significant in Douglas where it decreased from 16.6 percent to 5.1 percent. These slowing growth rates reflect the slowing housing market that we have seen in 2018.



Median Resale Price Annual Percent Change				
	2014	2015	2016	2017
Chelan County	3.6%	6.8%	12.3%	10.1%
Douglas County	12.1%	-1.6%	16.6%	5.1%
Washington State	4.1%	10.2%	10.3%	8.8%

All Housing Sales Annual Percent Change

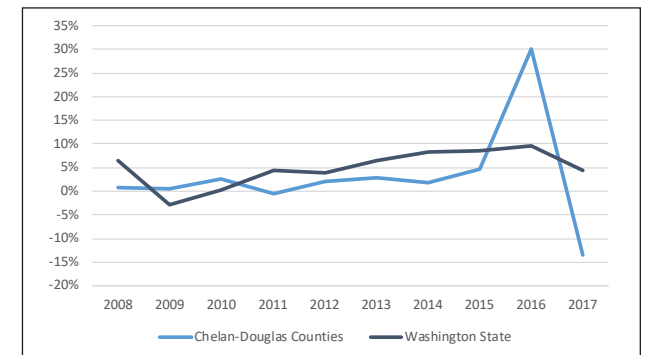
In 2017, housing sales in Chelan fell by 1 percent and remained unchanged in Douglas. Meanwhile, statewide sales increased by 7.1 percent. This large difference between the Chelan-Douglas region and the State has widened in recent years as Seattle has increasingly driven the state trends. Prior to 2012, Washington and Chelan-Douglas had similar growth rates.



All Sales Annual Percent Change				
	2014	2015	2016	2017
Chelan County	-39.0%	108.5%	15.3%	-1.0%
Douglas County	-36.6%	103.8%	38.0%	0.0%
Washington State	0.5%	-6.3%	24.6%	7.1%

Median Apartment Rent Annual Percent Change

Historically, changes in Chelan-Douglas apartment rent tend to be below the state average. However, in 2016 there was a significant increase in Chelan-Douglas rents. This appears to have corrected itself the following year when it fell by 13.6 percent. A number of different scenarios could explain this.



Median Apartment Price Annual Percent Change				
	2014	2015	2016	2017
Chelan-Douglas Counties	1.9%	4.7%	30.1%	-13.6%
Washington State	8.30%	8.50%	9.50%	4.40%

Source: <http://realestate.washington.edu/research/wcrr/housing-reports/>



Nearly a quarter of all jobs in the Wenatchee MSA are in the Agriculture sector, but due to their seasonal nature only account for 16.1% of total wage income

Private health services provided 21.4% of all wage income, while accounting for 14% of jobs

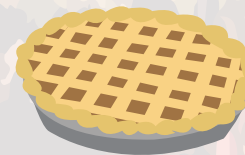


The Wenatchee district grows 45% of PNW sweet cherries, 85% of Washington's winter pears and 25% of the State's apples



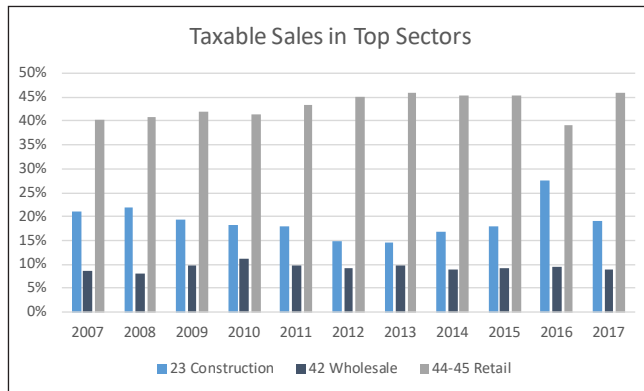
Pangborn Memorial Airport had a record amount of passengers in summer of 2018

With a depth of 1,486 ft, Lake Chelan is the 3rd deepest lake in the country, and 26th deepest in the world

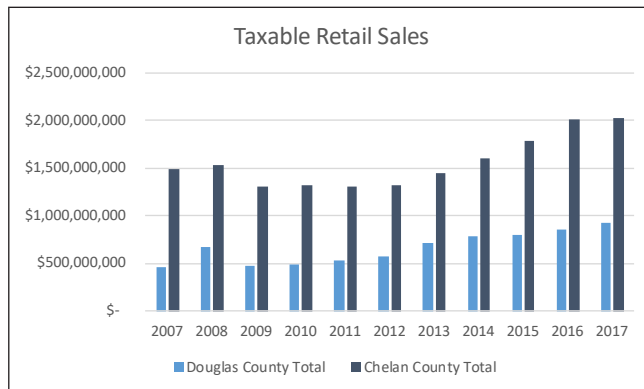


The region produces enough apples to make 5,755 apples pies per capita, or to fill 118.33 Olympic swimming pools with apple sauce

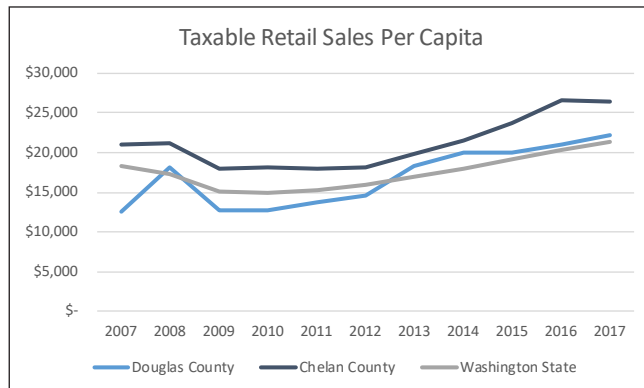
Retail sales consistently account for over 40 percent of all taxable sales. The next largest sector was construction with an average of 19 percent.



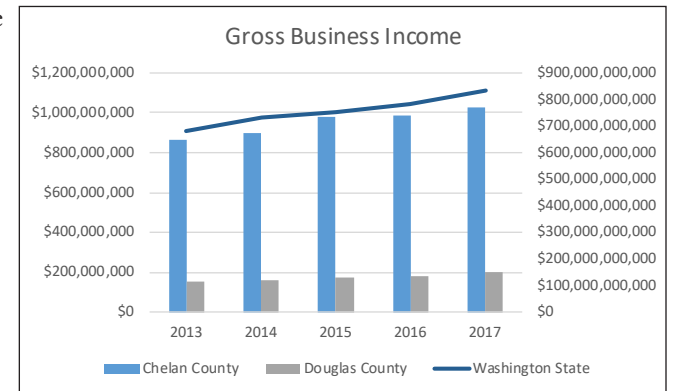
In 2017 Chelan's taxable retail sales were roughly \$2 billion dollars, while Douglas' was about \$922 million. The largest industry in the region was automotive sales, accounting for 7.3 percent of retail sales.



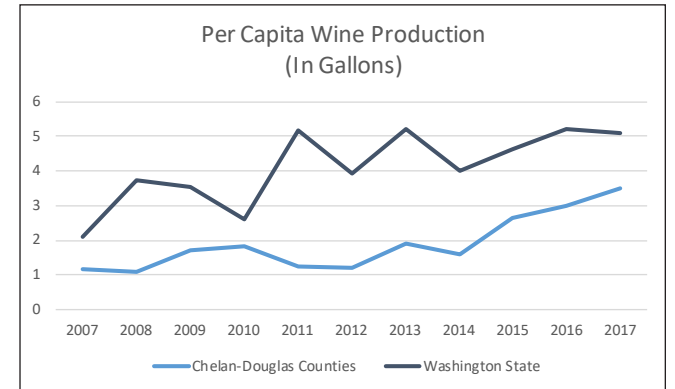
In recent years, both Chelan and Douglas have had higher taxable retail sales per capita higher than that of Washington. This is expected of a region with a small population and a fairly strong retail sector in Wenatchee.



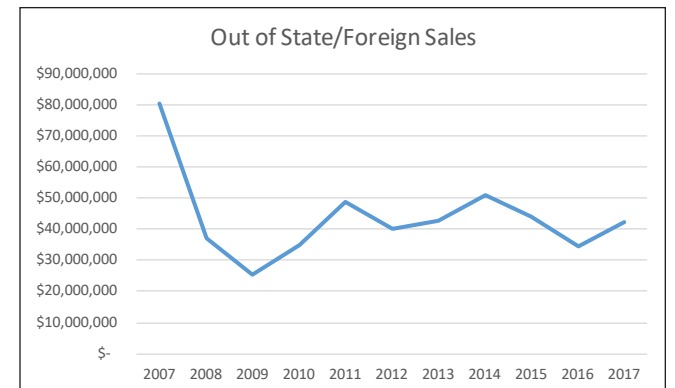
Gross business income has historically been much higher in Chelan than in Douglas.



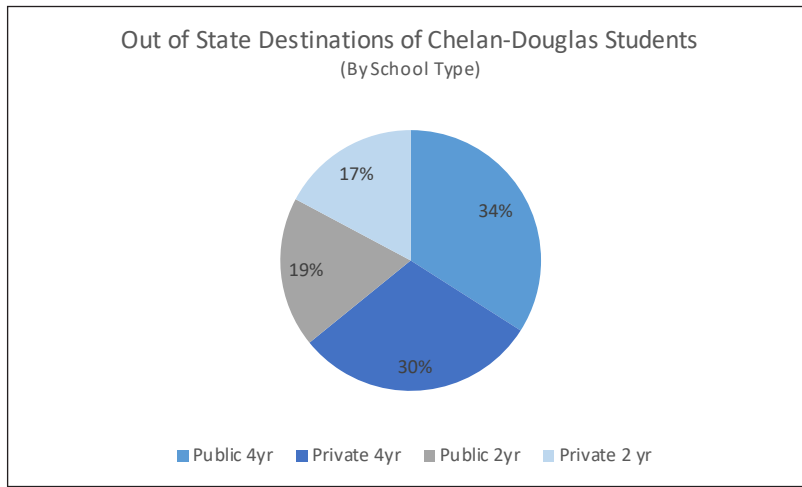
In recent years, the gap between gallons of wine per capita produced in Chelan-Douglas versus Washington has narrowed since the record difference of nearly 4 gallons in 2011.



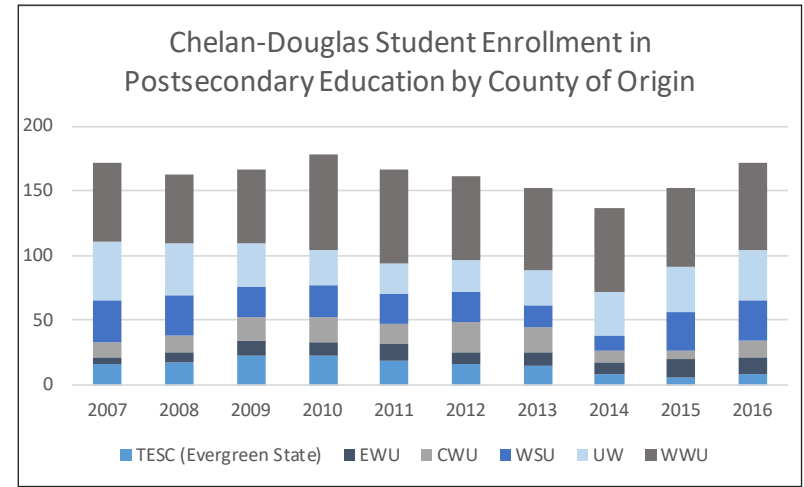
Since 2008 Chelan-Douglas' out of state and foreign sales have hovered around \$40 million, a trend that may change in the future as the effects of tariffs are seen in 2018.



Source: Washington State Department of Revenue



With the exception of Bridgeport School District, the Chelan-Douglas region has a similar secondary education enrollment rate to the rest of Washington at about 60 percent. Bridgeport reported a 35-39 percent enrollment rate in 2016. Upwards of 90 percent of students from Chelan-Douglas elected to stay in state, which is higher than the state average of 82 percent.



Of all the students from Chelan-Douglas that enrolled in secondary education within Washington regardless of the year they graduated, the majority attended WWU, then UW, WSU, CSU, EWU, and TESC (Evergreen State).

District	Washington					Out of State					Total	
	Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	HS Graduates	% Going to College
Bridgeport	90-100%	11-19%	0-10%	70-79%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	62	35-39%
Camas	74%	31%	4%	39%	0-1%	26%	10%	13%	3%	0-1%	471	66%
Cascade	85-89%	30-34%	0-5%	50-54%	0-5%	10-14%	6-9%	0-5%	0-5%	0-5%	109	60-64%
Cashmere	90-94%	30-34%	0-5%	55-59%	0-5%	6-9%	0-5%	0-5%	0-5%	0-5%	101	60-64%
Eastmont	93%	32%	3%	59%	0-2%	7%	0-2%	3%	0-2%	0-2%	426	54%
Entiat	80-100%	60-79%	0-20%	21-39%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	21	50-59%
Grand Coulee Dam	80-89%	40-49%	0-10%	30-39%	0-10%	20-29%	11-19%	0-10%	0-10%	0-10%	40	50-59%
Lake Chelan	85-89%	50-54%	0-5%	35-39%	0-5%	10-14%	6-9%	0-5%	0-5%	0-5%	110	55-59%
Manson	80-100%	21-39%	0-20%	60-79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	30	50-59%
Wenatchee	93%	30%	2%	60%	0-1%	7%	3%	4%	0-1%	0-1%	540	60%
Statewide	82%	33%	5%	44%	0-1%	18%	8%	8%	2%	0-1%	69163	59%

Source: <https://erdc.wa.gov/data-dashboards/public-four-year-dashboard#enrollments-by-origin>

Regional Cost of Living							
	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Good and Services
Chelan	104	107.8	139	65	84	81	98
Douglas	115	107.8	168	67	93	81	98
Whatcom	114	106	126	81	121	116	115
Seattle MSA	149	127	194	124	133	125	136

Source: C2BR

The cost of living composite consists of grocery, housing, utilities, transportation, and miscellaneous goods and services. The national average is 100. Compared to other regions in Washington, the cost of living in Chelan and Douglas is on the more affordable side, although it is still above the national average. Seattle MSA has some of the highest costs in the state, driven mostly by extraordinarily expensive housing. Whatcom has the next highest composite, pushed by housing and healthcare.

Living Wage (Chelan-Douglas Counties)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$748.50	\$13.01	\$520.40
Rent 2 bedroom	\$911	\$15.69	\$627.46
Median home mortgage	\$1,150.19	\$19.81	\$792.21

Source: <http://realestate.washington.edu/research/wcrer/housing-reports/>

Living wage is determined by calculating the minimum income at which a maximum of 33.3 percent of a worker's total income would be allocated for housing. For 2017, the minimum living wage to rent a one bedroom apartment in Chelan and Douglas Counties is \$13.01 an hour, with a required weekly household wage of \$520.40. 16 percent of the workforce in Chelan and Douglas Counties make less than \$520.40 a week.

Note: Home purchase assumes 20% as down payment, 4% interest and is displayed as principal and interest only.

We are always seeking opportunities to bring the strengths of Western Washington University to fruition within our region. If you have a need for analysis work or comments on this report, we encourage you to contact us at 360-650-3909. To learn more about CEBR visit us online at <https://cbe.wvu.edu/cebr/center-economic-and-business-research>.