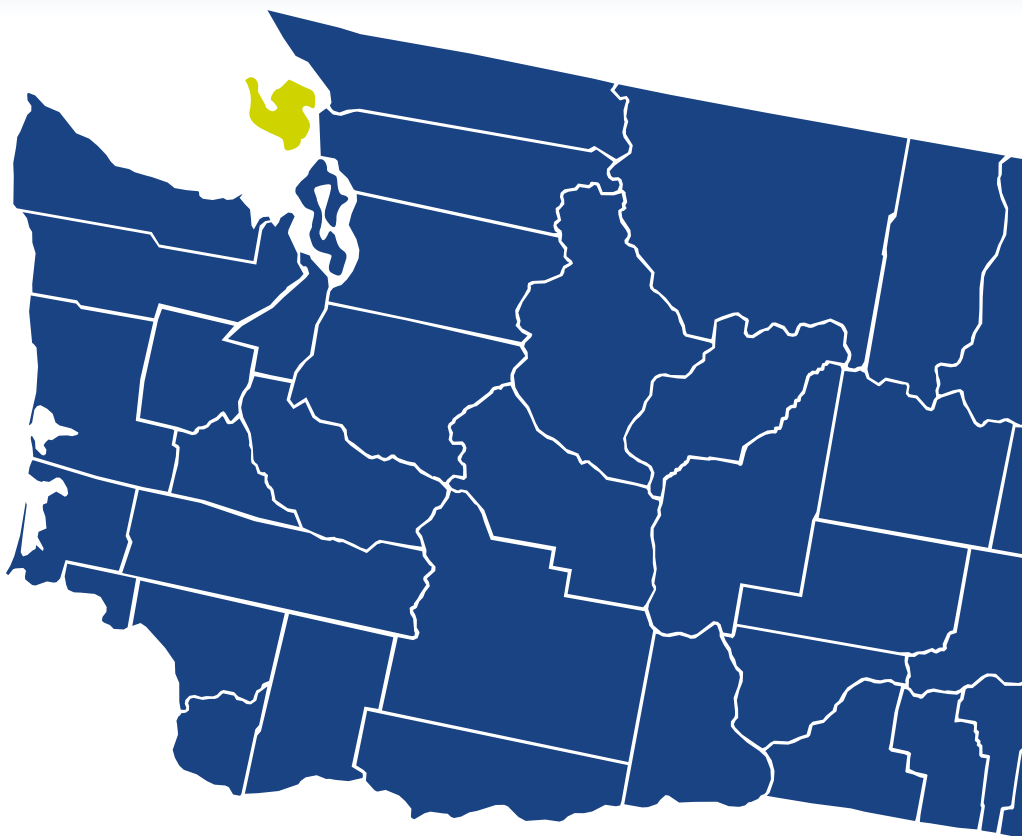


SAN JUAN COUNTY

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.

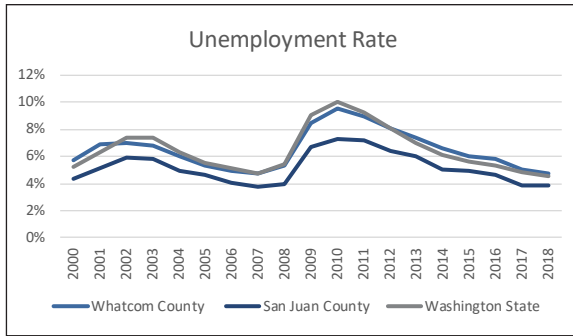
County Demographics

	San Juan	Washington	United States
Population			
Population estimates, July 1, 2018	17,128	7,535,591	327,167,434
Population estimates base, April 1, 2010	15,769	3,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018,	8.6%	12.1%	6.0%
Population, Census, April 1, 2010	15,769	6,724,540	308,745,538
Labor Force			
In civilian labor force, total, percent of population age 16 years+, 2013-2017	56%	63.4%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	53%	58.3%	58.2%
Income and Poverty			
Median household income (in 2016 dollars), 2013-2017	\$60,271	\$66,174	\$57,652
Per capita income in past 12 months (in 2017 dollars), 2013-2017	\$40,784	\$34,869	\$31,177
Persons in poverty, percent	10.3%	11.0%	12.3%

Source: US Census

We start with county demographics to provide a reference point for later discussions about the data in this profile. In the case of San Juan, the county lags by 3.5 percentage points when compared to the state average for population growth between 2010 and July 1, 2018. However, the county grew 2.6 percentage points greater than the national trend during the same time period. King County, which accounts for nearly one-third of the state population, has a significant impact on the state average and skews it upwards. San Juan County, on the other hand, accounts for less than one percent of the state population and lacks the population draw of large urban centers. King County's upward skewing of the average, combined with San Juan County's unique features, contributes to this difference in growth rates.

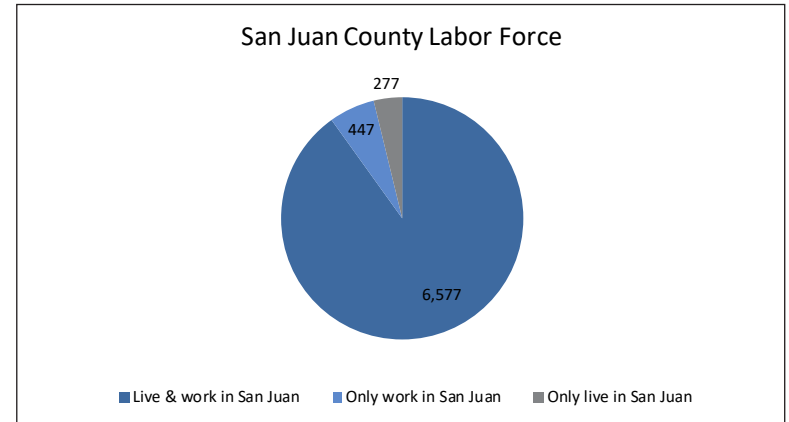
Average annual unemployment in San Juan County was 3.9 percent in 2018. This is 0.1 percentage points higher than in 2007. Being an island, the cost of living in San Juan County is high, mainly due to the larger cost of housing. Utilities had the highest average annual wage in 2018 at \$86,429, while Arts, entertainment, and recreation had the lowest average annual wage at \$19,970.



Source: Federal Reserve Economic Data (FRED)

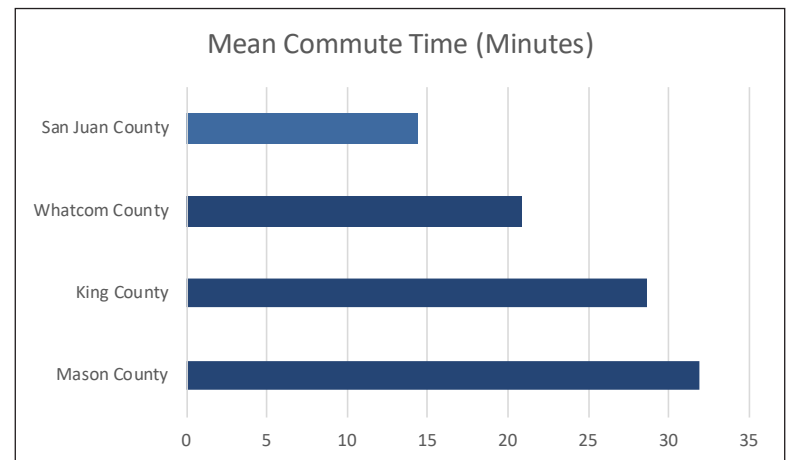
Industry Subsectors (2018 Annual)	Average Firms	Total Annual Wages Paid	Average Annual Employment	Average Annual Wage
Not elsewhere classified	4	\$2,167,879	24	\$90,328
Utilities	9	\$5,963,592	69	\$86,429
Professional and technical services	79	\$8,515,005	141	\$60,966
Wholesale trade	26	\$3,874,246	74	\$52,367
Government	39	\$40,599,612	800	\$50,750
Information	11	\$3,896,888	77	\$49,908
Finance and insurance	18	\$4,630,608	99	\$46,774
Construction	219	\$28,824,268	695	\$41,620
Educational services	18	\$8,161,510	213	\$38,285
Manufacturing	35	\$8,435,071	226	\$37,509
Administrative and waste services	59	\$7,291,448	211	\$34,499
Healthcare and social assistance	66	\$13,452,765	392	\$34,322
Retail trade	101	\$23,996,320	740	\$32,493
Other services, except public administration	82	\$7,301,902	231	\$31,845
Agriculture, forestry, fishing and hunting	22	\$2,695,997	86	\$31,349
Transportation and warehousing	22	\$3,977,457	147	\$27,113
Accommodation and food services	107	\$33,411,682	1,284	\$26,060
Real estate and rental and leasing	46	\$4,357,645	180	\$24,840
Arts, entertainment, and recreation	36	\$3,992,082	200	\$19,970
Total	997	\$215,545,977	5,889	\$817,427

Of the 7,025 people that worked in San Juan County, 6,577 of them also lived within the county. There were 447 people who commuted from elsewhere to the county for work, and 277 workers commuted from San Juan County to another county. When thinking about this, it is important to note that the labor force participation rate was 56 percent in San Juan County, compared to 63.4 percent statewide.



Source: JobsEQ

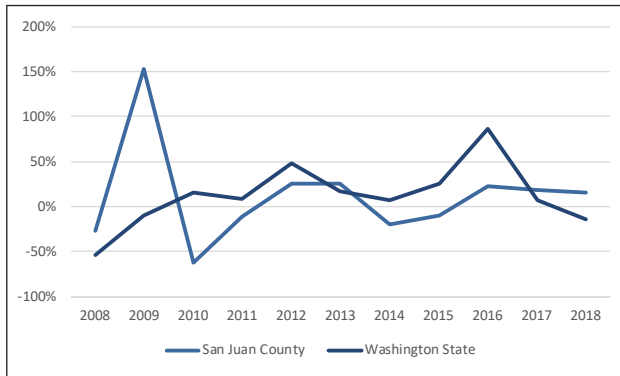
San Juan and Mason Counties continue to have the shortest and longest commutes at 14.9 and 32.1 minutes, respectively. Neighboring King County saw an increase from 28.7 to 29.1 minutes. The state average increased marginally from 23.1 to 23.2 minutes.



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, San Juan County's Building Permits grew 15.4 percent over the prior year. Washington State observed a decrease from 7.9 percent to -13.7 percent.

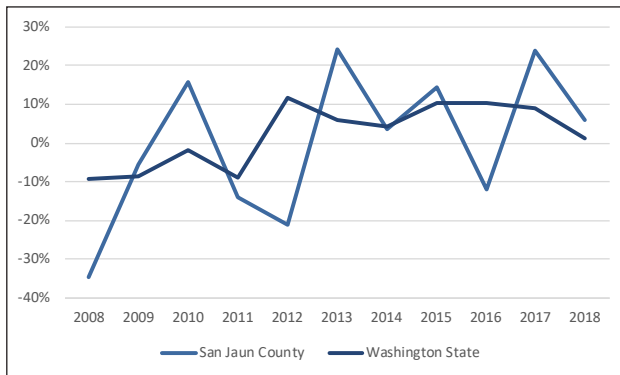


Building Permits Annual Percent Change				
	2015	2016	2017	2018
San Juan County	-10.0%	22.2%	18.2%	15.4%
Washington State	25.1%	86.2%	7.9%	-13.7%

Source: UW Runstad Department of Real Estate

Median House Resale Price Annual Change

San Juan County median resale price annual percent change increased 5.8 percent in 2018. Washington State median resale price annual percent change increased 1.1 percent.

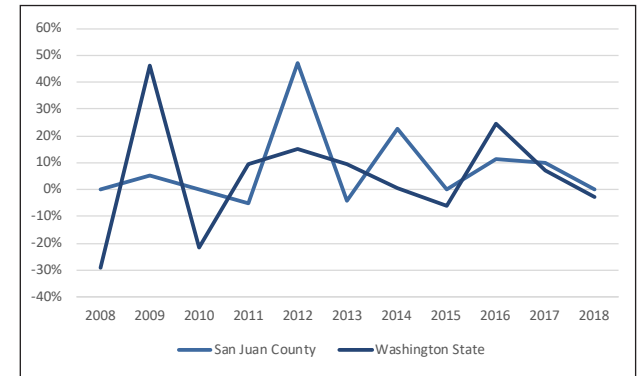


Median Resale Price Annual Change				
	2015	2016	2017	2018
San Juan County	14.3%	-12.0%	23.7%	5.8%
Washington State	10.2%	10.3%	8.8%	1.1%

Source: UW Runstad Department of Real Estate

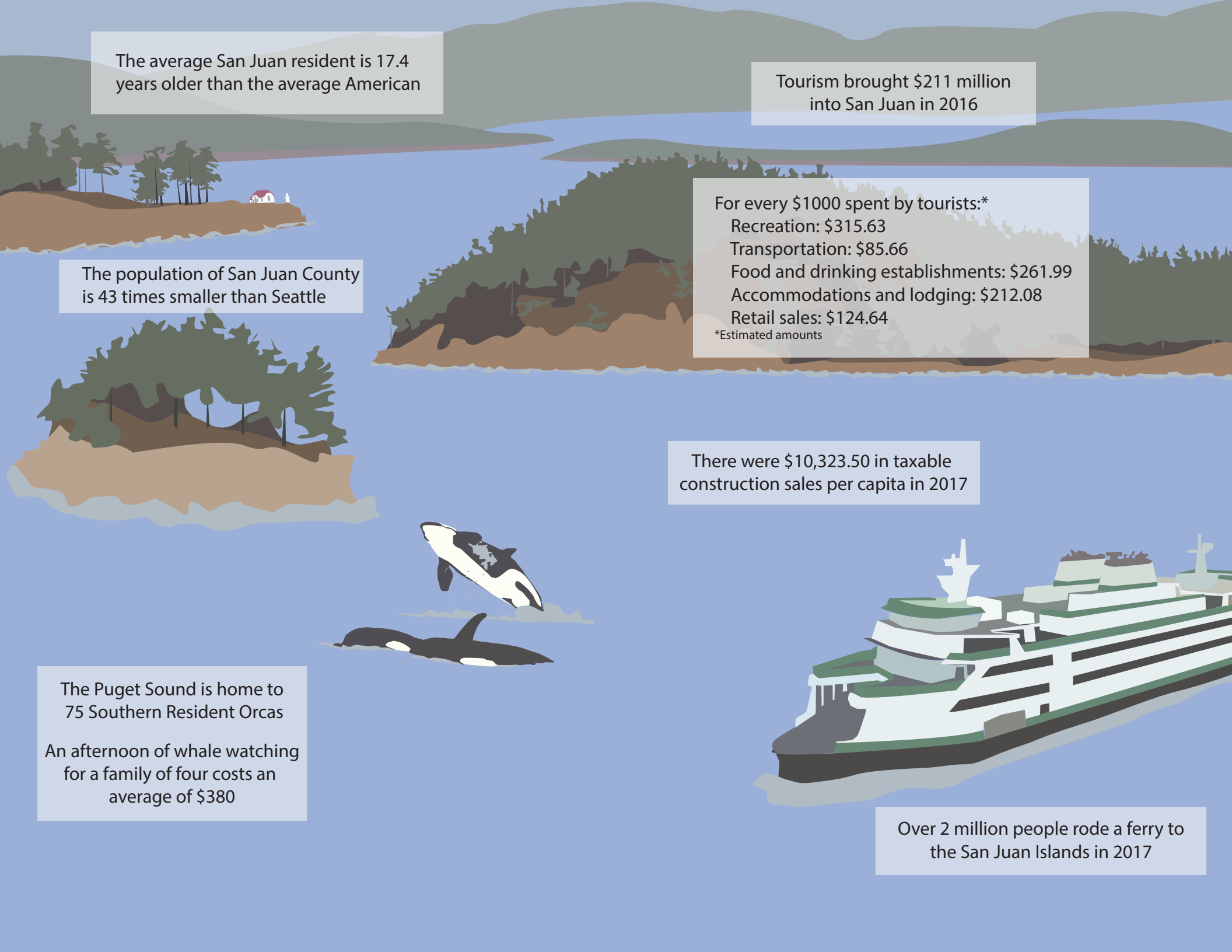
All Housing Sales Annual Change

The annual percent change in sales statewide fell from 7 percent in 2017 to -3 percent in 2018, while San Juan County did not change from the prior year, seeing a year over year rate of change of 0 percent. This stagnation reflects the slowing housing market on a national level.



All Sales Annual Change				
	2015	2016	2017	2018
San Juan County	0.0%	11.1%	9.7%	0.0%
Washington State	-6.3%	24.6%	7.1%	-3.0%

Source: UW Runstad Department of Real Estate



The average San Juan resident is 17.4 years older than the average American

Tourism brought \$211 million into San Juan in 2016

The population of San Juan County is 43 times smaller than Seattle

For every \$1000 spent by tourists:*

- Recreation: \$315.63
- Transportation: \$85.66
- Food and drinking establishments: \$261.99
- Accommodations and lodging: \$212.08
- Retail sales: \$124.64

*Estimated amounts

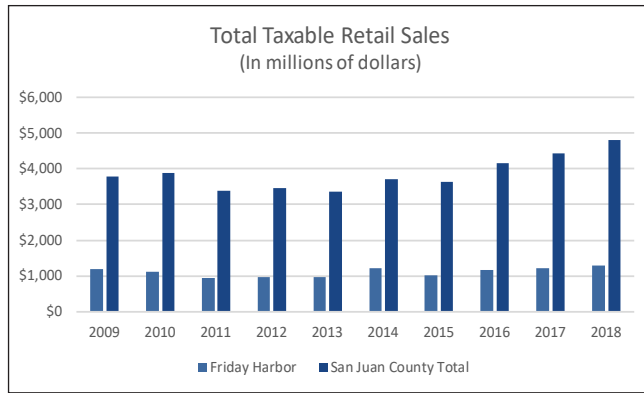
There were \$10,323.50 in taxable construction sales per capita in 2017

The Puget Sound is home to 75 Southern Resident Orcas

An afternoon of whale watching for a family of four costs an average of \$380

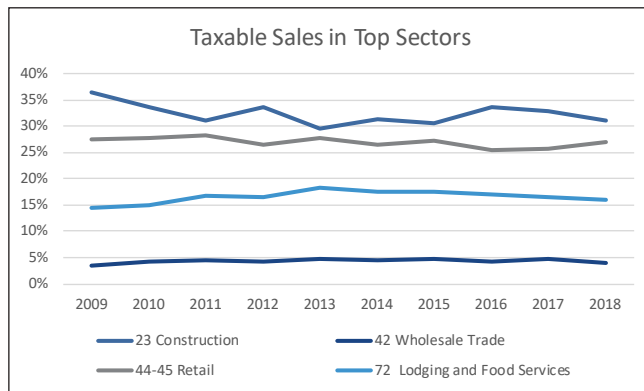
Over 2 million people rode a ferry to the San Juan Islands in 2017

For 2018, Friday Harbor made up approximately 27 percent of total taxable retail sales in San Juan. Since 2009, San Juan County's sales have increased by 64 percent and Friday Harbor's sales increased by 58 percent.



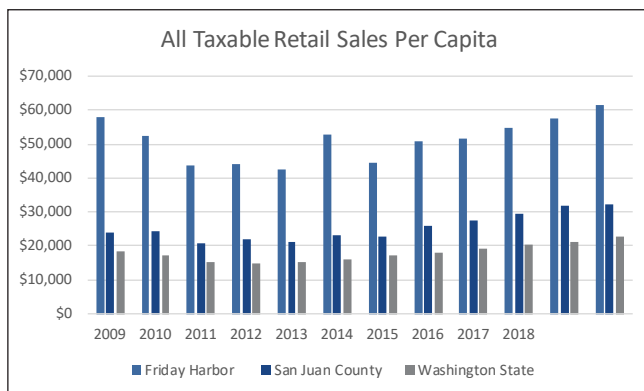
Source: Washington State Department of Revenue

In most regions, retail trade makes up the largest fraction of total taxable retail sales. San Juan County, on the other hand, continually sees construction (31 percent) outpace retail trade (27 percent).



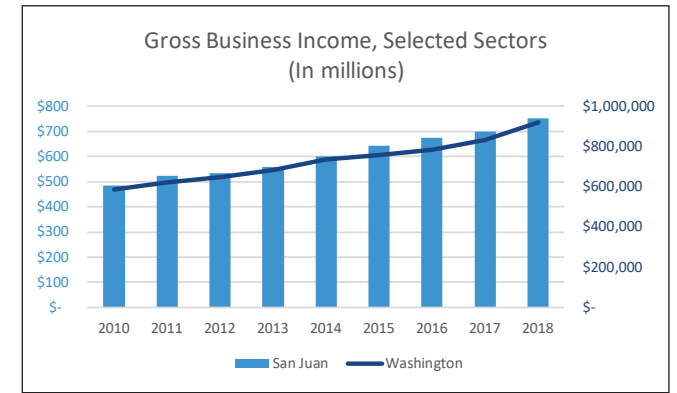
Source: Washington State Department of Revenue

Friday Harbor continues to have significantly higher taxable sales per capita than the County and State. Most sales in San Juan come from Friday Harbor, a relatively dense urban area compared to the County.



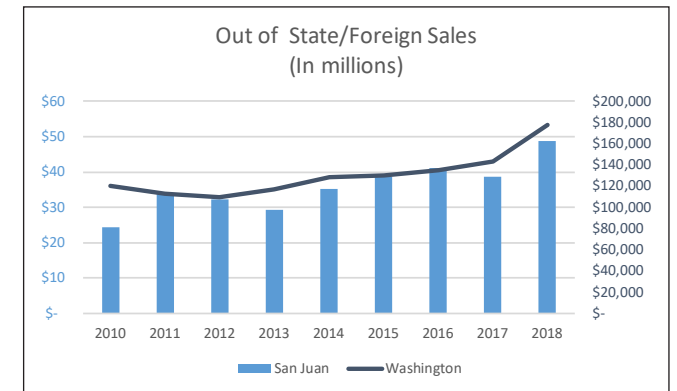
Source: Washington State Department of Revenue

In 2018, San Juan gross business income increased by \$50 million. This was higher than the annual average increase of \$32.9 million for the prior five years.



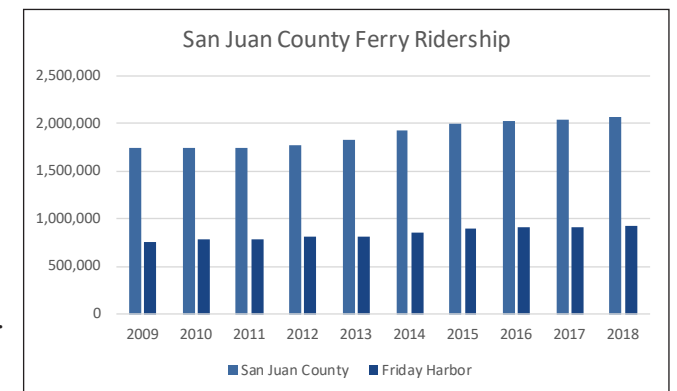
Source: Washington State Department of Revenue

Out of state and foreign sales in San Juan County grew sharply in 2018, increasing by \$9.9 million. This is compared to an annual average growth of \$1 million over the prior five years.

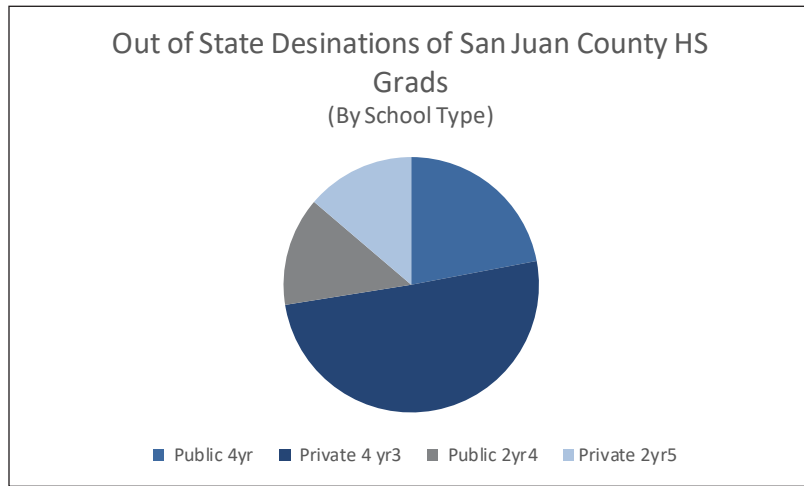


Source: Washington State Department of Revenue

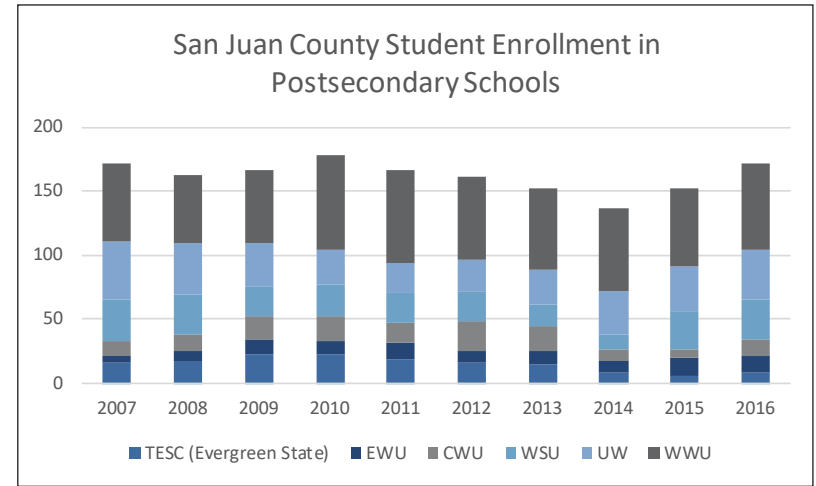
In 2018, San Juan County reported a total of 2,068,472 ferry passengers. Approximately 926,418 of these ferry riders (45 percent) came in or out of Friday Harbor.



Source: Washington State Department of Revenue



Source: Education Research & Data Center



Source: Education Research & Data Center

- Fewer Washington high school graduates enrolled in secondary education compared to the nation.
- Just under 80 percent of San Juan County’s graduates who attended a secondary school chose to stay in Washington.
- Roughly half of these students enrolled in a four-year college, compared to the one third state average.
- Graduates from San Juan County accounted for 0.6 percent of all graduates in Washington.

Of all the students enrolled in post-secondary education across the state, WWU had the most from San Juan County at 68 in 2016. Next was UW with 39 students, then WSU, CWU, EWU, and TESC. There was a total of 172 students from San Juan enrolled in these schools in 2016. It is important to note that these are all students who are from San Juan County, not just recent high school graduates.

District	2015-16 Academic Year					Statistics						
	Enrolled in Washington					Enrolled Out of State					Total	
	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	HS Graduates	% Going to College
Lopez Island	!	!	!	!	!	!	!	!	!	!	14	40-59%
Orcas	70-79%	40-49%	0-10%	20-29%	0-10%	20-29%	0-10%	20-29%	0-10%	0-10%	34	60-69%
San Juan	80-84%	55-59%	6-9%	15-19%	0-5%	15-19%	6-9%	0-5%	0-5%	0-5%	63	70-74%
Statewide	82%	33%	5%	44%	0-1%	18%	8%	8%	2%	0-1%	69163	59%

! - Reporting Standards not met. Number of high school graduates or enrollments too small.

Source: Education Research & Data Center

Regional Cost of Living 2017							
	Composite	Grocery	Housing	Utilities	Transportation	Healthcare	Misc. Goods and Services
San Juan*	128.6	143.1	184.2	114.6	72.2	118.7	128.9
Whatcom	115.6	108.1	126.8	87	120.9	120.7	114.5
Skagit	113.4	120.9	114.4	86.9	113.8	119.7	115.7
King	154.8	127.1	212.5	111.1	135.4	123.5	136.9
Washington	107.1	107.4	107.8	94.0	116.4	118.5	106.4

Source: C2ER and bestplaces.net

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

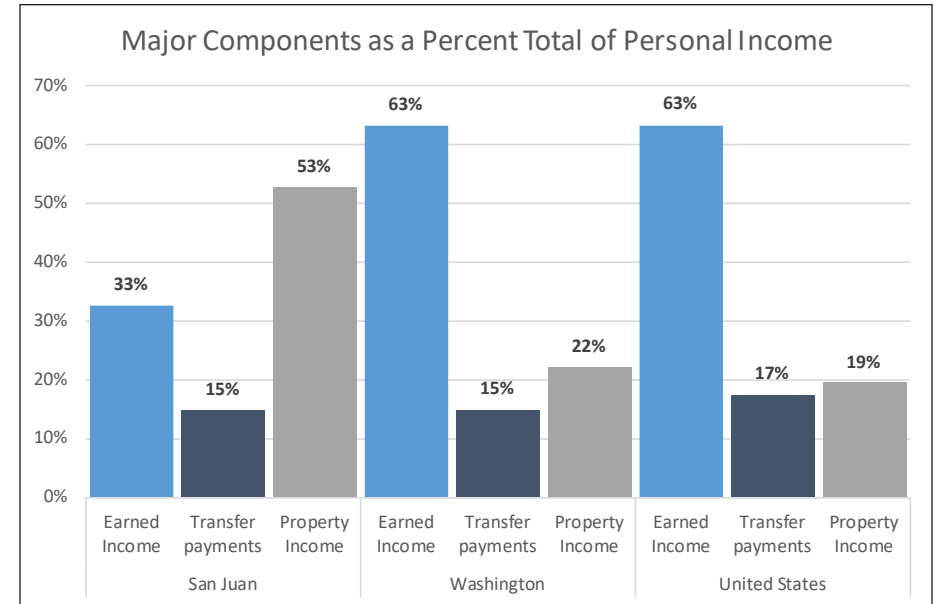
The cost of living index provides a way to compare the costs of groceries, housing, utilities, transportation, healthcare, and other miscellaneous living costs between regions. A composite index of 100 indicates that the region has the same cost of living as the national average. In 2018, the cost of living in San Juan County was 129—above the national average. Compared to nearby counties like Skagit and Whatcom, San Juan’s cost of living is relatively high. In neighboring King County, however, composite costs are significantly higher due in large part to high housing costs.

Living Wage (San Juan County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$1,173	\$22	\$879
Rent 2 bedroom	\$2,000	\$38	\$1,500
Median home mortgage	\$2,172	\$41	\$1,629

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 \$22 per hour for a one bedroom apartment. The most costly lifestyle examined is associated with those paying a monthly mortgage, with a minimum household wage of \$38 per hour needed. The median household income in San Juan County for 2017 was about \$60,000—enough to afford a one bedroom apartment.

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



As living wages can be deceiving in a community such as San Juan County, an evaluation of total personal income reveals a more comprehensive picture.

The share of San Juan County’s personal income that originates as Property Income (52.7 percent) is well above the share nationally (20.0 percent). The share of San Juan County’s personal income that originates as Transfer Payments (14.8 percent) is below the share nationally (17.0 percent).

In combination, Property Income and Transfer Payments amounted to 67.4 percent (52.7 percent + 14.8 percent) of San Juan County’s personal income in 2017. Earned Income made up the balance (32.6 percent) of personal income, which amounted to a substantially smaller share than the corresponding 63.0 percent for Earned Income nationwide.

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

