

# San Juan County Profile

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## Overview

### *Regional context*

San Juan County located in northwest Washington state, includes four large islands: San Juan, Orcas, Lopez and Shaw and hundreds of smaller islands, reefs and rocks. About 20 islands are inhabited. San Juan County is the smallest county in Washington by total landmass.

San Juan County is located in the Salish Sea to the west of Skagit and Whatcom counties and east of lower Vancouver Island, Canada. The islands are spectacularly scenic. Consequently, the archipelago is a popular tourism destination. Tourists arrive via ferry, private boat and float plane throughout the year. The county has in turn attracted many retirees. The San Juan Islands are regularly included on lists of America's most desirable places to live. Today, tourism-related industries and retirement communities form the economic base of the San Juan County economy.

### *Local economy*

The Lummi and Salish peoples have called the San Juan Islands home for thousands of years. Early European settlements were established by the British Hudson Bay Company in the 1850s (although British and Spanish adventurers had explored the islands as early as the 1700s). The San Juan Islands were a disputed territory between Canada and the United States, which led to the short-lived Pig War of 1859 and a thirteen-year process to resolve the international boundary between British-controlled Canada and the United States. The German Kaiser was asked to arbitrate and he decided in favor of the Americans in 1872.

Fishing and farming formed the economic mainstay for most inhabitants until the already well-established tourism economy took off in the 1970s. However, some more colorful parts of the economic history of the San Juan includes smuggling, rum running and trade and manufacturing of other illicit commodities.

Due to a large tourism component in the economy, employment levels are highly seasonal. Using a 10-year average from 2009 through 2018, the following pattern emerges – peak private nonfarm employment occurs each summer (usually August), with an average gain of 1,710 jobs (36 percent) from the January low point of the jobs cycle. As of November 2019, peak seasonal employment reached 6,760, with a representative increase of 25 percent over January.

Similar to the national economy, San Juan County's largest job-providing sector is private services, accounting for about 70.5 percent of all nonfarm jobs. In 2019, the largest industry in terms of average annual employment was leisure and hospitality. This is consistent with the county's orientation toward tourism. In 2018, leisure and hospitality hosted an average of 1,490 jobs or 25.9

percent. Other large industries include trade, transportation and utilities – which includes retail trade (17.9 percent), government (13.4 percent), construction (12.2 percent) and education and health services (10.5 percent).

## Geographic facts

	San Juan County	Rank in state
Land area, 2010 (square miles)	173.9	39
People per square mile, 2019	96.66	11

Source: Washington State Office of Financial Management

## Outlook

On an annual average basis, from 2008 to 2010, Washington state and the United States each lost an estimated 5 percent of their respective employment bases. San Juan County lost about 11 percent of total nonfarm jobs from 2008 to 2013. In short, employment losses were deeper, and the downfall was longer than for either the nation or the state. The recovery has also been slow and tentative. After reaching an employment low, jobs began to rebound in 2012 and then suffered another short-term setback in 2013. Average annual growth has been observed each year from 2013 to 2018 but slowed in the last year. Annual average nonfarm employment in 2018 was 5,760, only slightly 20 jobs higher than the level observed in 2017. San Juan County employment remains 4 percent below pre-recession levels and close to the levels of employment observed 2006 and 2007 – in the lead-up to the great recession. In short, recovery has been a drawn-out process in the San Juan Islands.

## Labor force and unemployment

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

The dynamics of the labor force in San Juan County are very seasonal, with peak unemployment rates occurring each year in the winter months and lowest unemployment rates reported each summer during the peak tourism season. The divergence between annual high and low unemployment rates increased during the recession, but the magnitude of the gap has been closing in recent years.

During the recent period of recession and recovery, the peak unemployment rate (9.9 percent) was reached in January 2010. The highest average annual unemployment rate was 7.3 percent, was also observed in 2010. By 2018, the average annual unemployment rate had fallen to 3.9 percent. The unemployment rate in November 2019 (preliminary) was 4.0 percent.

San Juan County’s labor force follows the same seasonal trend described above. In a highly seasonal tourism-driven economy, the labor force swells during the summer months and contracts during off-peak seasons. The labor force expanded by 1,193 from a winter low of 7,716 in January 2019 to 8,909 in June 2019.

The average annual labor force in 2018 was 8,160. Within this estimate, 7,839 San Juan County residents were employed and 321 were actively looking for work.

Source: Employment Security Department

## Industry employment

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

San Juan County averaged 5,740 nonfarm jobs in 2018, the same as the previous year. The San Juan job market has taken longer than the state or the nation to send out initial green shoots. At this point, the recovery is still fragile and highly dependent on the demand for travel to the San Juan Islands over summer holidays.

- San Juan County's goods-producing industries are dominated by natural resources, mining and construction. Nationally and locally, the signature of this recession was an exceptionally hard-hit construction industry; San Juan County was no exception. The county's goods-producing sector shed an estimated 41 percent of all jobs from 2008 to 2013, and only began to show signs of recovery in 2014. From 2013 to 2018, construction added 140 jobs and manufacturing added 60.
- Service-providing employment in San Juan County hit its lowest point in 2011, after losing more than 7 percent of jobs counted in 2008. From 2011 to 2018, service-sector employment expanded by 340 jobs. Annual gains were observed in most service-sector industries detailed in the nonfarm report, with the exception of leisure and hospitality and government, which each shed jobs over the year (down 70 and 40 respectively).

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

Source: Employment Security Department

### *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.

#### *San Juan County highlights:*

In 2018, San Juan County's labor market was characterized by a relatively older age profile than the state. Statewide, 22.3 percent of the workforce was age 55 or older. Compare with San Juan County where 31.3 percent of the workforce was age 55 or older. All other age categories are proportionally under-represented relative to the statewide labor force. This is largely a reflection of migration and settlement patterns; San Juan County is well known as a retirement destination.

Males held 47.9 percent of jobs and females held 52.1 percent of San Juan County jobs in 2018.

- Top male-dominated industries in 2018 included construction (84.2 percent), utilities (67.2 percent) and transportation and warehousing (58.2 percent).
- Female-dominated industries in 2018 included healthcare and social assistance (78.3 percent), finance and insurance (75.9 percent), and management of companies and enterprises (69.8 percent).

Source: The Local Employment Dynamics

## Wages and income

In 2018, San Juan County averaged 5,896 jobs covered by unemployment insurance, with a total payroll of \$216.2 million dollars.

The county's 2018 average annual wage was \$36,668. Compare to the statewide average wage of \$66,195. In terms of wage income, San Juan County ranked 37<sup>th</sup> out of 39 states.

San Juan County's median hourly wage was \$22.59, lower than the state median of \$25.98, but similar to the state median when King County is removed from the dataset.

- Note that the average annual wage of \$36,668 is a direct calculation of the dollars paid to workers over the course of the full year. Median hourly wage, by comparison, divides wages distributed by hours worked (rather than by worker). Together, these data points indicate that wages paid are not necessarily *low*, but they are largely part time and/or seasonal.

### 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, per capita personal income in San Juan County (\$76,749) was well above both state (\$62,026) and U.S. (\$54,446) averages. It is worth noting that personal income includes all types of income, not limited to earned wages. This is particularly important to recognize in the case of San Juan County, as a large portion of the residents are retired and collect non-wage income.

According to the U.S. Census Bureau, San Juan County's median household income was \$60,711, below the state (\$70,116) but slightly above U.S. (\$60,293) medians over the period 2014 to 2018.

Over the 2014 to 2018 period, 10.2 percent of the resident population was living below the official poverty line. The statewide average was similar at 10.3 percent, while the national average stood at 11.8 percent, according to the U.S. Census Bureau. Children living in San Juan County were more likely than the resident population as a whole to live in poverty.

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

## Population

The estimated resident population of San Juan County was 17,150 in 2019. Its total growth from 2009 to 2019 was 9.0 percent, lower than the 13.1 percent growth rate observed for the state over the same period.

The only incorporated city in San Juan County is Friday Harbor (population 2,420 in 2019), up 12.7 percent in 10 years.

### Population facts

	San Juan County	Washington state
Population 2019	17,150	7,545,478
Population 2009	15,738	6,672,167
Percent change, 2009 to 2019	9.0%	13.1%

Source: Washington State Office of Financial Management; U.S. Bureau of Economic Analysis

### *Age, gender and ethnicity*

Overall, San Juan County has considerably more individuals age 65 and older (34.1 percent) compared to 15.4 percent statewide. It also has a lower percentage of those under 18 (13.0 percent) compared to 22.1 percent statewide.

In 2018, females made up 51.6 percent of the estimated population.

San Juan County was less diverse than Washington state in terms of race and ethnicity, with smaller proportions of all racial or ethnic minorities compared to the state. About 93.9 percent of its population identified as white in 2018.

### *Demographics*

	San Juan County	Washington state
<b>Population by age, 2018</b>		
Under 5 years old	2.9%	6.1%
Under 18 years old	13.0%	22.1%
65 years and older	34.1%	15.4%
<b>Females, 2018</b>	51.6%	50.0%
<b>Race/ethnicity, 2018</b>		
White	93.9%	78.9%
Black	0.8%	4.3%
American Indian, Alaskan Native	1.0%	1.9%
Asian, Native Hawaiian, other Pacific Islander	1.7%	10.1%
Hispanic or Latino, any race	6.7%	12.9%

Source: U.S. Census Bureau QuickFacts

### *Educational attainment*

Generally speaking, the resident population of San Juan County is well educated.

- In the period 2014 to 2018, 95.9 percent of San Juan County residents aged 25 and up had at least a high school education. Statewide, 91.1 percent of all residents was estimated to have an equivalent educational level.
- In San Juan County, 48.6 percent of the resident population aged 25 and up have earned a bachelor's degree or attained a higher level of formal education. Statewide, 35.3 percent of the adult population have a bachelor's degree or higher.

Source: U.S. Census Bureau QuickFacts

### **Useful links**

- [Census Bureau Profile](#)
- [Center for Business and Economics Research, Western Washington University](#)
- [History of San Juan County](#)
- [Northwest Washington Labor Market Review \(Monthly\)](#)
- [Northwest Washington Workforce Development Council](#)
- [San Juan Islands Visitors Bureau](#)

- [San Juan Economic Development Council](#)
- [Port of Friday Harbor](#)
- [Port of Lopez](#)
- [Port of Orcas](#)
- [San Juan County Extension](#)
- [San Juan County home page](#)
- [San Juan County on ofm.wa.gov](#)
- [San Juan County on ChooseWashington.com](#)
- [Self Sufficiency Calculator for Washington State](#)
- [Bureau of Economic Analysis Regional Economic Accounts](#)
- [Census Bureau QuickFacts](#)
- [Workforce Development Areas and WorkSource Office Directory](#)

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.