

Whatcom County profile



by Anneliese Vance-Sherman, Ph.D., regional labor economist - *updated October 2017*

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Overview

Regional context

Whatcom County is bordered to its north by British Columbia, Canada, Skagit County to its south and Okanogan County to its east. The Salish Sea lies to the west and the Cascade Mountains rise to the east. Whatcom County ranges in elevation from sea level to a high point at 10,781 feet at the active volcano Mount Baker, also known as Kulshan. In geological times past, the Fraser River in the lower mainland of British Columbia had one arm extending down to Bellingham Bay, creating the flat geography of a delta plain in that area that makes for productive farmland for dairies and berry growing.

Local economy

For thousands of years, Whatcom County has been home to people of the Lummi, Nooksack, Samish and Semiahmoo tribal groups. Fur trappers and traders from the Hudson's Bay Company were the first non-native residents of the county. In the 1850s, Whatcom County experienced an economic and population boom propelled initially by coal mining, timber and agriculture.

Northwest Normal School, the predecessor to present day's Western Washington University (WWU) was established in Lynden in 1886. The northwest's first high school was built in Whatcom County in 1890. This boom came to a halt in 1893 due to the national recession and the population in the Bellingham dropped to fewer than 50 individuals.

The 20th century brought in more prosperous times with increasing national demand for the abundant timber and salmon. Fish canning operations were a mainstay of the Whatcom County economy. The towns of Whatcom, Sehome, Bellingham and Fairhaven joined together to form the county seat of Bellingham. Whatcom County is now a regional hub for northwest Washington. Bellingham is the biggest city (both by population and area) in the region.

Agriculture is a steady influence in the northern parts of the county. Today, Whatcom County produces the most raspberries of any county in the United States and is the second largest producer of milk statewide.

The largest contributors to GDP in Whatcom County include manufacturing (especially nondurable goods), government and real estate.

Like the national economy, Whatcom County's largest job-providing sector is in private services, making up a 62.0 percent share of nonfarm jobs. Following national trends and due to the recent recession, goods-producing jobs fell to a greater extent than private services, but has been gaining strength in the post-recession years. Private goods-producers supplied 18.5 percent of all nonfarm jobs in Whatcom County in 2016.

Whatcom County is home to Western Washington University as well as two community and technical colleges. The university and colleges are in their own right major employers and Bellingham consistently draws a large student population which contributes to the local service economy.

The proximity to the Canadian border is a strong influence on the economy. When the Canadian dollar is strong, it creates demand for Canadian shoppers seeking retail bargains and real estate in Whatcom County. The past couple years have been characterized by a weak Canadian dollar in large part as a consequence of low oil prices.

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Geographic facts

(Source: *Washington State Office of Financial Management*)

	Whatcom County	Rank in state
Land area, 2010 (square miles)	2,106.9	12
Persons per square mile, 2017	102.66	10

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Outlook

In the lead up to the recession (2003 to 2007), Whatcom County's annual employment growth rate averaged about 3 percent. From peak to trough (2008 to 2010), 5,900 jobs (about 7 percent) were lost. Whatcom County's employment situation reached its low point in 2010—on track with much of Washington state. From 2010 to 2016, Whatcom County recovered 11,000 jobs; exceeding the pre-recession peak in 2014.

Whatcom County has some favorable factors that aided early job recovery. In particular, the proximity of Whatcom County to Canada and the appreciated Canadian dollar during the jobs recession and early recovery created a draw for Canadian shoppers. Low cost flights to U.S. destinations has also created a draw for Canadian travelers. As the recovery has progressed, the value of the Canadian dollar relative to the U.S. dollar has slid, reducing the draw of cross-border retail.

Whatcom County generally has lower wage rates for many occupations compared to nearby counties along the I-5 corridor. This is partially due to the presence of a large student

population and arguably makes the county attractive to manufacturing and service-providing firms to relocate or expand in the county.

As the recovery has matured, most industries have registered employment gains. Average annual employment in 2016 was 5,100 jobs above Whatcom County's pre-recession peak. From 2015 to 2016, all major industries except for financial activities reported year-to-year growth.

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[Labor force and unemployment](#)

(Source: Employment Security Department)

Current labor force and unemployment statistics are available on the [Labor area summaries](#) page.

Whatcom County's 2016 resident civilian labor force averaged 107,690, with an unemployment rate of 6.0 percent. Within this estimate, 101,212 Whatcom County residents were counted among the employed and 6,478 were counted among the unemployed (i.e. active job seekers).

During the recent period of recession and recovery, the peak unemployment rate in Whatcom County (11.1 percent) was observed in February 2010. The average unemployment rate that year was 9.5 percent. The unemployment rate has been falling slowly but consistently since then. Over the past year, the downward momentum of the unemployment rate has accelerated. As of August 2017 (preliminary) the unemployment rate in Whatcom County was down to 4.7 percent.

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[Industry employment](#)

(Source: Employment Security Department)

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

Whatcom County averaged 90,900 nonfarm jobs in 2016, up from the 2015 approximation of 88,400. From 2015 to 2016, total employment increased an average of 2.6 percent—the highest growth rate observed since the arrival of the Great Recession. Washington state as a whole saw the addition of 86,200 jobs over the same time period, an increase of 2.9 percent.

- Goods-producers contributed an average of 16,800 jobs to the Whatcom County economy in 2016, up 1,000 jobs or 6.2 percent over 2015.
 - Manufacturing employment increased 600 jobs in 2016, bringing average annual employment to 10,000. For reference, the pre-recession peak was 9,300 manufacturing jobs in 2007. Whatcom County's manufacturing base is diverse. The four largest manufacturing industries in terms of employment are

activities related to food, petroleum, wood products and transportation equipment manufacturing.

- Construction employment tumbled from 2007 to 2010. Construction employment had more-or-less remained flat from 2010 to 2014, fluctuating by only about 200 jobs in any given year. Since 2015, construction industry employment has been expanding significantly. Despite recent growth, employment remains below the pre-recession peak.
- Private service-providing employment averaged 56,300 in 2016. From 2015 to 2016, private service-providers added 1,400 jobs or 2.5 percent. In 2016, all private sector service providing industries that are broken out in the nonfarm employment report (retail trade, professional and business services and leisure and hospitality) expanded payrolls, with the exception of financial activities which remained unchanged over the year.
- Government employment in Whatcom County is concentrated in local and state government and includes public K-12 and higher education. Total government employment expanded by 200 or 1.0 percent from 2015 to 2016.

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

Industry employment by age and gender

(Source: The Local Employment Dynamics)

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. Some highlights:

Whatcom County's labor market tends to reflect higher concentrations of youth than the state as a whole. Fifteen percent of the employed workforce in Whatcom County was between age 14 and 24. Compare to less than 12 percent statewide. This is a reflection of the high student population residing in Bellingham.

Employment was split almost evenly between men and women in 2016, with 50.5 percent of jobs being occupied by men and 49.5 percent occupied by women.

- Male-dominated industries included mining (93.2 percent), construction (80.4 percent), manufacturing (73.1 percent) and wholesale trade (72.3 percent).
- Female-dominated industries included healthcare and social assistance (79.4 percent), finance and insurance (69.3 percent) and educational services (68.1 percent).

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Wages and income

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

In 2016, Whatcom County averaged 88,087 jobs covered by unemployment insurance, with a payroll of more than \$3.8 billion dollars.

The county's 2016 average annual wage was \$43,239; below the statewide annual average wage of \$59,073.

In 2016, the county's median hourly wage was \$20.36, lower than the state median of \$23.91 per hour.

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.

Average per capita personal income in 2015 was lower in Whatcom County (\$42,511) than either the state (\$51,898) or the U.S. as a whole (\$48,112), according to the Bureau of Economic Analysis.

According to the U.S. Census Bureau, Whatcom County's 2015 median household income was \$55,016, less than Washington state (\$64,129) and similar to the U.S. (\$55,775).

In 2015, 14.5 percent of Whatcom County's resident population was living below the official poverty line, higher than the state at 12.2 percent and similar to the U.S. as a whole at 14.7 percent.

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Population

(Source: Washington State Office of Financial Management)

Whatcom County's estimated population was 216,300 in 2017. Its total growth from 2007 to 2017 was 10.8 percent, similar to the percentage growth rate for Washington state over the same period.

The largest city in Whatcom County is Bellingham (86,720 in 2017, up 11.3 percent in 10 years). The next largest cities are Lynden, Ferndale, Blaine and Everson.

Population facts

(Source: Washington State Office of Financial Management)

	Whatcom County	Washington state
Population 2017	216,300	7,218,759
Population 2007	195,298	6,525,093
Percent change, 2007 to 2017	10.8%	10.6%

Age, gender and ethnicity

(Source: U.S. Census Bureau QuickFacts)

The proportion of very young children is less in Whatcom County than the state, however due to the presence of Western Washington University, Bellingham Technical College and Whatcom Community College, the population of residents between the ages of 15 and 24 make up about 17 percent of the total population in Whatcom County; compare to 13 percent statewide.

There were also proportionately more residents 65 and older in Whatcom County than in the state.

Females made up 50.4 percent of the population, slightly higher than the state in 2016.

Whatcom County has a larger percentage of American Indian and Alaska Native residents than the state. Otherwise, it is slightly less racially and ethnically diverse than the state as a whole.

Demographics

(Source: U.S. Census Bureau QuickFacts)

	Whatcom County	Washington state
Population by age, 2016		
Under 5 years old	5.5%	6.2%
Under 18 years old	19.7%	22.4%
65 years and older	16.6%	14.8%
Females, 2016	50.4%	50.0%
Race/ethnicity, 2016		
White	87.0%	80.0%
Black	1.2%	4.1%
American Indian, Alaskan Native	3.2%	1.9%
Asian, Native Hawaiian, other Pacific Islander	7.6%	9.4%
Hispanic or Latino, any race	9.2%	12.4%

Educational attainment

(Source: U.S. Census Bureau QuickFacts)

In 2015, 91.2 percent of Whatcom County residents age 25 and older graduated high school compared to 90.8 percent across Washington state.

Thirty-two point six percent of Whatcom County residents have bachelor's degrees or higher levels of education, which is proportionally lower than the state (34.2 percent) but higher than the nation (30.6 percent).

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Useful links

- [County data tables](#)
- [Center for Business and Economics Research, Western Washington University](#)
- [Northwest Economic Council of Whatcom County](#)
- [Northwest Washington Labor Market Review \(Monthly\)](#)
- [Northwest Workforce Development Council](#)
- [Port of Bellingham](#)
- [U.S. Census Bureau QuickFacts](#)

- [Whatcom Council of Governments](#)
- [Whatcom County home page](#)
- [Whatcom County on ofm.wa.gov](#)
- [Whatcom County on ChooseWashington.com](#)
- [Whatcom Farm Friends](#)
- [Workforce Development Areas and WorkSource Office Directory](#)
- [Self Sufficiency Calculator for Washington State](#)

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