

# 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, but with a pronounced uptick in the summer. The picturesque and laid-back islands have in turn attracted many retirees. Today, tourism-related industries and retirement communities form the economic base of the San Juan County economy. While the natural beauty and relative isolation of island life supports a vibrant seasonal tourism-based economy, the relative isolation presents a challenge for economic diversification.

### *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 2010 through 2019, the following pattern emerges – peak private nonfarm employment occurs each summer (usually August), with an average gain of 1,808 jobs (38 percent) from the January low point of the jobs cycle. In 2020, this steady and predictable pattern was severely disrupted by the COVID-19 pandemic and resulting recession. Rather than the predictable summer uptick, summer employment plummeted by 520 jobs from January to August; bringing total summer employment down 10 percent relative to January, and down 2,280 jobs or 32 percent below estimated employment in August 2019.

San Juan County’s largest job-providing sector is private services, accounting for about 70 percent of all nonfarm jobs. Leisure and hospitality is consistently the largest set of industries on an annualized basis. This is consistent with the county’s orientation toward tourism. In 2019, employers in the leisure and hospitality hosted an average of 1,490 jobs or 25.2 percent. Other large industries include trade, transportation and utilities – which includes retail trade (17.8 percent), government (14.3 percent), construction (12.2 percent) and education and health services (10.4 percent).

## Geographic facts

	San Juan County	Rank in state
Land area, 2010 (square miles)	173.9	39
People per square mile, 2020	99.71	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 during the Great Recession were deeper, and the downfall was longer than for either the nation or the state.

Recovery from the Great Recession 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 2019 but has been gradual. In 2019, average annual employment in San Juan County finally came within reach of pre-recession employment levels (Total nonfarm employment was estimated at 5,960 in 2019; only twenty jobs shy of the pre-recession peak of 5,980 in 2008).

The black swan event of the global COVID-19 pandemic swooped into Washington state in early 2020. The delicate and geographically isolated tourism-based economy of the San Juan Islands was impacted swiftly by statewide stay at home orders and widespread vacation cancellations. Comparing preliminary employment estimates of August 2020 with August 2019, employment plummeted by 2,280 or 32 percent.

## 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.

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 of 7.3 percent, was also observed in 2010. By 2019, the average annual unemployment rate had fallen to 3.7 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 COVID-19 pandemic impacted the tourism and hospitality sectors to a greater extent than most. Geographically, this translates to a greater impact on regions that rely on tourism as a major economic driver. The unemployment rate for San Juan County reached 17.8 percent in April 2020. As of August 2020 (preliminary), the unemployment rate was 7.9 percent. The San Juan County labor force in August was 7,652, after dropping from a rare winter peak of 8,886 in January 2020. The last time the August labor force was this low was August 1998.

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 5,960 nonfarm jobs in 2019, 150 jobs or 2.6 percent above the previous year. The San Juan job market took longer than the state or the nation to recover from the Great Recession. The San Juan County recovery remained extremely fragile and highly dependent on the demand for leisure-related travel to the San Juan Islands over summer holidays. As of 2019, the county appeared to have nearly reached the pre-recession job tally; a recovery that took over a decade. By summer 2020, the gains that took a decade to achieve were lost. August employment tallies dropped below January and were down 32 percent relative to August 2019.

- San Juan County's goods-producing industries is dominated by construction. Nationally and locally, the signature of the 2008 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 2019, construction added 170 jobs, less than half of the total number of construction jobs lost during the recession. Over the same time period, 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 2019, service-sector employment expanded by 520 jobs. Annual gains were observed in most service-sector industries detailed in the nonfarm report, with the aggregated collection of industries adding 110 jobs over the year.

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 2019, San Juan County's labor market was characterized by a relatively older age profile than the state. Statewide, 22.8 percent of the workforce was age 55 or older. Compare with San Juan County where 30.7 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 48.2 percent and females held 51.8 percent of San Juan County jobs in 2019.

- Top male-dominated industries in 2019 included construction (82.7 percent), utilities (69.1 percent) and wholesale trade (65.1 percent).
- Female-dominated industries in 2019 included healthcare and social assistance (77.5 percent), finance and insurance (75.8 percent), and management of companies and enterprises (74.7 percent).

Source: U.S. Census Bureau, Local Employment Dynamics

## Wages and income

In 2019, San Juan County averaged 6,043 jobs covered by unemployment insurance, with a total payroll of \$230.6 million dollars.

The county's 2019 average annual wage was \$38,163; a little more than half of the statewide average wage of \$69,615. In terms of wage income, San Juan County ranked 37<sup>th</sup> out of 39 Washington counties.

San Juan County's median hourly wage was \$22.59 in 2018, 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 \$38,163 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, 11.4 percent of the resident population in San Juan County was living below the official poverty line. The statewide average was similar at 11.5 percent, while the national average stood at 14.1 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 17,340 in 2020. Its total growth from 2010 to 2020 was 10.0 percent, lower than the 13.9 percent growth rate observed for the state over the same period.

The only incorporated city in San Juan County is Friday Harbor (population 2,490 in 2020), up 15.2 percent in 10 years.

### *Population facts*

	San Juan County	Washington state
Population 2020	17,340	7,656,200
Population 2010	15,769	6,724,540
Percent change, 2010 to 2020	10.0%	13.9%

Source: Employment Security Department/LMEA, County Data Tables

### *Age, gender and ethnicity*

Overall, San Juan County has considerably more individuals age 65 and older (35.2 percent) compared to 15.9 percent statewide. It also has a lower percentage of those under 18 (12.7 percent) compared to 21.8 percent statewide.

In 2019, females made up 51.7 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 2019.

### *Demographics*

	San Juan County	Washington state
<b>Population by age, 2019</b>		
Under 5 years old	2.8%	6.0%
Under 18 years old	12.7%	21.8%
65 years and older	35.2%	15.9%
<b>Females, 2019</b>	51.7%	49.9%
<b>Race/ethnicity, 2019</b>		
White	93.9%	78.5%
Black	0.8%	4.4%
American Indian, Alaskan Native	1.1%	1.9%
Asian, Native Hawaiian, other Pacific Islander	1.7%	10.3%
Hispanic or Latino, any race	6.8%	13.0%

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, 96.1 percent of San Juan County residents aged 25 and up had at least a high school education. Statewide, 90.8 percent of all residents were estimated to have an equivalent educational level.

- In San Juan County, 48.3 percent of the resident population aged 25 and up have earned a bachelor's degree or attained a higher level of formal education. Statewide, 34.5 percent of the adult population have a bachelor's degree or higher.

Source: Employment Security Department/LMEA, County Data Tables

## 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](#)

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