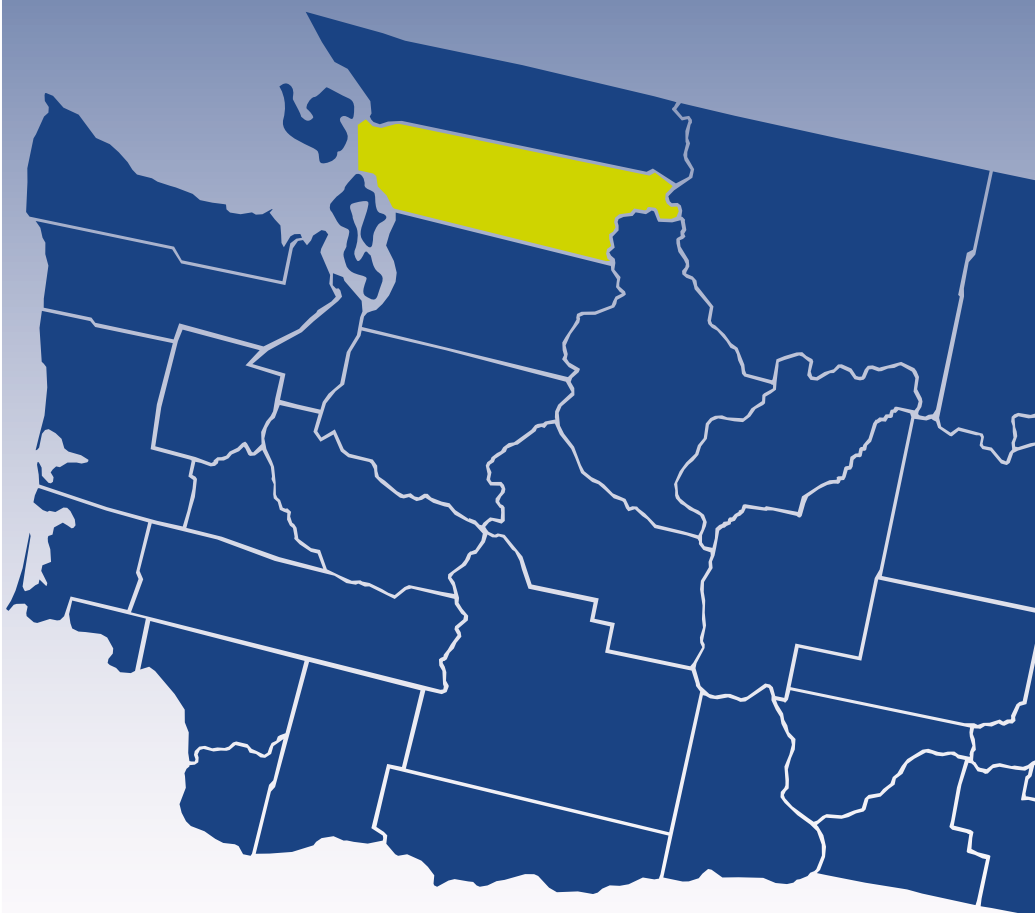


SKAGIT COUNTY

2021 ECONOMIC PROFILE

DATA FROM 2020



CENTER FOR 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 2020.

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

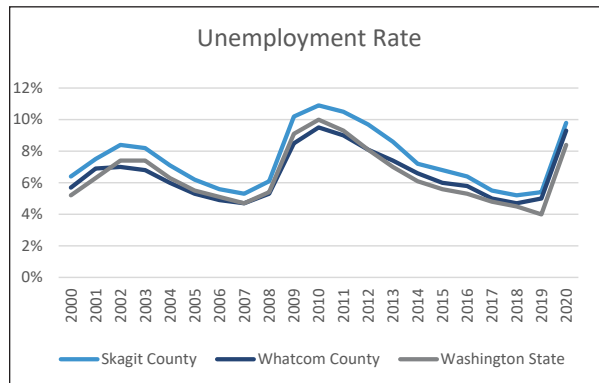
	Mount Vernon City, Washington	Skagit County	Washington	United States
Population				
Population estimates, July 1, 2019	36,006	129,205	7,614,893	328,239,523
Population estimates base, April 1, 2010	31,724	116,892	6,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019	13.5%	10.5%	13.2%	6.3%
Population, Census, April 1, 2020	35,219	129,523	7,705,281	331,449,281
Population, Census, April 1, 2010	31,743	116,901	6,724,540	308,745,538
Labor Force				
In civilian labor force, total, percent of population age 16 years+, 2015-2019	63.0%	59.0%	63.6%	63.0%
In civilian labor force, female, percent of population age 16 years+, 2015-2019	57.4%	53.3%	58.5%	58.3%
Income and Poverty				
Median household income (in 2019 dollars), 2015-2019	\$62,065	\$67,028	\$73,775	\$62,843
Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$27,049	\$33,168	\$38,915	\$34,103
Persons in poverty, percent	14.3%	11.2%	9.8%	11.4%

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

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% of the county's population in 2010. By April 1, 2020, this had increased by 0.1% to account for 27.2% 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 similar overtime. Additionally, it is interesting to note that the median household income for the county overall is moderately higher than Mount Vernon at \$67,028 and \$62,065, respectively.

Employment

Skagit County's unemployment rate was 9.8% in 2020, which was higher than both the State and neighboring Whatcom County's average at 8.4% and 9.3%, respectively. Skagit County's utility sector had the highest average annual wages in 2020 at \$107,506 whereas the Accommodation and food services sector had the lowest average annual wages at \$22,232.



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

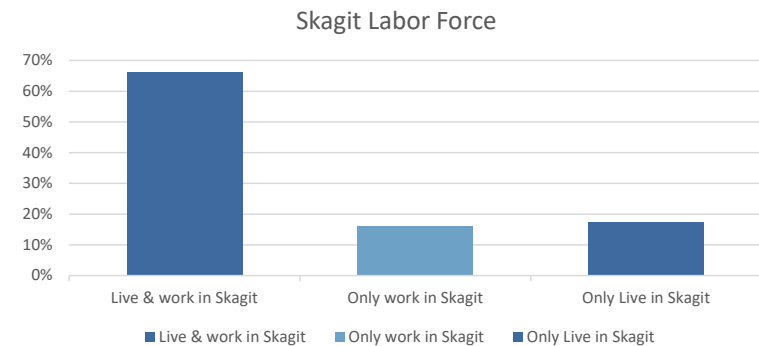
Industry Subsectors	Average Firms	Total 2020 Wages Paid	Average Annual Employment	Average Annual Wage
Total	3,991	\$2,655,250,202	48,862	\$54,342
Agriculture, forestry, fishing and hunting	178	\$97,578,574	2,545	\$38,341
Mining	4	\$2,110,829	38	\$55,548
Utilities	10	\$24,511,461	228	\$107,506
Construction	547	\$265,351,487	3,794	\$69,940
Manufacturing	182	\$438,154,627	6,096	\$71,876
Wholesale trade	133	\$78,238,641	1,117	\$70,044
Retail trade	412	\$247,132,436	6,553	\$37,713
Transportation and warehousing	96	\$66,361,759	1,287	\$51,563
Information	43	\$23,949,064	326	\$73,463
Finance and insurance	118	\$123,789,186	1,424	\$86,931
Real estate and rental and leasing	129	\$16,142,898	460	\$35,093
Professional and technical services	306	\$127,685,563	1,695	\$75,331
Management of companies and enterprises	8	\$7,836,869	103	\$76,086
Administrative and waste services	202	\$66,481,631	1,366	\$48,669
Educational services	46	\$11,805,189	331	\$35,665
Healthcare and social assistance	797	\$224,643,718	5,189	\$43,292
Arts, entertainment, and recreation	56	\$10,179,262	426	\$23,895
Accommodation and food services	310	\$80,636,261	3,627	\$22,232
Other services, except public administration	309	\$55,949,823	1,414	\$39,568
GOVERNMENT	105	\$686,710,924	10,845	\$63,321

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

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Commute Direction

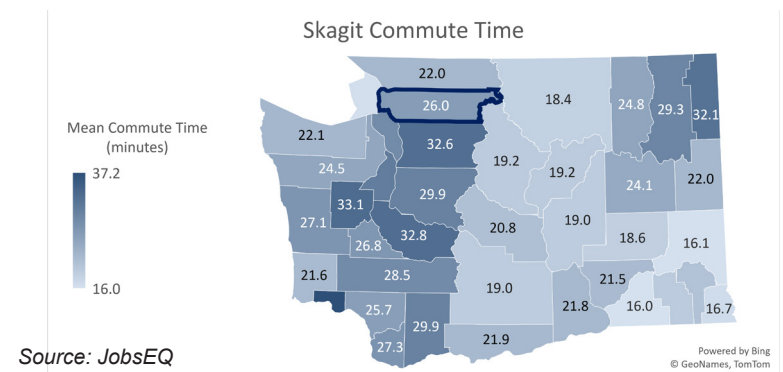
Of the 51,655 people that worked in Skagit County in 2020, 41,517 (66%) of them also lived within the county. 10,138 people lived elsewhere but commuted in to work in Skagit County. A further 10,998 individuals are Skagit County residents but work outside the county. When considering this, it is important to remember that the labor force participation rate in Skagit County is 59%.



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

Commute Times

Skagit County had a mean commute time of 26 minutes. Neighboring Whatcom County had a mean commute of 22 minutes, while King County's average is at 29.9 minutes. Walla Walla and Wahkiakum Counties continue to have the shortest and longest commutes at 15.0 and 37.2 minutes respectively. The state average was 24 minutes. It should be noted that these mean commute times reflect data collected by the American Community Survey from 2015-2019 and may not reflect current commute times.



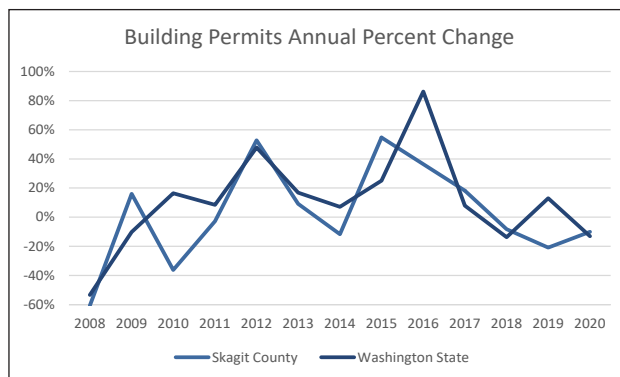
Source: JobsEQ

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Building Permits Annual Percent Change

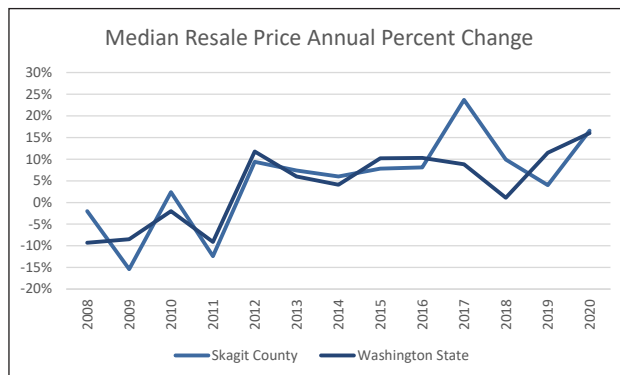
Building permits are volatile, often fluctuating greatly from year to year. This is due in part to a small denominator, which can make even small changes look large in comparison. Between 2019 and 2020, Skagit County's data reflects a decrease in building permits by 10% Washington State saw a decrease of 13%.



Building Permits Annual Percent Change				
	2017	2018	2019	2020
Skagit County	18.2%	-8.2%	-20.8%	-10%
Washington State	7.9%	-13.7%	13.0%	-13%

Median House Resale Price Annual Percent Change

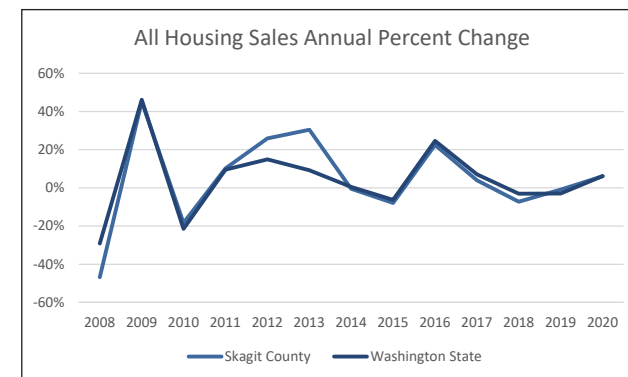
Historically, Skagit County and Washington State have followed similar trends for the annual percent change in median house resale price. However, dynamics diverged 2016-2019. In 2020, Skagit and Washington State had very similar levels in median resale price change, at 17% and 16.9% growth respectively.



Median Resale Price Annual Percent Change				
	2017	2018	2019	2020
Skagit County	23.7%	9.9%	4.0%	17%
Washington State	8.8%	1.1%	11.5%	16%

All Housing Sales Annual Percent Change

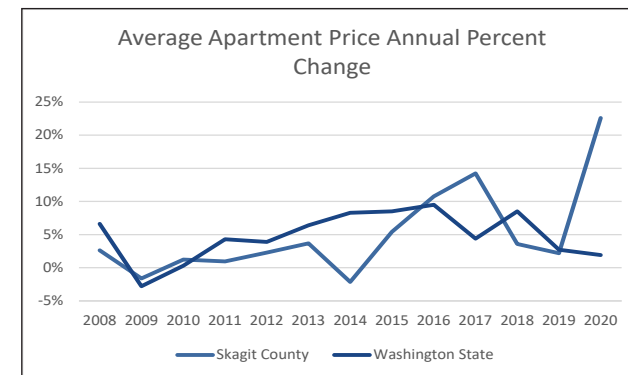
Annual percentage changes in all sales of homes in 2020 increased for both Skagit County and Washington State by 6.1% and 6% respectively. This indicates a hot housing market.



All Sales Annual Percent Change				
	2017	2018	2019	2020
Skagit County	4.0%	-7.3%	-0.9%	6.1%
Washington State	7.1%	-3.0%	-2.9%	6%

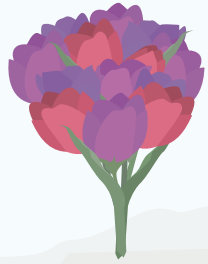
Average Apartment Rent Annual Percent Change

Average apartment prices have been increasing annually in Skagit County since 2015, with a large 22.6% increase in 2020 following a 2.2% increase in 2019. Skagit's increases in 2020 were significantly higher than the Washington state average of 2% in 2020.



Average Apartment Price Annual Percent Change				
	2017	2018	2019	2020
Skagit County	14.2%	3.6%	2.2%	22.6%
Washington State	4.4%	8.5%	2.7%	1.9%

2020



The Skagit Tulip Festival was cancelled in 2020 for the first time since it started in 1984 due to the effect of the Coronavirus

Government is the largest sector in Skagit county by employment, with an average of 10,805 employees



The Shell refinery in Anacortes processes 5.7 million gallons of crude oil a day. The Shell refinery supports roughly \$75 million in salaries and wages per year in Skagit County.



The most recent data from 2018 shows that 16,512 Skagit residents receive SNAP benefits.

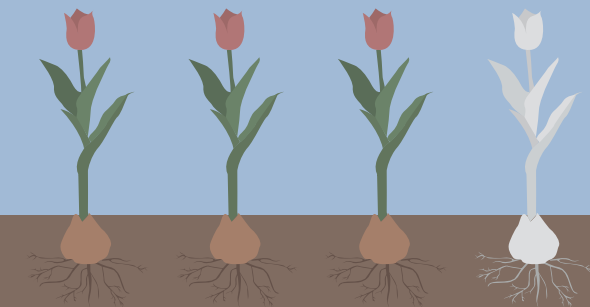


Real estate prices
Median home:
\$421,800
Average apartment:
\$1,176/ month

Skagit produced:

580 cut flowers

and 155 tulip bulbs per capita



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

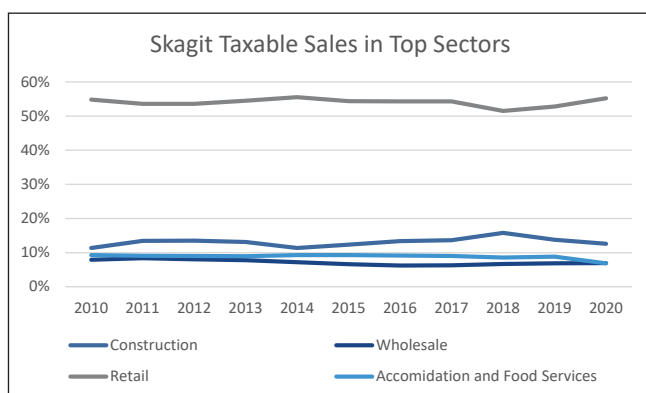
Skagit produced 20% of Washington's strawberries in 2020



Taxable Sales in Top Sectors

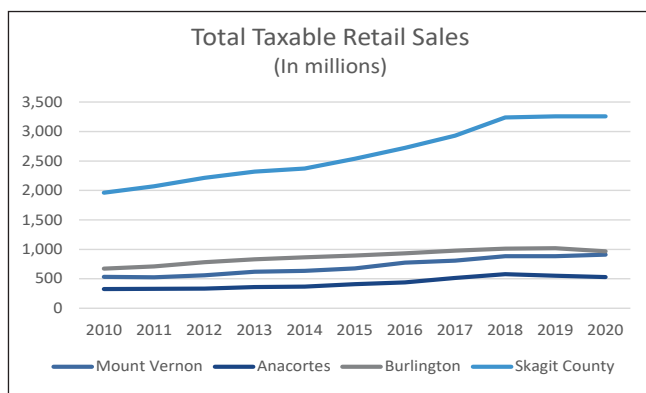
The retail trade sector continues to account for more than half (55%) of taxable retail sales in Skagit, up from 53% in 2019.

Construction accounts for approximately 13% of total sales, followed by accommodation & food services (7%) and wholesale trade (7%).



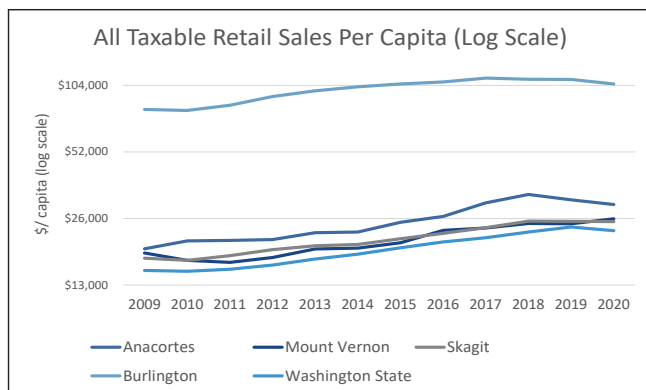
Taxable Retail Sales

In 2020, Skagit County had a total of \$3.26 billion in retail sales, \$1.02 billion of which was generated in Burlington. Despite its small population, Burlington accounts for 29.6% of taxable retail sales in Skagit County. Burlington is followed by Mount Vernon and Anacortes.



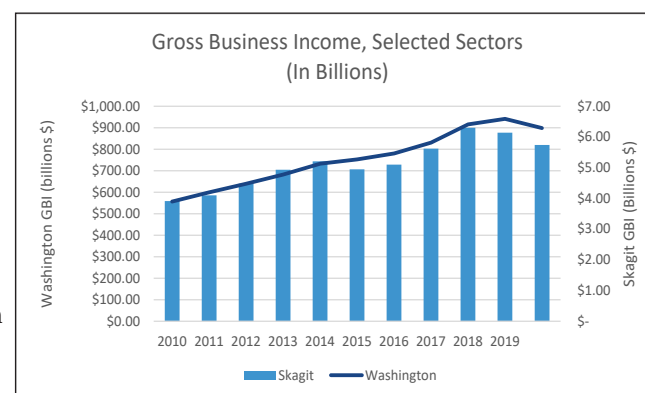
Taxable Sales Per Capita

Skagit County's retail sales per capita were \$24,753 per year in 2020. This is similar to Washington state's average retail sales per capita of \$22,873. Burlington's high retail sales per capita are partly due to a strong retail base relative to its small population.



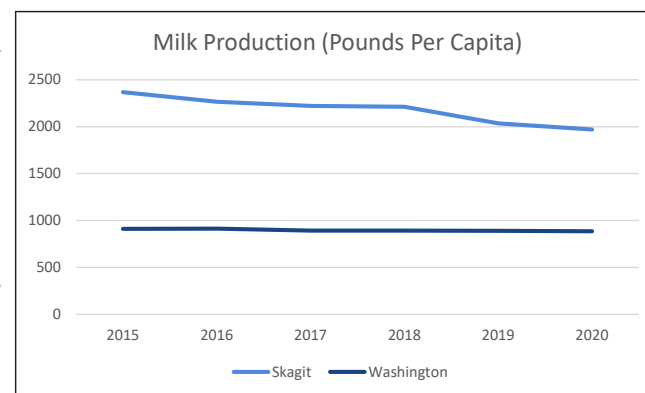
Gross Business Income

Skagit County gross business income significantly decreased by \$398.36 million in 2020, continuing the recent trend of falling gross business income from 2019. The average annual change for the prior five years has been an increase of \$159.01 million.



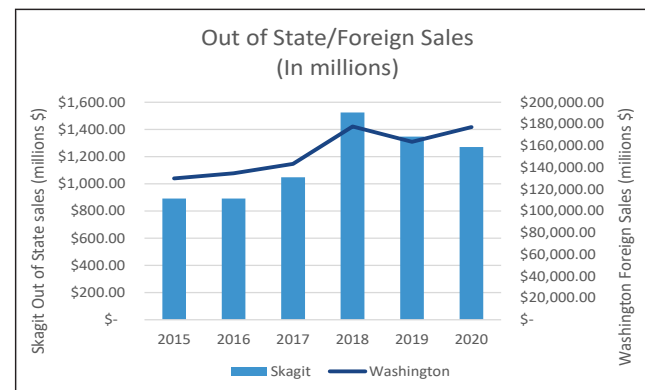
Milk Production Per Capita

Skagit County produced 1969 gallons of milk per capita, and Washington State produced 885 gallons of milk per capita in 2020. Both Skagit County and Washington State continue to see declines in milk production.

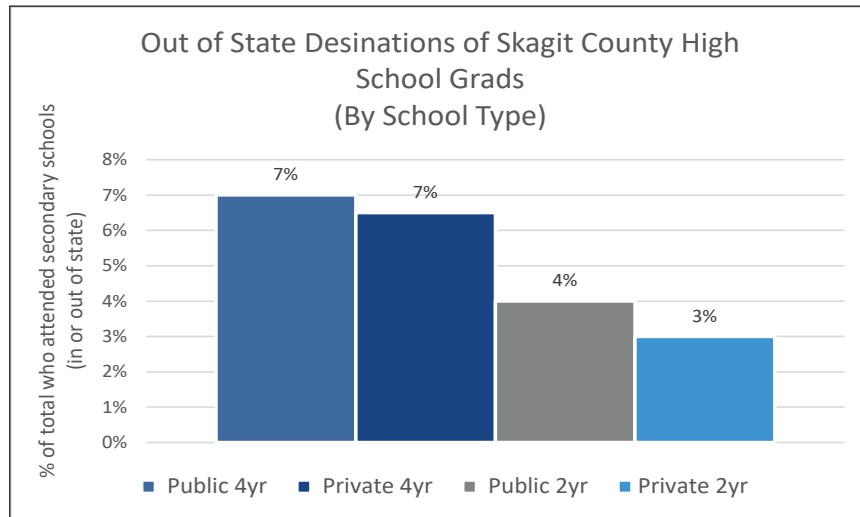


Out of State Exports

Skagit County experienced a decrease in out of state and foreign sales in 2020, falling by \$76.9 million to \$1.27 billion. This is a smaller decrease than last year's decrease of \$177.9 million.

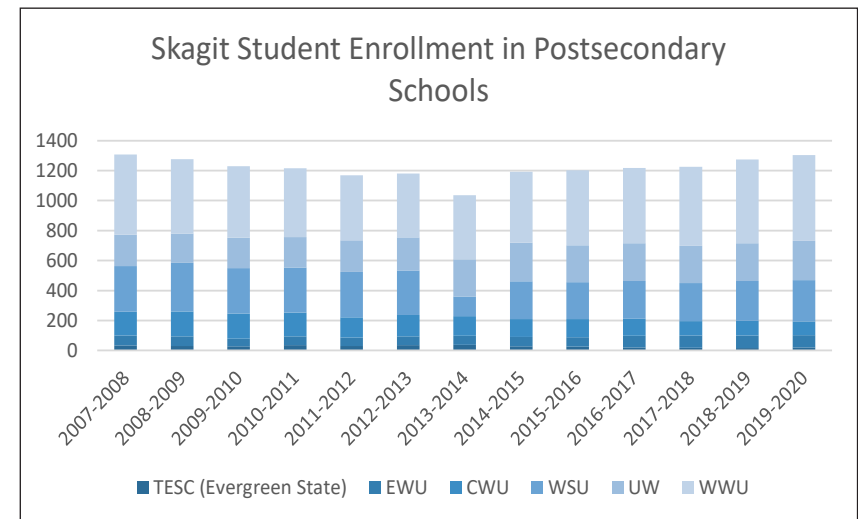


Education



Anacortes School District has the highest percentage in the Skagit region of 2018 high school graduates who enrolled in postsecondary that attended out of state colleges at 19-22%.

La Conner School District has the lowest percentage of 2019 high school graduates who enrolled in postsecondary out of state for the Skagit region at 0-10%.



Data is not yet published for the 2019-2020 school year. Of all the students enrolled in post-secondary education across the state, WWU had the most from Skagit County at 559 during the 2018-2019 school year. Next was WSU with 265 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	Washington					Out of State				
	Total	Public 4 yr	Private 4 yr	Public 2yr	Private 2yr	Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr
Anacortes	78-81%	36%	3-4%	39%	0-2%	19-22%	10%	9%	3-4%	0-2%
Burlington-Edison	84-86%	31%	4%	49%	0-2%	14-16%	7%	7%	3-4%	0-2%
Concrete	79-89%	0-20%	0-20%	79%	0-20%	0-20%	0-20%	0-20%	0-20%	0-20%
La Conner	89-99%	59%	0-10%	30-39%	0-10%	0-10%	0-10%	0-10%	0-10%	0-10%
Mount Vernon	92-94%	34%	4%	54%	0-2%	6-8%	4%	4%	0-2%	0-2%
Sedro Woolley	86-89%	21%	3-4%	62%	0-2%	11-14%	7%	6%	0-2%	0-2%
Statewide	80-81%	32%	5%	43%	0-1%	19-20%	9%	8%	2%	0-1%

Source: <http://www.erdccdata.wa.gov/hsfb.aspx>

Regional Cost of Living

Regional Cost of Living 2021Q1	
Region	Composite
Whatcom County	120.1
Skagit county	117.5
Everett	149.5
King County	158.4
City of Mount Vernon	117.5
City of Anacortes	117.5

Source: JobsEQ

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 2020, the cost of living in Skagit County was 117.5—17.5% higher than the national average. In comparison to neighboring counties, Skagit County's cost of living is similar to Whatcom County (120.1) and significantly lower than King County (158.4).

Living Wage

Living Wage (Skagit County)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$1,176	\$20.35	\$814
Rent 2 bedroom	\$1,277	\$22.10	\$884
Median home mortgage	\$1,677	\$29.03	\$1,161

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

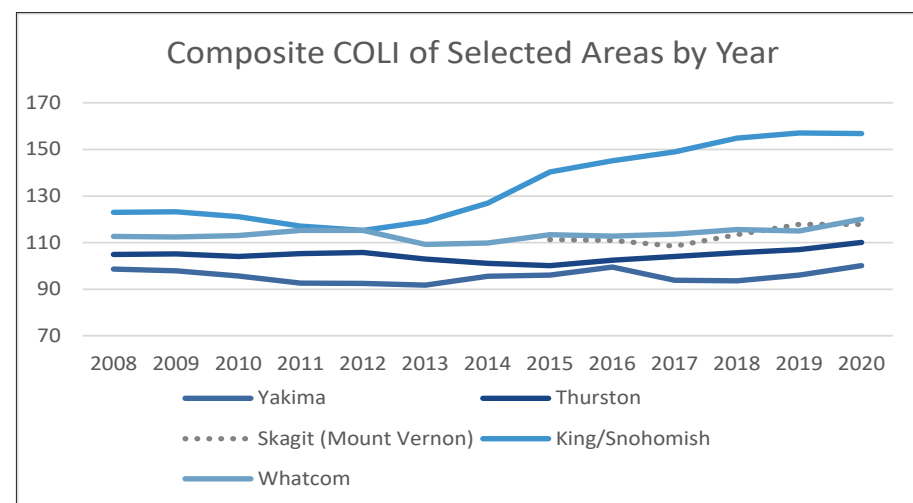
Living wages are calculated by finding the point at which one-third of a worker's total income is allocated to housing costs. For 2020, the minimum living wage was \$20.35 per hour to afford a one-bedroom apartment in Skagit. To afford the median home mortgage, workers need to have minimum household wage of \$29.03 per hour. The median household income in Skagit for 2018 was \$67,028 (approximately \$32.23/hour assuming a 40 hour workweek)—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

Historical cost of living data can reveal important regional trends, however, data for Skagit County is limited to the last five years. The graph below shows the cost of living for Skagit, Whatcom, and King counties.

While Skagit County's cost of living dipped in 2017, it generally appears to hover close to Whatcom County's cost of living. 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. In 2020, Skagit cost of living was unchanged from 2019, remaining stationary at 117.8.



Source: C2ER Annual Report

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.



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