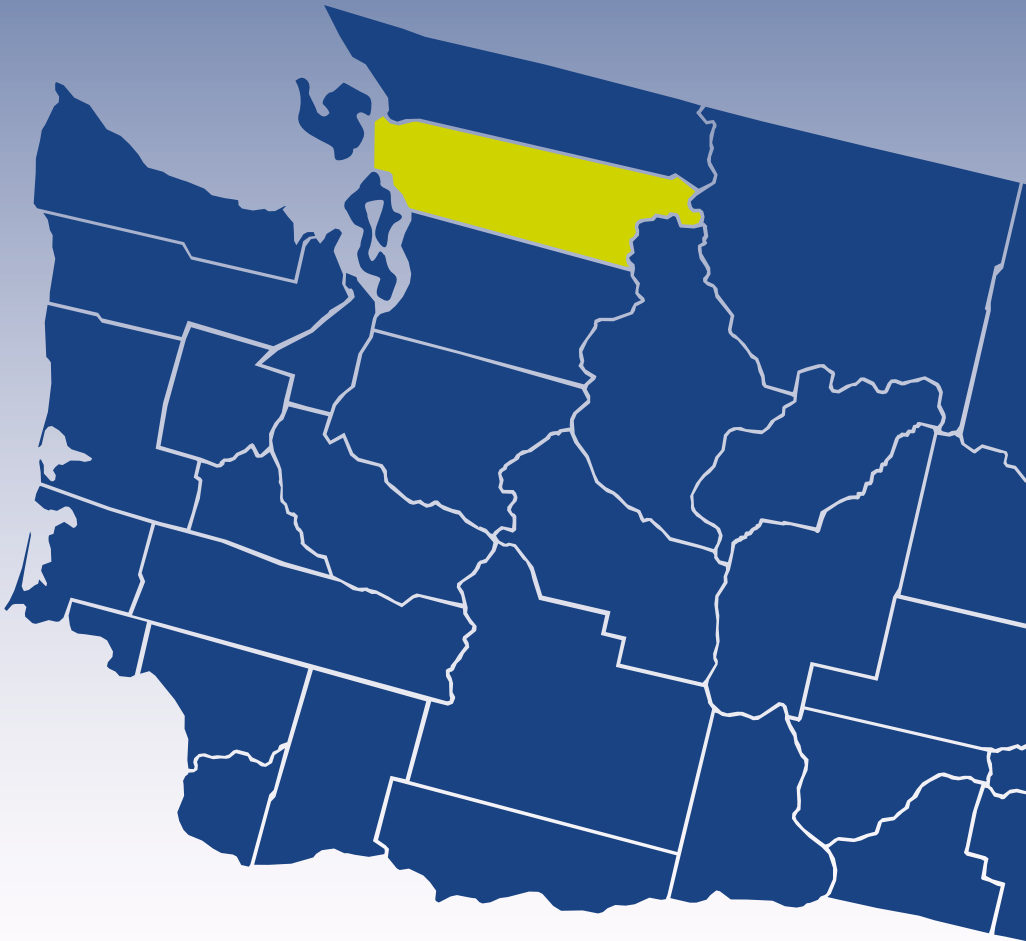


# SKAGIT COUNTY

## 2019 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 includes mostly 2019 data, but also data from 2016, 2017, and 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.

## County Demographics

	Mount Vernon	Skagit County	Washington	United States
<b>Population</b>				
Population estimates, July 1, 2019	36,006	129,205	7,614,893	328,239,523
Population estimates base, April 1, 2010	31,724	116,892	6,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019	13.5%	10.5%	13.2%	6.3%
Population, Census, April 1, 2010	31,743	116,901	6,724,540	308,745,538
<b>Labor Force</b>				
In civilian labor force, total, percent of population age 16 years+, 2014-2018	63.3%	59.1%	63.5%	62.9%
In civilian labor force, female, percent of population age 16 years+, 2014-2018	58.4%	53.1%	58.4%	58.2%
<b>Income and Poverty</b>				
Median household income (in 2018 dollars), 2014-2018	\$55,368	\$62,865	\$70,116	\$60,293
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$24,782	\$31,822	\$36,888	\$32,621
Persons in poverty, percent	14.6%	9.7%	10.3%	11.8%

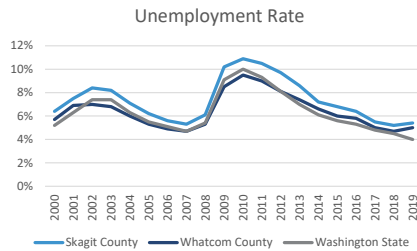
Source: US Census

We begin with the county demographics to provide a reference point for later discussions about the data in this profile. Being the largest city in Skagit County, Mount Vernon accounted for 27.14 percent of the county's population in 2010. By July 1, 2019, this had increased by 0.75 percent to account for 27.9 percent of the county population. This is not a significant increase in growth, suggesting that growth in smaller cities and unincorporated parts of the county has remained largely unchanged. Additionally, it is interesting to note that the median household income for the county overall is significantly higher than Mount Vernon at \$62,865 and \$55,368, respectively.

Employment

Skagit County’s unemployment rate was 5.4 percent in 2019, which was higher than both the State and neighboring Whatcom County’s at 4 percent and 5 percent, respectively.

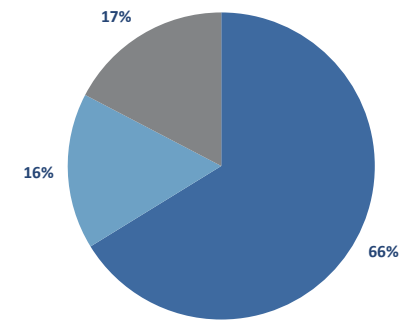
Skagit County’s utility sector had the highest average annual wages in 2019 at \$104,724 whereas the arts, entertainment, and recreation services sector in Skagit County had the lowest average annual wages at \$21,429. Of the 56,693 people that worked in Skagit County in 2019, 45,417 of them also lived within the county. A further 11,894 individuals are Skagit County residents, but work outside the county, and 11,276 people lived elsewhere but worked in Skagit County. When considering this, it is important to remember that the labor force participation rate in Skagit County is 48.8 percent.



Industry Subsectors	Average Firms	Total 2019 Annual Wages Paid	Average Annual Employment	Average Annual Wage
Utilities	10	\$23,981,821	229	\$104,724
Finance and insurance	114	\$135,799,907	1,548	\$87,726
Professional and technical services	298	\$125,425,501	1,694	\$74,041
Manufacturing	185	\$417,673,453	5,912	\$70,648
Construction	543	\$333,256,903	4,545	\$73,324
Mining	4	\$2,293,986	38	\$60,368
Information	41	\$23,384,201	346	\$67,584
Management of companies and enterprises	8	\$7,391,707	107	\$69,081
Wholesale trade	140	\$77,656,479	1,184	\$65,588
Government	104	\$708,505,509	11,658	\$60,774
Transportation and warehousing	91	\$64,834,408	1,257	\$51,579
Administrative and waste services	199	\$81,341,781	1,728	\$47,073
Healthcare and social assistance	782	\$213,893,423	5,151	\$41,525
Agriculture, forestry, fishing and hunting	179	\$99,773,454	2,659	\$37,523
Other services, except public administration	300	\$59,903,183	1,643	\$36,460
Real estate and rental and leasing	128	\$17,197,543	495	\$34,743
Retail trade	417	\$239,028,479	6,959	\$34,348
Educational services	44	\$12,743,916	403	\$31,623
Arts, entertainment, and recreation	56	\$12,428,734	580	\$21,429
Accommodation and food services	313	\$99,876,059	4,579	\$21,812
<b>Total</b>	<b>3,956</b>	<b>\$2,756,390,447</b>	<b>52,715</b>	<b>\$1,091,973</b>

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

Skagit Labor Force

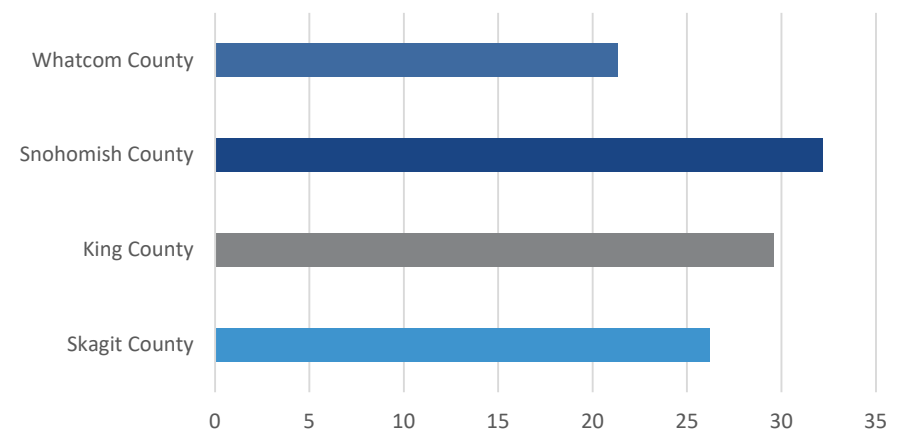


■ Live & work in Skagit ■ Only work in Skagit ■ Only Live in Skagit

Commute

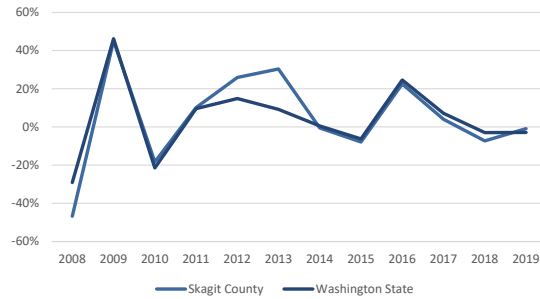
The mean commute time in Skagit increased slightly to 26.2 minutes in 2019. Neighboring Whatcom County had a mean commute of 21.3 minutes, while King County’s average is at 29.6 minutes. Asotin and Snohomish Counties continue to have the shortest and longest commutes at 15.6 and 32.2 minutes respectively. The state average increased marginally from 23.2 to 23.5 minutes. It should be noted that these mean commute times reflect data collected by the American Community Survey from 2014-2018 and may not reflect current commute times.

Mean Commute Time (minutes)



### All Housing Sales Annual Percent Change

Since 2014, the annual percentage change of all sales of homes in Skagit County has almost paralleled the percentage change for Washington State. Annual percentage changes in all sales of homes in 2019 declined for both Washington State and Skagit County by 2.9 and 0.9 percent respectively. This is demonstrative of the slowing housing market at a national level.

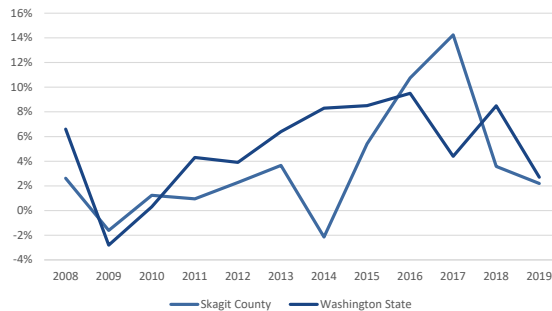


All House Sales Annual % Change				
	2016	2017	2018	2019
Skagit County	22.5%	4.0%	-7.3%	-0.9%
Washington State	24.6%	7.1%	-3.0%	-2.9%

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

### Average Apartment Rent Annual Percent Change

Average apartment prices have been increasing annually in Skagit County since 2015, with a 2.2 percent increase in 2019 following a 3.6 percent increase in 2018 and 14.2 percent increase in 2017. Washington State average apartment prices increased by 2.7 percent in 2019, continuing a trend of annually increasing prices since 2009.

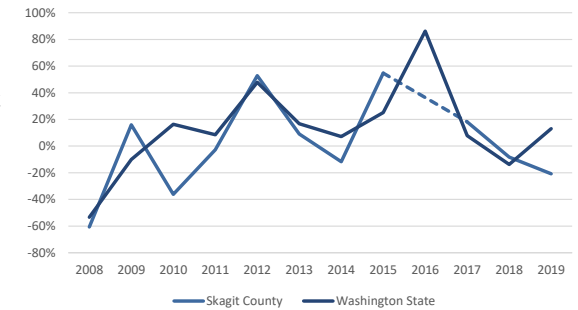


Median Apartment Price Annual % Change				
	2016	2017	2018	2019
Skagit County	10.8%	14.2%	3.6%	2.2%
Washington State	9.5%	4.4%	8.5%	2.7%

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

### 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. Between 2018 and 2019, Skagit County's data reflects a decrease in building permits by 20.8 percent whereas Washington State saw an increase of 13 percent.

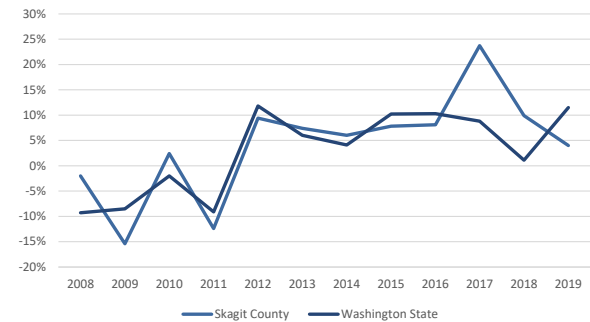


Building Permits Annual % Change				
	2016	2017	2018	2019
Skagit County	*no data	18.2%	-8.2%	-20.8%
Washington State	86.2%	7.9%	-13.7%	13.0%

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

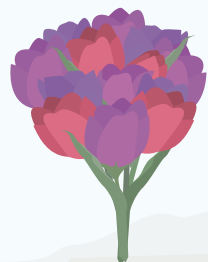
### Median House Resale Annual Percent Change

Historically, Skagit County and Washington State have followed similar trends for the annual percent change in median house resale price. However, from 2016-2018 Skagit County saw a significantly higher percentage increase in median house resale price in comparison to Washington state. That changed in 2019, as Skagit county only had an increase of 4 percent while Washington State had an increase in 11.5 percent.



Median House Resale Price Annual % Change				
	2016	2017	2018	2019
Skagit County	8.1%	23.7%	9.9%	4.0%
Washington State	10.3%	8.8%	1.1%	11.5%

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



The Tulip Festival attracted 300,000 people and brought \$65 million in revenue to the region in 2019

Government, specifically in education and tribal communities, is the largest sector in the county by employment, with an average of 11,240 employees



The Shell refinery in Anacortes processes 5.7 million gallons of crude oil a day. Shell refineries contribute 15-20% of all manufacturing jobs in Skagit



12.9% of Skagit County residents receive food stamps, which is higher than the Washington State average of 11.1%

Median home: \$342,300  
Average apartment: \$1,044/mo.

Skagit produced:

580 cut flowers

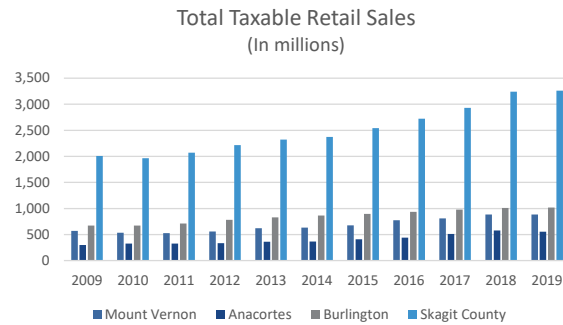
and 155 tulip bulbs per capita

That's 3 out of every 4 tulips grown in the US!

Skagit produced 20% of Washington's strawberries in 2019

### Taxable Retail Sales

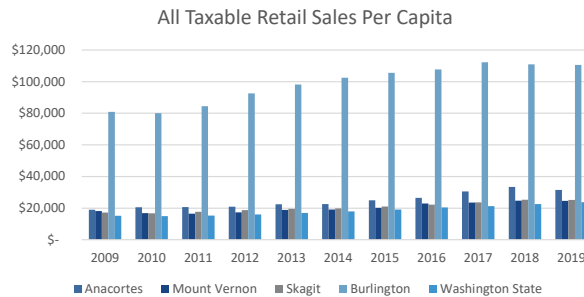
Despite its small population, Burlington accounts for one third of taxable retail sales in Skagit County. In 2019, Skagit County had a total of \$3.3 billion in retail sales, \$1.02 billion of which was generated in Burlington. Burlington is followed by Mount Vernon (27 percent) and Anacortes (18 percent).



Source: Washington State Department of Revenue

### All Taxable Retail Sales per Capita

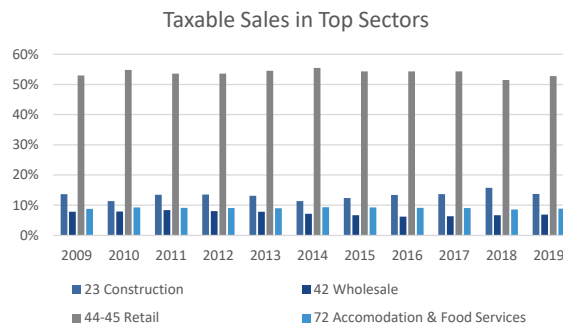
Both Skagit County and Washington State have per capita retail sales that are about a quarter of the per capita retail sales in Burlington. Skagit County's per capita retail sales were at \$25,227 in 2019, while Burlington was at \$110,516. This is largely due to its relatively small population and high concentration of retail sales.



Source: Washington State Department of Revenue

### Taxable Sales in Top Sectors

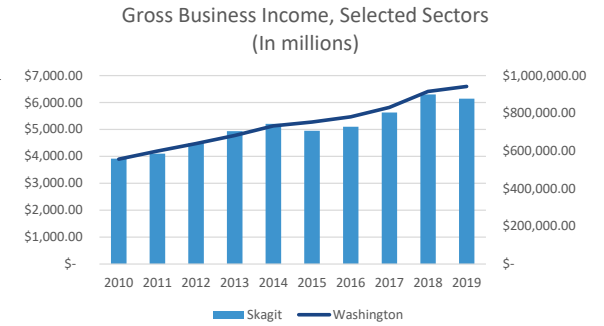
The retail trade sector continues to account for more than half (53 percent) of taxable retail sales in Skagit. Construction accounts for approximately 16 percent of total sales, followed by accommodation & food services and wholesale trade.



Source: Washington State Department of Revenue

### Gross Business Income

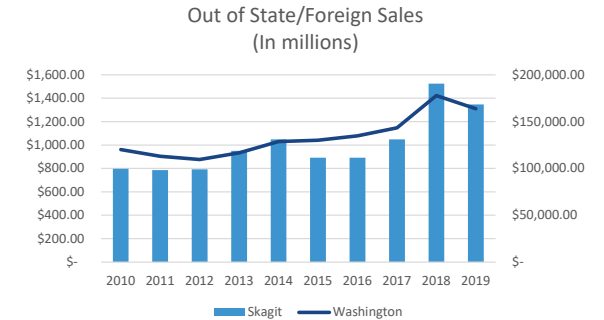
Skagit County's gross business income decreased by an aggregate of \$160 million in 2019 across all selected sectors, which is the first time since 2015 that Skagit County's gross business income has dropped. This \$160 million decrease follows an increase in gross business income of \$675 million in 2018. The average annual change for the prior five years has been an increase of \$273 million.



Source: Washington State Department of Revenue

### Out of State/Foreign Sales

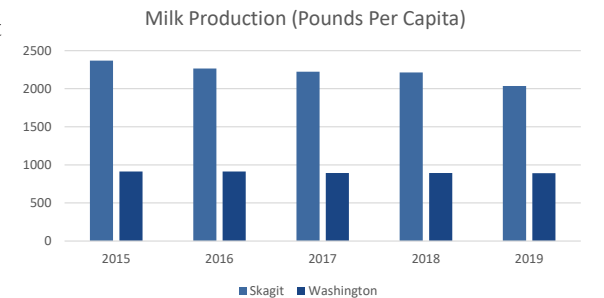
Skagit County experienced an aggregate decrease in out of state and foreign sales in 2019 falling by \$177 million. This is the largest decreasing in out of state and foreign sales in Skagit County over the past decade, and it falls far below the average annual growth over the prior five years of \$115 million. In 2018, Skagit County saw an increase in gross business income of \$476 billion.



Source: Washington State Department of Revenue

### Per Capita Milk Production (Gallons)

Over the last five years, Skagit has continually produced milk at a per capita rate nearly 2.5 times higher than the state average. Both Skagit County and Washington State saw fairly negligible decreases in per capita milk production in 2019, with Skagit County producing 2,035 gallons of milk per capita and Washington State producing 891 gallons of milk per capita.

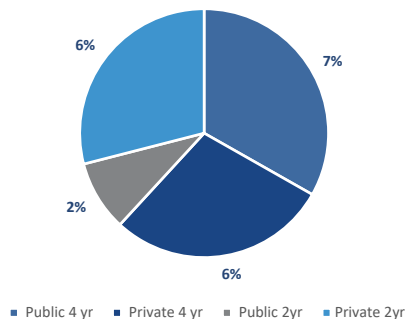


Source: extension.wsu.edu, statista.com, quickstats.nass.usda.gov

### Out of State Destinations for Skagit High School Students

- More 2018 high school graduates from Skagit enrolled in a secondary school in state than the state average.
- 56% of 2018 Skagit graduates who enrolled stayed in state for postsecondary education enrolled in a public two-year institution, compared to the statewide average of 44%.
- Anacortes School District has the highest percentage of 2018 high school graduates who enrolled in postsecondary out of state for the Skagit region at 27-30%.
- La Conner School District has the lowest percentage of 2018 high school graduates who enrolled in postsecondary out of state for the Skagit region at 0-10%.

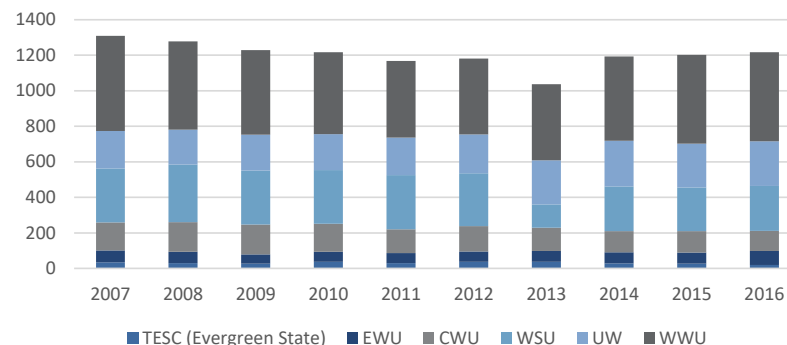
Out of State Destinations of Skagit High School Grads (By School Type)



### Student Enrollment in Postsecondary Education by County of Origin

Of all the students enrolled in post-secondary education across the state, WWU had the most from Skagit County at 501 in 2016. Next was WSU with 253 students, then UW, CWU, EWU, and TESC. It is important to note that these are all students who are from Skagit, not just recent high school graduates.

Skagit Student Enrollment in Postsecondary Schools

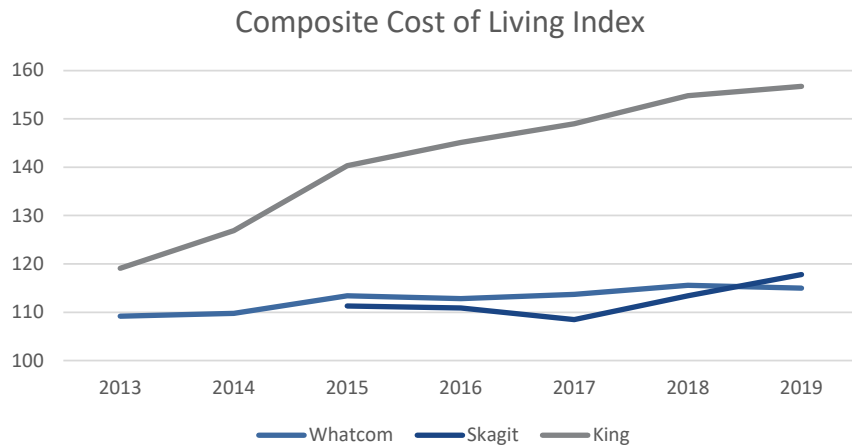


2015-2016* Academic Year Statistics												
District	Enrolled in Washington					Enrolled Out of State					Total	
	Total	Public 4 yr	Private 4 yr	Public 2yr	Private 2 yr	Total (Out of State)	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	HS Graduates	% Going to College
Anacortes	72-80%	33%	5-9%	34%	0-2%	27-30%	14%	10%	3-4%	0-2%	188	70%
Burlington-Edison	87-89%	28%	3%	56%	0-2%	14-17%	7%	4%	3-4%	0-2%	223	59%
Concrete	80-89%	0-20%	0-20%	79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%	41	40-59%
La Conner	92-100%	59%	0-10%	30-39%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	49	69%
Mount Vernon	88-90%	33%	2%	53%	0-2%	11-12%	4%	5%	2%	0-2%	376	60%
Sedro Woolley	87-90%	26%	3-4%	58%	0-2%	13-16%	4%	6%	3-4%	0-2%	226	46%
<b>Statewide</b>	<b>82%</b>	<b>33%</b>	<b>5%</b>	<b>44%</b>	<b>0-1%</b>	<b>18%</b>	<b>8%</b>	<b>8%</b>	<b>2%</b>	<b>0-1%</b>	<b>69163</b>	<b>59%</b>

<http://www.ercdata.wa.gov/hsfb.aspx>

\*At the time of publication, this data had not been updated with 2018-2019 figures. Data from 2016 is used for this section of the report.

Cost of Living



The cost of living indexes provide 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 2019, the cost of living in Skagit County was 118—above the national average. In comparison to neighboring counties, Skagit County’s cost of living is fairly similar Whatcom County and significantly lower than San Juan County, with composite costs of living in those counties at 115 and 141, respectively. In King County, composite costs are significantly higher, at 157, due in large part to high housing costs. It should be noted that San Juan’s cost of living is based off of Friday Harbor data in this report.

Regional Cost of living							
County	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Good and Services
San Juan*	141	107	256	73	68	95	110
Whatcom	115	108	132	84	117	116	112
Skagit	118	120	128	84	111	119	119
King	157	129	225	108	138	129	136

Source: C2ER (2019 annual report), \*San Juan data is based on Friday Harbor data

Living Wage

Living wages are calculated by finding the point at which one-third of a worker’s total income is allocated to housing costs. For 2019, the minimum living wage was \$17 per hour for a one-bedroom apartment. The costliest lifestyle examined is associated with those making monthly mortgage payments, with a minimum household wage of \$25 per hour needed. The median household income in Skagit for 2019 was about \$62,865 making the hourly household income roughly \$30 per hour—enough to afford all median lifestyles.

Living Wage (Skagit)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$959	\$17	\$664
Rent 2 bedroom	\$1,059	\$18	\$733
Median home mortgage	\$1,439	\$25	\$996

Source: UW Runstad Department of Real Estate Fall 2019 Report and CEBR



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. Visit us online at [cebr.wwu.edu](http://cebr.wwu.edu) to learn more.



# Port of Skagit

This report is made possible by  
the Port of Skagit