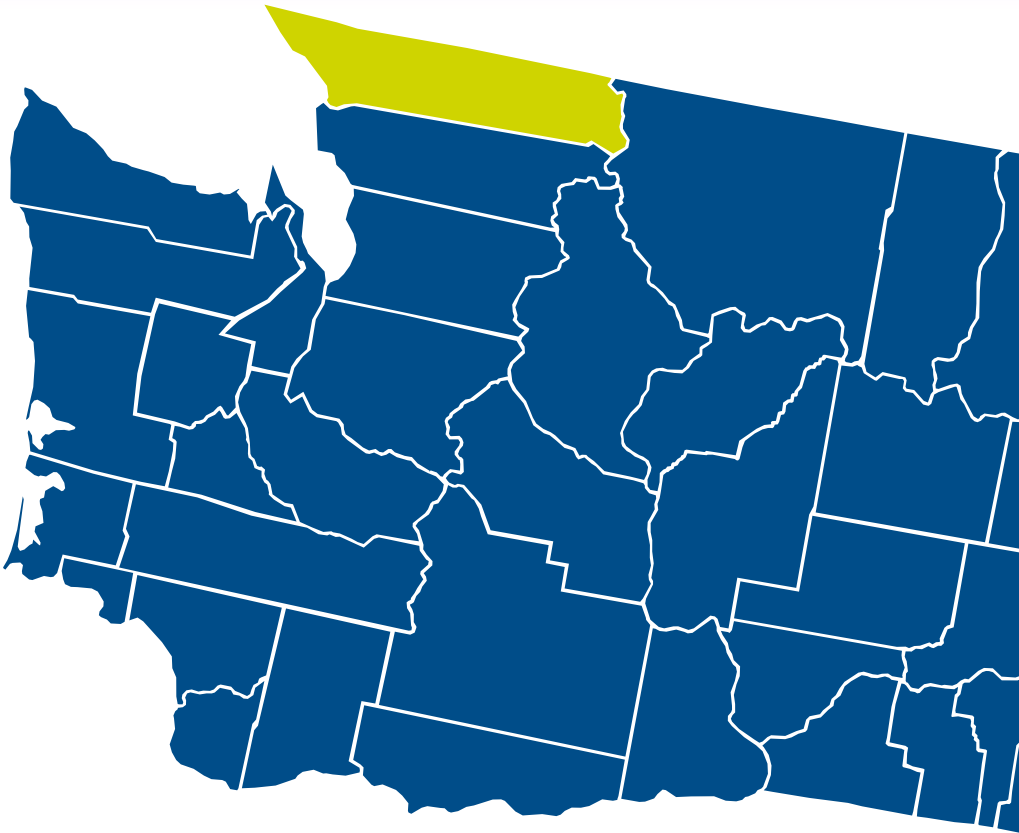


WHATCOM COUNTY

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.

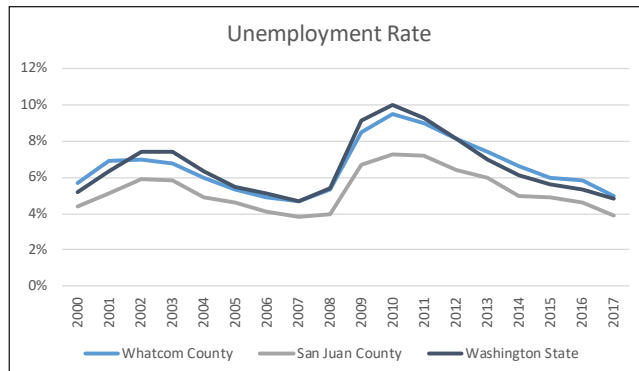
County Demographics

	Bellingham	Whatcom County	Washington	United States
Population				
Population estimates, July 1, 2017	89,045	221,404	7,405,743	325,719,178
Population estimates base, April 1, 2010	81,252	201,145	6,724,545	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017	9.6%	10.1%	10.1%	5.5%
Population, Census, April 1, 2010	80,885	201,140	6,724,540	308,745,538
Labor Force				
In civilian labor force, total, percent of population age 16 years+, 2013-2017	64.2%	62.9%	63.4%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	60.1%	57.9%	58.3%	58.2%
Income and Poverty				
Median household income (in 2017 dollars), 2013-2017	\$47,886	\$56,419	\$66,174	\$57,652
Per capita income in past 12 months (in 2016 dollars), 2013-2017	\$27,209	\$27,186	\$34,869	\$31,177
Persons in poverty, percent	21.6%	13.0%	11.0%	12.3%

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

We start with county demographics to provide a foundation for later discussions about the data in this profile. In the case of Whatcom County, we note that the population in Bellingham grew 9.6 percent between 2010 and July 1, 2017. The county grew 10.1 percent over the same time period, a rate which is identical to that of Washington State. This suggests relatively strong growth in the smaller cities and unincorporated parts of the county. We also observe that the population in the Seattle metro area grew by 19.1 percent over this period, which highlights the significant growth of the major metro area relative to the smaller and more rural parts of the state.

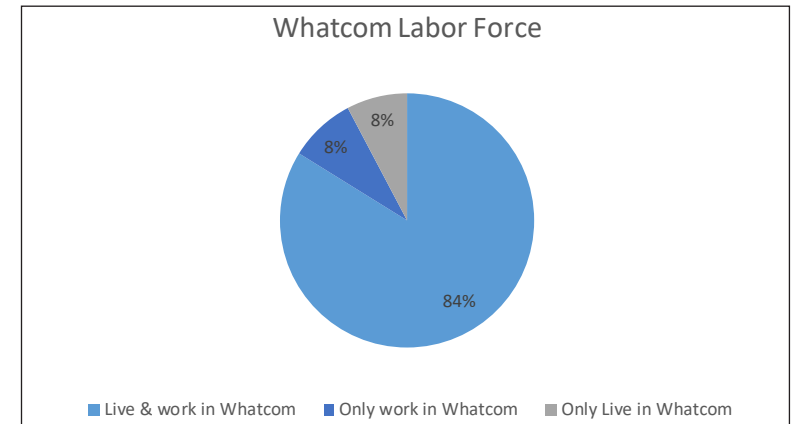
Whatcom County's average unemployment rate in 2017 was 5 percent, just 0.2 percent higher than the statewide rate. Meanwhile, the Finance and Insurance subsector had the highest average quarterly wages for 2017 at \$16,285. Arts, Entertainment and Recreation had the lowest average quarterly wage at \$4,562.



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

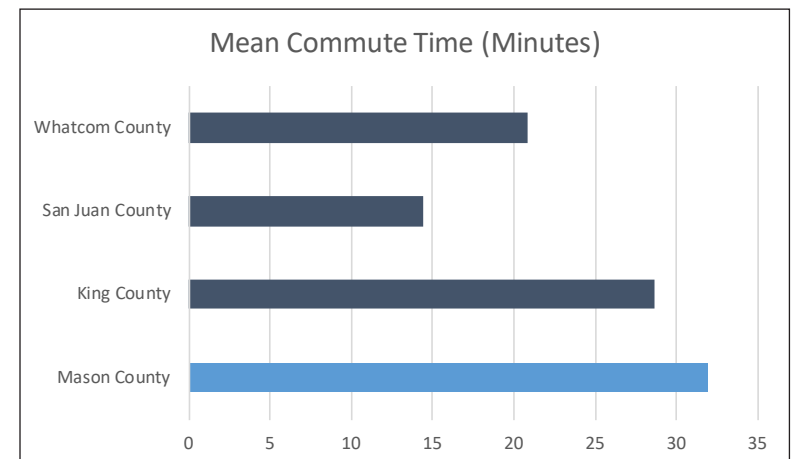
Industry subsectors	Firms	Total quarterly wages paid	Average employment	Average quarterly wage
Finance and insurance	173	\$35,828,056	2,200	\$16,285
Professional and technical services	684	\$50,259,504	3,282	\$15,314
Construction	814	\$109,170,277	7,195	\$15,173
Management of companies and enterprises	28	\$6,067,601	405	\$14,982
Manufacturing	335	\$147,479,857	10,036	\$14,695
Information	117	\$17,173,870	1,199	\$14,323
Government	113	\$199,909,580	14,042	\$14,237
Wholesale trade	359	\$34,880,427	2,641	\$13,207
Health care and social assistance	1,253	\$133,620,659	11,601	\$11,518
Transportation and warehousing	195	\$25,109,082	2,244	\$11,189
Administrative and waste services	392	\$37,855,202	4,286	\$8,832
Real estate and rental and leasing	245	\$9,508,882	1,144	\$8,312
Other services, except public administration	537	\$24,944,570	3,034	\$8,222
Retail trade	689	\$84,135,100	10,958	\$7,678
Agriculture, forestry, fishing and hunting	375	\$43,609,100	6,342	\$6,876
Educational services	101	\$5,015,567	833	\$6,021
Accommodation and food services	479	\$40,567,574	8,448	\$4,802
Arts, entertainment, and recreation	101	\$6,450,036	1,414	\$4,562
Total	6,990	\$1,011,584,944	91,304	\$196,228

Of the 96,810 people that worked in Whatcom County in 2017, 87,955 also lived within the county, while 8,104 worked outside the county. An additional 8,855 people lived elsewhere but commuted to Whatcom County for work. When considering this, it is important to remember that only 55 percent of the working age population is employed.



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

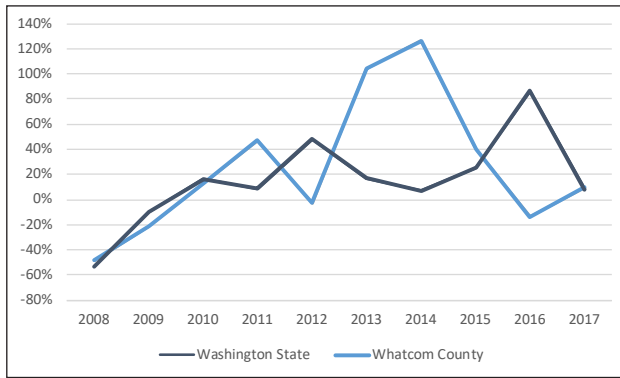
The mean commute in Whatcom County lasted 20.8 minutes, just barely shorter than the state average of 23.1. San Juan and Mason Counties represent the shortest and longest commutes in the state at 14.4 and 31.9 minutes respectively. King County, home of backups that can easily last hours, has a mean commute time of 28.7 minutes. When considering these numbers, it is important to note that they reflect data collected by the American Community Survey from 2012-2016. It is possible that it does not reflect current commute times.



Source: JobsEQ

Building Permits Annual Percent Change

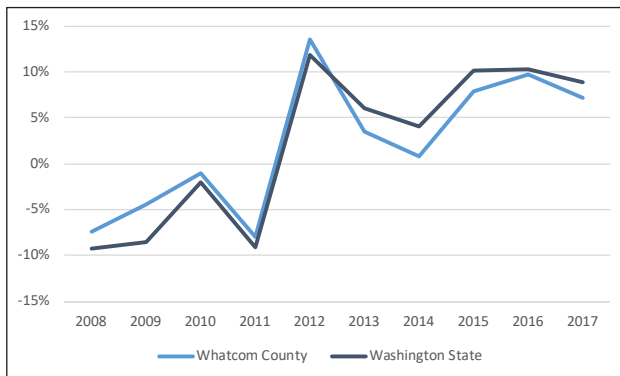
Building permits are volatile, often fluctuating greatly from year to year. This is due in part to a small denominator, which can make even small changes look large in comparison. Following this, it is not unusual to see the percent change in permits over the prior year drop from 86.2 percent in 2016 to 7.9 percent in 2017 for the state, while Whatcom County's percent change increased from -14 percent to 9.7 percent.



Building Permits Annual Percent Change				
	2014	2015	2016	2017
Whatcom County	126.5%	40.2%	-14%	9.7%
Washington State	7.1%	25.1%	86.2%	7.9%

Median House Resale Price Annual Percent Change

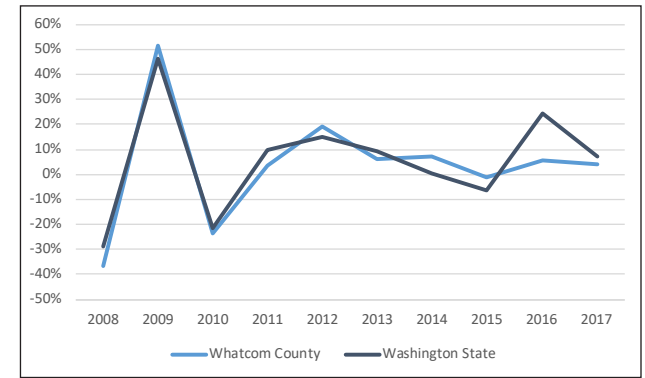
The annual percent change in the median resale price of homes dropped for both Whatcom County and Washington State. Whatcom County decreased from 9.7 percent in 2016 to 7.2 percent in 2017, while the state fell from 10.3 percent to 8.8 percent. These lower rates reflect the slowing single-family housing market.



Median Resale Price Annual Percent Change				
	2014	2015	2016	2017
Whatcom County	0.8%	7.9%	9.7%	7.2%
Washington State	4.1%	10.2%	10.3%	8.8%

All Housing Sales Annual Percent Change

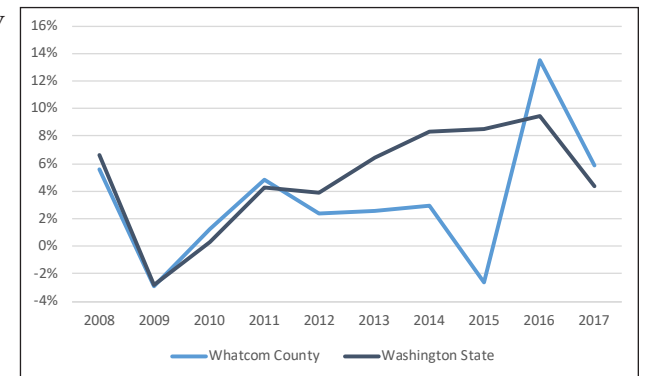
The annual percent change in sales fell both statewide and in Whatcom County from 25 percent and 5.4 percent respectively to 7 percent and 3.9 percent, once again reflecting the slowing housing market.



All Sales Annual Percent Change				
	2014	2015	2016	2017
Whatcom County	7.3%	-1.4%	5.4%	3.9%
Washington State	0.5%	-6.3%	25%	7%

Median Apartment Rent Annual Percent Change

Whatcom County closely reflected Washington State's change in median apartment rent until 2012, when Whatcom County began to experience smaller changes. In 2017 the two regions began to experience similar trends in apartment rent changes again.



Median Apartment Rent Annual Percent Change				
	2014	2015	2016	2017
Whatcom County	2.9%	-2.6%	13.5%	5.9%
Washington State	8.3%	8.5%	9.5%	4.4%

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

Median home:
\$385,000
Average apartment:
\$934/mo.



Work - 3.4%

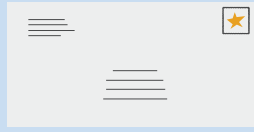


Airport - 1.3%



Whatcom produces
16.7 pints of beer
per thousand people

Other - 1.3%
School - 0.6%
Healthcare - 0.3%
Church - 0.3%



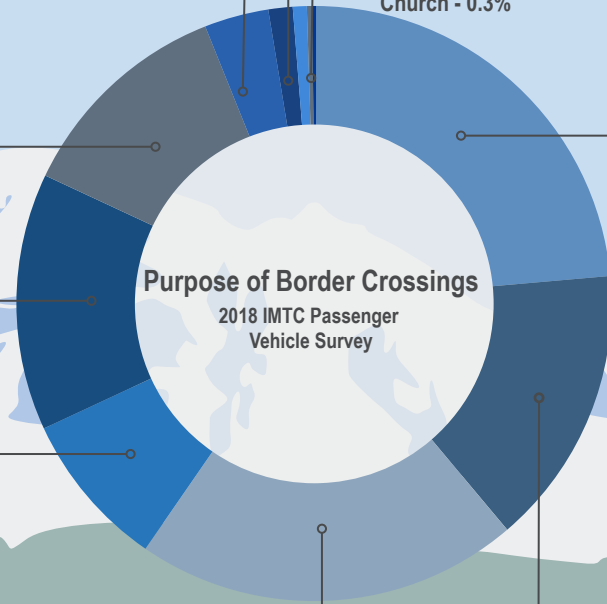
Mail - 11.7%



Family Visit - 8.2%



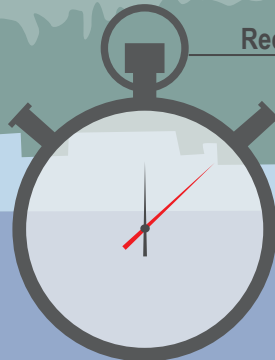
Vacation - 13.5%
42.1 million Canadians
entered the US in 2017



Shopping - 23%
Roughly 11% of taxable
retail sales in Whatcom can
be attributed to Canadians

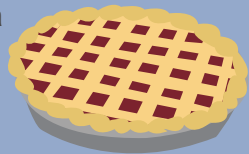


Gas - 20.2%
The average Canadian
can save \$472.08 CAD a year
by buying their gas in Washington



Recreation - 16.3%
Average border wait
at noon is 7 min

Whatcom produces enough raspberries
to make 166 pies per capita



Whatcom County

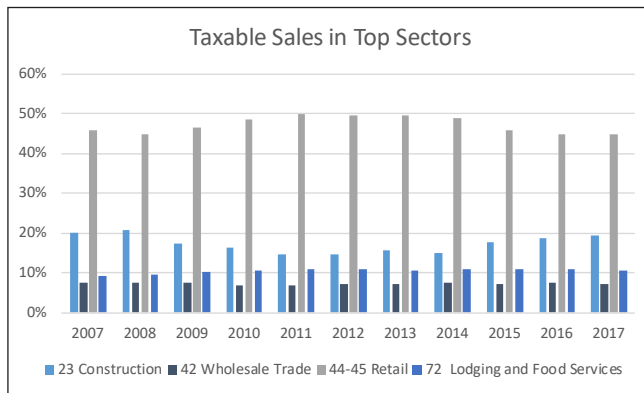
ALL RETAIL EXPENDITURE
BY CANADIANS IN THE
US IN 2017

_____	_____
_____	_____
_____	_____
SUBTOTAL	\$479,196,711.87
SALES TAX	\$532,440,790.09
TOTAL	\$532,440,790.97
_____	_____
_____	_____

Canada

Thank you for shopping with us
We appreciate your tax revenue

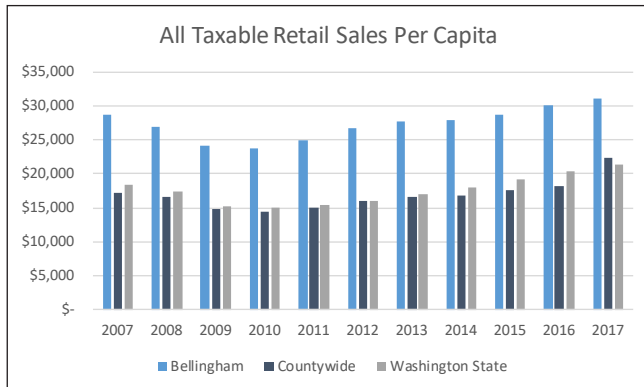
The retail sector remains stable, continuously outpacing other top sectors and accounting on average for nearly 50 percent of all taxable sales. The construction sector is the next largest, with less than 20 percent of all taxable sales



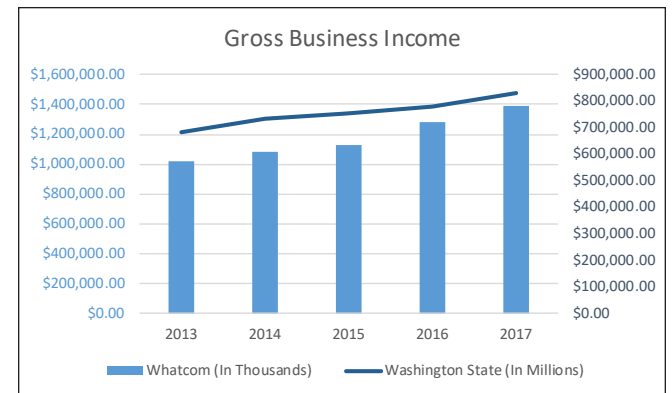
The majority of taxable retail sales in Whatcom County occur in Bellingham, although this gap has been widening in recent years, suggesting that more retail activity is occurring outside Bellingham.



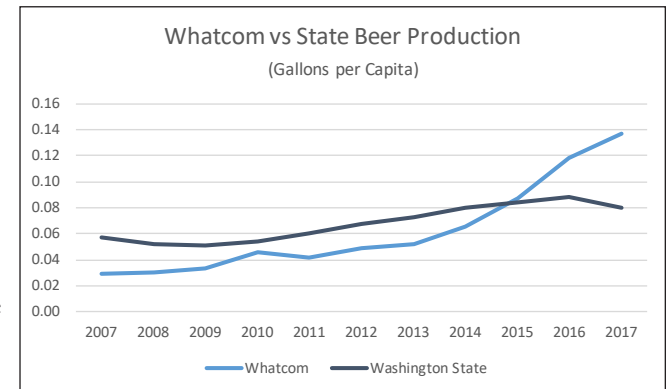
Bellingham's taxable sales per capita outpaced both the County's and the State's significantly. This is likely because the majority of taxable retail sales in Whatcom comes from Bellingham, a dense urban area with many stores, while most of the State and County are rural.



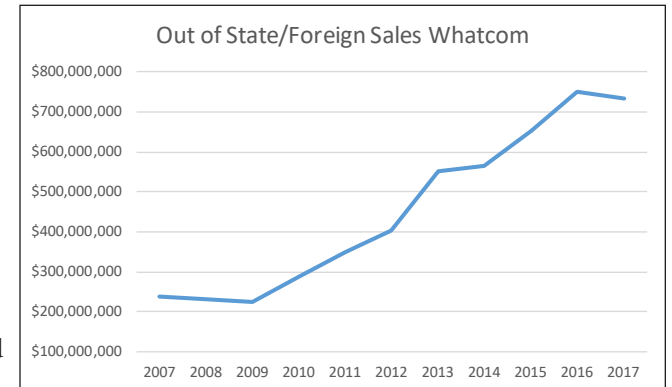
Gross business income both at the statewide and county levels followed similar growth patterns, until 2015 when growth in Whatcom began to increase faster than that of the state.



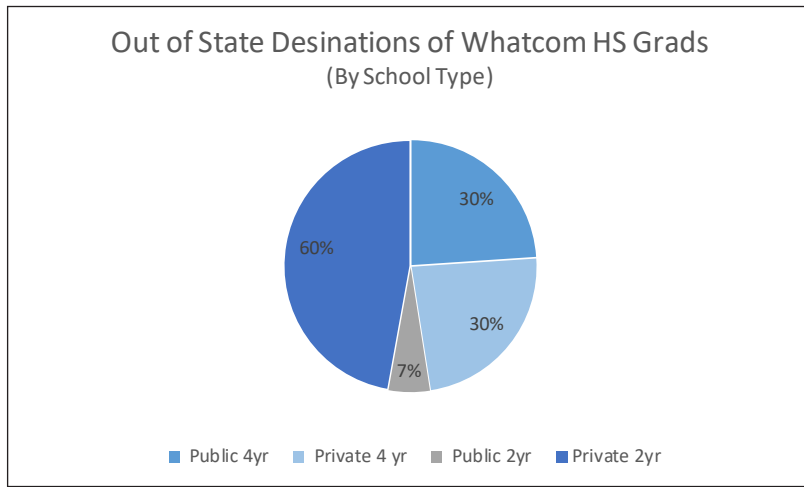
In 2015 Whatcom County out-paced Washington State's beer production in gallons per capita. This trend continued in the subsequent years as Washington State's overall production decreased in 2017 while Whatcom County's increased.



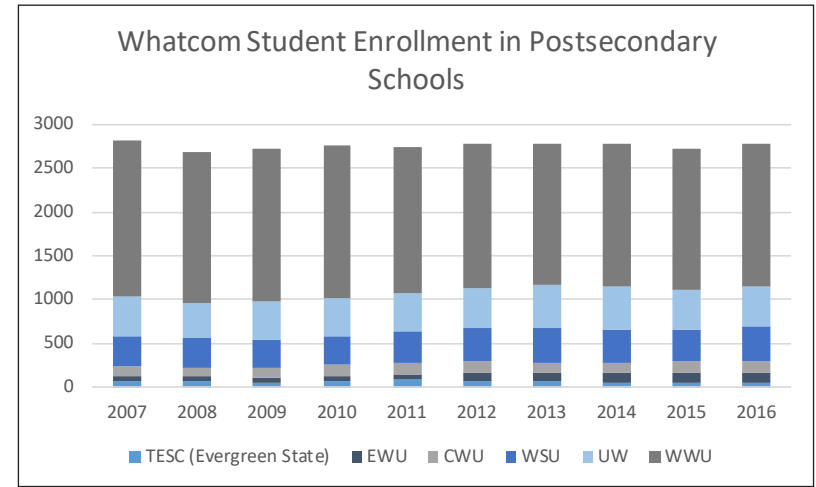
Whatcom County's out of state and foreign sales continued to grow at a comparable rate to previous years, indicating stability in trade. It is important to note that this data includes through 2017, and does not reflect current trends impacted by trade policies.



Source: Washington State Department of Revenue



- Fewer WA graduates enroll in secondary education compared to the nation.
- Most graduates choose to stay in-state for secondary education.
- Roughly one-third of students enrolled in a four-year institute, which is on par with the state average.
- Whatcom County accounted for 2.5 percent of the graduates in Washington, and 3 percent of the overall population.



Of all the students enrolled in post-secondary education across the state, WWU has the most from Whatcom County at 1,613 in 2016. Next is UW with 457 students, then WSU, CWU, EWU, and TESC. It is important to note that these are all students who are from Whatcom County, not just recent high school graduates.

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
Bellingham	77%	31%	4%	42%	0-1%	23%	10%	11%	2%	0-1%	778	68%
Blaine	85-89%	30-34%	0-5%	50-54%	0-5%	10-14%	0-5%	6-9%	0-5%	0-5%	116	65-69%
Ferndale	88%	31%	4%	52%	0-2%	12%	3%	7%	0-2%	0-2%	334	60%
Lynden	85-89%	25-29%	0-2%	55-59%	0-2%	15-19%	3-4%	5-9%	0-2%	0-2%	192	55-59%
Meridian	95-100%	30-34%	6-9%	55-59%	0-5%	0-5%	0-5%	0-5%	0-5%	0-5%	100	65-69%
Mount Baker	90-94%	30-34%	0-5%	50-54%	0-5%	6-9%	0-5%	0-5%	0-5%	0-5%	101	70-74%
Nooksack Valley	90-94%	30-34%	0-5%	60-64%	0-5%	6-9%	0-5%	0-5%	0-5%	0-5%	84	65-69%
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 2017							
	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Good and Services
San Juan	152	113	295	73	72	79	109
Whatcom	113.7	105.6	125.5	80.8	120.8	115.9	114.6
Skagit	108.5	113.5	107.9	80.8	116.5	120.4	111.3
King	149	127.1	194.2	123.8	133.1	124.6	135.5
Washington	107.1	107.4	107.8	94.0	116.4	118.5	106.4

Source: C2BR

The cost of living composite is made of up grocery, housing, utilities, transportation, and miscellaneous goods and services. The national average is normalized at 100. Compared to other neighboring counties, the cost of living in Whatcom is on the more affordable side, although it is still above the national average. San Juan has the highest composite cost of living, driven almost entirely by extraordinarily high housing costs. A close second is the Seattle MSA, which has the highest grocery, utility, transportation, healthcare and miscellaneous costs. Whatcom has the next highest composite, pushed by housing and healthcare. Skagit is the most affordable of the compared regions, although it is still above the national average.

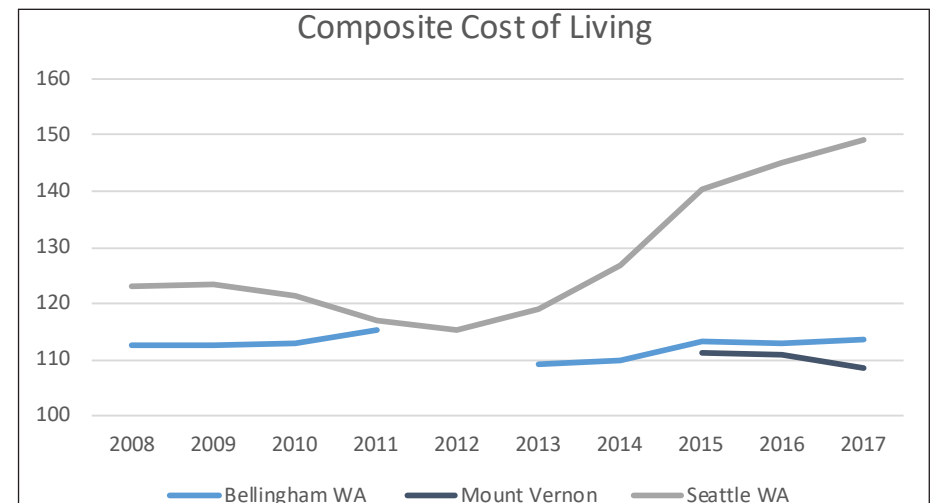
Living Wage (Whatcom County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$883	\$15.38	\$615.12
Rent 2 bedroom	\$998	\$17.38	\$695.29
Median home mortgage	\$1470.44	\$27.60	\$1,103.93

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

The living wage is determined by calculating the minimum income at which a maximum of 33.3 percent of the total income would be allocated for housing. For 2017, the minimum living wage to rent a one bedroom apartment in Whatcom County is \$15.38 an hour, with a required weekly household wage of \$615.12. 31 percent of workers in Whatcom County make less than \$615.12 a week.

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

Despite the data set being incomplete, historical cost of living data can reveal important regional trends. The graph below shows Bellingham’s composite cost of living remaining relatively stable compared to sky-rocketing costs in Seattle. The differences in these costs has resulted in some Seattle workers moving to the Bellingham region, trading a more affordable cost of living for a longer commute.



Source: C2BR

Bellingham’s composite has been fairly stable averaging about 113. Seattle’s cost of living began to rise in 2013 but is now beginning to show signs of slowing down. Mount Vernon’s cost of living is slowly decreasing but has remained around 110.

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>.



BELLINGHAM REGIONAL
**CHAMBER OF
COMMERCE**

This report is made possible by the Bellingham
Regional Chamber of Commerce