

Island County Profile

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Overview

Regional context

Island County is situated in the Salish Sea in Northwest Washington. As its name suggests, it is made up of several islands. The two largest are Whidbey and Camano. Island County is the second smallest county in Washington by landmass, just larger than neighboring San Juan County. Island County is bounded to the north by Deception Pass and by Puget Sound to the south. Skagit Bay and Saratoga Passage are located to the east and Admiralty Inlet and the Strait of Juan de Fuca are west of Island County. Skagit and Snohomish Counties lie to the east of Island County and the Olympic Peninsula lies across the water to the west.

Island County is one of 6 counties included in the Seattle-Tacoma Consolidated Metropolitan Statistical Area (CMSA).

Local The largest employer is the U.S. Naval Air Station in Oak Harbor (Naval Air Station Whidbey Island or NASWI). Oak Harbor is the largest city in the county with an estimated population 22,910 in 2020.

Economy

For thousands of years, Island County was inhabited by several groups of Coast Salish Indians. In the late 1700s and early 1800s, the population was decimated by disease transmitted through contact with European and American explorers.

Settlement by non-indigenous people began in the 1850s. Early industries included logging, fishing and farming, as well as some related manufacturing industries.

In 1941, the U.S. Navy started construction on an airbase (NASWI), which transformed Oak Harbor into a booming community due to the creation of construction jobs and influx of Navy personnel. NASWI remains a strong economic stabilizing force in Whidbey Island. NASWI has also brought many highly skilled workers to Whidbey Island. There is not a strong economic base to provide sufficient employment for the spouses and dependents of those workers; consequently, commuting to nearby counties provides a relief valve for residents seeking jobs.

Nonfarm and covered employment estimates do not include military employment figures. However, given that Island County's largest employer is the military, the success of other industries is highly dependent on the employment situation at the naval air base.

Total nonfarm employment averaged 17,260 in 2019. More than 27 percent of all non-military nonfarm jobs in Island County were government jobs – with concentration in state and local government. Typically, the largest volume of local government jobs is related to K-12 education. Other major industries in terms of employment include trade, transportation and utilities (a sector that includes retail and wholesale trade in addition to logistics-related activities), leisure and hospitality, and private education and health services. These industries supplied 16, 15 and 14 percent of employment respectively. Goods-producing industries, which are predominantly represented by construction and manufacturing, supplied 11 percent of non-military nonfarm jobs in Island County.

Geographic facts

	Island County	Rank in state
Land area, 2010 (square miles)	208.5	38
People per square mile, 2020	410.31	5

Source: Employment Security Department/LMEA, County Data Tables, Washington State Office of Financial Management.

Outlook

Island County’s pre-recession employment peaked in 2007, slightly earlier than either Washington state as a whole. Every year from 2008 to 2011, Island County shed proportionally more jobs than either the state or the nation and did not begin to see employment gains until 2012, after the state and the nation had already begun to improve. In 2013, Island County experienced a second round of job losses and finally began to emerge from sustained net job losses in 2014. Employers in Island County have collectively added jobs each year since the 2013 downturn. From the pre-recession peak in 2007 to 2013, Island County lost an estimated 1,610 nonfarm jobs or nearly 10 percent. For comparison, Washington state and the U.S. each lost an estimated 5 percent of their employment base each to the recession from 2008 to 2010. Similar to many other places throughout the state and the nation, the deepest job losses were observed in the construction industry; about 60 percent of all construction jobs in Island County were lost over the course of the recession and subsequent local downturn. Despite job growth reported in the past couple of years, the Island County employment level did not reach the pre-recession level until 2018, when average annual nonfarm employment reached 16,960, 170 above the level observed in 2007.

Before the pandemic-induced recession hit in early 2020, Island County had experienced six consecutive years of growth. From 2018 to 2019, Island County nonfarm civilian employment expanded by 300 jobs or 1.8 percent – similar to the state and the nation. Employment gains were concentrated in a few industry sectors, with the largest annual gains attributable to construction, government and leisure and hospitality. Manufacturing and retail trade each shed jobs over the year.

Labor force and unemployment

In 2019, Island County’s labor force averaged 36,116. Of that, an estimated 34,294 people were employed and 1,822 were estimated to be actively seeking employment. The average unemployment rate in 2019 was 5.0 percent, higher than Washington state as well as the nation as a whole.

Prior to the pandemic-induced recession that started in early 2020, The peak monthly unemployment rate in Island County (10.8 percent) was observed in January and February 2010. The average unemployment rate that year was 9.3 percent. The unemployment rate fell slowly but

consistently from 2010 through 2017 and reached a low of 5.0 percent in 2019. The COVID-19 pandemic left its mark swiftly in Island County. In April 2020 the unemployment rate leaped from 4.6 percent to 15.8 percent. As of September 2020 (the most recent report at the time that this report was written, the unemployment rate for Island County was 7.4 percent.

Source: Employment Security Department/LMEA, County Data Tables

Industry employment

Current industry employment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

Although the Great Recession technically ended in June 2009, civilian employment situation in Island County did not begin to turn around until well into the recovery period. The lowest employment levels were observed in 2013 – three years after the state began to recover jobs. Industries that were hit particularly hard included construction and retail. Employment in some services-focused industries such as leisure and hospitality, education and health services, and professional and business services remained relatively stable through the tumult, likely due to the stabilizing forces related to NASWI.

Island County averaged 17,260 nonfarm civilian jobs in 2019. This represents an introduction of 300 new jobs or a 1.8 percent increase in total employment over the year. Washington state as a whole saw the addition of 67,000 jobs over the same time period, an increase of 2.0 percent.

- Goods-producing industries supported an average of 1,950 jobs in 2019. This is 70 more jobs than had been counted in 2018, an increase of 3.7 percent over the year.
 - Island County goods-producing industries generally fall within two industries: construction and manufacturing. At its peak before the recession, the construction industry in Island County employed more than twice the number of jobs found in manufacturing (1,630 and 660 respectively in 2007). As of 2019, the gap has narrowed to a difference of 370 jobs (1,160 and 790 respectively in 2019). The two industries were buffeted around in this recession very differently. From 2007 to 2013, the construction industry declined by 980 or 60 percent, but has expanded every year since then. Despite sustained growth for the past six years, employment in construction remains well below pre-recession levels. Manufacturing employment fell by 50 early in the recession, stabilized, and expanded from 2013 through 2017. In terms of employment, manufacturing could be considered fully recovered as of 2015. Manufacturing has declined over the past couple of years but remains above pre-recession levels.
- Service-providing industries supported an average of 15,310 jobs in 2019, up from 15,080 in 2018.
 - The service sector shed 620 jobs or 4.3 percent from 2007 to 2013. The deepest losses were observed in trade transportation and utilities (including retail trade), down 580 or 19 percent. Information and financial activities shed 210 jobs or 21 percent. A handful of industries saw net gains in employment over that time, notably education and health services, professional and business services and leisure and hospitality. Over the past year, gains were observed in all major service sector industries broken out in the nonfarm report. The largest gains were attributable to government and leisure and hospitality. The only recorded one-year losses were observed in retail trade (a subset of trade, transportation and utilities) which dropped by 30.

For historical industry employment data, [contact an economist](#).

Source: Employment Security Department/LMEA, County Data Tables

Industry employment by age and gender

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence.

Island County highlights:

In 2019, Island County's civilian labor market was characterized by a higher proportion of older workers and youth, and a smaller relative portion of early and mid-career workers when compared with the state. Statewide, 22.8 percent of the workforce was age 55 or older. Compare with Island County where 27.3 percent of the workforce was age 55 or older. At the other end of the age spectrum for workers, Island County's share of workers age 14 to 24 was 13.0 percent. Compare with a statewide average of 11.4 percent.

- Two industries' workforces were more than 20 percent comprised of workers age 14 to 24: accommodation and food services and agriculture.
- The two industries with the largest portion of older workers (age 55+) were educational services and utilities.

Females held 55.3 percent of the civilian jobs in Island County in 2019. Statewide, females made up 48.6 percent of the civilian workforce. This composition is likely a reflection of military spouses participating in the local civilian labor force.

- In terms of workforce composition, the three most male-dominated industries in Island County included construction (82.2 percent), transportation and warehousing (76.3 percent), and utilities (65.9 percent).
- Female-dominated industries included healthcare and social assistance (77.4 percent) finance and insurance (73.6 percent), and educational services (72.2 percent).

Source: Employment Security Department/LMEA, County Data Tables

Wages and income

The median hourly wage (adjusted for inflation) for jobs in Island County in 2018 was \$20.90 compared to the \$25.98 state median wage.

The 2019 average annual wage was \$42,828, well below state and the state less King County averages, which were \$69,615 and \$52,669 respectively.

Median household income in 2019 for Island County residents was \$72,066, below the state (\$78,687) but above the national median (\$65,712).

In 2019, 6.6 percent of Island County's population was living below the poverty level, lower than the state at 9.8 percent and the nation at 12.3 percent, according to the U.S. Census Bureau. The rate of poverty for children under 18 years old was 5.0 percent in Island County.

Personal income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2018, Island County per capita personal income was \$55,724, the fifth highest among counties in Washington. For comparison, Washington per capita income was \$62,026 and the national per capita income was \$54,446.

Source: Employment Security Department/LMEA, County Data Tables

Population

Island County’s resident population estimate was 85,530. Its total growth from 2010 to 2020 was 8.9 percent, lower than the 13.9 percent growth observed for the state over the same period. Oak Harbor is the largest city in Island County, with a population of 22,910.

Population facts

	Island County	Washington state
Population 2020	85,530	7,656,200
Population 2010	78,506	6,724,540
Percent change, 2010 to 2020	8.9%	13.9%

Source: Employment Security Department/LMEA, County Data Tables

Age, gender and ethnicity

When compared with the state, Island County had a much larger proportion of residents age 65 and older, 27.1 percent compared to 16.3 percent statewide.

Females made up 50.8 percent of Island County’s population.

Island County is less diverse than Washington state as a whole in terms of race and ethnicity. In 2019, 85.2 percent of the Island County population was white compared with 78.5 percent statewide. Just 8.2 percent of Island County’s population identifies as Hispanic or Latino versus 13.0 percent of Washington state’s population.

Demographics

	Island County	Washington state
Population by age, 2019		
Under 5 years old	5.6%	6.0%
Under 18 years old	18.1%	21.8%
65 years and older	25.2%	15.9%
Females, 2019	50.2%	49.9%
Race/ethnicity, 2019		
White	85.2%	78.5%
Black	3.2%	4.4%
American Indian, Alaskan Native	1.1%	1.9%
Asian, Native Hawaiian, and other Pacific Islander	5.6%	10.4%
Hispanic or Latino, any race	8.2%	13.0%

Source: Employment Security Department/LMEA, County Data Tables

Educational attainment

Of the Island County residents age 25 and up, 95.1 percent graduated from high school, which compares favorably with 91.7 percent of Washington state residents and 88.6 percent of U.S. residents in 2019.

Residents with a bachelor's degree or higher made up 34.7 percent of Island County adults while 37.0 percent at the state level and 33.1 percent nationally have that level of formal education. Island County residents are more likely to have some college or an associate degree relative to the statewide average.

Source: Employment Security Department/LMEA, County Data Tables

Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [History of Oak Harbor and Island County](#)
- [Island County home page](#)
- [Island County Economic Development Council](#)
- [Island County on ChooseWashington.com](#)
- [Island County on ofm.wa.gov](#)
- [Northwest Washington Workforce Development Council](#)
- [Self Sufficiency Calculator for Washington State](#)
- [U.S. Census Bureau QuickFacts](#)
- [Port of Coupeville](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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