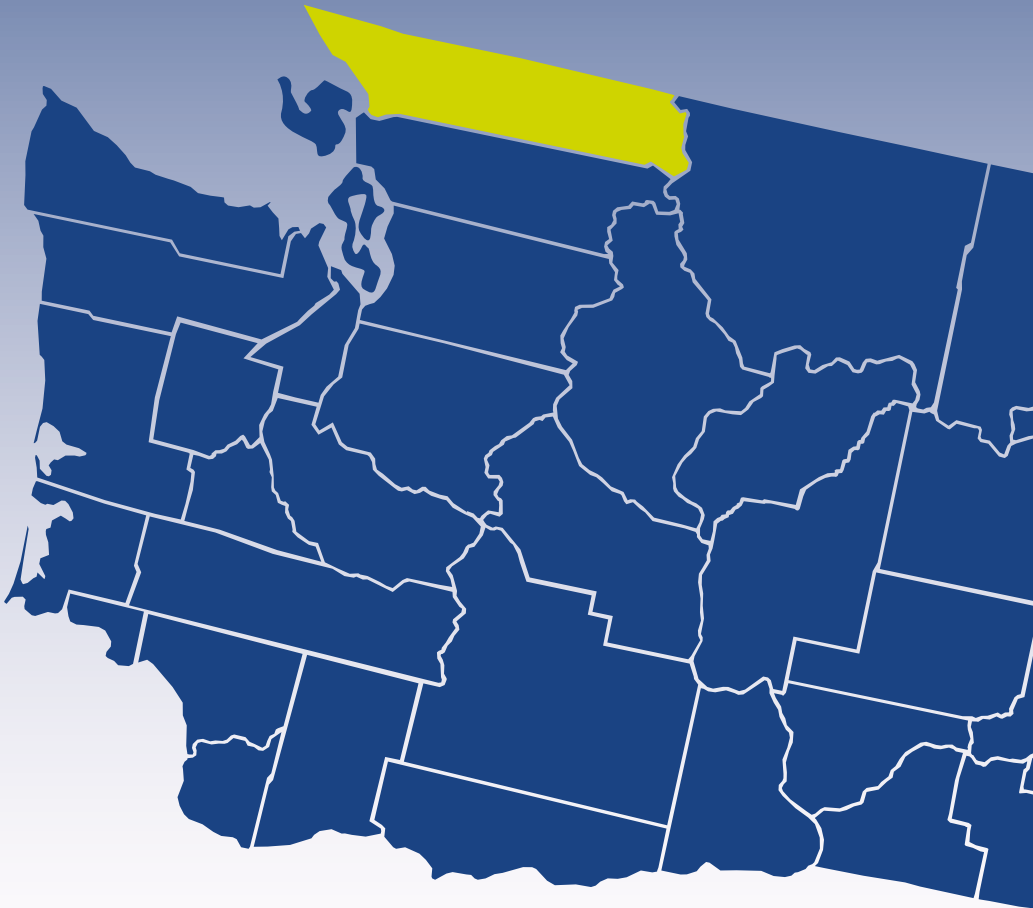


WHATCOM COUNTY

2021 ECONOMIC PROFILE

DATA FROM 2019



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

	Bellingham	Whatcom County	Washington	United States
Population				
Population estimates, July 1, 2019	92,314	229,247	7,614,893	328,239,523
Population estimates base, April 1, 2010	81,205	201,146	6,724,540	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019	13.7%	14.0%	13.2%	6.3%
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+, 2014-2018	64.8%	62.7%	63.5%	62.9%
In civilian labor force, female, percent of population age 16 years+, 2014-2018	61.0%	57.7%	58.4%	58.2%
Income and Poverty				
Median household income (in 2018 dollars), 2014-2018	\$50,844	\$59,285	\$70,116	\$60,293
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$29,030	\$30,586	\$36,888	\$32,621
Persons in poverty, percent	21.8%	14.9%	10.3%	11.8%

Source: US Census

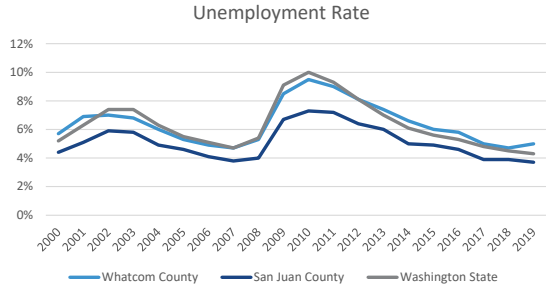
We start with the county demographics to provide a foundation for later discussions about the data in this profile. In the case of Whatcom County, we note that the population in Bellingham grew 13.7 percent between 2010 and July 1, 2019. The county grew 14 percent over the same period, a rate that is only 0.8 percentage points greater than that of Washington State. We also note that the population in the Seattle metro area grew by 23.8 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.

4 • EMPLOYMENT DATA

Employment

Whatcom County’s average unemployment rate in 2019 was 5 percent, just 0.7 percentage points higher than the statewide rate. Meanwhile, the Finance and Insurance subsector had the highest average annual wage for 2019 at \$75,138. Arts,

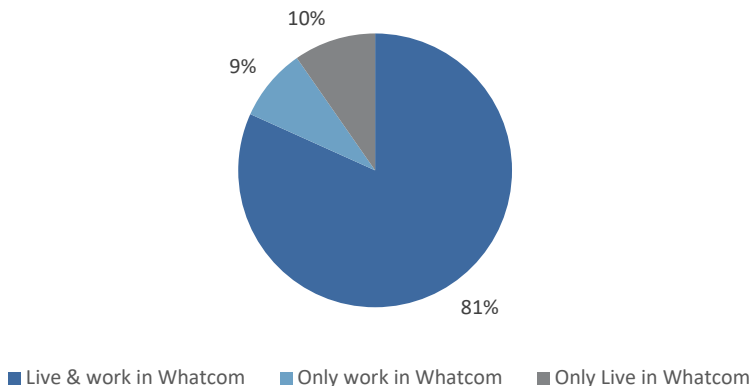
entertainment, and recreation had the lowest average annual wage at \$18,820. Of the 99,691 people that worked in Whatcom County in 2019, 90,224 also lived within the county, while 9,467 people lived elsewhere but commuted to Whatcom County for work. An additional 10,634 Whatcom County residents worked outside the county. When considering this, it is important to remember that the labor force participation rate in Whatcom County is 50.3 percent.



Industry Subsectors	Average Firms	Total 2019 Annual Wages Paid	Average Annual Employment	Average Annual Wage
Finance and insurance	181	\$171,841,143	2,287	\$75,138
Construction	844	\$497,873,151	7,245	\$68,720
Professional and technical services	706	\$227,048,304	3,336	\$68,060
Manufacturing	344	\$683,058,117	10,520	\$64,931
Information	129	\$83,190,708	1,248	\$66,659
Management of companies and enterprises	29	\$26,000,363	412	\$63,108
GOVERNMENT	116	\$916,158,884	15,105	\$60,653
Wholesale trade	359	\$165,535,639	2,685	\$61,652
Transportation and warehousing	180	\$119,494,864	2,323	\$51,440
Health care and social assistance	1,321	\$599,994,586	12,031	\$49,871
Administrative and waste services	400	\$174,746,571	4,352	\$40,153
Real estate and rental and leasing	243	\$52,868,907	1,307	\$40,451
Other services, except public administration	544	\$116,089,966	3,193	\$36,358
Retail trade	666	\$356,961,712	10,848	\$32,906
Agriculture, forestry, fishing and hunting	349	\$114,113,190	3,502	\$32,585
Educational services	103	\$23,272,736	964	\$24,142
Accommodation and food services	492	\$191,409,659	9,058	\$21,132
Arts, entertainment, and recreation	102	\$26,912,932	1,430	\$18,820
Accommodation and food services	313	\$99,876,059	4,579	\$21,812
Total	7,108	\$4,546,571,432	91,846	\$876,779

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

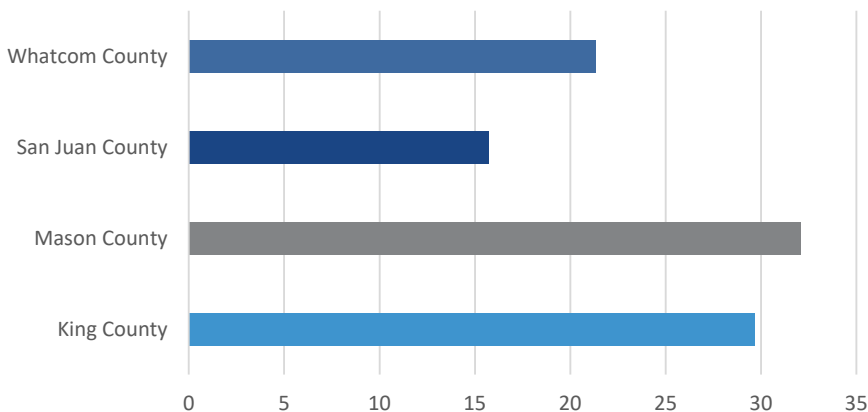
Whatcom Labor Force



Commute

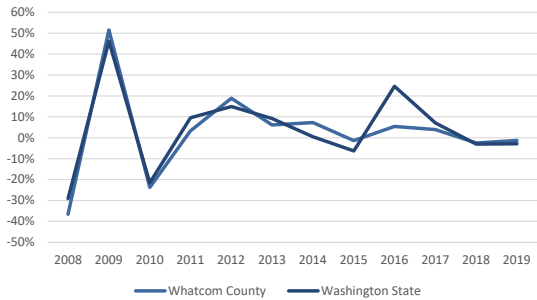
The mean commute time in Whatcom increased ever so slightly from 21 minutes in 2018 to 21.3 in 2020. Neighboring Skagit County had a mean commute of 26.2 minutes. Asotin and Snohomish Counties continue to have the shortest and longest commutes at 15.6 and 32.2 minutes respectively. The state average 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

Whatcom County closely reflected Washington State’s change in total house sales in 2019, exhibiting a 1.3 percent drop over the prior year, comparable to the 2.9 percent drop in sales statewide. This is demonstrative of the slowing housing market at a national level. It should be noted that a 0 percent change means annual sales are at the same level as the year prior. The 1.3 percent drop in Whatcom County’s annual house sales in 2019 means that the number of houses sold is 1.3 percent lower than the number of houses sold in 2018.

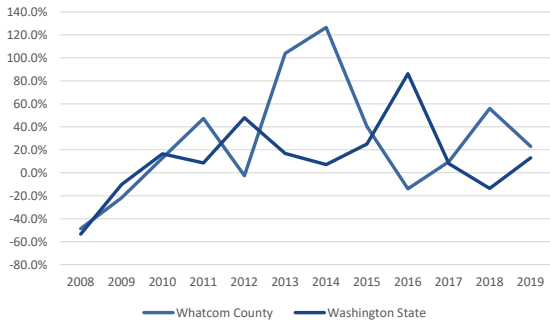


All House Sales Annual % Change				
	2016	2017	2018	2019
Whatcom County	5.4%	3.90%	-2.5%	-1.3%
Washington State	24.6%	7.1%	-3.0%	-2.9%

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

Building Permits Annual Percent Change

Building permits remain volatile, with large fluctuations occurring annually. Whatcom County showed a 23 percent increase in building permits in 2019, compared to a 56 percent increase in 2018. In 2018, Washington State had a drop of 13.7 percent in building permits, but in 2019 saw an increase of 13 percent, again reflecting the volatility in the annual percentage change of building permits.

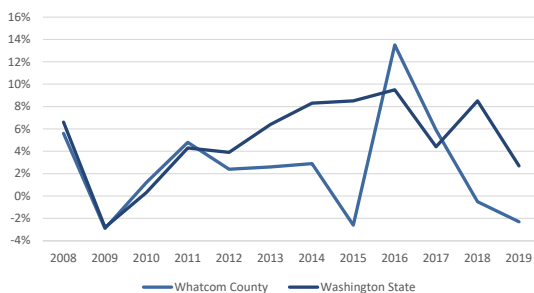


Building Permits Annual % Change				
	2016	2017	2018	2019
Whatcom County	-14%	9.70%	56.0%	23.0%
Washington State	86.2%	7.9%	-13.7%	13.0%

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

Average Apartment Rent Annual Percent Change

The annual percent change in average apartment prices in Whatcom County fell by 2.3 percent in 2019, following a 0.5 percent fall in 2018. Average apartment prices in Washington State, however, have been increasing annually since 2010. In 2019, the average apartment price in Washington State increased by 2.7 percent, which is lower than the 8.5 percent increase in 2018, but a rise in prices nonetheless.



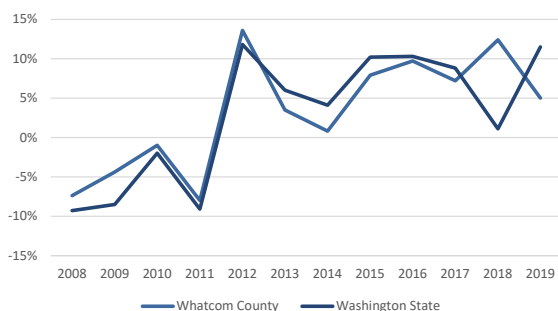
Median Apartment Price Annual % Change

	2016	2017	2018	2019
Whatcom County	13.5%	5.9%	-0.5%	-2.3%
Washington State	9.5%	4.4%	8.5%	2.7%

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

Median House Resale Annual Percent Change

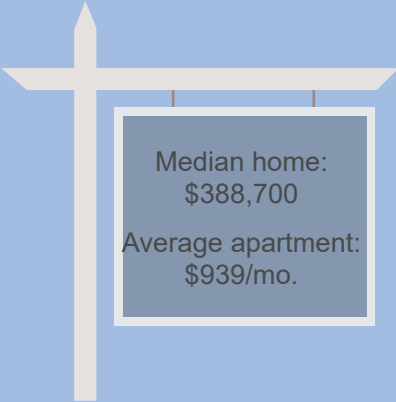
Historically, Whatcom County and Washington State have followed the same trend for the annual percent change in median house resale price. In 2018, however, Washington State demonstrated a significant drop in resale price annual percent change increasing only 1.1 percent over the year before, whereas Whatcom County saw a 12.4 percent uptick in resale price annual percent change. In 2019, Washington State saw a percentage increase of 11.5 percent in annual median house resale price, whereas Whatcom County only saw an increase of 5 percent. The difference between these percent changes is not as significant as it was for 2018, but in is still a significant difference when considering how closely Whatcom County and Washington State followed the same trend in the past.



Median House Resale Price Annual % Change

	2016	2017	2018	2019
Whatcom County	9.70%	7.20%	12.4%	5.0%
Washington State	10.3%	8.8%	1.1%	11.5%

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



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



Work - 1.3%



Mail - 12.4%



Family Visit - 6.7%



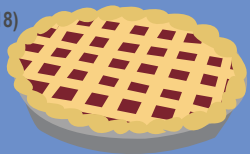
Vacation - 11.9%
42.1 million Canadians
entered the US in 2017



Gas - 19.2%

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

Whatcom produces enough raspberries
to make 166 pies per capita (2018)



Part of the 1935 version of Call of the Wild was
filmed at Mount Baker

2019



Whatcom produces 16.7 pints of beer per thousand people

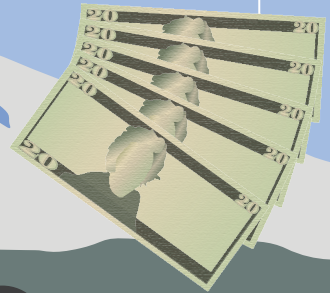
Airport - 1.1%

Other - 1.3%

School - 0.6%
Healthcare - 0.3%
Church - 0.3%

Shopping - 28%

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

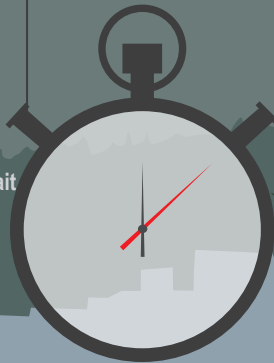


Purpose of Border Crossings

2018/2019 IMTC Passenger Vehicle Survey

Recreation - 15.2%

Average border wait at noon is 7 min



Ferndale was originally referred to as "Jam" due to its proximity to a log jam on the Nooksack River

Taxable Retail Sales

Nearly 63 percent of taxable retail sales in Whatcom County occur in Bellingham. While this is still a sizable share, the portion of taxable retail sales in Whatcom County that come from Bellingham have been slowly falling each year since its highest share in 2012, when it accounted for 67 percent of Whatcom county’s taxable retail sales. This suggests an increase in retail activity outside Bellingham.



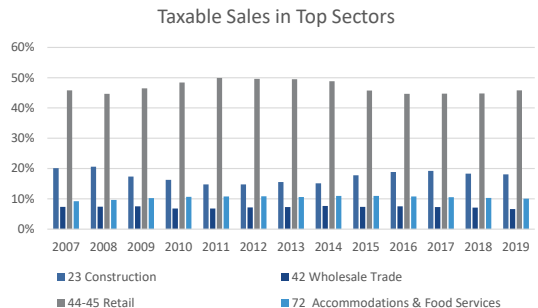
All Taxable Retail Sales per Capita

In 2019, the taxable retail sales per capita in Bellingham continued to be significantly higher, at \$32,809.91, than in the rest of Whatcom County and the State with per capita taxable retail sales of \$21,042.17 and \$23,791.94, respectively. This is likely because Bellingham is a dense urban area that accounts for most sales in Whatcom.



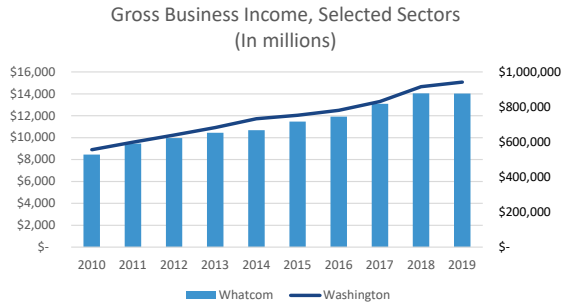
Taxable Sales in Top Sectors

While retail trade makes up a smaller portion of total taxable sales than in prior years, in 2019 it is still the largest sector at approximately 46 percent. The construction sector is also sizable, accounting for 18 percent of sales.



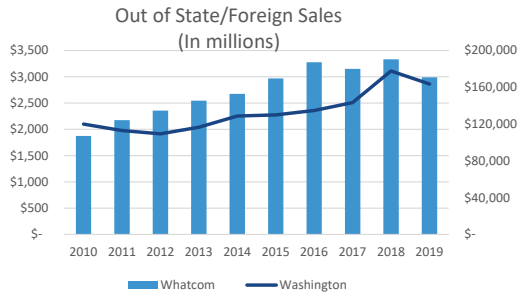
Gross Business Income

Gross business income had been increasing annually in Whatcom County since 2010. However, in 2019, gross business income in Whatcom fell by \$15 million. Over the prior five years, the average annual growth rate in Whatcom has been \$720 billion. This change may be the result of reporting changes, business relocation or other factors.



Out of State/Foreign Sales

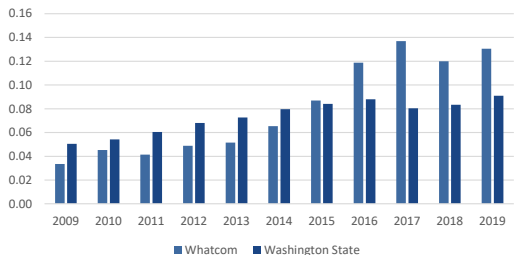
Whatcom County’s out of state and foreign sales grew fell by \$341 million in 2019, which is about twice as much as it grew by in 2018. Despite this decline in 2019, Whatcom has had an average annual growth rate of \$157 million over the prior five years.



Per Capita Beer Production (Gallons)*

Since 2009, Whatcom County’s beer production has quadrupled—with Washington only increasing by 65 percent. In 2019, Whatcom produced 0.13 gallons of beer per capita whereas Washington produced only 0.09.

Whatcom vs. Washington State Beer Production (Gallons Per Capita)

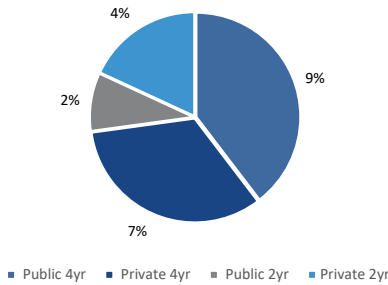


Source: Washington State Department of Revenue,
*Washington State Liquor and Cannabis Board

Out of State Destinations for Whatcom High School Students

- Most 2018 Whatcom high school graduates chose to stay in-state for secondary education. For those students, Whatcom average enrollment rates in both public and private two-year and four-year institutions are fairly on par with statewide averages.
- Lynden School District has the highest percentage of 2018 high school graduates who enrolled in postsecondary out of state for the Whatcom region at 22-28%.
- Blaine School District has the lowest percentage of 2018 high school graduates who enrolled in postsecondary out of state for the Whatcom region at 6-9%.
- About 60% of 2018 Whatcom high school graduates who enrolled in postsecondary education out of state chose either a public or private four-year institution.

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



2015-2016* Academic					
Enrolled in Washington					
District	Total	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr
Bellingham	80%	34%	6%	40%	0-1%
Blaine	92-97%	30%	4%	58%	0-5%
Ferndale	88-90%	32%	3%	53%	0-2%
Lynden	74-78%	17%	0-2%	57%	0-2%
Meridian	92-97%	31%	7%	54%	0-5%
Mount Baker	85-90%	32%	0-5%	52%	0-5%
Nooksack Valley	88-93%	29%	6%	53%	0-5%
Statewide	82%	33%	6%	42%	0-1%

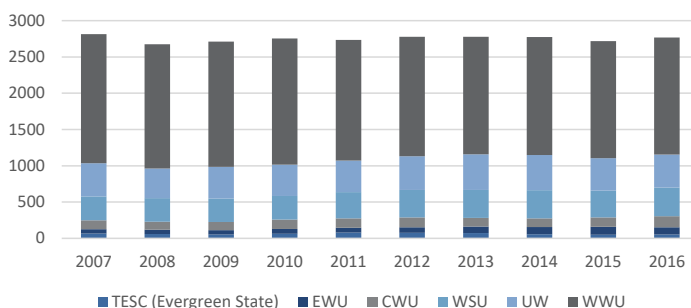
<http://www.erdcddata.wa.gov/hsfb.aspx>, [erdcd.wa.gov/data-dashboards/public-four-year-dashboard](http://www.erdcddata.wa.gov/data-dashboards/public-four-year-dashboard)

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 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.

*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.

Whatcom Student Enrollment in Postsecondary Schools



Year Statistics

Enrolled Out of State					Total	
Total (Out of State)	Public 4 yr	Private 4 yr	Public 2 yr	Private 2 yr	HS Graduates	% Going to College
20%	9%	9%	2%	0-1%	778	69%
6-9%	0-5%	0-5%	0-5%	0-5%	116	57%
11-13%	4%	7%	0-2%	0-2%	334	62%
22-28%	12%	10-14%	0-2%	0-2%	192	66%
10-14%	0-5%	6-9%	0-5%	0-5%	100	68%
10-15%	10%	0-5%	0-5%	0-5%	101	70%
10-14%	6-9%	6%	0-5%	0-5%	84	67%
18%	8%	8%	2%	0-1%	69163	60%

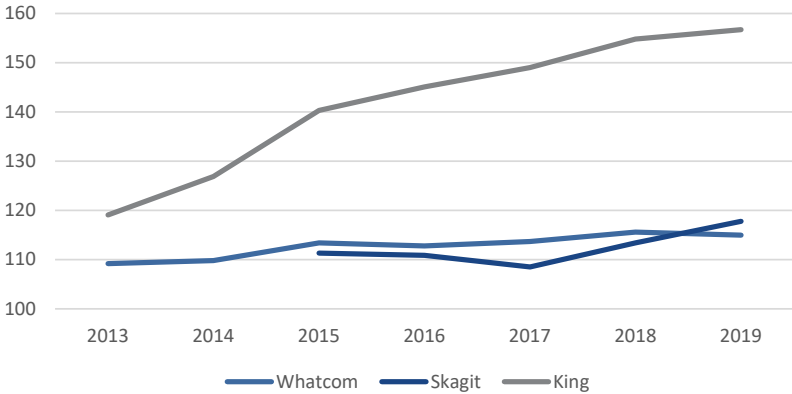
Cost of Living

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 Whatcom County was 115—above the national average. Compared to nearby counties like Skagit and San Juan, with composite indexes of 118 and 141, respectively, Whatcom’s cost of living sits comfortably in the middle. Down south in King County, composite costs are significantly higher, with a composite index of 157, due in large part to high housing costs.

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)

Composite Cost of Living



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 in Whatcom County was \$16 per hour for a one-bedroom apartment. The costliest lifestyle examined is associated with paying a monthly mortgage, with a minimum household wage of \$27 per hour needed. The median household income in Whatcom for 2019 was about \$59,285, making the hourly household income roughly \$28.50 — enough to afford all median lifestyles.

Living Wage (Whatcom)			
Housing Type	Rate	Required household hourly wage	Required household weekly wage
Rent 1 bedroom	\$939	\$16	\$650
Rent 2 bedroom	\$1,131	\$20	\$783
Median home mortgage	\$1,559	\$27	\$1,079

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 or **cebr.wvu.edu**



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