

PEER CITIES REPORT

BELLINGHAM, WA

CENTER FOR ECONOMIC AND BUSINESS RESEARCH

September 21, 2017

Prepared for

Bellingham/Whatcom Chamber of Commerce and Industry

Author(s)

Isabel Vassiliadis

Prepared by



Contents

- About the Report3
- About the Authors4
- Methodology5
- Executive Summary6
 - Selected Comparison Statistics: 20157
- Population Characteristics8
 - Total Population8
 - Proximity to Metropolitan Areas9
 - Age Distribution10
- Income and Poverty11
 - Per Capita Income11
 - Per Capita Income: Peer Cities Detail11
 - Median Household Income12
 - Historical Trends in Median Household Income12
 - Median Household Income: Peer City Detail13
- Cost of Living14
- Poverty15
- Education16
 - Higher Education Enrollment16
 - Bachelor’s Degree Attainment17
 - Educational Attainment18
 - Effect of Education on Earnings19
- Labor Force20
 - Unemployment20
 - Hours Worked Per Week20
 - Weeks Worked Per Year21
 - Occupation Sector22
 - Industry Sector23
 - Median Earnings by Industry Sector24
- Other Economic Characteristics25
 - Health Insurance25
 - Means of Commuting26
 - Housing27

About the Report

The Bellingham Peer Cities Report summarizes economic statistics from Bellingham, Seattle, the United States as a whole, and a sample of cities that are similar to Bellingham's unique environment, also known as peer cities.

Bellingham's economic wellbeing is often measured in reference to that of Seattle, despite the fact that the two cities are vastly different in size and population characteristics. There are many questions about the health of our community's economy that are better answered by comparing Bellingham to cities that have similar size and population factors, for example:

- How does the presence of a university affect the average wages and job growth in Bellingham?
- Are the average hours worked per week and weeks worked per year in Bellingham 'normal' relative to other towns with a large student population?
- Does Bellingham have a larger proportion of retirees than similar sized towns? How does this affect commerce?

To better answer these questions (and more), we create a comparison between multiple cities with similar environmental factors to Bellingham – mid-size towns with medium population public universities. Seattle is included within the comparisons to note the discrepancies that exist when simply comparing Bellingham to Seattle, and the United States is included to highlight where Bellingham stands compared to the average US town.

While there are no cities that can truly mirror the many unique features of our community here in Bellingham, it is our intention that the Peer Cities Report begins to facilitate more meaningful and appropriate comparisons of economic wellbeing to further understand and measure the health of our local economy.

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 and 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.

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>.

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

Methodology

Data for this report was obtained from the US Census American Community Survey (2011-2015). Each area reported (besides the US average) was gathered as city level data, opposed to county or overall metropolitan area.

Data are based on a sample, and therefore are subject to sampling variability. It should be noted that the American Community Survey is administered by mail, and it does not include individuals without a permanent address. Specific documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the “Data and Documentation” section. Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the “Methodology” section.

The peer cities included in this report are Flagstaff, AZ, Santa Cruz, CA, Fort Collins, CO, Asheville, NC, and Burlington, VT. Each peer city was chosen based on its identity as a mid-size college town in a relatively coastal location (except for Fort Collins, which has similar recreation opportunities to Bellingham). The list of peer cities can be subject to change in future reports, if desired. The economic statistics for the peer cities are combined into the ‘Peer City Average’, or the arithmetic mean of the five peer cities for each statistic.

Executive Summary

Bellingham is much more comparable to the average peer city than it is to Seattle in a number of population characteristics:

- The total population of Bellingham is 82,944, similar to the peer city average population of 82,756. Seattle, a much larger metropolitan city, has a population of 653,017 with the larger metropolitan statistical area having nearly 3.8 million.
- In terms of population age distribution, **Bellingham and the peer cities each have a significantly larger proportion of their population between the age of 20 and 24** (17.8 and 17.1 percent, respectively) than Seattle (8.6 percent) and the United States (7.1 percent). This is definitely due to the identity of Bellingham and the peer cities as ‘college towns’ – in Bellingham, Western Washington University students, many between the age of 20 and 24, account for a significant portion of the population. Seattle has many more people between the age of 25 and 45 than Bellingham and the peer cities, but the overall population distribution prevents this from being a dominant group – despite the presence of multiple major colleges and universities.
- This may be a result of the higher education opportunities in these areas – **Bellingham and the peer cities have higher rates of undergraduate enrollment than Seattle** by roughly 20 percent.

These similarities in population characteristics likely influence several key economic outcomes. Despite the similarities between Bellingham and the peer cities, it appears that Bellingham is not doing as well as the peer cities in terms of income and poverty. In reviewing income data it is important to understand that Census data provides both a family, where all members of a household are related by blood or marriage, and household, where all members living at a single address are counted. In our analysis we examine household statistics due to the nature of the types of households likely to be present in a largely university-based community.

- Bellingham and the peer cities each report **lower per capita income** (\$25,496 and \$27,629, respectively) than Seattle (\$45,673), as well as the national average (\$28,930).
- **Bellingham represents the lowest median household income** (\$43,536) of all areas reported. The median household in Bellingham earns roughly \$7,000 less than the peer city average (\$50,899), which is a significant gap considering their similarity in cost of living.
- **Bellingham has a higher proportion of households with income below poverty level** (13.2 percent) than the peer city average (11 percent), the national average (11.3 percent), as well as Seattle (7 percent).

Even though Bellingham and the peer cities each have a large portion of their population enrolled in higher education, it appears that Bellingham retains far fewer of the graduates from its colleges and university than the peer cities and Seattle:

- **40.7 percent of Bellingham’s population has their bachelor’s degree or higher, which is approximately 8 percent less than the peer city average** (48.9 percent) and 18 percent less than Seattle (58.9 percent).

Bellingham is also unique in some of its labor force statistics:

- **The rate of unemployment in Bellingham (5.9 percent) is slightly higher than the peer city average (5.1 percent) and the national average (5.2 percent), and almost 2 percent higher than Seattle (4.1 percent).**
- On average, **Bellingham works 33.5 hours per week**, which is less than the peer city average (34.8 hours), and much less than Seattle (38.4 hours) and the national average (38.5 hours).
- **Bellingham and the peer cities work less weeks per year** than Seattle and the national average, which is expected based on their identity as college towns.
- Bellingham is also unique in a few occupation and industry sectors compared to the peer cities. Most notably, **Bellingham has less emphasis on management, business, science, and arts occupations, as well as the professional, scientific, and management, and administrative and waste management industry.**

Selected Comparison Statistics: 2015

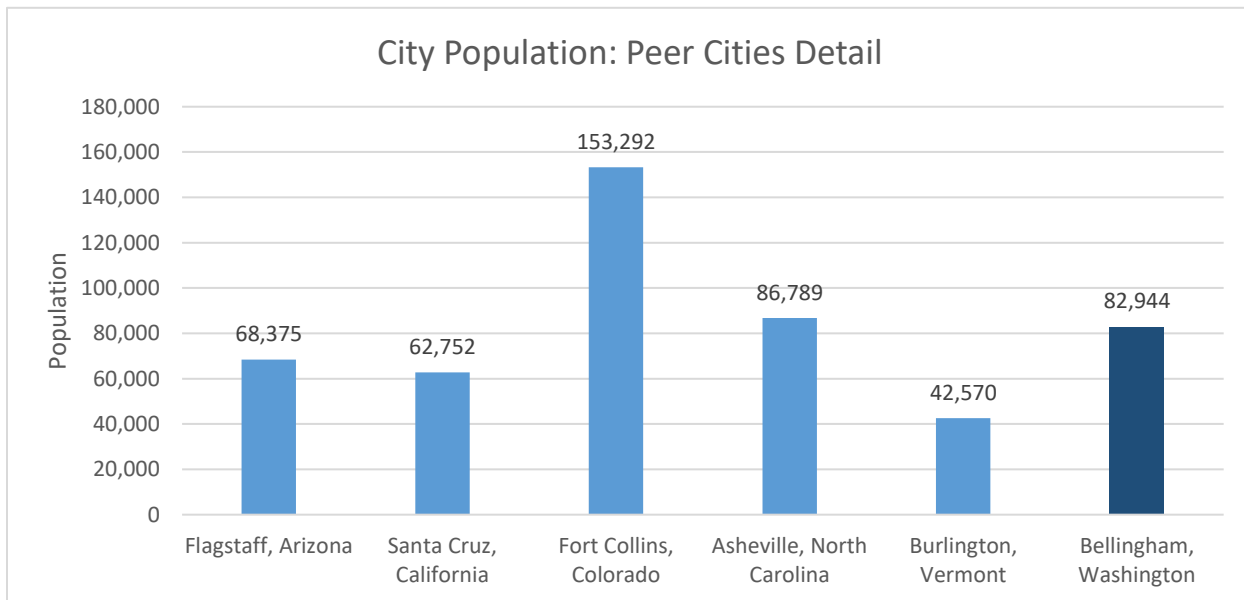
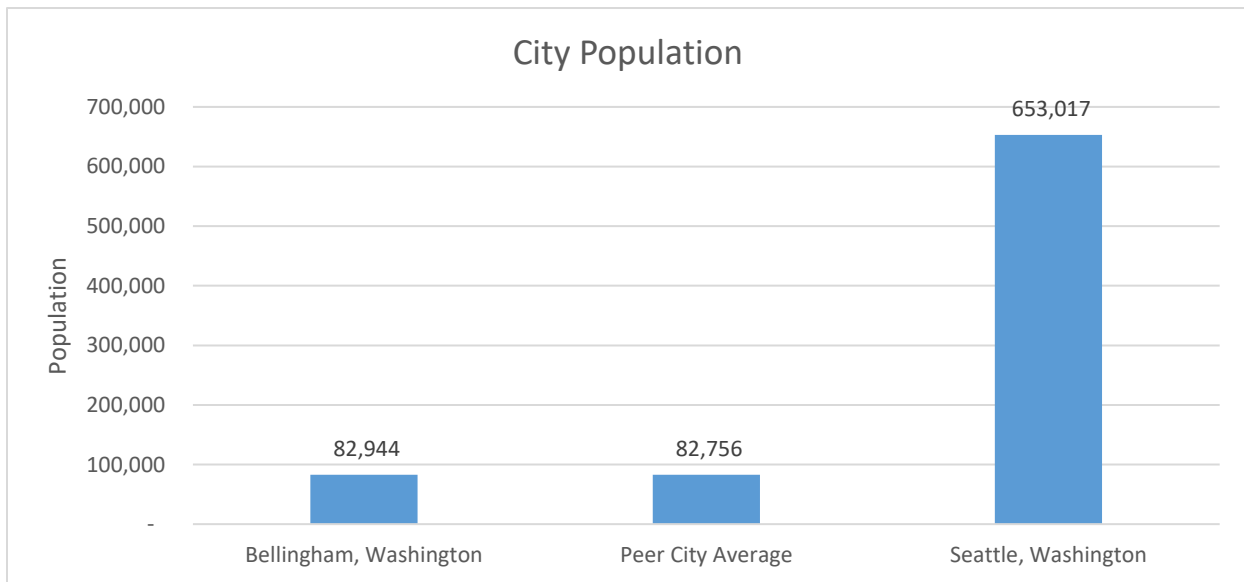
| Metric | Bellingham, WA | Peer City Average | Seattle, WA | United States |
|--|----------------|-------------------|-------------|---------------|
| Population | 82,944 | 82,756 | 653,017 | 316,515,021 |
| Per Capita Income | \$25,496 | \$27,629 | \$45,673 | \$ 28,930 |
| Median Income | \$ 43,536 | \$ 50,899 | \$70,594 | \$53,889 |
| Percent with Bachelor's degree or higher | 40.7% | 48.9% | 58.9% | 29.8% |
| Percent of Households below Poverty Level | 13.2% | 11.0% | 7.0% | 11.3% |
| Percent over Age 65 | 13.4% | 10.7% | 11.6% | 14.1% |
| Unemployment Rate | 5.9% | 4.7% | 4.1% | 5.2% |
| Mean Hours Worked per Week | 33.5 | 34.8 | 38.4 | 38.5 |

Population Characteristics

Total Population

The total population size of Bellingham (82,944) is much more similar to the peer city average (82,756) population than that of Seattle (653,017). While the population of each peer city ranges, from 42,750 in Burlington, VT, to 153,292 in Fort Collins, CO, each of them still represent a mid-size city that, on average, is very representative of Bellingham's population.

Even though the population size difference between Bellingham and Seattle may seem obvious, it is important to keep in mind when considering economic statistics. The characteristics of the labor force in a large metropolitan city are naturally going to differ from those of a mid-size city simply based on population size and the types or sizes supported.

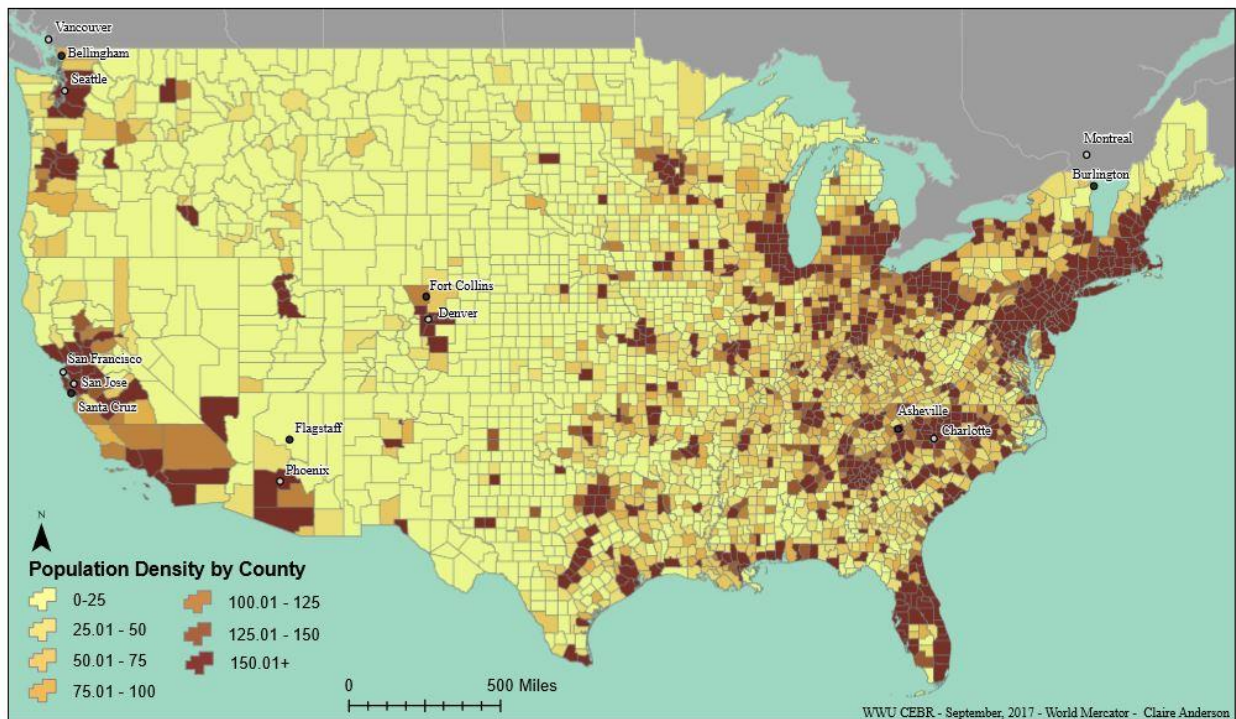


Proximity to Metropolitan Areas

Another aspect of Bellingham that makes its economy unique is its proximity to large metropolitan cities which are densely populated – Seattle (approximately 88 miles), as well as Vancouver BC (55 miles).

The peer cities are also relatively close to large, densely populated cities – Flagstaff is approximately 144 miles from Phoenix, Santa Cruz is 73 miles from San Francisco and 32 miles from San Jose, Fort Collins is 65 miles from Denver, Asheville is 130 miles from Charlotte, and Burlington is 95 miles from Montreal.

The map below shows Bellingham and the peer cities in proximity to these larger metropolitan areas, as well as the population density within each county in the US. The peer cities' proximity to these metropolitan areas gives another reason why they are well-fit economic comparisons to Bellingham.

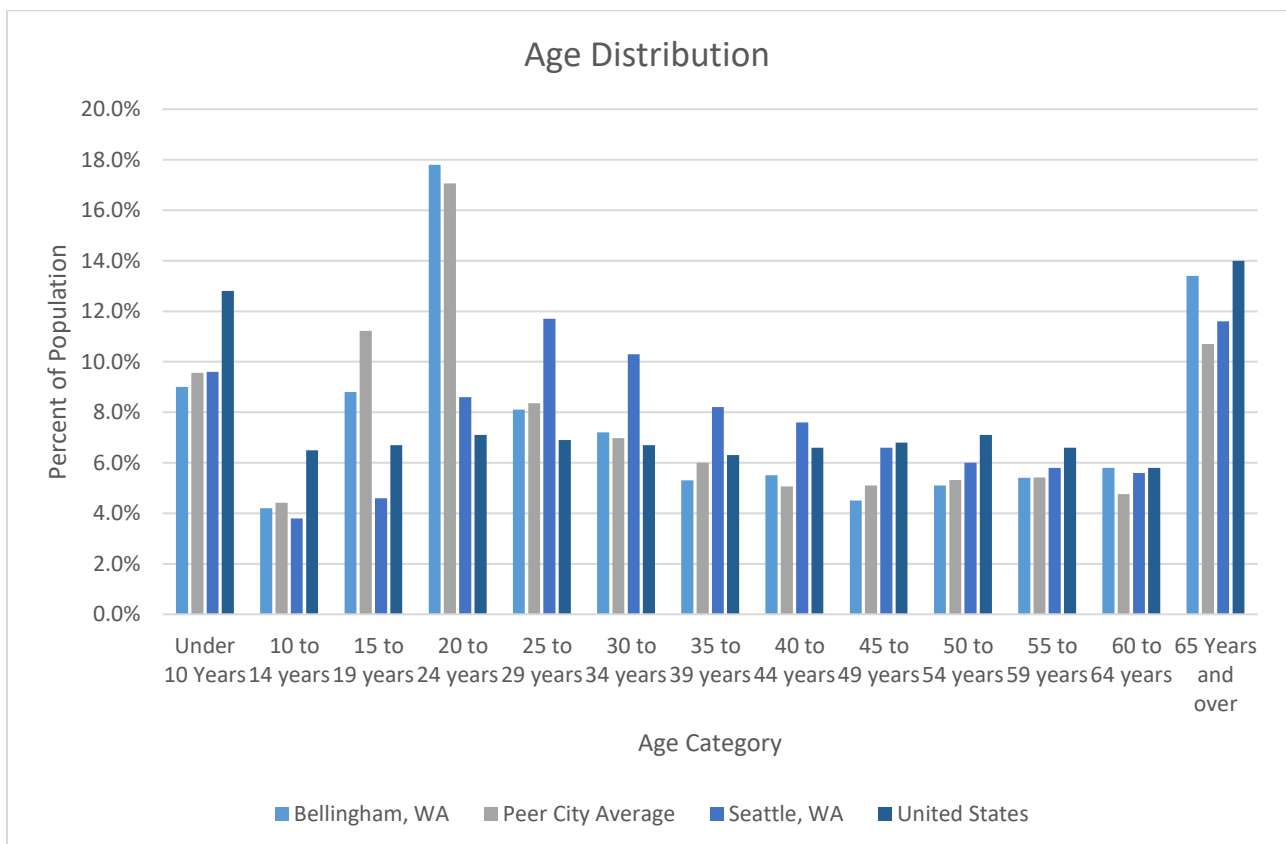


Age Distribution

As expected based on their identity as college towns, Bellingham and the peer cities have a significantly larger proportion of population in the 20 to 24 age range (17.8 and 17.1 percent, respectively) than Seattle (8.6 percent) and the United States (7.1 percent). However, Seattle has a higher proportion of 25 to 29 year olds (11.7 percent) than Bellingham (8.1 percent) and the peer cities (8.4 percent), and a higher proportion of 30 to 34 year olds (10.3 percent, in Seattle) than Bellingham (7.2 percent) and the peer cities (7 percent). These mid-size college towns are known to attract people in this age category for higher education, but don't seem to retain this population once they graduate because of the lower supply of job opportunities and comparative wages for college graduates.

Compared to each peer city, Seattle has a larger proportion of population in every age category from 25 to 45. Seattle is an attractive place to live for young and middle-age professionals – it has a wider range of job opportunities with higher pay.

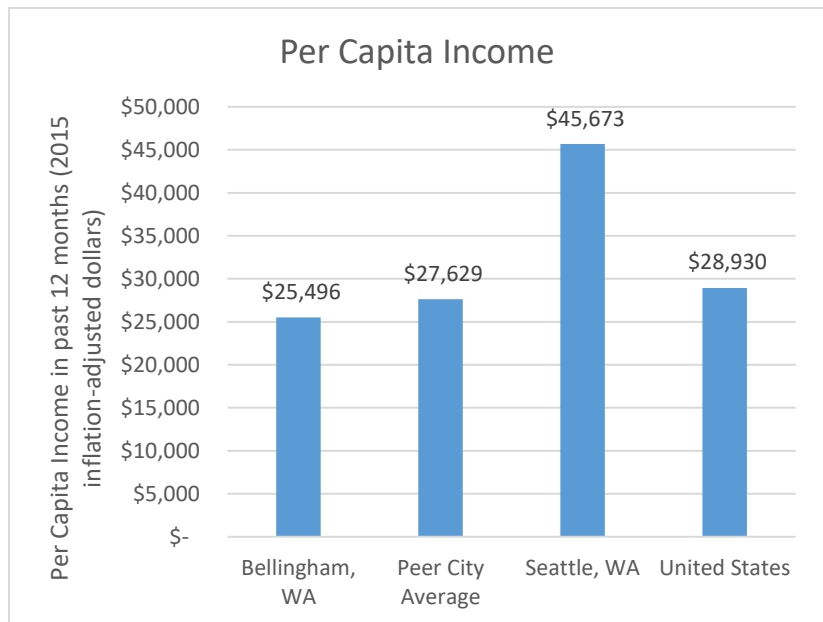
Bellingham differs from the peer city average in the senior age category, 65 years and older. 13.4 percent of Bellingham's population is 65 years or older, compared to 10.7 percent of the peer cities populations, on average. The higher proportion of seniors in Bellingham could contribute to the lower per capita and median income that is seen in following sections.



Income and Poverty

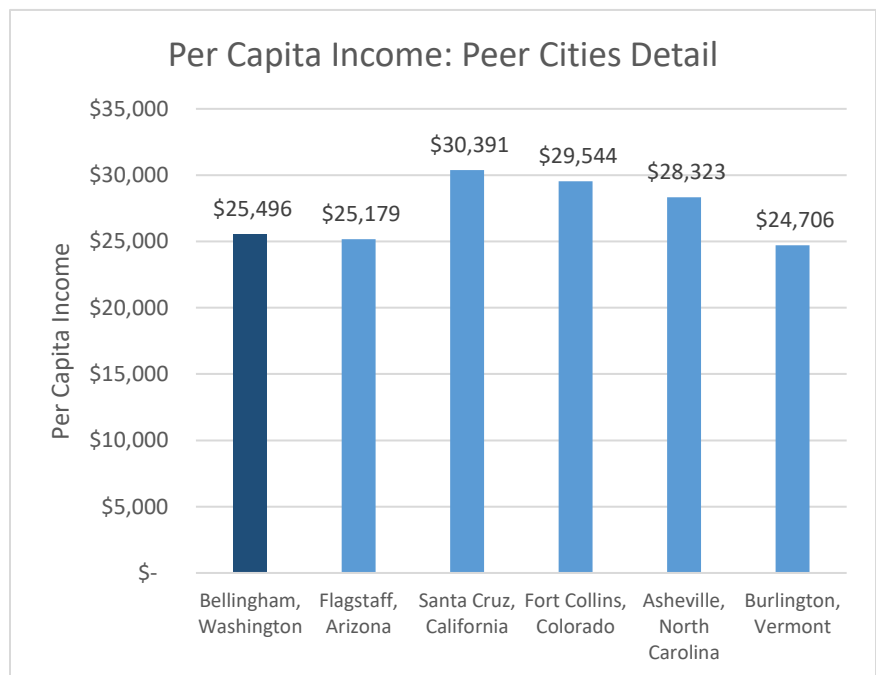
Per Capita Income

Bellingham has the lowest per capita income (\$25,496) of all areas reported. While it is expected that Bellingham's per capita income would be lower than Seattle (\$45,673), it is important to note that it is also lower than the peer city average (\$27,629) as well as the national average (\$28,930).



Per Capita Income: Peer Cities Detail

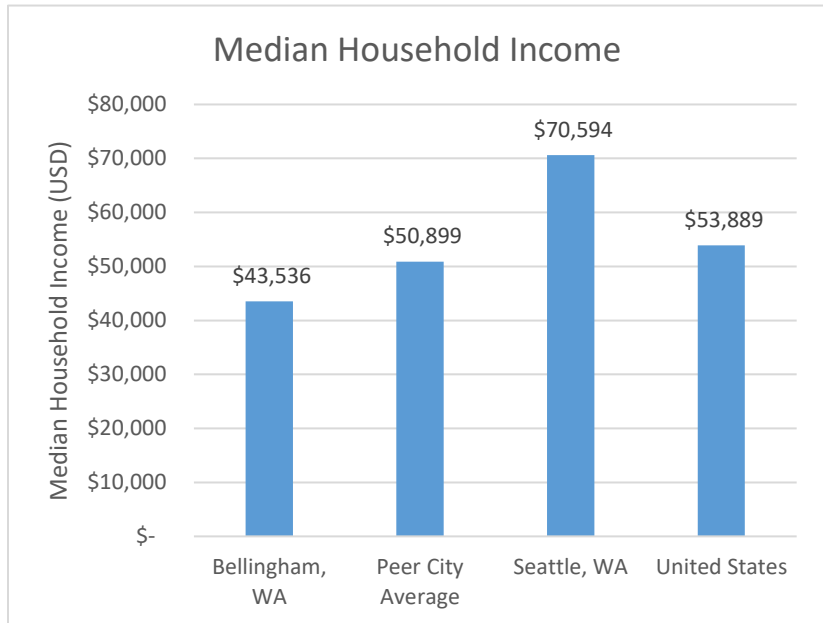
Even though Bellingham has the lowest per capita income compared to the peer cities overall, it still has a higher per capita income than some of the individual peer cities – Flagstaff (\$25,179) and Burlington (\$24,706). This indicates that Bellingham is still within the range of peer city incomes, and that a per capita income of \$25,496 may not be abnormally low.



Median Household Income

Bellingham also represents the lowest median household income (\$43,536) of all areas reported. The measurement of median income is often more useful than per capita income since outlying incomes (extremely high or low incomes) will skew the mean, while the median (50th percentile earner) is not affected by these outlying incomes.

The median household in Bellingham earns roughly \$7,000 less than the peer city average (\$50,899), which is a significant gap considering the rough similarity in cost of living (outlined in the next section). Bellingham also has a much lower median household income than Seattle (\$70,594) and the national average (\$53,889).

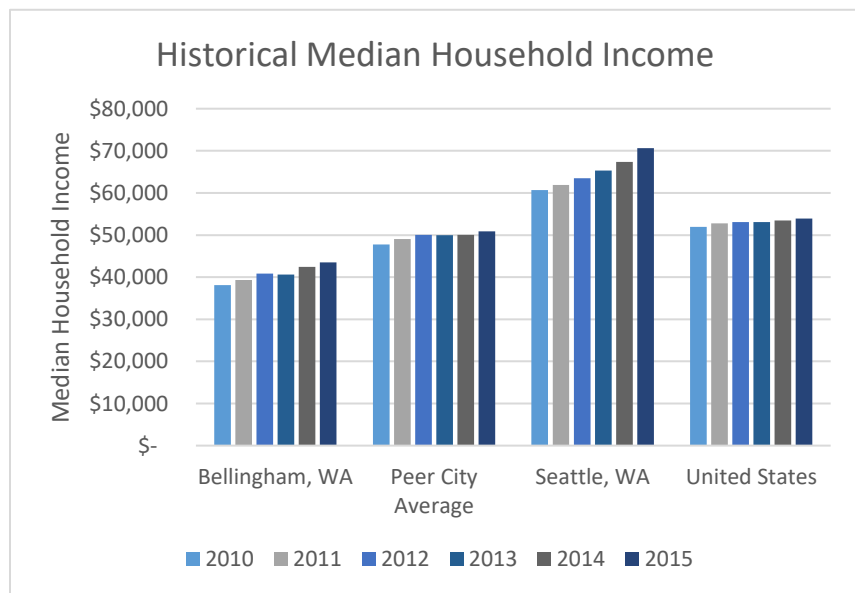


As a reminder, in reviewing income data it is important to understand that Census data provides both a family, where all members of a household are related by blood or marriage, and household, where all members living at a single address are counted. In our analysis, we examine household statistics due to the nature of the types of households likely to be present in a largely university-based community.

Historical Trends in Median Household Income

Median household incomes have been rising since 2010. In Bellingham, median income has increased from \$38,136 in 2010 to \$43,536 in 2015. The peer cities have an average median income that is growing slightly less than Bellingham, from \$47,772 (2010) to \$50,899 (2015).

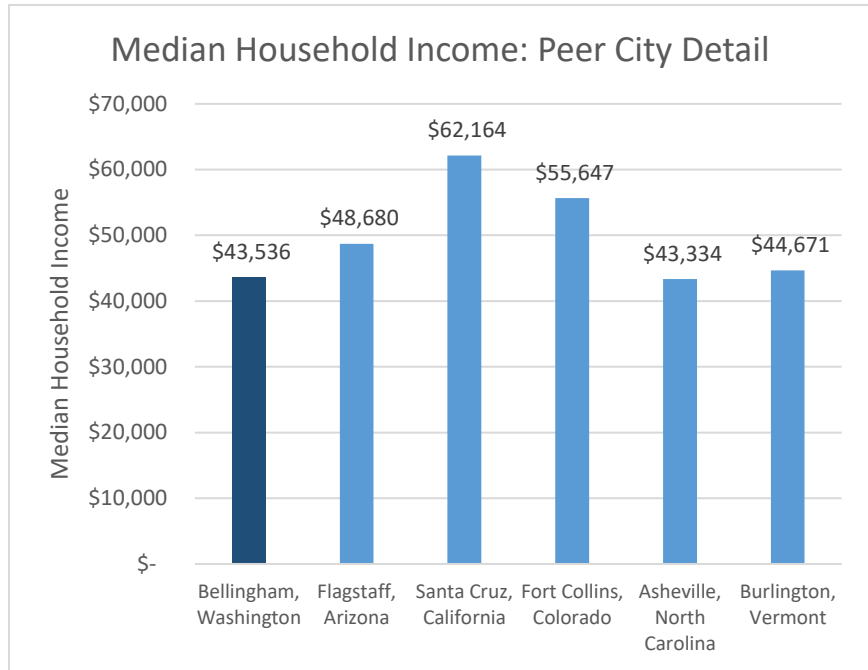
Seattle’s median income has been rising at the highest rate – from \$60,665 in 2010 to \$70,594 in 2015.



Median incomes in Seattle, Bellingham, and the peer cities have all been growing faster than the national average, which has grown from \$51,914 in 2010 to \$53,889 in 2015.

Median Household Income: Peer City Detail

While the average peer city median household income is much larger than that of Bellingham, the peer cities range from \$43,334 to \$62,164. Bellingham (\$43) lies on the lower end of this range, indicating that we may be more similar in economic characteristics to Asheville and Burlington rather than Santa Cruz and Fort Collins.



Cost of Living

Based on the 2015 Cost of Living Index provided by the Council for Community and Economic Research (C2ER), composite indexes of the cost of living for the areas in this report can be a useful tool in comparing relative per capita or median incomes.

The following table outlines the composite index (a combination of weighted indexes for grocery, housing, and other categories of household spending) that compares Bellingham, Seattle, and the peer cities to the national average, whose index number is always 100.

Generally speaking, the peer cities have similar costs of living to Bellingham. The data are subject to sampling error, so a range within 15 index points of Bellingham indicates a similar cost of living. Flagstaff (116.4) has a very similar cost index to Bellingham (113.4), while Asheville has a slightly lower cost index (97.5) and Burlington has a slightly higher one (123.8). As expected, Seattle's cost of living (140.3) is significantly higher than that of Bellingham.

In the case of Santa Cruz and Fort Collins, there is no data available for those specific cities, instead a range of the indexes within each state (CA and CO, respectively) is reported. The following observations may provide more context to the cost of living question in these cities:

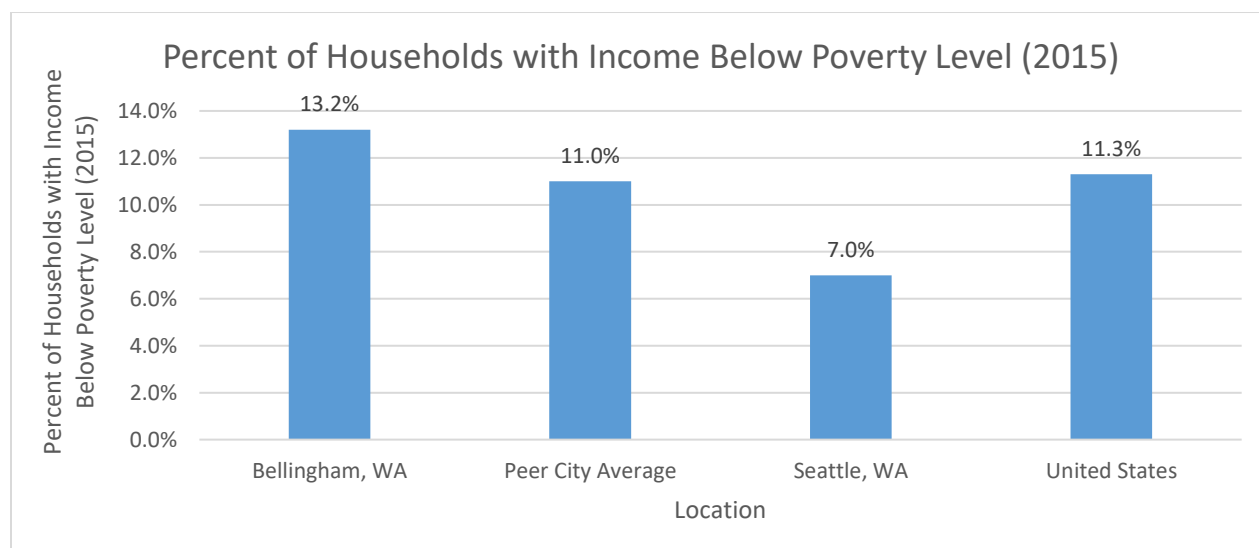
- The range for CO is similar to the range of indexes for the other peer cities. A comparable CO city to Fort Collins is Colorado Springs, which is also a mid-size college town approximately the same distance from Denver. Colorado Springs has a similar cost index (95.3) to Asheville (97.5), and a slightly lower cost index than Bellingham (113.4).
- The range for CA has an unusually high upward bound due to an extremely high cost index in the San Francisco area (176.4), making it difficult to draw conclusion from the CA data available.

| Location | Cost of Living Index |
|---------------|----------------------|
| Flagstaff | 116.4 |
| Santa Cruz* | 106.7-176.4 |
| Fort Collins* | 85.6-117.4 |
| Asheville | 97.5 |
| Burlington | 123.8 |
| Bellingham | 113.4 |
| Seattle | 140.3 |

Poverty

Bellingham has a higher proportion of households with income below poverty level (13.2 percent) than the peer city average (11 percent), the national average (11.3 percent), as well as Seattle (7 percent). The poverty level is determined nationally based on household size and a CPI (Consumer Price Index) adjusted measurement of basic living expenses (such as food, housing, and medical expenses). It is important to note that this is an aggregate measurement of the cost of basic living expenses, even though the cost of living data suggests these expenses vary within the US. The 2015 weighted poverty thresholds (obtained from the US Census Data section) for different household sizes are described below.

The peer city average (11 percent) is very representative of the national average (11.3 percent). Based on Bellingham's similarity to the peer cities in other economic conditions, we would hope to see Bellingham with a similar proportion of households below poverty level, however Bellingham still has a greater proportion of its population living below the poverty threshold (13.2 percent) than the nation.



| Size of family unit | Weighted average poverty thresholds (2015) |
|--|--|
| One person (unrelated individual) | \$ 12,082 |
| Under 65 years | \$ 12,331 |
| 65 years and over | \$ 11,367 |
| Two people | \$ 15,391 |
| Householder under 65 years | \$ 15,952 |
| Householder 65 years and over | \$ 14,342 |
| Three people | \$ 18,871 |
| Four people | \$ 24,257 |
| Five people | \$ 28,741 |
| Six people | \$ 32,542 |
| Seven people | \$ 36,998 |
| Eight people | \$ 41,029 |
| Nine people or more | \$ 49,177 |

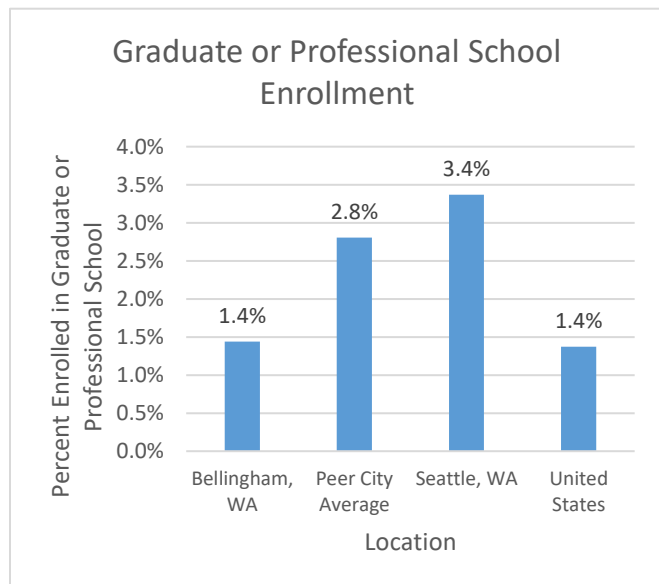
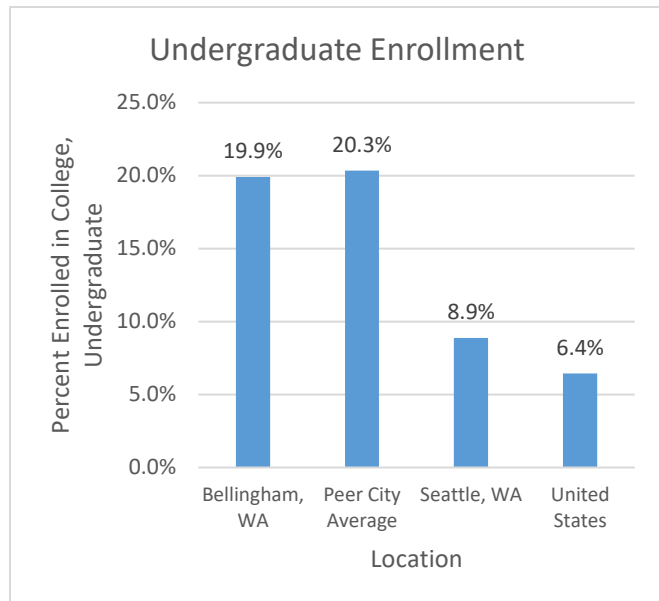
Education

Higher Education Enrollment

Concerning undergraduate enrollment as a proportion of population (over 3 years old), Bellingham and the peer cities are much more heavily comprised of undergraduate students (19.9 percent and 20.3 percent, respectively) than Seattle (8.9 percent) or the nation (6.4 percent).

With regard to proportion of the population enrolled in graduate or professional school, Seattle has the highest rate of enrollment (3.4 percent), followed by the peer cities (2.8 percent). Bellingham (1.4 percent) is on par with the national average (1.4 percent) for proportion of graduate or professional school enrollment.

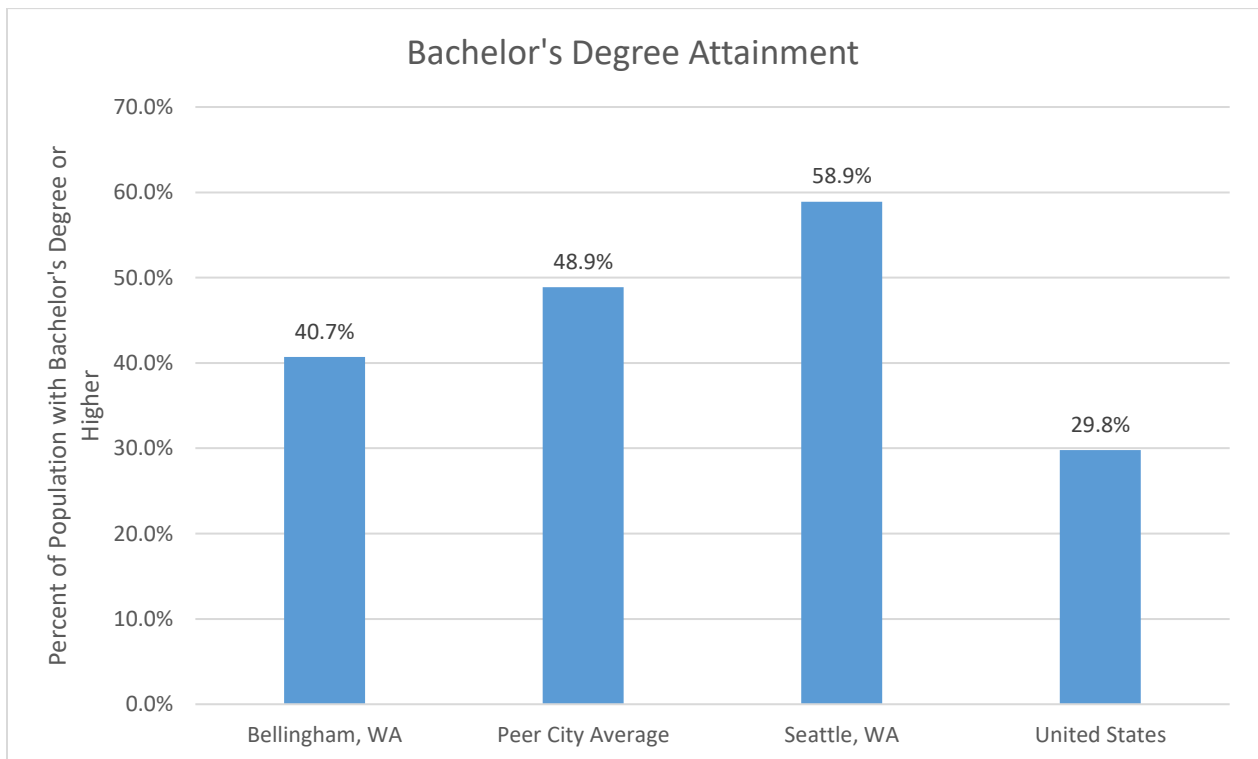
While Bellingham and the peer cities represent similar populations enrolled in higher education overall, it is interesting to note that Bellingham has a slightly lower proportion enrolled in graduate or professional school than the peer city average. This could be based on the programs offered at the institutions within each college town.



Bachelor's Degree Attainment

While Bellingham does have a larger proportion of residents with their bachelor's degree (40.7 percent) than the national average (29.8 percent), it has approximately 8 percent less than the peer city average (48.9 percent) and 18 percent less than Seattle (58.9 percent).

The fact that Bellingham has the highest rate of current undergraduate enrollment, yet a lower proportion of residents with their bachelor's degree than the peer cities and Seattle, would suggest that many come to Bellingham for college but leave the city soon after graduation. The difference here between Bellingham and the peer cities may indicate that the peer cities provide more attractive job opportunities for their local college graduates, retaining them after college at a higher rate than Bellingham.

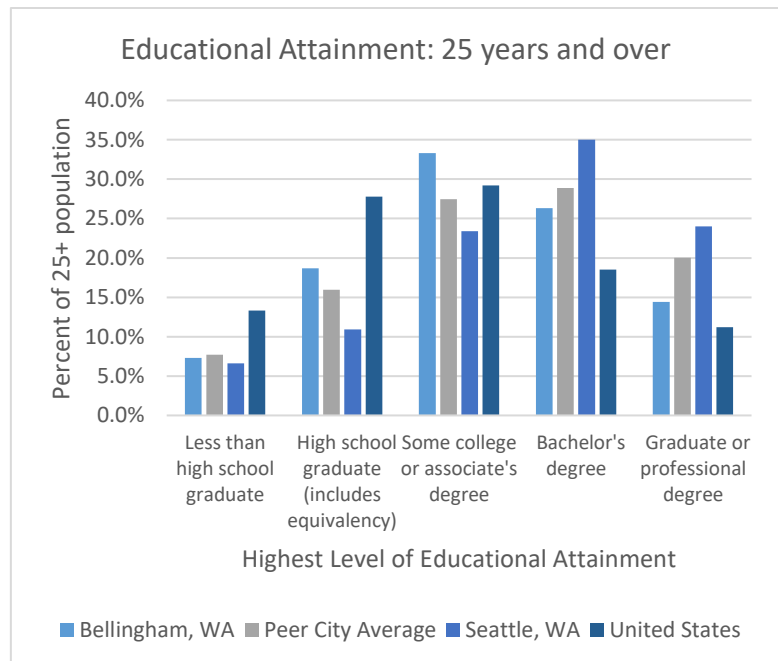
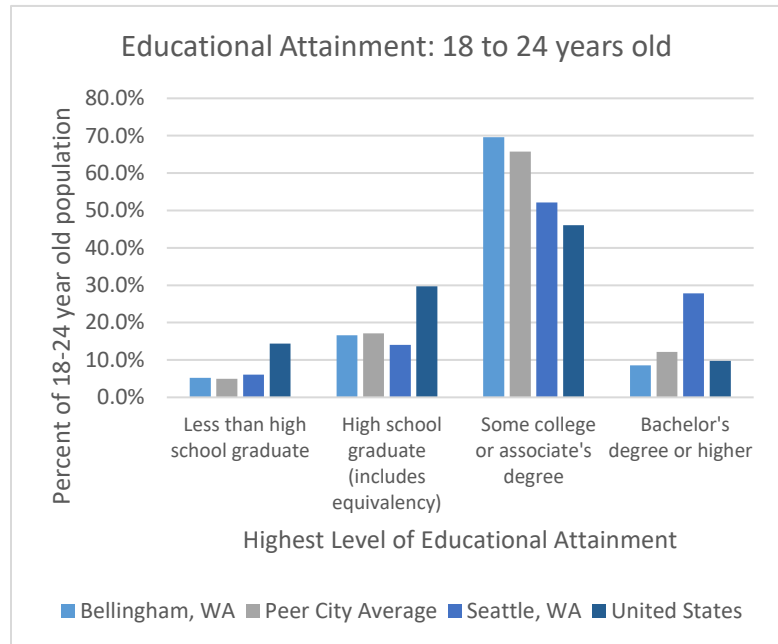


Educational Attainment

Within the population of 18 to 24 year olds, Bellingham has the highest proportion of residents that have attained some college education or their associate’s degree (69.6 percent), but the lowest proportion of residents with their bachelor’s degree or higher (8.6 percent). However, within this age group, Bellingham does look fairly similar to the peer city average in terms of educational attainment (only a 4 percent difference at most).

Similarly, for the population age 25 years or older, Bellingham has the highest proportion of residents whose highest level of education is some college or associate’s degree (33.3 percent). Bellingham does have a higher proportion of residents with their bachelor’s degree (26.3 percent) or their graduate or professional degree (14.4 percent) than the national averages (18.5 and 11.2 percent, respectively), but a lower proportion in these categories than the peer city average (28.9 and 20.0 percent, respectively) as well as Seattle (35.0 and 24.0 percent, respectively).

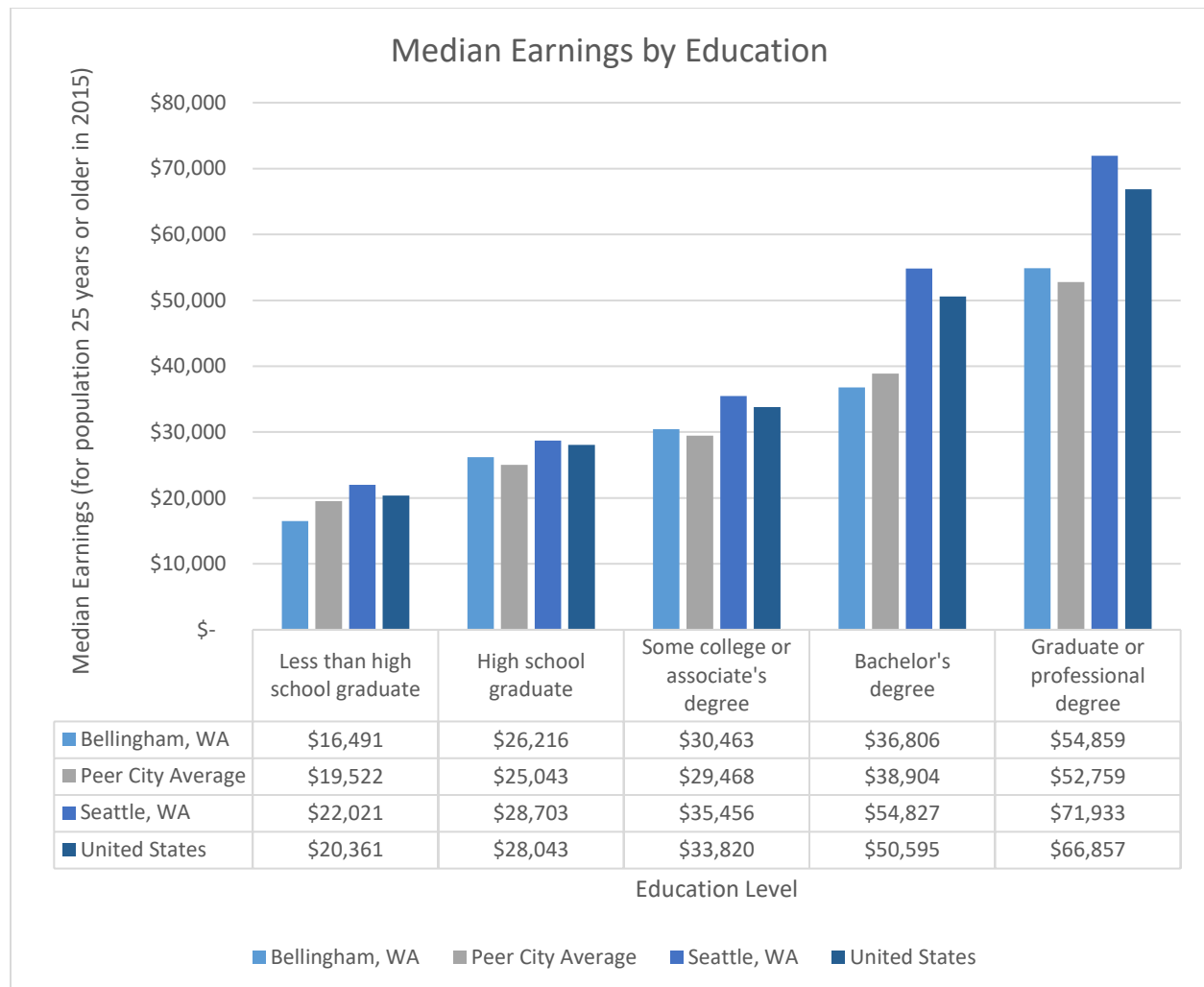
This corresponds to the previous finding on education that indicates college students may come to Bellingham for their education, but leave once they have earned their degree at a higher rate than that of the peer cities.



Effect of Education on Earnings

Bellingham and the peer cities have fairly similar returns for each level of education – Bellingham has a slightly lower median income for those with their bachelor’s degree (\$36,806) than the peer city average (\$38,904), but a higher median income for those with their graduate or professional degree (\$54,859) than the peer city average (\$52,759). While the peer cities may have a greater population with their bachelor’s degrees and graduate or professional degrees than Bellingham, it appears that Bellingham is still paying those with their higher education degrees similarly to the peer cities.

However, Seattle and the US have significantly higher median incomes for those with bachelor’s degrees and graduate or professional degrees than Bellingham and the peer cities. For those with bachelor’s degrees, the national median income is \$50,595, and the Seattle median income is \$54,827 (approximately \$18,000 more than Bellingham). For those with their graduate or professional degree, the national median income is \$66,857, and the Seattle median income is \$71,933 (approximately \$17,000 more than Bellingham).

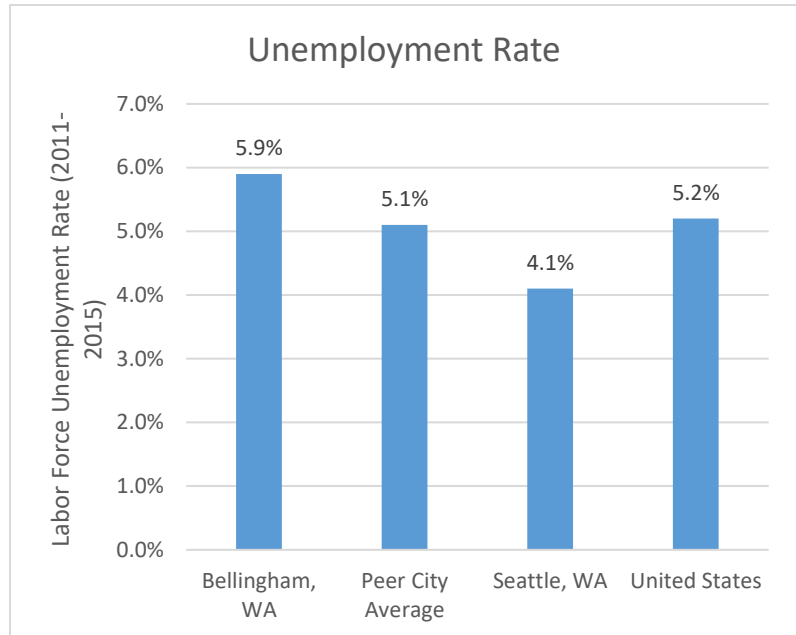


Labor Force

Unemployment

The rate of unemployment in Bellingham (5.9 percent) is slightly higher than the peer city average (5.1 percent) and the national average (5.2 percent), and almost 2 percent higher than Seattle (4.1 percent).

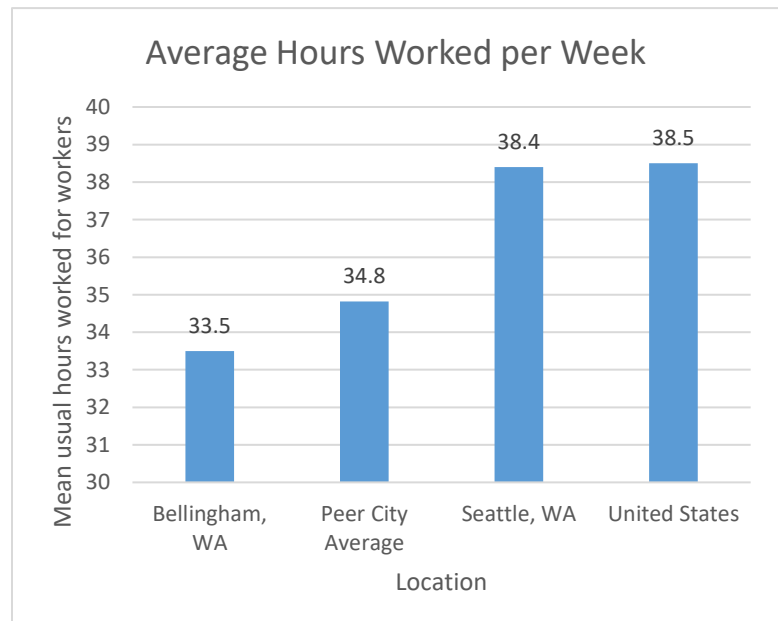
Similar to the proportion of households with income below poverty level (Income and Poverty section), since the peer city average is so similar to the national average, we would hope to see that Bellingham has a similar unemployment rate to the peer cities, however it is 0.8% higher.



Hours Worked Per Week

On average, Bellingham works 33.5 hours per week, 1.3 hours less than the peer city average (34.8 hours).

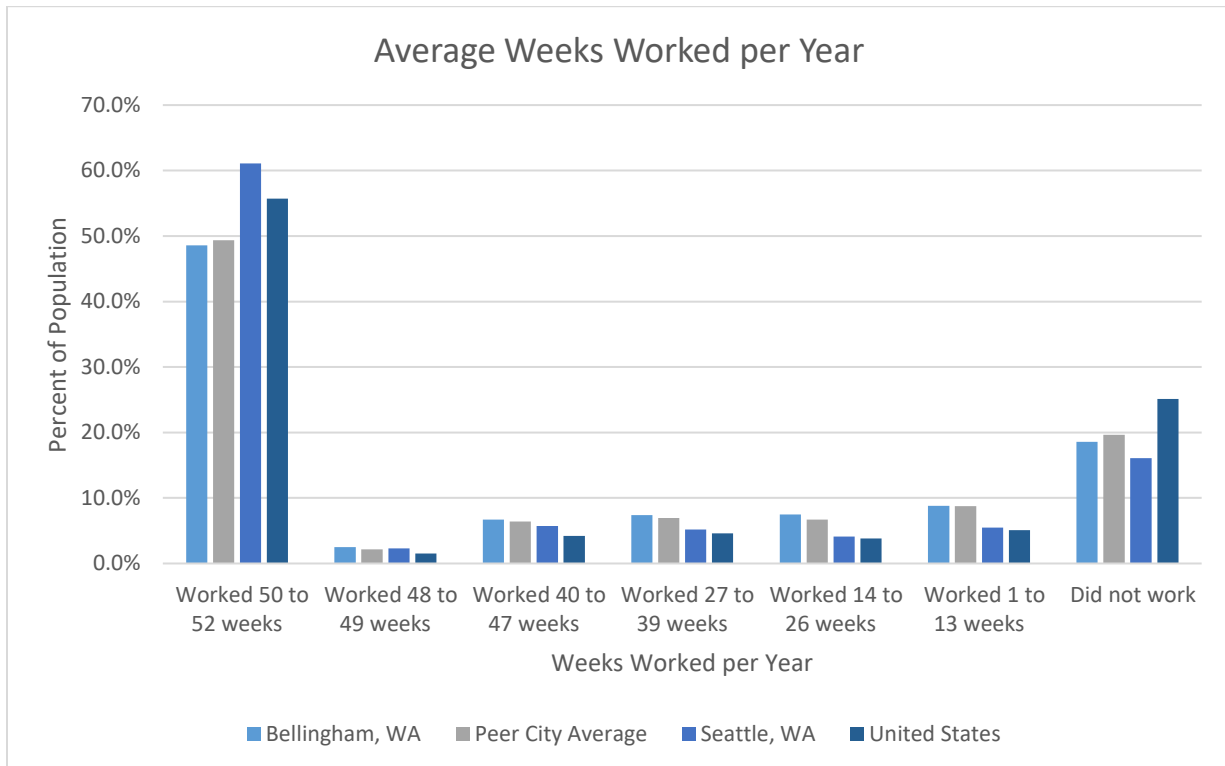
Both Bellingham and the peer cities work less hours per week on average than Seattle (38.4 hours) and the nation as a whole (38.5 hours). This is expected based on the nature of work in college towns – it is likely that there is a greater proportion of part-time workers in college towns, which would have a negative effect on the average hours worked per week in Bellingham and the peer cities.



Weeks Worked Per Year

Bellingham and the peer cities are very similar in terms of the number of weeks the population works per year, with less than a 1 percent difference between the percent of the population working in each category.

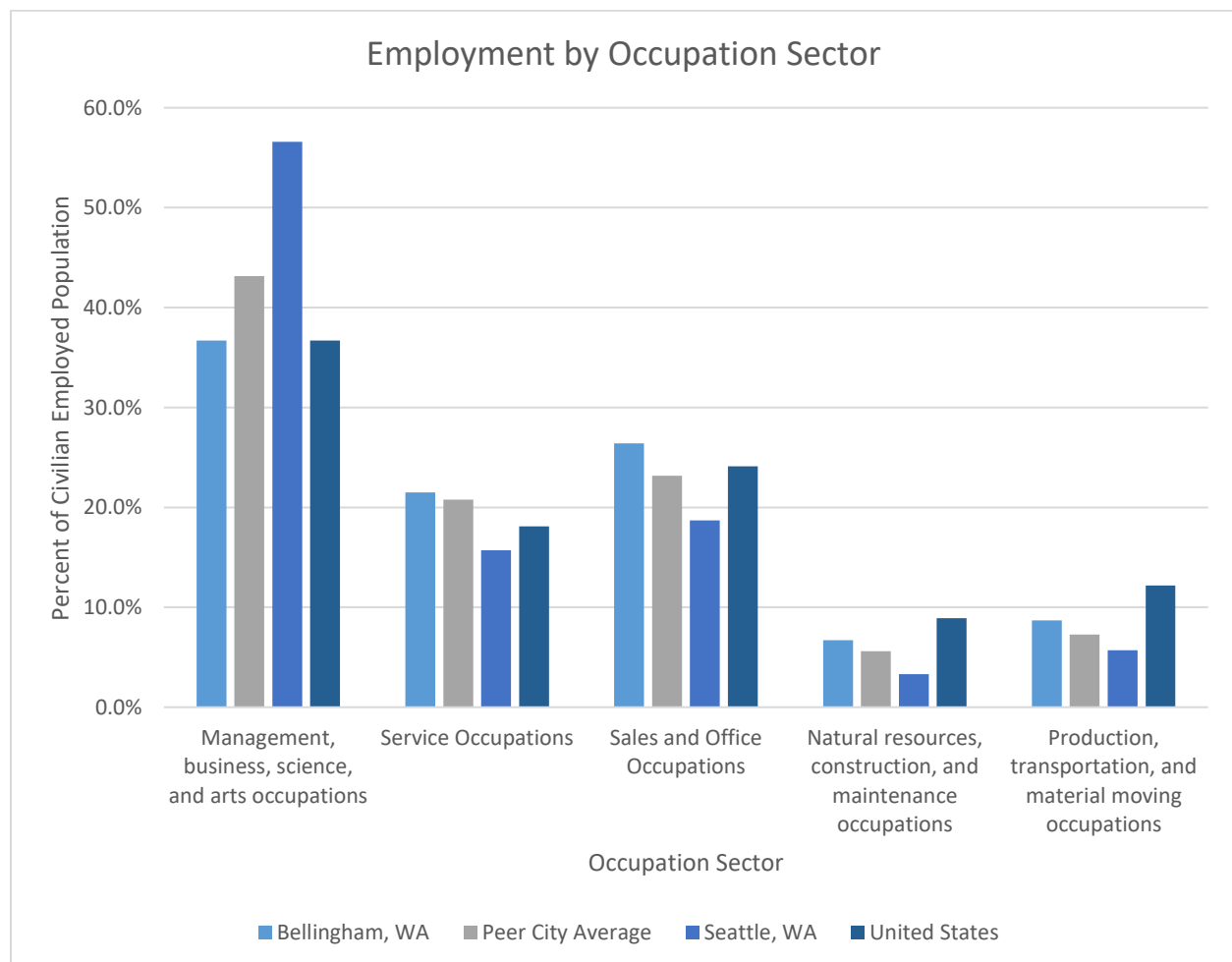
Compared to Seattle, less of Bellingham's population works 50 to 52 weeks per year (48.6 percent, compared to 61.1 percent in Seattle) and more of Bellingham's population did not work at all (18.6 percent, compared to 16.1 percent in Seattle).



Occupation Sector

Compared to the peer cities, a smaller proportion of Bellingham’s workforce is employed in management, business, science, and arts occupations (36.7 percent, compared to 43.2 percent in peer cities), and a slightly larger proportion is employed in each other occupation sector, most notably sales and office occupations (26.4 percent, compared to 23.2 percent in peer cities). It is important to keep in mind that these are percentages of the overall employed population in each area – for example, even though Seattle has a lower proportion of people employed in service occupations than Bellingham, they likely have more service occupation jobs overall because of their higher population.

Seattle’s workforce has a strong emphasis on management, business, science and arts occupations (56.6 percent). Seattle has the lowest proportion of the population in all other occupation sectors, compared to the national average as well as Bellingham and the peer cities.



Industry Sector

Compared to the peer city average employment, Bellingham has a larger population of the workforce employed in manufacturing (8.4 percent, compared to 6.8 percent in peer cities), retail trade (15.6 percent, compared to 11.6 percent in peer cities), and educational services, and health care and social assistance (27.9 percent, compared to 23.4 percent in peer cities).

However, Bellingham has a much smaller proportion of the workforce employed in the professional, scientific, and management and administrative and waste management industry (9.9 percent) than the peer city average (20.2 percent) as well as Seattle (15.1 percent).

While Bellingham does have a similar proportion of the workforce in this industry as the national average (11.0 percent), it is important to note the vast difference between Bellingham and the peer cities in this particular industry – it could be an industry where Bellingham has room to grow.

The professional, scientific, and management sector includes activities such as: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and more. The administrative and waste management sector includes activities such as office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services (US Census Bureau).



| Industry Sector | Bellingham, WA | Peer City Average | Seattle, WA | United States |
|--|----------------|-------------------|-------------|---------------|
| Agriculture, forestry, fishing and hunting, and mining | 1.6% | 0.4% | 1.0% | 2.0% |
| Construction | 3.9% | 3.0% | 3.5% | 6.2% |
| Manufacturing | 8.4% | 6.8% | 7.6% | 10.4% |
| Wholesale Trade | 1.8% | 1.9% | 1.9% | 2.7% |
| Retail Trade | 15.6% | 11.6% | 13.6% | 11.6% |
| Transportation and Warehousing, and utilities | 3.6% | 3.1% | 3.4% | 5.0% |
| Information | 1.4% | 3.9% | 2.7% | 2.1% |
| Finance and Insurance, real estate, rental and leasing | 5.3% | 5.9% | 5.6% | 6.6% |
| Professional, scientific, and management, and administrative and waste management | 9.9% | 20.2% | 15.1% | 11.0% |
| Educational services, and health care and social assistance | 27.9% | 23.4% | 25.7% | 23.1% |
| Arts, Entertainment, and recreation, and accommodation and food services | 11.6% | 11.5% | 11.6% | 9.6% |
| Other services, except public administration | 4.7% | 5.0% | 4.9% | 4.9% |
| Public administration | 4.3% | 3.3% | 3.8% | 4.8% |

Median Earnings by Industry Sector

The following table represents the median earnings per job based on industry sector, based on the 2015 national data for the civilian employed population. The median earnings in different industries, combined with Bellingham’s difference in industry composition compared to the peer cities, could contribute to the fact that Bellingham has a lower per capita and median household income than the peer cities (on average).

For example, Bellingham has a higher proportion of the population employed in retail trade (median income of \$21,666), and educational services, health care, and social assistance (\$35,088) than the peer cities, which are some of the lower-earning industries. Even though Bellingham has approximately 2 percent more of its population employed in manufacturing (\$42,158) than the peer cities, it has about 10 percent less of its population employed in professional, scientific, management, administrative and waste management (\$41,497).

| Industry Sector (Sorted by Median Earnings) | Median Earnings per Job (US) | Number of Jobs (annual employment) in Bellingham |
|--|------------------------------|--|
| Public administration | \$51,719 | 1,793 |
| Information | \$48,512 | 598 |
| Finance and Insurance, and real estate and rental and leasing | \$45,860 | 2,212 |
| Transportation and Warehousing, and utilities | \$43,109 | 1,519 |
| Manufacturing | \$42,158 | 3,531 |
| Wholesale Trade | \$41,714 | 766 |
| Professional, scientific, and management, and administrative and waste management | \$41,497 | 4,172 |
| Construction | \$35,300 | 1,653 |
| Educational services, and health care and social assistance | \$35,088 | 11,757 |
| Agriculture, forestry, fishing and hunting, and mining | \$32,108 | 662 |
| Other services, except public administration | \$22,627 | 1,990 |
| Retail Trade | \$21,666 | 6,562 |
| Arts, Entertainment, and recreation, and accommodation and food services | \$15,670 | 4,893 |

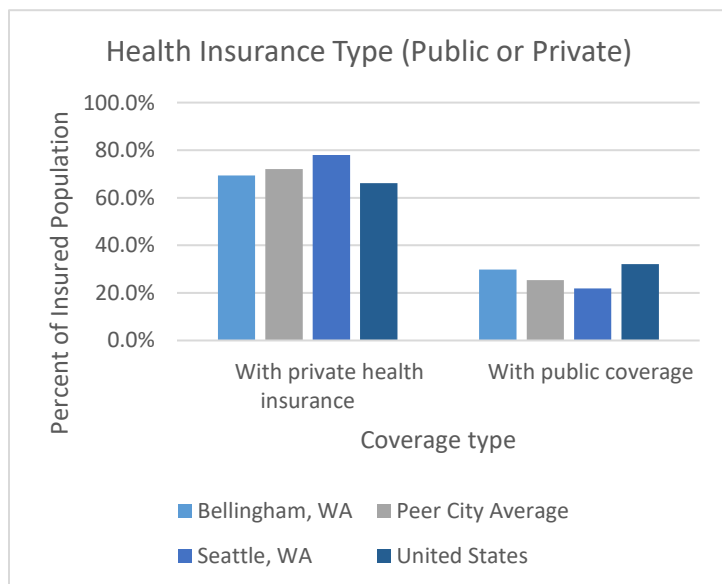
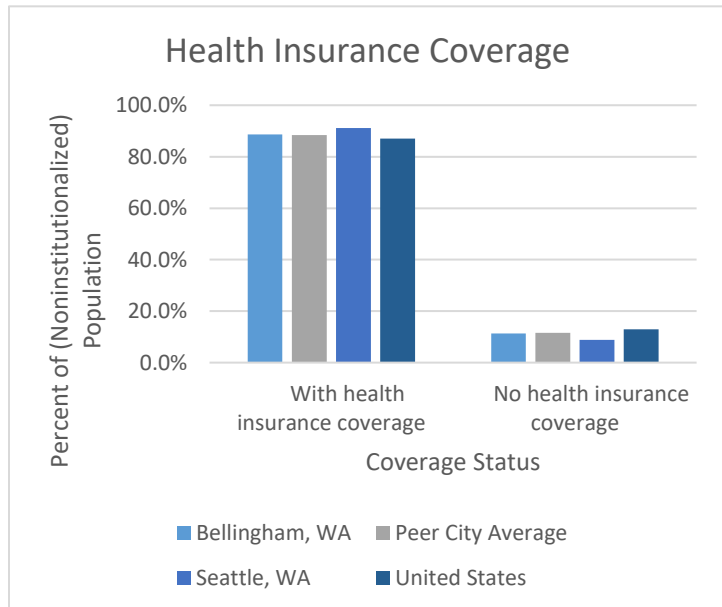
Other Economic Characteristics

Health Insurance

Bellingham and the peer cities have almost identical proportions of the population with health insurance coverage (88.7 and 88.4 percent, respectively). Seattle has a slightly higher rate of coverage (91.2 percent), and the nation as a whole has a slightly lower rate of coverage (87.0 percent). Overall, there does not appear to be much variation in health insurance coverage between the areas reported.

Of those who are insured, there is slightly more variation between locations with regard to the type of health insurance coverage (public or private). While Bellingham does have a higher proportion of the insured population with private health insurance than the national average (69.3 and 66.1 percent, respectively), it is a lower proportion than that of the peer cities (72.0 percent) and Seattle (78.0 percent).

The type of health insurance coverage (public or private) could vary based on the proportion of elderly people, government employees, or veterans, who would have more access to public health insurance.

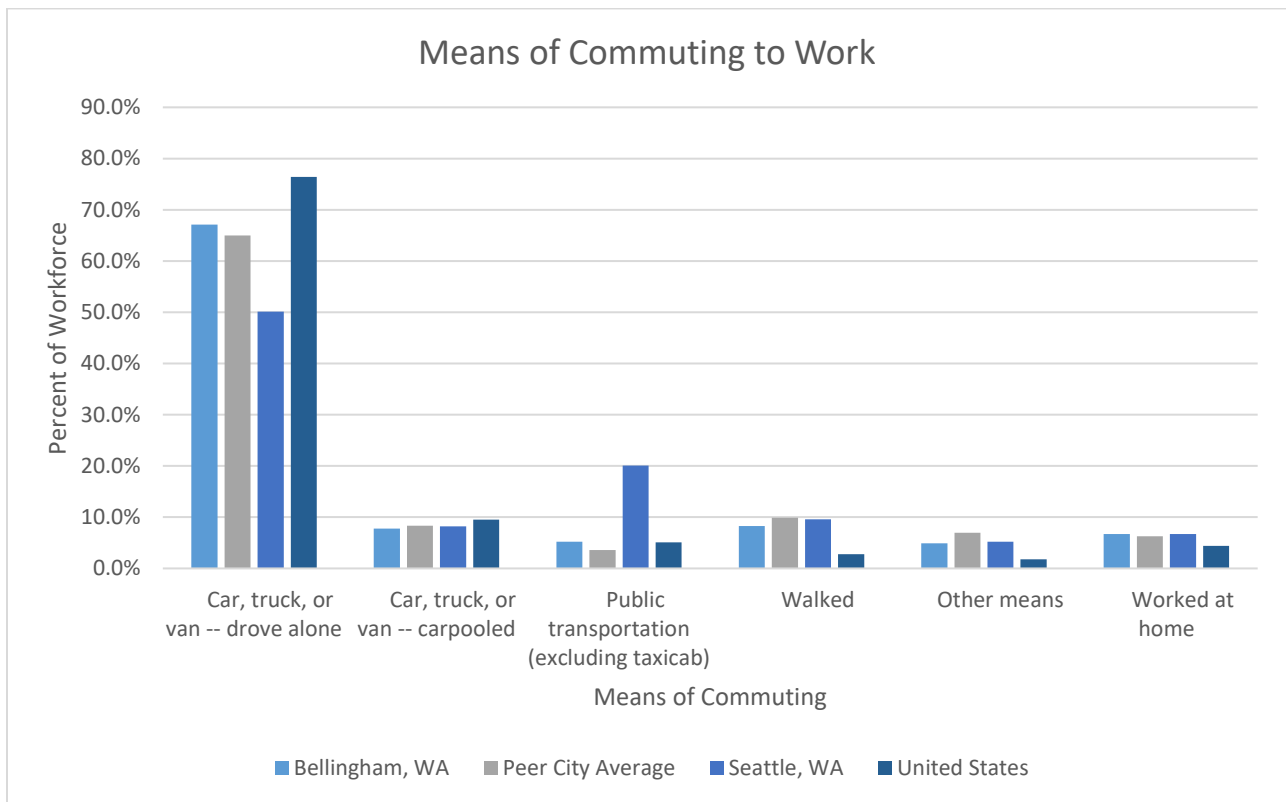


Means of Commuting

Bellingham’s workforce commutes to work by very similar means as the peer cities – there is no more than a 2 percent difference between the Bellingham and peer city average workforce populations within each category.

Bellingham does commute via car truck or van (alone) much more than Seattle (67.1 percent, compared to 50.1 percent in Seattle), but much less than the national average (76.4 percent).

Seattle stands out in the public transportation category – 20.1 percent of its workforce uses public transportation for their commute, compared to 5.2 percent in Bellingham, 3.6 percent in the peer cities, and 5.1 percent nationally. This is expected based on Seattle’s more extensive public transportation system.

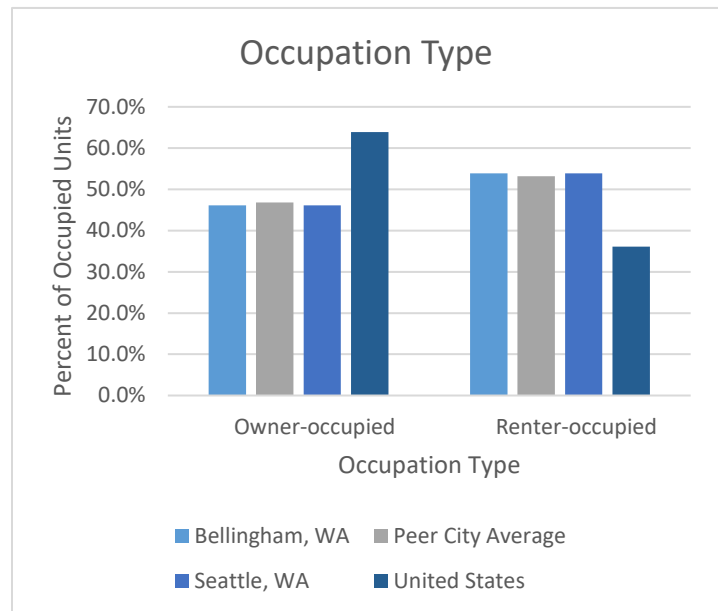


Housing

In terms of housing occupation type, Bellingham, the peer cities, and Seattle have a very similar composition of owner-occupied and renter-occupied units – Bellingham and Seattle have an identical proportion of owner occupied units, 46.1 percent, while the peer city average is 46.8 percent.

However, all of these areas have less owner-occupied units than the national average (63.9 percent), and subsequently more rental units than the national average (36.1 percent).

According to the C2ER 2015 Cost of Living Index, the housing cost index in both Bellingham (128.9) and Seattle (183.9) is more than the national average (base index of 100). The housing cost index for the peer cities are either on par with or above the national average as well. As noted in the overall cost of living data, the indexes for Santa Cruz and Fort Collins were not available, so index range reported represents cities in the corresponding states (CA and CO, respectively). Based on a generally higher housing cost than the national average in Bellingham, Seattle, and the peer cities, it makes sense that there would be a greater proportion of renters than owners than the national average.



| Location | Housing Cost Index |
|---------------|--------------------|
| Flagstaff | 136.0 |
| Santa Cruz* | 101.1-319.4 |
| Fort Collins* | 71.4-149.3 |
| Asheville | 97.2 |
| Burlington | 152.4 |
| Bellingham | 128.9 |
| Seattle | 183.9 |