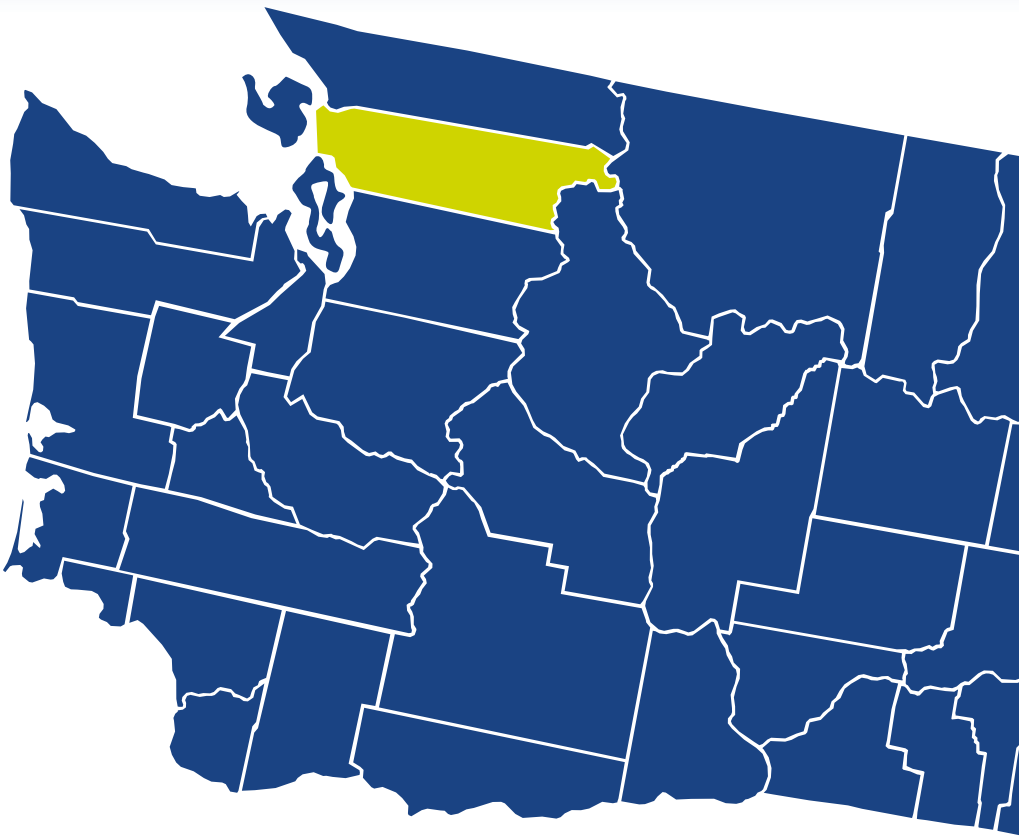


# SKAGIT COUNTY

## 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.

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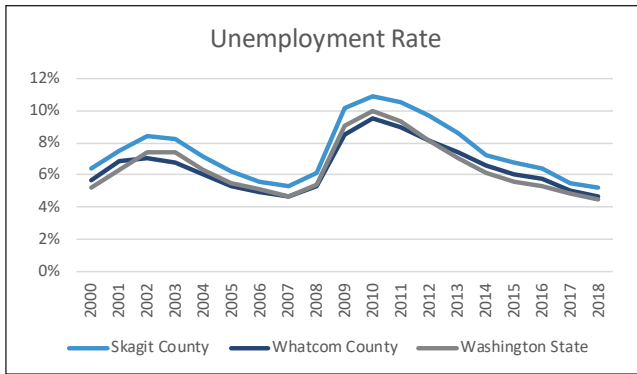
## County Demographics

	Mount Vernon	Skagit County	Washington	United States
<b>Population</b>				
Population estimates, July 1, 2018	35,741	128,206	7,535,591	327,167,434
Population estimates base, April 1, 2010	31,720	116,893	6,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018,	12.7%	9.7%	12.1%	6.0%
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+, 2013-2017	63.9%	59.3%	63.4%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2013-2017	59.1%	54.2%	58.3%	58.2%
<b>Income and Poverty</b>				
Median household income (in 2016 dollars), 2013-2017	\$52,267	\$59,263	\$66,174	\$57,652
Per capita income in past 12 months (in 2017 dollars), 2013-2017	\$24,201	\$30,069	\$34,869	\$31,177
Persons in poverty, percent	17.5%	11.3%	11.0%	12.3%

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 27.1 percent of the county's population in 2010. By July 1, 2018, 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 mostly unchanged. Additionally, it is interesting to note that the median household income for the county overall is significantly higher than Mount Vernon.

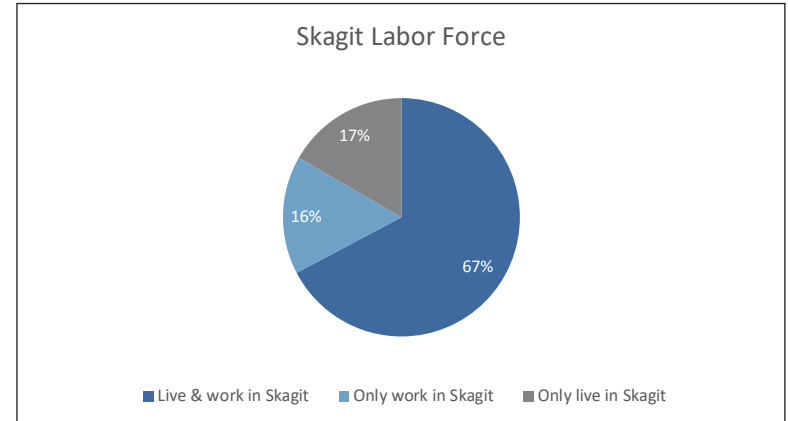
Skagit County's unemployment rate was 5.2 percent in 2018, which was higher than both the State and neighboring Whatcom County's at 4.5 percent and 4.7 percent, respectively. The utility sector had the highest average annual wages in 2018 at \$101,039. Accommodation and food services had the lowest average annual wages at \$21,008.



Source: Federal Reserve Economic Data (FRED)

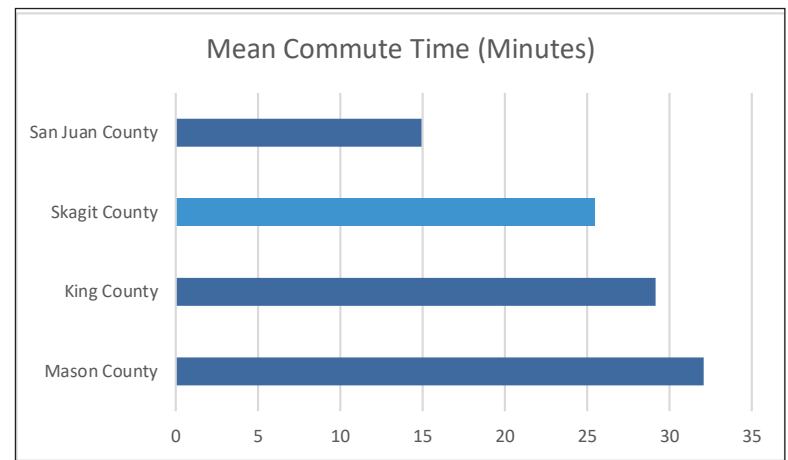
Industry Subsectors (2018 Annual)	Average Firms	Total Annual Wages Paid	Average Annual Employment	Average Annual Wage
Utilities	9	\$22,531,592	223	\$101,039
Finance and insurance	116	\$135,072,105	1,662	\$81,271
Professional and technical services	296	\$113,033,033	1,618	\$69,860
Manufacturing	186	\$415,686,598	6,051	\$68,697
Construction	545	\$274,540,644	4,109	\$66,814
Mining	4	\$2,051,129	31	\$66,165
Information	39	\$16,476,808	252	\$65,384
Management of companies and enterprises	9	\$7,363,872	122	\$60,360
Wholesale trade	142	\$67,649,617	1,131	\$59,814
Government	105	\$664,478,499	11,430	\$58,135
Transportation and warehousing	91	\$65,046,124	1,315	\$49,465
Administrative and waste services	197	\$78,882,260	1,758	\$44,870
Healthcare and social assistance	700	\$197,968,846	5,040	\$39,280
Agriculture, forestry, fishing and hunting	185	\$100,396,611	2,729	\$36,789
Other services, except public administration	302	\$54,735,922	1,552	\$35,268
Real estate and rental and leasing	123	\$15,399,831	454	\$33,920
Retail trade	436	\$234,125,403	7,116	\$32,901
Educational services	45	\$11,477,223	392	\$29,279
Arts, entertainment, and recreation	55	\$12,654,093	593	\$21,339
Accommodation and food services	310	\$93,673,539	4,459	\$21,008
<b>Total</b>	<b>3,893</b>	<b>\$129,162,187</b>	<b>52,037</b>	<b>\$52,083</b>

Of the 55,466 people that worked in Skagit County in 2018, 44,783 of them also lived within the county. A further 11,099 of them worked outside the county, and 10,683 people lived elsewhere but worked in Skagit County. When considering this, it is essential to remember that the labor force participation rate is 54.2 percent.



Source: JobsEQ

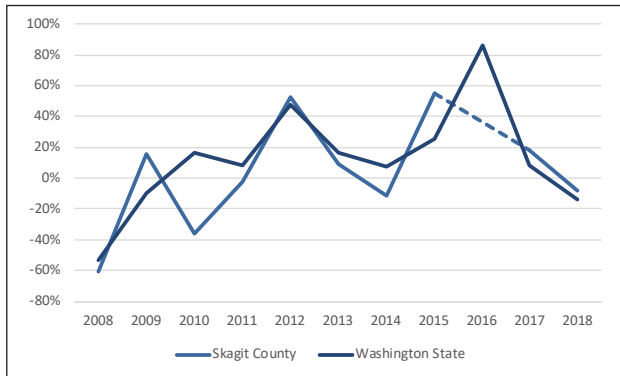
The mean commute time in Skagit decreased ever so slightly from 25.5 minutes in 2017 to 25.4 in 2018. Neighboring Whatcom County had a mean commute of 21 minutes. San Juan and Mason Counties continue to have the shortest and longest commutes at 14.9 and 32.1 minutes, respectively. The state average increased marginally from 23.1 to 23.2 minutes.



Source: JobsEQ

## Building Permits Annual Percent Change

Building permits 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 2017 and 2018, Skagit County's data reflects the same trends as that of Washington State with negative growth at -8.2 percent and -13.7 percent, respectively.



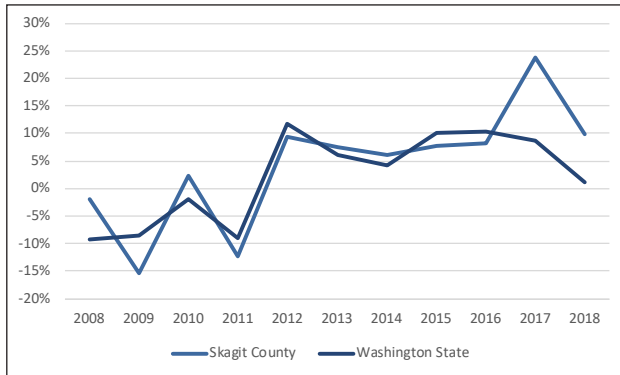
**Building Permits Annual Percent Change**

	2015	2016	2017	2018
Skagit County	54.7%	NA	18.2%	-8.2%
Washington State	25.1%	86.2%	7.9%	-13.7%

Source: UW Runstad Department of Real Estate

## Median House Resale Price Annual Change

The annual percent change in the median resale price of homes statewide increased by 1.1 percent from 2017 to 2018. Skagit County observed a much more significant change at 9.9 percent. In both regions, there was cooler growth in 2018 compared to 2017.



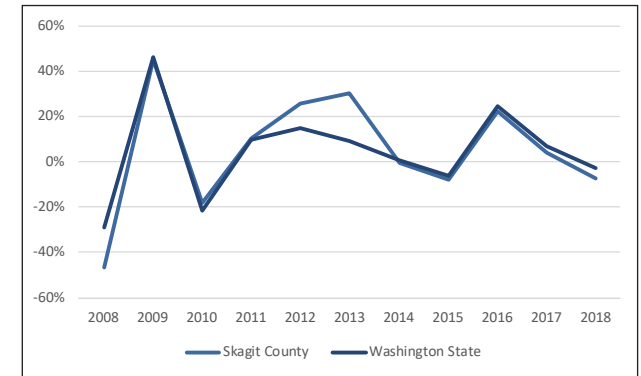
**Median Resale Price Annual Change**

	2015	2016	2017	2018
Skagit County	7.8%	8.1%	23.7%	9.9%
Washington State	10.2%	10.3%	8.8%	1.1%

Source: UW Runstad Department of Real Estate

## All Housing Sales Annual Change

Annual percentage changes in all sales of homes declined for both Washington State and Skagit County by 3 and 7.3 percent, respectively. This decrease is demonstrative of the slowing housing market at a national level.



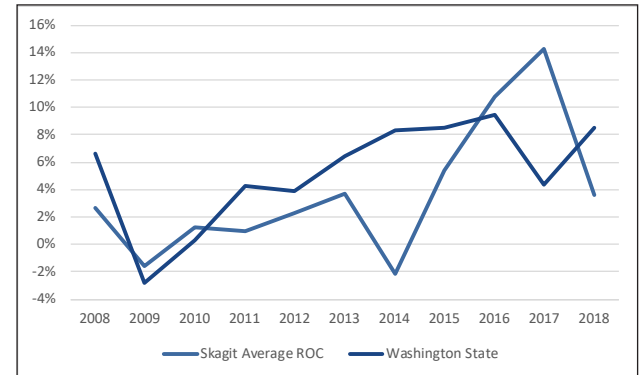
**All Sales Annual Change**

	2015	2016	2017	2018
Skagit County	-7.9%	22.5%	4.0%	-7.3%
Washington State	-6.3%	24.6%	7.1%	-3.0%

Source: UW Runstad Department of Real Estate

## Average Apartment Rent Annual Change

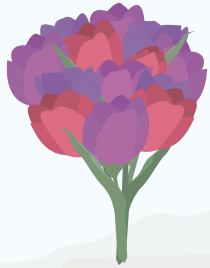
In 2018 Skagit County saw the average apartment price increase 3.6 percent over the prior year. Meanwhile, Washington State experienced an 8.5 percent increase.



**Average Apartment Rent Annual Change**

	2015	2016	2017	2018
Skagit County	5.4%	10.8%	14.2%	3.6%
Washington State	8.5%	9.5%	4.4%	8.5%

Source: UW Runstad Department of Real Estate

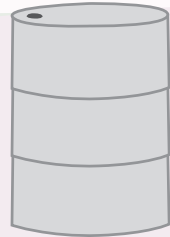


The Tulip Festival attracts 300,000 people and \$60 million to the region each year

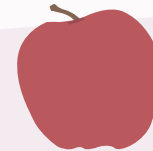
Government, specifically in education and tribal communities, is the largest sector in the county by employment, with an average of 11,240 employees



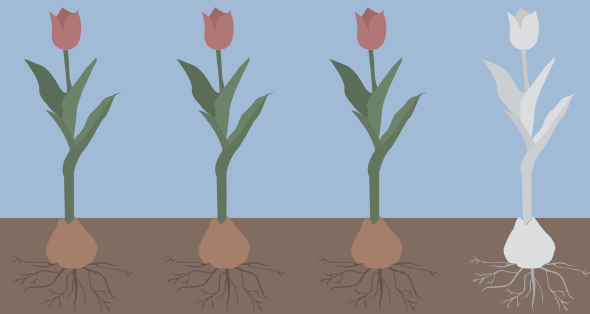
The Shell refinery in Anacortes processes 5.7 million gallons of crude oil a day. The refineries contribute 15-20% of all manufacturing jobs in Skagit



5.8% of Skagit County residents receive food stamps



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



Skagit produces:

600 cut flowers

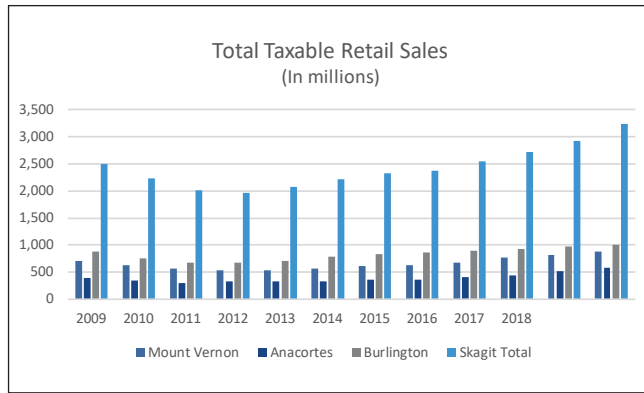
and 160 tulip bulbs per capita

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

Skagit produces enough strawberries for 4,724 pints of jam

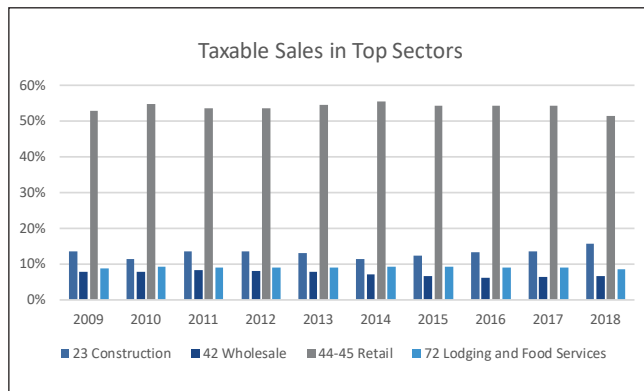


Despite its small population, Burlington accounts for nearly one-third of taxable retail sales in Skagit County. Burlington is followed by Mount Vernon (27 percent) and Anacortes (18 percent).



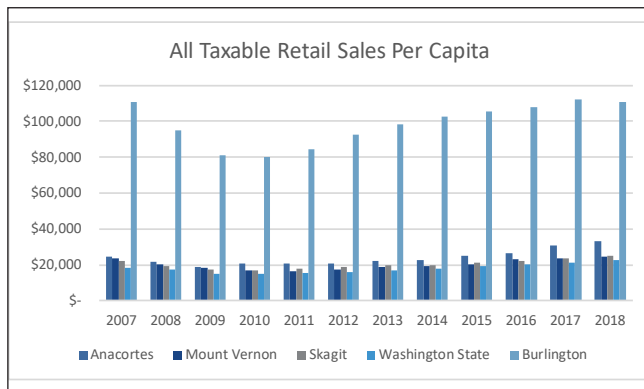
Source: Washington State Department of Revenue

The retail trade sector continues to account for about half of taxable retail sales in Skagit. Construction accounts for approximately 16 percent of total sales, followed by food and lodging and wholesale trade.



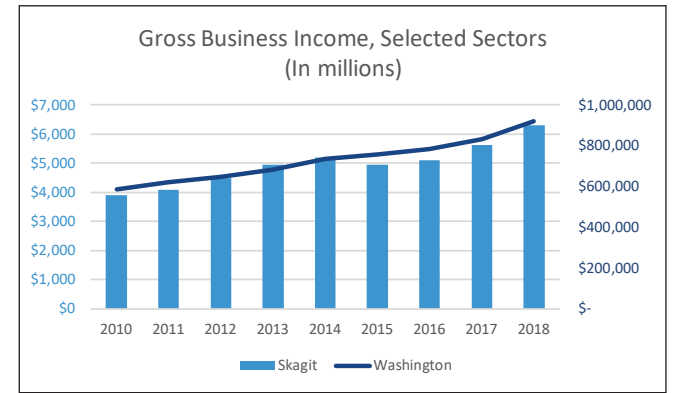
Source: Washington State Department of Revenue

Burlington's taxable retail sales per capita are far higher than in the rest of Skagit County and Washington State. This discrepancy is primarily due to its relatively small population and high concentration of retail sales.



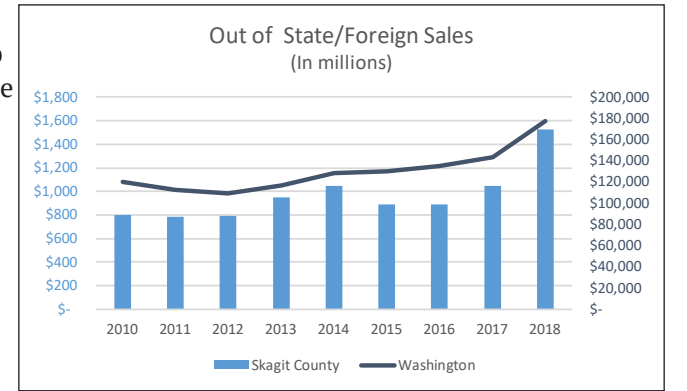
Source: Washington State Department of Revenue

Skagit County's gross business income increased by \$675 million in 2018, compared to an increase of \$525 million in 2017. The average for the prior five years was an annual increase of \$228 million.



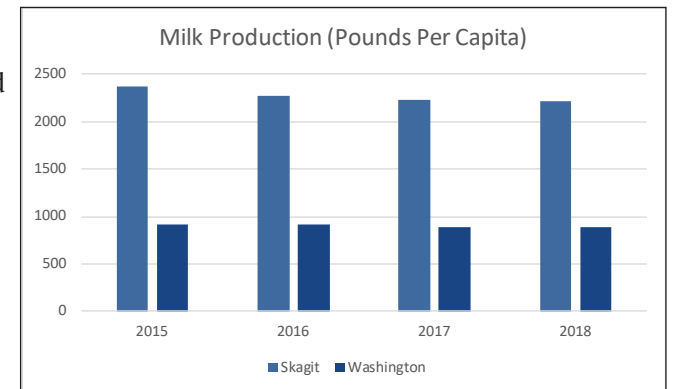
Source: Washington State Department of Revenue

Skagit County experienced a sharp uptick in out of state and foreign sales in 2018, increasing by \$76 million, while the average annual growth over the prior five years was \$51 million.

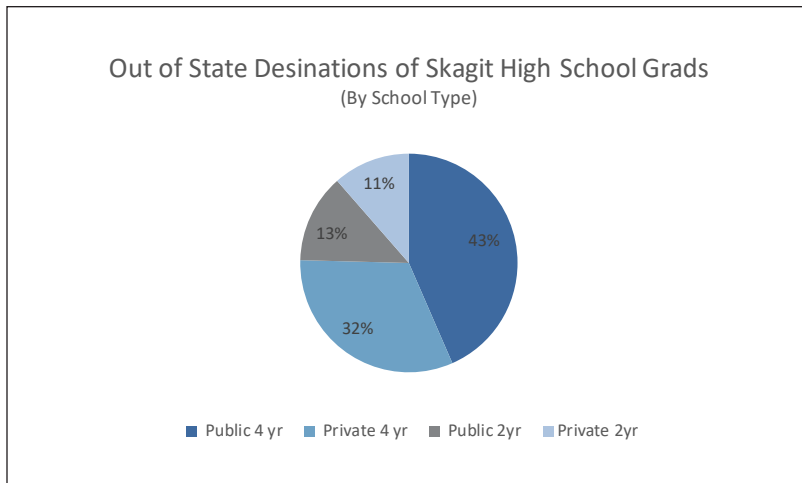


Source: Washington State Department of Revenue

Over the last four years, Skagit has continually produced milk at a per capita rate nearly 2.5 times higher than the state average. This period has also seen a 3 percent decrease in total Skagit production.

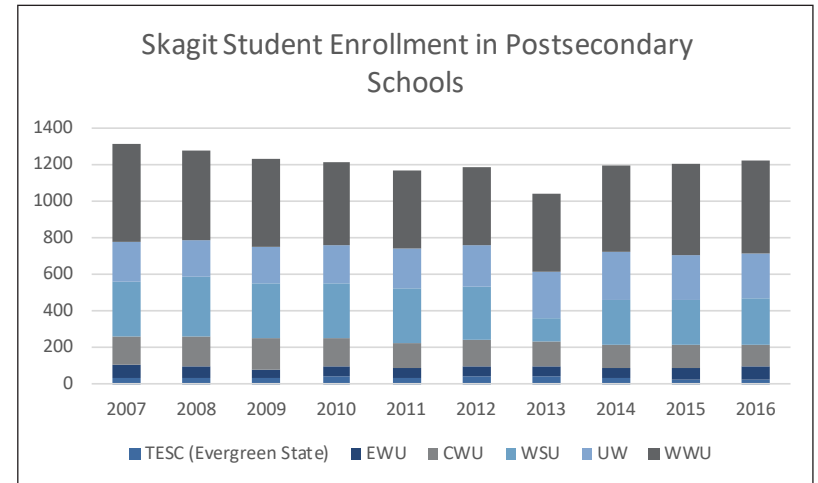


Source: Washington State Department of Revenue



Source: Education Research & Data Center

- Slightly more students from Skagit enrolled in a secondary school in-state than the state average.
- Most of these students chose a two year school, compared to just under half of students statewide.
- Graduates from Skagit accounted for 1.9 percent of all WA graduates. Skagit makes up 1.5 percent of the total state population.



Source: Education Research & Data Center

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.

District	2015-16 Academic Year					Statistics						HS Graduates	% Going to College
	Enrolled in Washington					Enrolled Out of State							
	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			
Anacortes	70-74%	25-29%	5-9%	35-39%	0-2%	25-29%	15-19%	5-9%	3-4%	0-2%	188	70-74%	
Burlington-Edison	85-89%	25-29%	0-2%	55-59%	0-2%	15-19%	5-9%	5-9%	0-2%	0-2%	223	61%	
Concrete	80-89%	11-19%	0-10%	60-69%	0-10%	11-19%	11-19%	0-10%	0-10%	0-10%	41	45-49%	
La Conner	90-100%	40-49%	0-10%	40-49%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%	49	75-79%	
Mount Vernon	83%	33%	3%	46%	0-2%	17%	8%	7%	0-2%	0-2%	376	54%	
Sedro Woolley	90-94%	40-44%	3-4%	45-49%	0-2%	5-9%	0-2%	5-9%	0-2%	0-2%	226	47%	
Statewide	82%	33%	5%	44%	0-1%	18%	8%	8%	2%	0-1%	69163	59%	
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*	128.6	143.1	184.2	114.6	72.2	118.7	128.9
Whatcom	115.6	108.1	126.8	87.0	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 Skagit County was 113—above the national average. Compared to nearby counties like San Juan and Whatcom, however, Skagit County’s cost of living is relatively low. Down south in King County, composite costs are significantly higher due in large part to high housing costs.

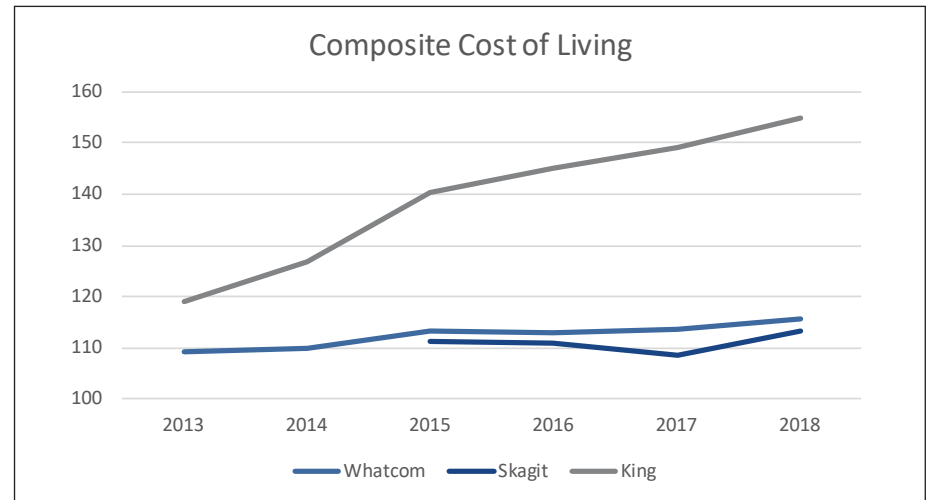
Living Wage (Skagit County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$930	\$17	\$698
Rent 2 bedroom	\$992	\$19	\$744
Median home mortgage	\$1,384	\$26	\$1,038

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 \$17 per hour for a one-bedroom apartment. The most costly lifestyle examined is associated with those making monthly mortgage payments, with a minimum household wage of \$26 per hour needed. The median household income in Skagit for 2018 was about \$59,000—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 regional trends, however, data for Skagit County is limited to the last four years. The graph below shows the cost of living for Skagit, Whatcom, and King counties. The rapid divergence of King County costs of living from those in Skagit and Whatcom has resulted in some Seattle workers moving north and trading a lower cost of living for a longer commute.



Source: C2BR

While Skagit County’s cost of living dipped in 2017, it generally appears to hover just below that of Whatcom County. As more data continues to be collected, it will become easier to detect trends in Skagit County’s cost of living and its connection to other counties.



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](http://cebr.wvu.edu)



# Port of Skagit

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