

Okanogan County profile

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Overview

Regional context

Okanogan County borders Canada on the north. The Columbia River Basin and Lake Roosevelt form its southern and eastern borders and the North Cascade Mountains form its western border. It is one of the largest counties in the state at 5,268 square miles, but has the fifth fewest residents per square mile. It is an agricultural county with many outdoor recreation activities that draw tourists.

The Colville Confederated Tribes reservation includes southeastern Okanogan County and the southern half of Ferry County. Its total size is 1.4 million acres. As of 2015, the Colville Confederated Tribal enrollment was 9,500 descendants of 12 aboriginal Bands. The Bands, commonly known by English and French names, are the Colville, Nespalem, San Poil, Lakes, Palus, Wenatchi (Wenatchee), Chelan, Eniat, Methow, Okanogan, Moses-Columbia and the Chief Joseph Band of Nez Perce.

Local economy

Okanogan County was established in 1888, partitioned from Stevens County. Originally, the area was a trading center for furs and pelts, but eventually became part of the gold rush. Gold and silver were discovered in 1858, but gold production never reached higher than fourth in the state.

Timber and logging were also important industries. The original sawmill was built in 1920 and thrived into the mid-2000s. One of the largest mills in Okanogan County was eventually named Quality Veneer and Lumber. A March 25th 2013 PR Newswire article announced: “The Colville tribes, the second-largest tribal organization in the state and the largest employer in Okanogan County, bought the mill in 2001 out of receivership of the prior owner, Quality Veneer and Lumber. The harshest decline in the construction industry in 50 years forced the difficult decision to close its operations in 2009.” However, this plywood and veneer mill officially reopened on October 7, 2013 with Governor Jay Inslee joining mill workers and area dignitaries for the grand reopening ceremony. The facility was called Omak Wood Products and Wood Resources was the parent corporation for the mill. A March 30, 2013 article from the Wenatchee World said: “The restart comes with a 25-year lease between the Colville Tribal Federal Corporation – the Colville Tribe’s business arm – and Wood Resources.”

In early February 2016, mill ownership changed again. The Omak-Okanogan County Chronicle stated in a February 16, 2016 article: “A newly formed company has taken over the Omak Wood Products lumber mill. Omak Forest Products took over the business February 11, 2016. Most of the employees were retained, said owner Richard Yarbrough. Omak Wood Products officials announced just before Christmas (2015) that they planned to “exit operations” at the mill, which was leased from the Colville Confederated Tribes, because of unforeseen circumstances, including changes in its corporate structure and an uncertain supply of timber.”

Unfortunately, this plywood and veneer mill went out of business. According to a Worker Adjustment and Retraining Notification (WARN) received on December 8, 2016 by the Washington State Employment Security Department, and as announced in the local media, 217 employees at Okanogan County’s largest manufacturer (Omak Forest Products) were scheduled to be laid off effective January 29, 2017. (Please see the Employment Security Department website at www.esd.wa.gov/about-employees/WARN.) Layoffs were completed on February 15, 2017 – a sad ending for Okanogan County’s largest manufacturing firm.

On a more upbeat note, with more than 300 days of sunshine a year and 3 million acres of public land, outdoor activities are plentiful and attract various outdoor enthusiasts. Recreation activities include camping, fishing, hiking, horseback riding, rock climbing, skiing and various lake activities. In winter, the largest ski-trail system in North America offers over 120 miles of groomed, interconnected trails, with additional opportunities for fat-tire bikes, snowshoes and backcountry skiers. Access to the Cascade Mountains and North Cascades National Park also contributes to tourism in the area. The area is popular with birdwatchers as well as individuals interested in wildlife, from moose to deer to black bears.

Tourism in the area is very diverse. Okanogan is home to various rodeos during the spring and summer, along with a wine festival in the summer and a salmon festival in the fall. Another major tourist attraction is the Grand Coulee Dam, one of the largest concrete structures in the world and the largest electric power-producing facility in the United States.

Okanogan County has historically done well as a tourist destination. Arts, entertainment and recreation (NAICS 71) employment in Okanogan County is heavily tourism based and has been growing for several years. This sector includes casinos, ski and summer resorts, fitness centers, golf courses, museums, Fair associations, etc. In 2008, arts, entertainment and recreation netted 122 jobs and has generally been in the growth mode ever since. By 2018, this subsector provided 203 jobs countywide, an 81 job and 66.1 percent upturn during this ten-year period. By comparison, total covered employment in Okanogan County decreased 1.5 percent during this timeframe, falling from 17,698 jobs in 2008 to 17,432 in 2018.

Agriculture is a very important industry for the Okanogan County economy, accounting for 28.3 percent of total covered employment in 2018. However, this industry lost jobs in each of the past years (2015 through 2018, inclusively), for which average covered employment data are available per the “*Industry employment*” section of this report. Locally, agriculture consists primarily of various tree fruits and wheat. The first orchard was planted in 1858 and the area continued to develop tree fruits into the dominant industry it is today. In addition to the sales of agricultural products, tourists flock to breweries, wineries and the local fruit stands throughout the area.

Geographic facts

	Okanogan County	Washington state
Land area, 2010 (square miles)	5,267.98	66,455.52
People per square mile, 2010	7.8	101.2

Source: U.S. Census Bureau QuickFacts

Outlook

The National Bureau of Economic Research (NBER) announced that the national recession occurred from December 2007 through June 2009. The effects of this recession hit Okanogan County's economy heavily in 2009 and 2010, and less severely in 2011, 2012 and 2013 – totaling five consecutive years of losses in total nonfarm employment.

Between 2016 and 2017, Okanogan County's economy stumbled again, as total nonfarm employment fell 1.5 percent, and by 190 jobs to an average of 12,700 jobs. There were probably several causes of this downturn, but the most direct was the closure of Okanogan County's major manufacturing firm (Omak Forest Products) in early 2017, as mentioned earlier. It should also be noted that calendar year 2017 was an even more dismal year for the local agricultural industry than for the manufacturing industry from a jobs perspective. An analysis of covered employment changes (obtained from Quarterly Census of Employment and Wage or QCEW data) between 2016 and 2017, shows that the local agricultural, forestry and fishing sector (NAICS 11) provided 5,346 jobs in 2017 versus 5,947 in 2016, a 601 job and 10.1 percent downturn. Hence, the local economy "hit a roadblock in 2017" and job losses in agriculture and manufacturing caused much of this slowdown.

Between 2017 and 2018, nonfarm employment in Okanogan County rose 0.9 percent (up 110 jobs) to an average of 12,810 jobs. Job gains in retail trade, state and local government education, professional and business services, health services, and leisure and hospitality more than offset losses in manufacturing and construction. However, between 2017 and 2018, covered agricultural employment continued backsliding from 5,346 jobs to 4,932 jobs (down 414 jobs and 7.7 percent).

Official Labor Market and Economic Analysis (LMEA) ten-year industry employment projections for the North Central Workforce Development Area (Adams, Chelan, Douglas, Grant and Okanogan counties) are for an average annual nonfarm job growth rate of 1.3 percent in the ten-year period from 2017 through 2027. This is a little less than the 1.5 percent projected growth rate for Washington state during the corresponding period.

Labor force and unemployment

Current labor force (CLF) and unemployment statistics are available on the [Labor area summaries](#) page on ESD's labor market information website.

Following six years of declines (2011 through 2016, inclusively) in Okanogan County's unemployment, the rate increased from 6.6 in 2016 to 6.8 percent in 2017. The main reason for this upturn in the unemployment rate in 2017 were huge job losses in the local agricultural sector coupled with the closure of the county's largest manufacturer, Omak Forest Products.

The rate then dipped to 6.4 percent in 2018 (down four-tenths of a point from the prior year) before rising to 7.1 percent in 2019. Preliminary data indicate that 2019 was not a good year for the Okanogan County economy. Total nonfarm employment countywide dropped from 12,810 in 2018 to 12,480 in 2019, a loss of 330 jobs and a 2.6 percent downturn. On an average annual basis, several local industries across Okanogan County lost jobs in 2019; construction (down by 50 jobs and by 7.8 percent), retail trade (down by 110 jobs and by 5.8 percent), leisure and hospitality (down by 110 jobs and 7.9 percent), and state and local government (down by 40 jobs and 0.8 percent). Job losses in these industries were certainly factors in the seven-tenths point rise in the county's unemployment rate between 2018 (6.4 percent) and 2019 (7.1 percent).

Another indication of economic struggles in Okanogan County in 2019 was that the local CLF contracted by 2.6 percent. Okanogan County was the only county in the five-county North Central Workforce Development Area (WDA) whose labor force shrank in 2019. Recent monthly changes in the local labor force have also been less than encouraging. Specifically, the Okanogan County CLF has contracted for ten months (March through December 2019). Between December 2018 and December 2019, the CLF shrank 1.0 percent from 19,523 residents to 19,334 (meaning there were 189 fewer residents in the labor force). Fortunately, the number of unemployed fell by 0.9 percent from 1,607 in December 2018 to 1,593 in December 2019 (meaning that 14 fewer residents were out of work). The result was Okanogan County’s unemployment rate stabilized at 8.2 percent between December 2018 and December 2019.

Estimates indicate that Washington's CLF grew by 119,123 residents (a 3.1-percent upturn) from 2018 to 2019. The state’s labor force has expanded year over year for the past 71 months (February 2014 through December 2019). In December 2019, Washington’s CLF tallied 3,972,769 residents versus 3,833,101 in December 2018, equating to 139,665 more Washingtonians in the CLF (up 3.6 percent).

Source: Employment Security Department/LMEA

Industry employment

Current industry employment statistics are available on the [Labor area summaries](#) page.

The North American Industry Classification System (NAICS) is an industry classification system that assigns every business and government organization in America a six-digit NAICS code based primarily on the activities in which that business or government organization is engaged. All business and government organizations are also more broadly categorized into one of 22 two-digit NAICS sectors. Nineteen sectors are in private enterprise and three sectors are in government service – either at the federal, state or local level.

The top five Okanogan County sectors in 2018 in terms of employment were:

Sector	Number of jobs	Share of employment
1. Agriculture, forestry and fishing	4,932	28.3%
2. Local government	4,244	24.3%
3. Retail trade	1,899	10.9%
4. Health services	1,531	8.8%
5. Accommodation and food services	1,193	6.8%
All other industries	3,633	20.8%
Total covered employment	17,432	100%

Covered employment and wage trends over the last ten years (from 2008 through 2018) were analyzed using the Employment Security Department's annual average Quarterly Census of Employment and Wages (QCEW) data for the 22 two-digit NAICS sectors in Okanogan County. Following are some of the findings:

- In 2018, QCEW data showed that Okanogan County's labor market provided 17,432 jobs. Nearly four-fifths, or 79.2 percent of all local jobs were in five two-digit NAICS industries or sectors (agriculture, local government, retail trade, private health services, and accommodation and food services). Hence, the Okanogan County economy is not very diversified – like many other agriculturally based economies here in Central Washington (Adams, Chelan, Douglas, Grant and Yakima counties, etc.).
- Total covered employment fell from 17,698 in 2008 to 17,432 in 2018, a loss of 266 jobs and a 1.5 percent downturn, certainly not a good economic trend for the local economy.
- The number of agricultural jobs (a subset of total covered employment) decreased from 5,219 in 2008 to 4,932 in 2018, a 287 job and 5.5 percent downtrend, ranking agriculture 22nd of 22 NAICS sectors in terms of the number of jobs added during this most recent ten-year period. In 2008, Okanogan County's agricultural industry accounted for 29.5 percent of total covered employment. In 2018, agricultural employment accounted for only 28.3 percent of total covered employment countywide. Hence, the agricultural share of employment fell 1.2 percentage points (from 29.5 to 28.3 percent) in Okanogan County during these ten years. This downtrend indicates the declining importance of the agricultural industry to the local economy during this period. The number of agricultural jobs actually “peaked” in 2014 at 6,234 (34.0 percent of total covered employment) and declined in each of the next four years (from 2015 through 2018, inclusively). The tree fruit industry, nationally and locally, has implemented many labor-saving techniques in recent years. Whether or not this four-year downtrend in agricultural employment in Okanogan County is just an anomaly or indicates a structural downturn in agricultural industry employment remains to be seen.
- The industry or sector which lost the second-highest number of jobs between 2008 and 2018 was other services (NAICS 81). In 2018, other services (which includes automotive repair, computer and office machine repair, barber shops, beauty salons, agricultural organizations, labor unions, private households, etc.) tallied only 221 jobs in Okanogan County, or 1.3 percent of all covered employment countywide. In 2008, other services tallied 500 jobs in Okanogan County, and accounted for 2.8 percent of all covered employment countywide. Hence, this sector experienced a loss of 279 jobs – a 55.8 percent employment downturn during the last ten years. The lion's share of the ten-year downturn in this sector was “administratively caused” by the NAICS reclassification of private household employment and wages (NAICS 814) into services for the elderly and disabled (NAICS 624) in first quarter 2014 as directed by the Bureau of Labor Statistics (BLS).
- Between 2008 and 2018, the sector which gained the most jobs in Okanogan County was private health services (NAICS 62). In 2018, health services (which includes ambulatory healthcare, hospitals, nursing home and assisted living facilities, and social services) tallied 1,531 jobs in Okanogan County, or 8.8 percent of all covered employment countywide. In 2008, other services tallied 1,226 jobs in Okanogan County, and accounted for only 6.9 percent of all covered employment countywide. Therefore, this sector experienced a gain of 305 jobs – a 24.9 percent employment upturn during the last ten years.

- Another sector which fared well and ranked second countywide in terms of jobs added between 2008 and 2018, was transportation and warehousing (NAICS 48-49). This sector netted 240 more jobs (up a whopping 177.0 percent in 2018) by providing 376 jobs in 2018 versus tallying only 136 jobs in 2008.

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

Source: Employment Security Department/LMEA

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.

Okanogan County highlights:

The largest job holder group in 2018 was those age 55 and older comprising 29.5 percent of the workforce. This group was followed by the 35 to 44 age group with 21.0 percent of the workforce. In 2018, males held 50.4 percent and women held 49.6 percent of jobs in Okanogan County. There were substantial gender composition differences in the industry groups:

- Male-dominated industries included construction (85.7 percent), mining (83.4 percent) and wholesale trade (81.1 percent).
- Female-dominated industries included finance and insurance (83.6 percent), healthcare and social assistance (74.5 percent) and educational services (69.2 percent).

Source: The Local Employment Dynamics

Wages and income

In 2018, approximately \$595.1 million in wages covered by unemployment insurance was paid countywide. The county’s average annual covered wage in 2018 was \$34,145, approximately 51.6 percent of Washington’s average annual wage of \$66,156.

The top five Okanogan County industries in 2018 in terms of payrolls were:

Sector	Payroll	Share of payrolls
1. Local government	\$192,323,358	32.3%
2. Agriculture, forestry and fishing	\$119,991,427	20.2%
3. Health services	\$59,946,034	10.1%
4. Retail trade	\$52,472,443	8.8%
5. Federal government	\$28,892,491	4.9%
All other industries	\$141,514,384	23.8%
Total covered payrolls	\$595,140,137	100%

Local government (which includes tribal wages) provided \$192.3 million, or 32.3 percent, (nearly one-third) of total covered wages in Okanogan County in 2018. Agricultural employers paid out nearly \$120.0 million, or 20.2 percent of total wage income. Therefore, local government and

agriculture accounted for 52.5 percent of total covered wages. When one considers that all business and government organizations are categorized into 22 two-digit NAICS sectors (nineteen private enterprise sectors and three government sectors either at the federal, state or local level) but only two NAICS sectors (local government and agriculture) provide over half of all earned wage income countywide, it stresses the monetary importance of these two sectors to the local economy.

Between 2008 and 2018, the industry sector registering the greatest payroll increase (on a dollar basis) was local government. In calendar year 2008, local government organizations paid \$149.6 million in wages and by 2018, this sector was pumping \$192.3 million in wages into the Okanogan County economy – a 28.6 percent and \$42.7 million upturn.

Between 2008 and 2018, the industry sector registering the greatest payroll decrease (on a dollar basis) was construction. In calendar year 2008, construction businesses paid \$20.1 million in wages, but 2018, this sector pumped only \$17.5 million in wages into the Okanogan County economy – a 13.0 percent and \$2.6 million downturn.

Okanogan County's median hourly wage (adjusted for inflation) was \$16.50 per hour in 2018, lower than Washington state's \$25.98 median hourly wage (also adjusted for inflation).

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.

Per capita personal income (adjusted for inflation) in Okanogan County was \$42,462 in 2018. This figure is considerably below the state figure of \$62,026 and the nation's per capita income of \$54,446. Okanogan County ranked 29th out of 39 counties statewide in 2018 in terms of per capita income. A general trend over the last forty years is that a larger proportion of Okanogan County residents' personal income is coming from transfer payments, whereas the percentage of personal income coming from earnings is decreasing. For example:

- In 1978, 72 percent of income in Okanogan County came from earnings, 15 percent from investments and 13 percent from transfer payments.
- In 1988, 58 percent of earnings in Okanogan County came from earnings, 22 percent from investments and 20 percent from transfer payments.
- In 1998, 58 percent of earnings in Okanogan County came from earnings, 19 percent from investments and 23 percent from transfer payments.
- In 2008, 52 percent of earnings in Okanogan County came from earnings, 21 percent from investments and 27 percent from transfer payments.
- In 2018, 49 percent of earnings in Okanogan County came from earnings, 22 percent from investments and 29 percent from transfer payments.

According to U.S. Census Bureau QuickFacts, the median household income in Okanogan County from 2014 to 2018 was \$45,808, or 65.3 percent of Washington's at \$70,116.

In the period 2014 to 2018, approximately 17.0 percent of the county’s population was living below poverty level, much higher than 10.3 percent in Washington state and 11.8 percent for the nation, according to U.S. Census Bureau QuickFacts. The state and national rates are not directly comparable to the county rate because they each use different data sources.

Source: Employment Security Department/LMEA; Bureau of Labor Statistics, Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey

Population

Okanogan County’s population in 2018 was 42,132. The growth rate from April 1, 2010 to July 1, 2018 was a modest 2.5 percent, which was much less robust than that of the state at 12.1 percent. The largest city in Okanogan County is Omak with an estimated population of 4,935 in 2018.

Population facts

	Okanogan County	Washington state
Population 2018	42,132	7,535,591
Population 2010	41,117	6,724,540
Percent change, 2010 to 2018	2.5%	12.1%

Age, gender and ethnicity

In 2018, Okanogan County’s population of those 65 years and older (21.6 percent) was higher than the Washington state’s 15.4 percent, indicating that the county has become somewhat of a retirement destination.

In 2018, females made up 49.7 percent of Okanogan County’s population, while females accounted for 50.0 percent of the population statewide.

Proportionately, Okanogan County had a much larger American Indian/Alaskan Native population (13.0 percent) in 2018 than that of the state (1.9 percent). This is due to the concentration of the Colville Confederated Tribes in this area. Hispanics are also more prevalent in the county (20.5 percent) compared to the state (12.9 percent).

Demographics

	Okanogan County	Washington state
Population by age, 2018		
Under 5 years old	6.2%	6.1%
Under 18 years old	23.2%	22.1%
65 years and older	21.6%	15.4%
Females, 2018	49.7%	50.0%
Race/ethnicity, 2018		
White alone	81.5%	78.9%
Black alone	0.9%	4.3%
American Indian and Alaskan Native alone	13.0%	1.9%
Asian alone	1.2%	9.3%
Native Hawaiian and other Pacific Islander	0.3%	0.8%
Hispanic or Latino, any race	20.5%	12.9%

Educational attainment

Over the period 2014 to 2018, 83.5 percent of individuals age 25 and older in Okanogan County were high school graduates. This figure is lower than that of Washington state (91.1 percent) and the nation (87.7 percent). The percent of residents with a bachelor's degree or higher was 19.0 percent. This figure does not compare favorably with the state (35.3 percent) or the nation (31.5percent).

Source: U.S. Census Bureau QuickFacts

Useful links

- [County data tables](#)
- [Census Bureau Profile](#)
- [Grand Coulee Dam Area Chamber of Commerce](#)
- [North Central Workforce Development Council](#)
- [Okanogan Chamber of Commerce](#)
- [Okanogan County Economic Alliance](#)
- [Okanogan County History](#)
- [Okanogan County on ChooseWashington.com](#)
- [Okanogan County on ofm.wa.gov](#)
- [Okanogan County home page](#)
- [Self Sufficiency Calculator for Washington State](#)
- [Census Bureau QuickFacts](#)
- [Washington Ports](#)
- [Workforce Development Areas and WorkSource Office Directory](#)
- [Confederated Tribes of the Colville Reservation](#)

Employment Security Department is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge. Washington Relay Service: 711.