

# Skagit County Profile

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## Overview

### *Regional context*

Skagit County, located in northwest Washington, is situated between Whatcom County to the north and Snohomish County to the south. The Salish Sea lies to the west and the Cascade Mountains rise to the east. The Skagit River runs through the largest population centers of the county. Although most of Skagit County is continental, several islands in the Salish Sea are also considered part of Skagit County.

Skagit County ranges in elevation from sea level to a high point of 9,114 feet at the non-volcanic peak, Mount Buckner. Glacier Peak, located in neighboring Snohomish County, is noted by the U.S. Geologic Survey as one of the “most active and explosive of Washington’s volcanoes.” Glacier Peak shaped the geography of the Skagit River valley through tremendous mud and debris flows (lahars) that have at times traveled well over 100 miles to reach the Salish Sea.

Skagit County is designated as the Mount Vernon – Anacortes Metropolitan Statistical Area (MSA) and is a part of the broadest Combined Statistical Area (CSA) for the Seattle region.

Locally, Skagit County is best known for its agriculture, however in 2017 the U.S. Bureau of Economic Analysis (BEA) estimated that manufacturing was the largest contributor to county real gross domestic product (GDP). Manufacturing accounted for 22.4 percent of total GDP for the Mount Vernon – Anacortes MSA. Agriculture, forestry, fishing and hunting accounted for 3.4 percent of GDP.

### *Local economy*

The Coast Salish Native Americans have lived in the Skagit River valley and the Ross Lake area for millennia. The abundant fisheries and shellfish provided the major sources of protein for the Coast Salish, while fiddleheads from bracken ferns were encouraged by managed fires and camas were cultivated for their bulbs.

Settlement by non-natives began in earnest in the 1860s. Agriculture got its start when settlers discovered that creating dikes to hold back the Skagit River made much of the land suitable for farming. Logging and mining were also major industries.

The 1890s brought fish canneries, which prolonged the early development boom. County agriculture later expanded to seed production and eventually tulip growing. With the advent of modern vegetable freezing, agricultural production expanded further. Dairy production is also a large part of farming in the county today.

Like the national economy, Skagit County’s largest job-providing sector is the private service-providing sector, making up about 57 percent of total nonfarm employment in 2017. This share of employment has not changed substantially over the past several years.

During the recent recession, goods-producing jobs fell from a 21 percent share of nonfarm jobs in 2007 to less than 18 percent in 2011. By 2017, these hard-hit industries made up slightly more than 20 percent of total nonfarm employment.

The county has some heavy industry including oil refineries in Anacortes and a number of manufacturers that support the marine and aerospace industries, food manufacturing and other niche manufacturing businesses that contribute to a fairly well-rounded economy.

Government employers supplied about 23 percent of Skagit County jobs in 2017. Most government jobs are local, and many are attributable to local K-12 school districts.

### Geographic facts

|                                | Skagit County | Rank in state |
|--------------------------------|---------------|---------------|
| Land area, 2010 (square miles) | 1,731.2       | 21            |
| People per square mile, 2017   | 71.68         | 14            |

Source: Washington State Office of Financial Management

### Outlook

Skagit County’s peak average annual employment level was observed in 2007, just before the recession. Relative to Washington state, Skagit County entered the recession early, experienced a greater decline, and took longer to see initial green shoots signaling a recovering labor market.

Washington state and the U.S. both reached their lowest employment levels in 2010 and began to recover from there; Skagit County’s entry into post-recession recovery lagged by a year. From 2007 to 2011, Skagit County shed 3,500 jobs or just over 7 percent. Recovery began tentatively in 2012 and really began to take hold in 2013. In 2015, the pre-recession peak was exceeded for the first time (compared to 2013 statewide). From 2016 to 2017, Skagit County businesses added 1,100 jobs or 2.2 percent, with growth observed in all major sectors. Growth over the past few years has been spread across most sectors and has been steady, averaging about 2 percent per year.

### 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.

Skagit County’s unemployment rate tends to be higher than both the state and the nation in any given moment in time, but the overall trends track closely with the state. During the recent period of recession and recovery, the peak unemployment rate in Skagit County (13 percent) was observed in January, 2010. Since reaching peak unemployment

levels in 2010, the unemployment rate has generally been declining slowly. The dropping unemployment rate accelerated in 2017 and low rates were maintained throughout 2018; the lowest reading since before the recession was 4.4 percent in September 2018.

The resident labor force in Skagit County is seasonal in nature, primarily due to the large and highly visible agricultural sector. Late every summer, the labor force swells and it contracts during off-peak seasons. Similar to many other places in the U.S., the labor force in Skagit County stagnated in the early post-recession period. From 2008 to 2014, the annual resident labor force dropped by about 2,300 residents. From 2014 to 2017, the local labor force has expanded significantly, adding nearly 3,000 workers in the past three years.

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.

- Skagit County had an average of 50,100 nonfarm jobs in 2017, up 1,100 or 2.2 percent from the level observed in 2016. Washington state as a whole saw the addition of 77,900 jobs over the year, an increase of 2.4 percent.
  - Manufacturing employment in Skagit County fell by 900 or 15.5 percent from peak employment in 2007 to the lowest observed levels in 2010. From 2010 to 2014, manufacturing employment returned to pre-recession levels, and has remained steady at around 5,800.
  - Skagit County's manufacturing base is diverse. The three largest manufacturing industries in terms of employment are food manufacturing, machinery manufacturing and wood product manufacturing. Petroleum and coal products manufacturing has also historically been one of the largest employers in the region. Manufacturing is one industry that has played an instrumental role in Skagit County's recovery.
  - Construction employment tumbled from 2007 to 2011, shedding 1,600 or about 36 percent of all jobs over that time period. From 2011 to 2017, construction industry employers have collectively created about 1,500 new jobs. Construction industry employment expanded by 14 percent from 2016 to 2017. Recovery is imminent, but as of 2017 has yet to recover the number of jobs lost to the recession.
- Private service-providing employment averaged 28,500 in 2017. From 2016 to 2017, private sector service providers collectively added 300 jobs, growing by 1.2 percent. Over the course of the employment recession, private sector service providers collectively lost 1,500 jobs or 5.5 percent. By 2017, the tally of private service jobs exceeded the pre-recession peak by 1,200. Employment gains were observed in all of Skagit County's other major private service-providing industries over the past year.

- Government employment in Skagit County is concentrated in local government and includes public K-12 education in addition to county, local and tribal government functions. Government employment expanded by 200 jobs or 1.4 percent from 2016 to 2017.

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.

#### *Skagit County highlights:*

In 2017, job holders in Skagit County's labor market were, as a whole, slightly older than Washington job holders as a whole. Statewide, 22.3 percent of the workforce was age 55 or older, compared with Skagit County where 25.2 percent of the workforce was age 55 or older. Skagit County was also slightly over-represented among young job holders; 12.2 percent of Skagit County job holders were age 14 to 24, compared to 11.6 percent of job holders statewide.

As a whole, employment in Skagit County was evenly split between men and women (50.8 percent male and 49.2 percent female) compared to the state, which is characterized by a slightly-more male in its composition.

- Male-dominated industries in Skagit County included construction (83.2 percent), transportation and warehousing (77.7 percent), manufacturing (76.1 percent), utilities (73.9 percent) and mining (78.0 percent).
- Female-dominated industries included healthcare and social assistance (79.2 percent), finance and insurance (72.2 percent) and educational services (71.6 percent).

Source: The Local Employment Dynamics

### **Wages and income**

In 2017, Skagit County averaged 50,664 jobs covered by unemployment insurance, with a total payroll of nearly \$2.4 billion dollars.

The county's 2017 average annual wage was \$47,042.

In 2017, Skagit County's median hourly wage was \$21.92, lower than the state median of \$24.89.

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

### *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 2016, per capita personal income in Skagit County was \$46,565, below both the state (\$54,579) and the U.S. (\$49,246). Compared to other counties throughout Washington state, Skagit County ranked 13<sup>th</sup> (out of 39) for highest personal income.

According to the U.S. Census Bureau, Skagit County's median household income in 2017 was \$62,058; below the state median household income (\$68,289), and the national median (\$58,633).

In 2017, 11 percent of Skagit County's population was estimated to be living below the official poverty line. The statewide average was 11 percent, while the national average stood at 13.4 percent. The poverty rate for children in Skagit County was 15.8 percent.

## **Population**

Skagit County's population was estimated to be 126,520 in 2018. The county's population expanded 9.1 percent from 2008 to 2018. This was lower than the statewide population growth rate of 11.1 percent over the same time period.

The largest city in Skagit County is Mount Vernon (population 35,180 in 2018), up 13 percent in 10 years. Mount Vernon was also the fastest-growing city in Skagit County over that time period. The next largest cities are Anacortes, Sedro-Woolley, Burlington and La Conner respectively.

### *Population facts*

|                              | <b>Skagit County</b> | <b>Washington state</b> |
|------------------------------|----------------------|-------------------------|
| Population 2018              | 126,520              | 7,427,570               |
| Population 2008              | 115,422              | 6,608,252               |
| Percent change, 2008 to 2018 | 9.6%                 | 11.1%                   |

Source: *Washington State Office of Financial Management*

### *Age, gender and ethnicity*

The age distribution of Skagit County residents compared to the state and the nation reflects a smaller traditional working-age population and a larger 65 and older population. The proportion of children age 0-18 is similar to that of the state and the nation.

Compared to the state as a whole, a greater proportion of Skagit County residents are reported to identify as white (90.5 percent) compared to 79.5 percent. Looking at ethnicity, Skagit County has a greater proportion of Hispanic or Latino residents (18.3 percent compared to 12.7 percent statewide).

Source: U.S. Census Bureau QuickFacts

## Demographics

|  | Skagit County | Washington state |
|--|---------------|------------------|
| <b>Population by age, 2017</b>                 |               |                  |
| Under 5 years old                              | 6.0%          | 6.2%             |
| Under 18 years old                             | 21.9%         | 22.2%            |
| 65 years and older                             | 20.2%         | 15.1%            |
| <b>Females, 2017</b>                           | 50.5%         | 50.0%            |
| <b>Race/ethnicity, 2017</b>                    |               |                  |
| White  | 90.5%         | 79.5%            |
| Black  | 1.1%          | 4.2%             |
| American Indian, Alaskan Native                | 2.7%          | 1.9%             |
| Asian, Native Hawaiian, other Pacific Islander | 2.6%          | 9.7%             |
| Hispanic or Latino, any race                   | 18.3%         | 12.7%            |

Source: U.S. Census Bureau QuickFacts

## Educational attainment

In Skagit County, 89.3 percent of adults age 25 and older in 2017 were estimated to have graduated from high school. This compares to 90.8 percent for Washington state and 87.3 percent nationally.

There were proportionately fewer residents in Skagit County with college degrees than in the state. Over 25 percent of Skagit County residents age 25 and up had completed bachelor's degrees or higher, compared to 34.5 percent for the state.

Source: U.S. Census Bureau QuickFacts

## Useful links

- [County data tables](#)
- [Center for Business and Economics Research, Western Washington University](#)
- [Economic Development Association of Skagit County](#)
- [History of Skagit County](#)
- [Northwest Washington Labor Market Review \(Monthly\)](#)
- [Northwest Workforce Development Council](#)
- [Port of Anacortes](#)
- [Port of Skagit County](#)
- [Skagit Council of Governments](#)
- [Skagit County Extension](#)
- [Skagit County home page](#)
- [Skagit County on ChooseWashington.com](#)
- [Skagit County on ofm.wa.gov](#)
- [U.S. Bureau of Economic Analysis Regional Economic Accounts](#)
- [Self Sufficiency Calculator for Washington State](#)
- [U.S. 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.