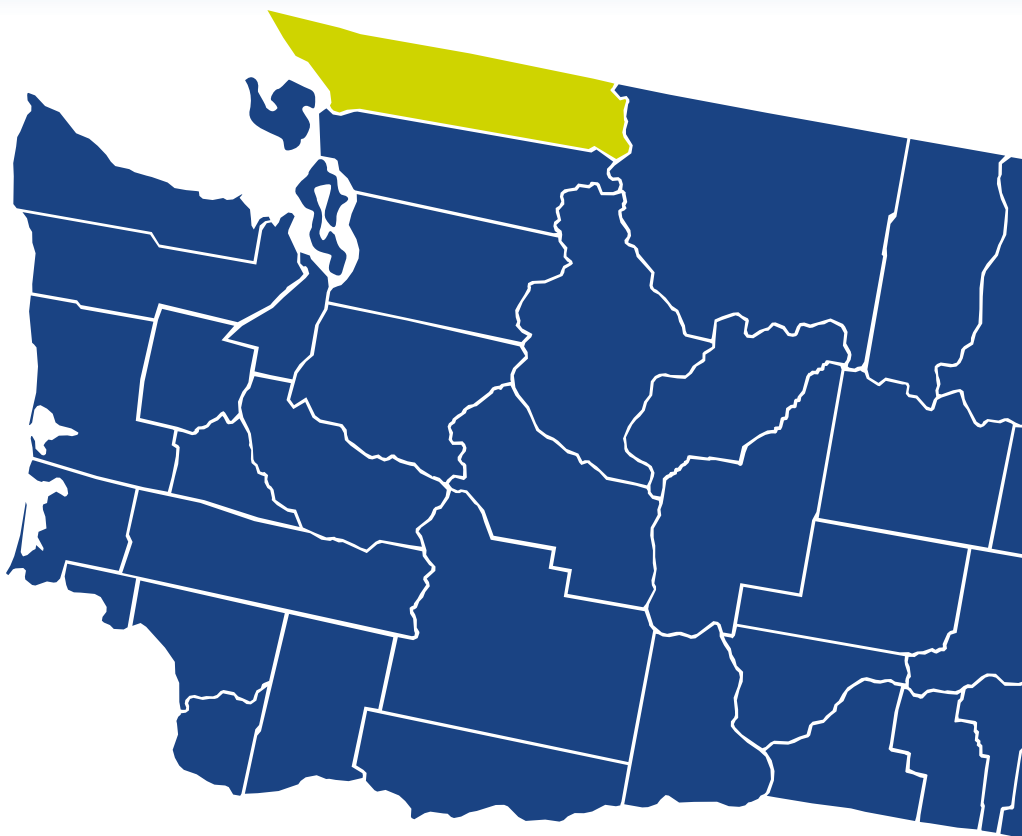


WHATCOM COUNTY

2018 ECONOMIC PROFILE



CENTER FOR ECONOMIC AND BUSINESS RESEARCH

About this Report

The following report is intended to give a basic overview of the local economy while illustrating 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 2018.

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.

<https://www.facebook.com/westerncebr/>

<https://twitter.com/PugetSoundEF>

<https://www.instagram.com/wwucebr/>

<https://www.linkedin.com>



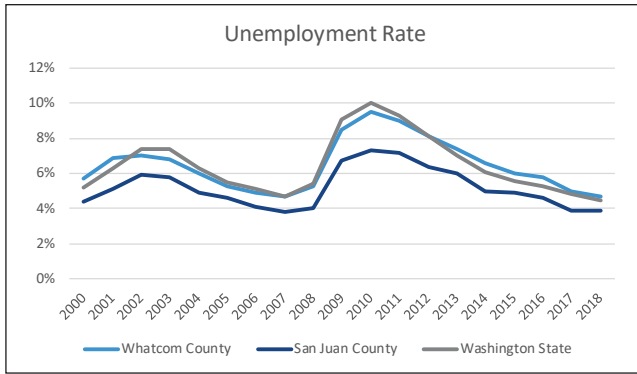
County Demographics

	Bellingham	Whatcom County	Washington	United States
Population				
Population estimates, July 1, 2018	90,665	225,685	7,535,591	327,167,434
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, 2018,	11.6%	12.2%	12.1%	6.0%
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 2017 dollars), 2013-2017	\$27,209	\$27,186	\$34,869	\$31,177
Persons in poverty, percent	21.6%	13.0%	11.0%	12.3%

Source: US Census

We start with the 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 11.6 percent between April 1, 2010, and July 1, 2018. The county grew 12.2 percent over the same period, a rate that is only 0.1 percentage points greater than that of Washington State. We also note that the population in the Seattle metro area (not shown above) grew by 22.4 percent over this period. The contrast in growth rates highlights the significant difference between the major metro area and the smaller or more rural parts of the state.

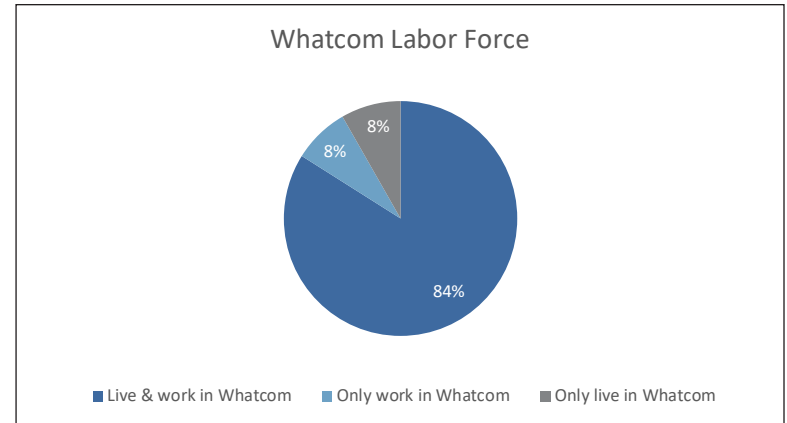
Whatcom County's average unemployment rate in 2018 was 4.7%, just 0.2 percentage points higher than the statewide rate. Meanwhile, the Finance and Insurance subsector had the highest average annual wage for 2018 at \$70,016. Arts, entertainment, and recreation had the lowest average annual wage at \$17,853.



Source: Federal Reserve Economic Data (FRED)

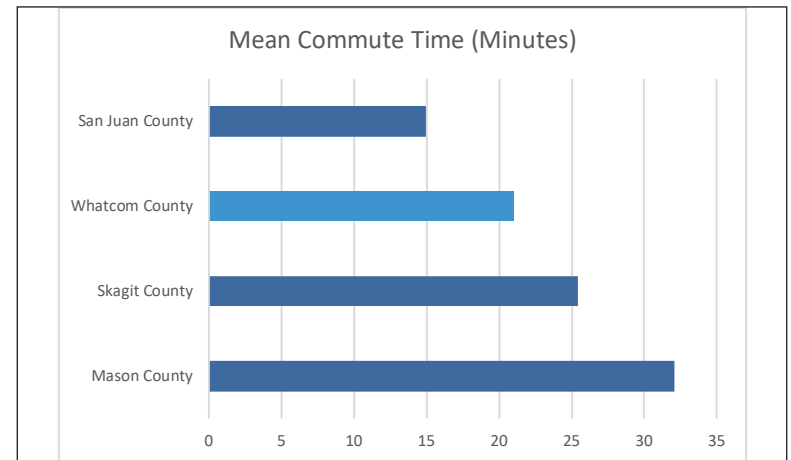
Industry Subsectors (2018 Annual)	Average Firms	Total Annual Wages Paid	Average Annual Employment	Average Annual Wage
Finance and insurance	178	\$157,535,994	2,250	\$70,016
Construction	837	\$510,049,965	7,490	\$68,097
Professional and technical services	688	\$215,227,242	3,320	\$64,827
Manufacturing	344	\$649,411,359	10,273	\$63,215
Information	122	\$76,717,234	1,218	\$62,986
Management of companies and enterprises	29	\$24,067,305	406	\$59,279
Government	114	\$868,682,254	14,876	\$58,395
Wholesale trade	359	\$157,889,567	2,722	\$58,005
Transportation and warehousing	186	\$113,177,361	2,323	\$48,720
Health care and social assistance	1,267	\$568,535,135	11,742	\$48,419
Administrative and waste services	385	\$158,176,667	4,145	\$38,161
Real estate and rental and leasing	245	\$44,073,435	1,243	\$35,457
Other services, except public administration	543	\$109,754,579	3,133	\$35,032
Retail trade	677	\$345,864,663	10,957	\$31,566
Agriculture, forestry, fishing and hunting	362	\$111,008,531	3,587	\$30,947
Educational services	103	\$22,209,370	969	\$22,920
Accommodation and food services	482	\$179,003,235	8,977	\$19,940
Arts, entertainment, and recreation	101	\$25,958,505	1,454	\$17,853
Total	7,022	\$240,963,467	91,085	\$46,324

Of the 97,358 people that worked in Whatcom County in 2018, 89,102 also lived within the county. 8,256 people lived elsewhere but commuted to Whatcom County for work. An additional 8,801 Whatcom County residents worked outside the county. When considering this, it is important to remember that the labor force participation rate is 62.9 percent.



Source: JobsEQ

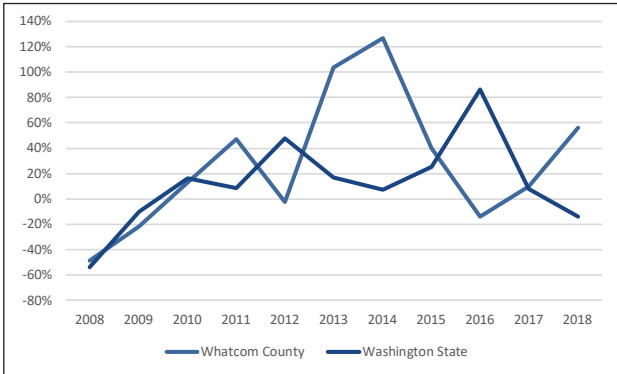
The mean commute time in Whatcom increased ever so slightly from 20.8 minutes in 2017 to 21 in 2018. Neighboring Skagit County had a mean commute of 25.4 minutes. San Juan and Mason Counties continue to have the shortest and longest commutes at 14.9 and 32.1 minutes, respectively. The state average increased marginally from 23.1 to 23.2 minutes.



Source: JobsEQ

Building Permits Annual Percent Change

Building permits often fluctuate significantly, due in part to a small denominator which makes even small changes look large. Whatcom County exhibits increases in building permits by 56 percentage points, with Washington State falling to -13.7 percent from 7.9 percent in 2017.

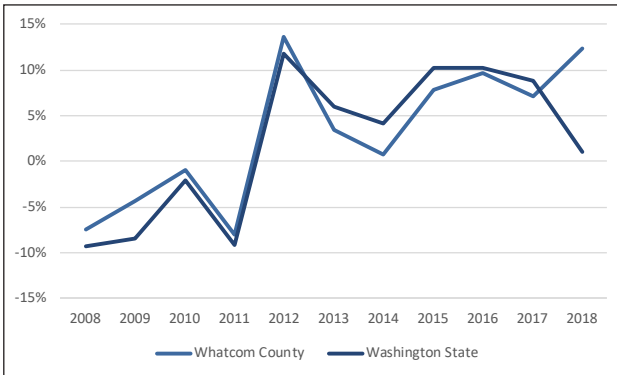


Building Permits Annual Percent Change				
	2015	2016	2017	2018
Whatcom County	40.2%	-14.0%	9.7%	56.0%
Washington State	25.1%	86.2%	7.9%	-13.7%

Source: UW Runstad Department of Real Estate

Median House Resale Price Annual Change

Washington State demonstrated a significant drop in annual resale price, whereas Whatcom County show an uptick in resale price by 12.4 percentage points in 2018, with this change likely driven by the housing market correction in seattle at the end of 2018.

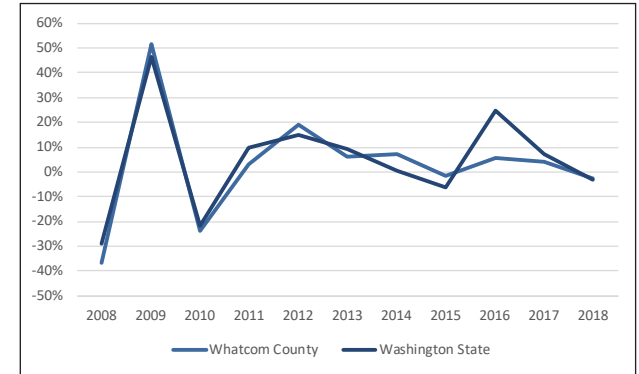


Median Resale Price Annual Change				
	2015	2016	2017	2018
Whatcom County	7.9%	9.70%	7.2%	12.4%
Washington State	10.2%	10.3%	8.8%	1.1%

Source: UW Runstad Department of Real Estate

All Housing Sales Annual Change

Whatcom County closely reflected Washington State's change in total home sales in 2018, with Whatcom County exhibiting a drop in 2.5 points (comparable to the statewide drop in sales by 3 percent). This is demonstrative of the slowing housing market at a national level.

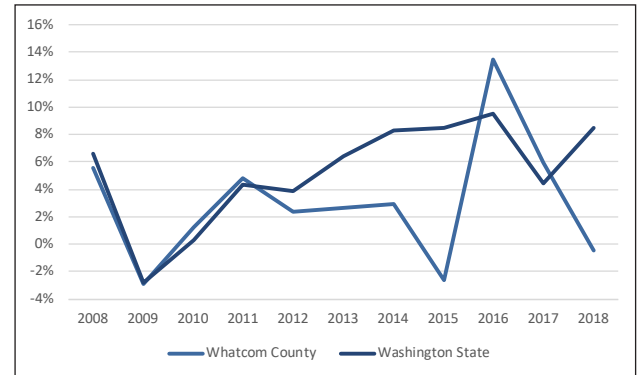


All Sales Annual Change				
	2015	2016	2017	2018
Whatcom County	-1.4%	5.4%	3.9%	-2.5%
Washington State	-6.3%	24.6%	7.1%	-3.0%

Source: UW Runstad Department of Real Estate

Average Apartment Rent Annual Change

Average apartment prices in Whatcom County exhibited a significant increase in 2016, followed by slower growth in 2017. Compared to 2017, changes in apartment prices have continued to be minimal, with a slight decrease in average rent in 2018.



Average Apartment Rent Annual Change				
	2015	2016	2017	2018
Whatcom County	-2.6%	13.5%	5.9%	-0.5%
Washington State	8.5%	9.5%	4.4%	8.5%

Source: UW Runstad Department of Real Estate

Median home:
\$388,700
Average apartment:
\$939/mo.



Work - 3.4%



Airport - 1.3%



Whatcom produces
16.7 pints of beer
per thousand people



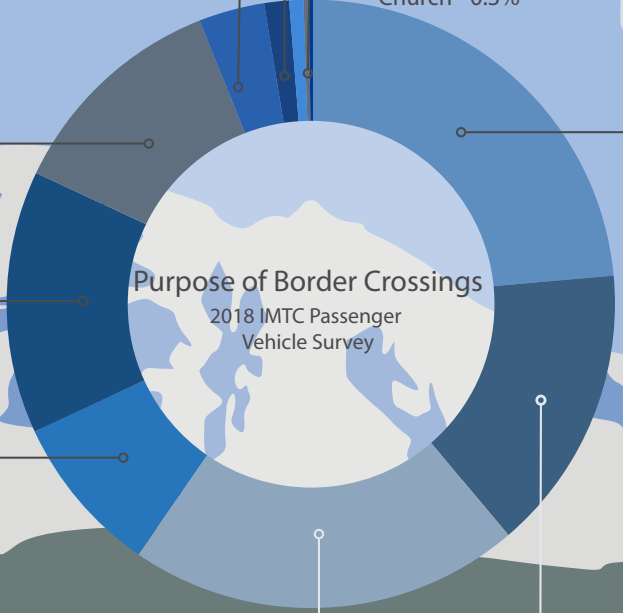
Mail - 11.7%



Family Visit - 8.2%



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

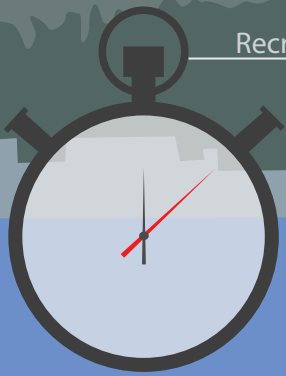


Shopping - 23%

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

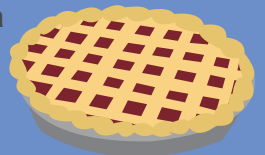


Gas - 20.2%
The average Canadian
can save \$472.08 CAD a year
by buying their gas in Washington



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

Whatcom produces enough raspberries
to make 166 pies per capita



Whatcom County

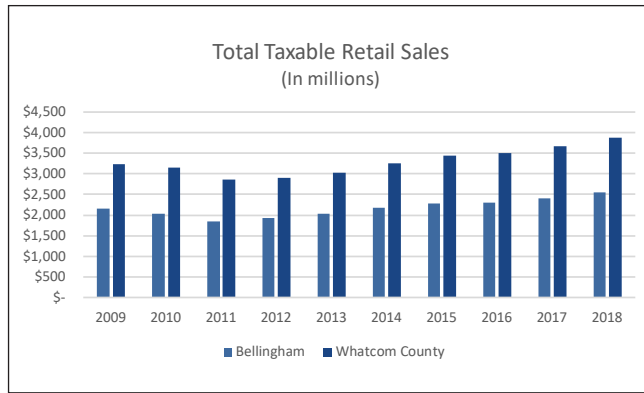
ALL RETAIL EXPENDITURE
BY CANADIANS IN THE
US IN 2017

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

Canada

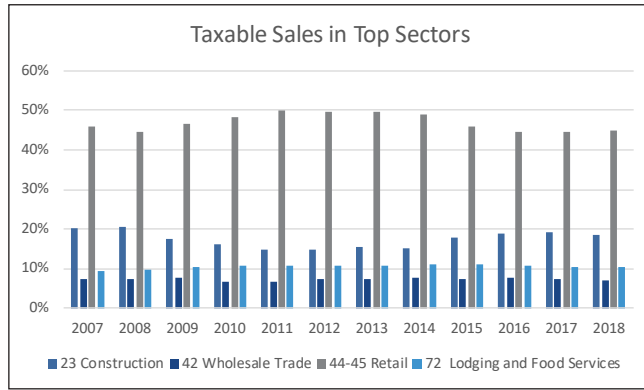
Thank you for shopping with us
We appreciate your tax revenue

Nearly 64 percent of taxable retail sales in Whatcom County occurred in Bellingham. While this is still a sizable share, it is down from 67 percent in 2012, which suggests an increase in retail activity outside Bellingham.



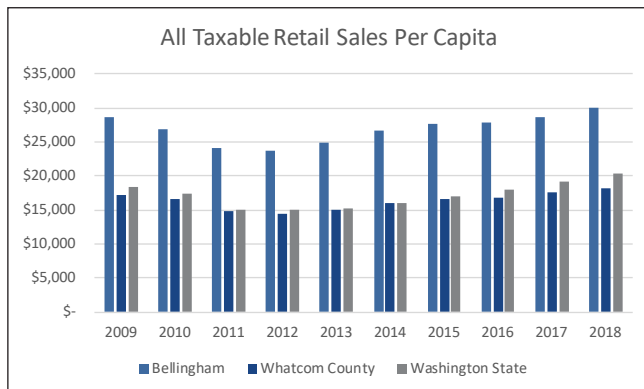
Source: Washington State Department of Revenue

While retail trade made up a smaller portion of total taxable sales than in prior years, it is still the largest sector at approximately 45 percent. The construction sector is also sizable, accounting for 18 percent of sales.



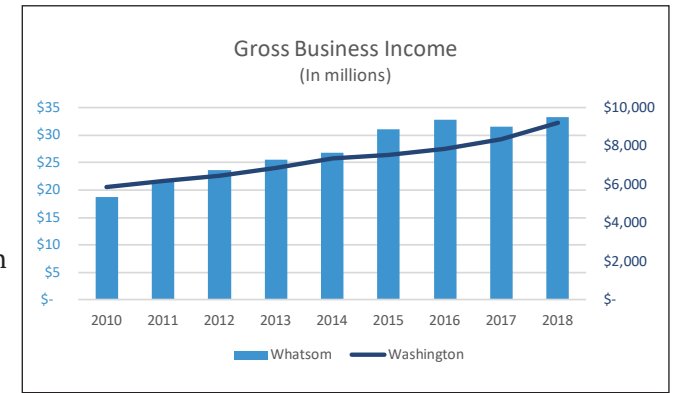
Source: Washington State Department of Revenue

Taxable retail sales in Bellingham continued to be significantly higher than in the rest of Whatcom County and the State. This is likely because Bellingham is a dense urban area that accounts for most sales in Whatcom.



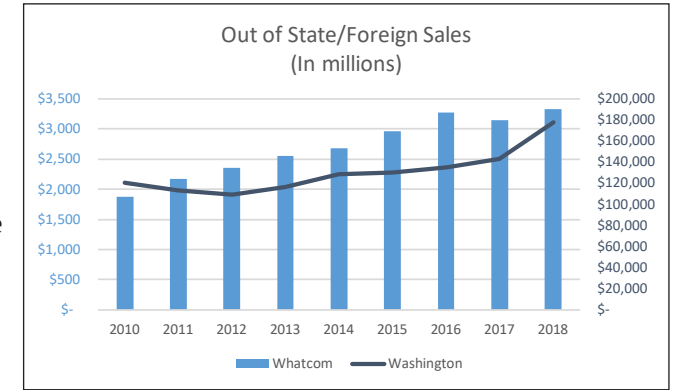
Source: Washington State Department of Revenue

In 2018, gross business income (GBI) in Whatcom County grew faster than the five year average, increasing \$955 million. However, this growth was slower than the prior year when GBI increased \$1.24 billion.



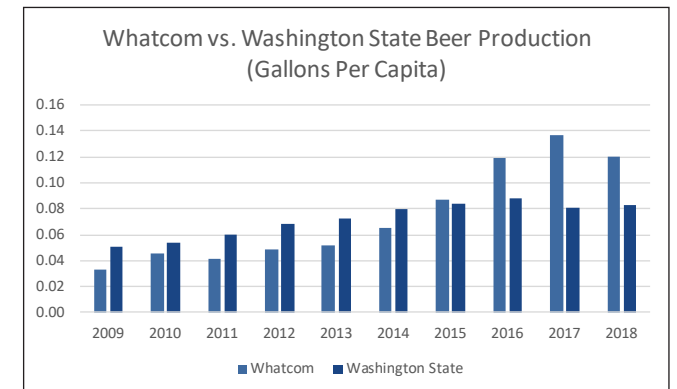
Source: Washington State Department of Revenue

Whatcom County's out of state and foreign sales grew faster than in recent years, increasing by \$179 million in 2018 compared to average annual growth of \$158 million over the prior five years.

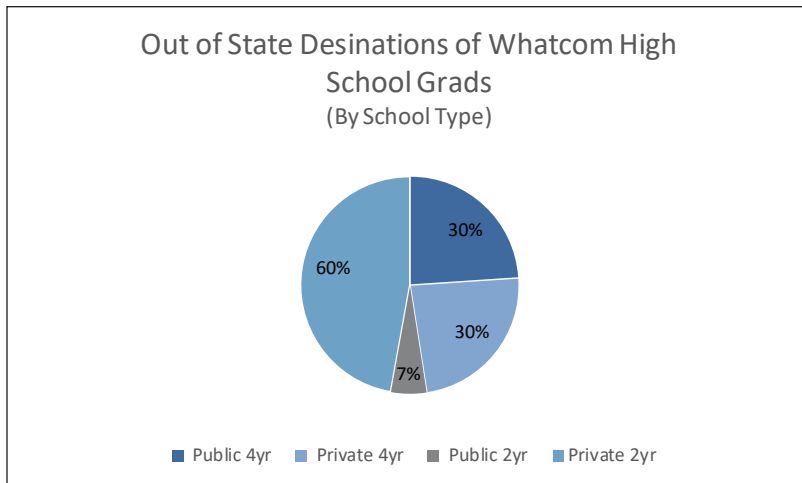


Source: Washington State Department of Revenue

Since 2009, Whatcom's beer production has quadrupled—with Washington only increasing by 65 percent. In 2018, Whatcom's per capita rate was 44 percent higher than Washington's.

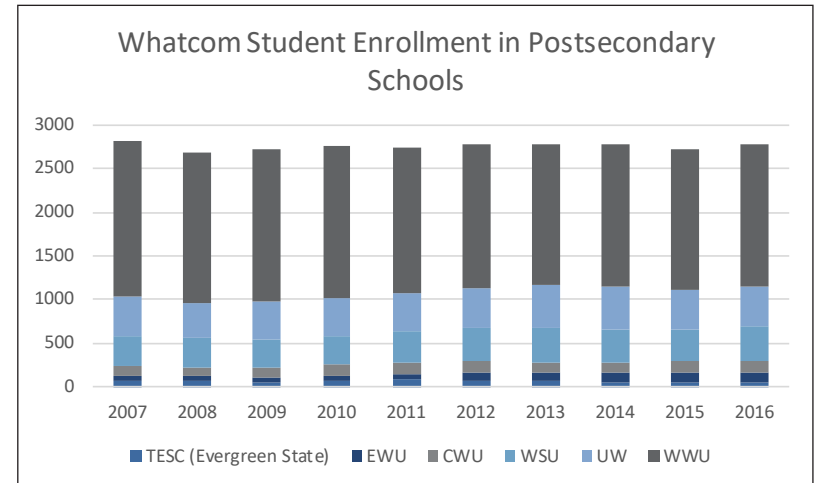


Source: Washington State Department of Revenue



Source: Education Research & Data Center

- Fewer WA graduates enroll in secondary education compared to national enrolment rates.
- 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.



Source: Education Research & Data Center

Of all the students enrolled in post-secondary education across the state, WWU had 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	2015-16 Academic Year					Statistics						Total	
	Enrolled in Washington					Enrolled Out of State					HS Graduates	% Going to College	
	Total (In State)	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	Total (Out of State)	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr			
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: Education Research & Data Center

Regional Cost of Living 2018							
	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Goods and Services
San Juan*	129	143	184	115	72	119	129
Whatcom	116	108	127	87	121	121	115
Skagit	113	121	114	87	114	120	116
King	155	127	213	111	135	124	137
Washington	107	107	108	94	116	119	106

Source: C2ER and bestplaces.net
 *San Juan data estimated using King County and data from bestplaces.net for reference

The cost of living index provides a way to compare the costs of groceries, housing, utilities, transportation, healthcare, and other miscellaneous living costs between regions. A composite index of 100 indicates that the region has the same cost of living as the national average. In 2018, the cost of living in Whatcom County was 116. Compared to nearby counties like Skagit and San Juan, Whatcom’s cost of living sits comfortably in the middle. Down south in King County, composite costs are significantly higher due in large part to high housing costs.

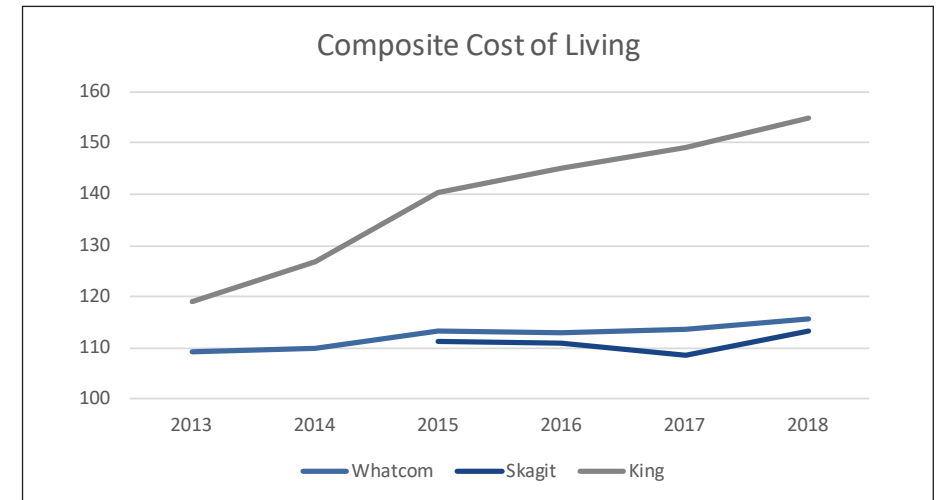
Living Wage (Whatcom County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$939	\$18	\$704
Rent 2 bedroom	\$1,048	\$20	\$786
Median home mortgage	\$1,485	\$28	\$1,113

Source: UW Runstad Department of Real Estate and CEBR

Living wages are calculated by finding the point at which one-third of a worker’s total income is allocated to housing costs. For 2018, the minimum living wage was \$18 per hour for a one bedroom apartment. The most costly lifestyle examined is associated with paying a monthly mortgage, with a minimum household wage of \$28 per hour needed. The median household income in Whatcom for 2018 was about \$56,000—enough to afford all median lifestyles.

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

Historical cost of living data can reveal important trends and relationships. The graph below shows Whatcom’s composite cost of living remaining relatively stable compared to the rapid increase in costs in King County. As a result of this divergence in cost of living, some Seattle workers are moving north to Whatcom County, trading a more affordable cost of living for a longer commute.



Source: C2BR

Over the years, Whatcom’s composite cost of living has been relatively stable, averaging around 113. While data on Skagit County is limited, we see that it seems to have slightly lower costs and similar stability.

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 cebr.wvu.edu



BELLINGHAM REGIONAL
**CHAMBER OF
COMMERCE**

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