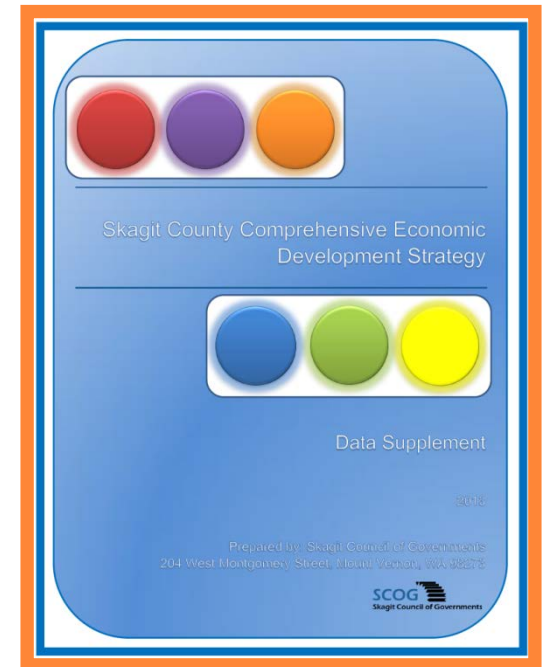


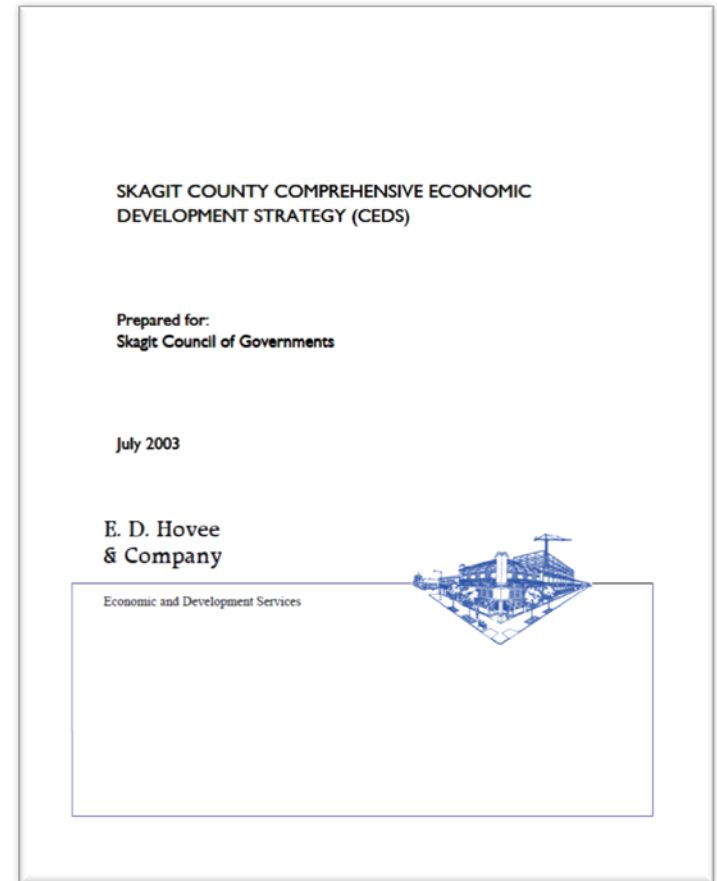
ECONOMIC PROFILE

Skagit Council of Governments



PURPOSE

- Identify major components of the Skagit County economy
- Provides data, information and analysis for economic development strategic plan (CEDS)
- What drives our economy?



BACKGROUND

- Skagit Council of Governments (SCOG) contracted with Center for Economic and Business Research at Western Washington University
- Data located from:
 - U.S. Bureau of Labor and Statistics
 - U.S. Bureau of Census
 - Washington State Employment Security Department
 - Existing plans/strategy
- Analysis of data to inform CEDS update



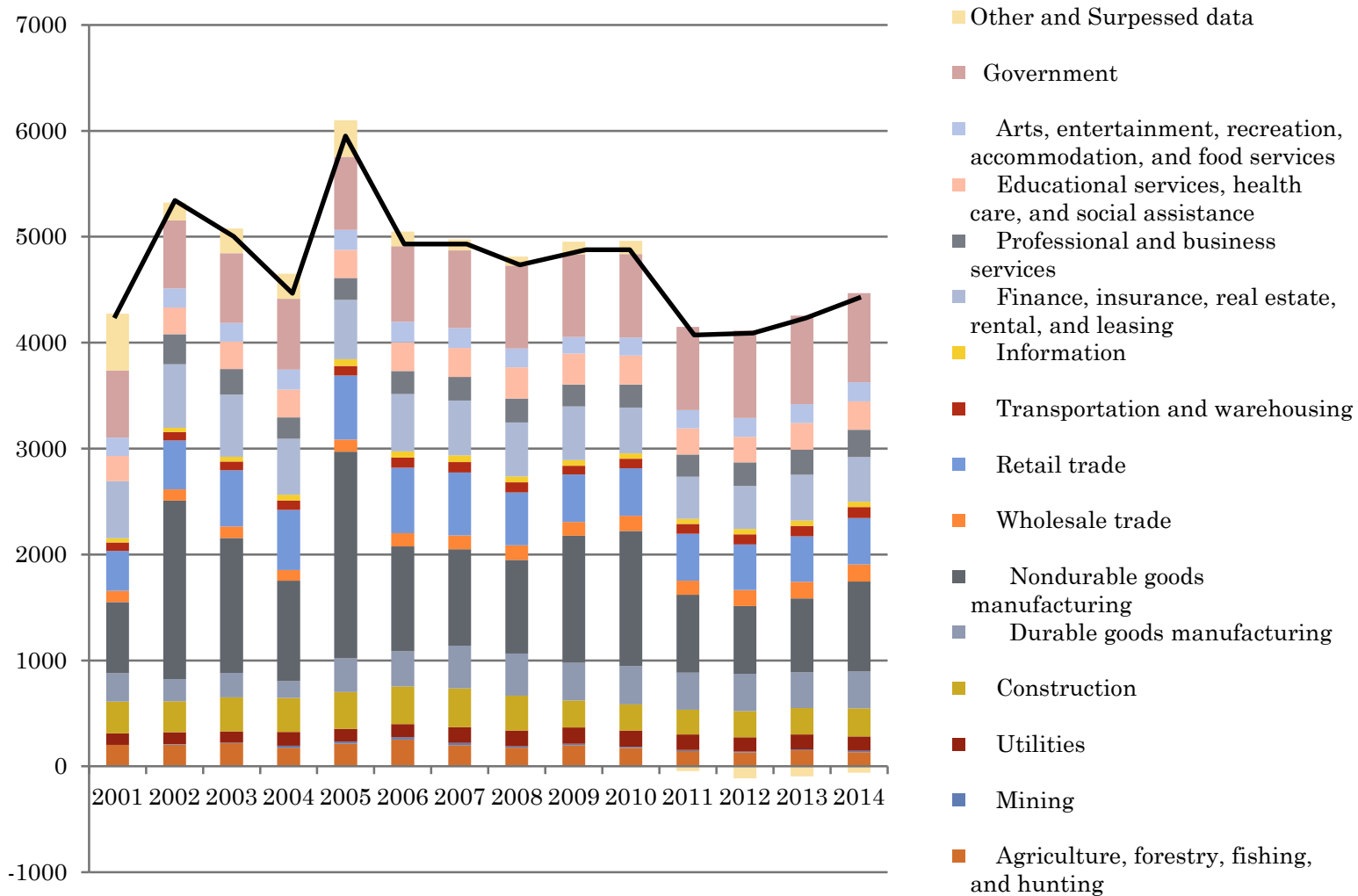
WHAT ARE THE COMPONENTS OF OUR ECONOMY?

- Gross Domestic Product – Broad measure of overall economic activity
- Gross Business Income – How much income is generated
- Employment and Wages – Number of Jobs and pay levels across industries



GROSS DOMESTIC PRODUCT (GDP)

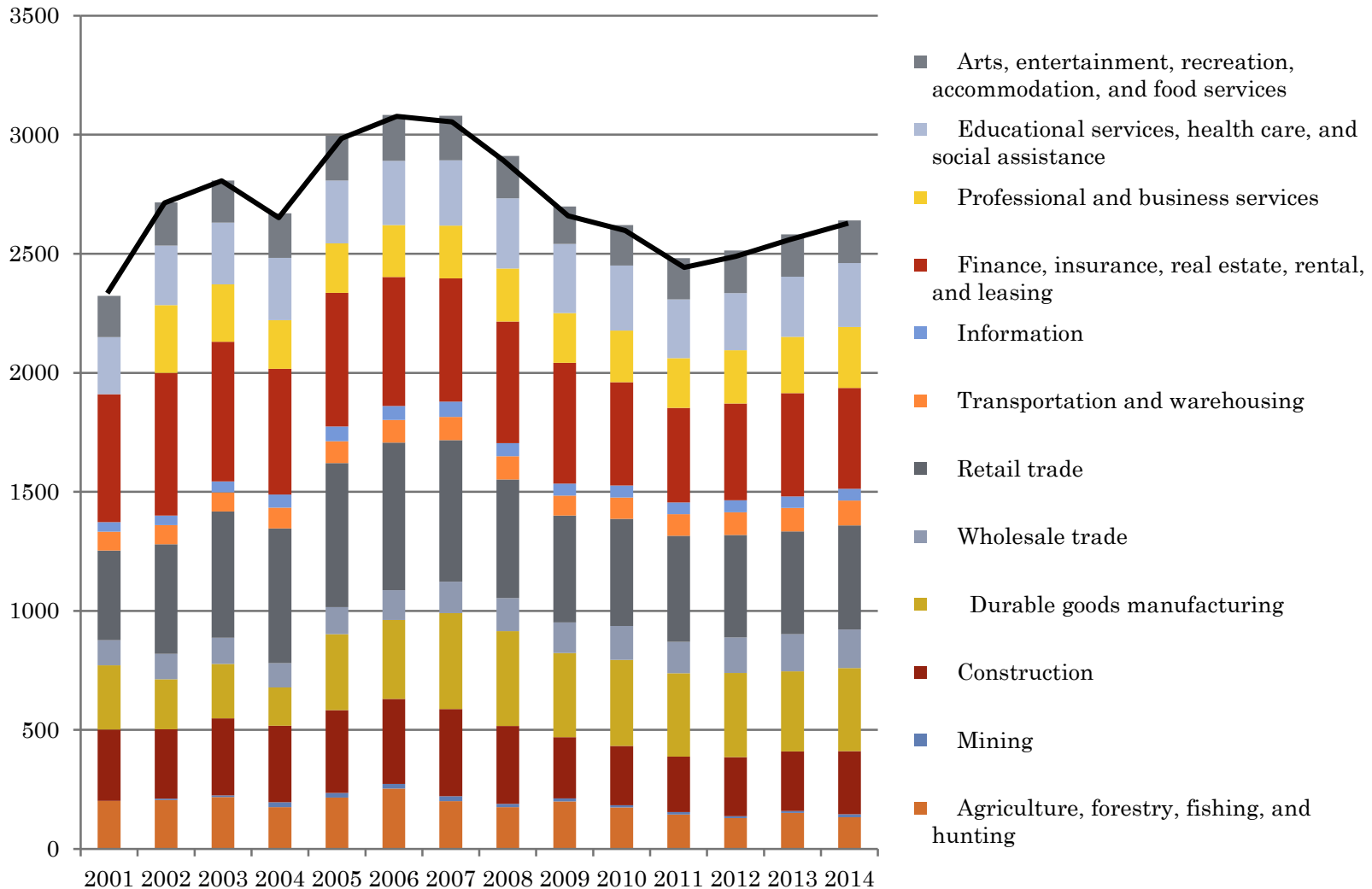
(MILLIONS OF CHAINED 2009 DOLLARS)



Source: Bureau of Economic Analysis



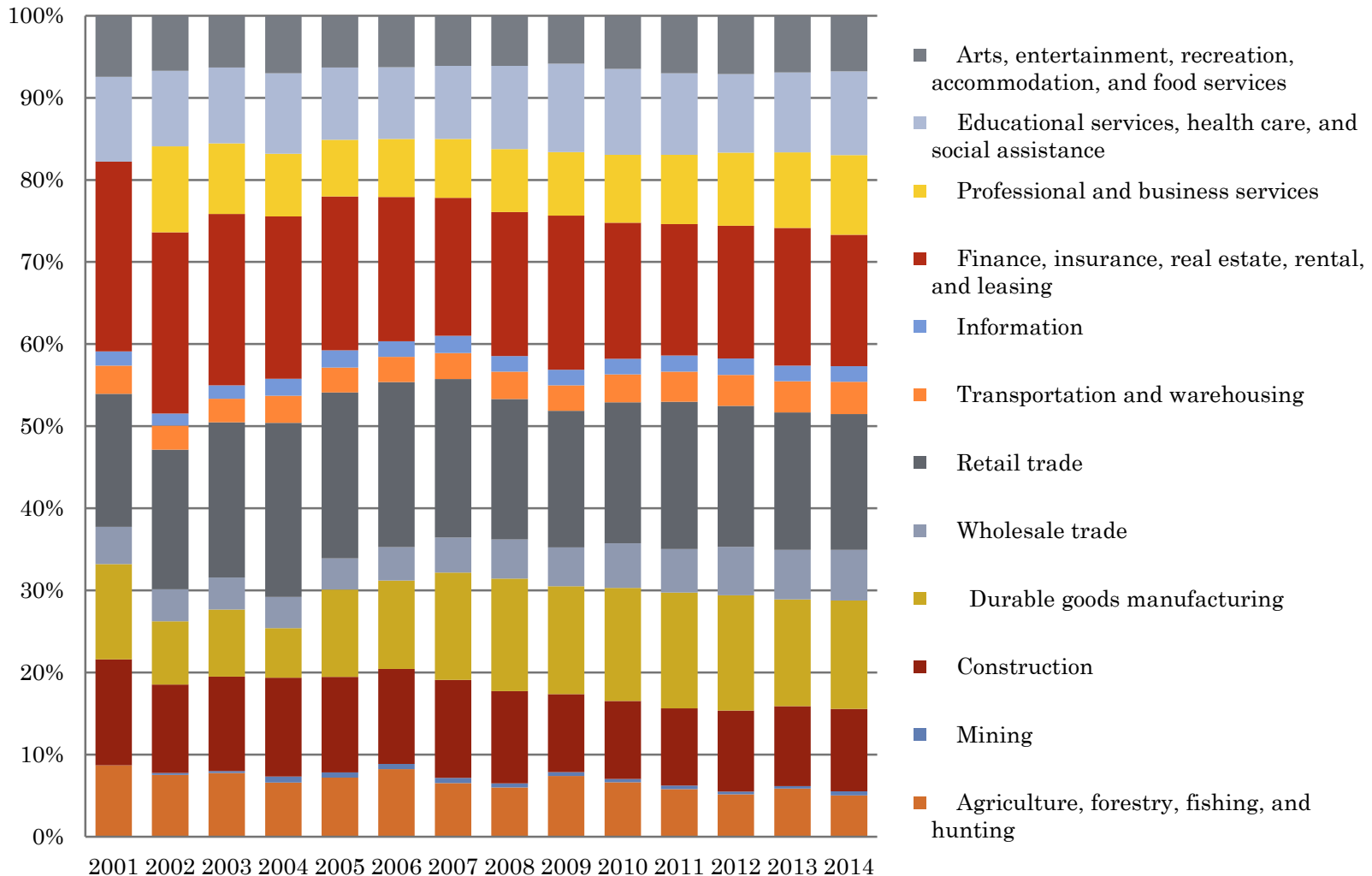
GDP - PRIVATE SECTOR WITHOUT NONDURABLE GOODS



Source: Bureau of Economic Analysis

SHARE OF GDP

(PRIVATE W/O NONDURABLE GOODS)

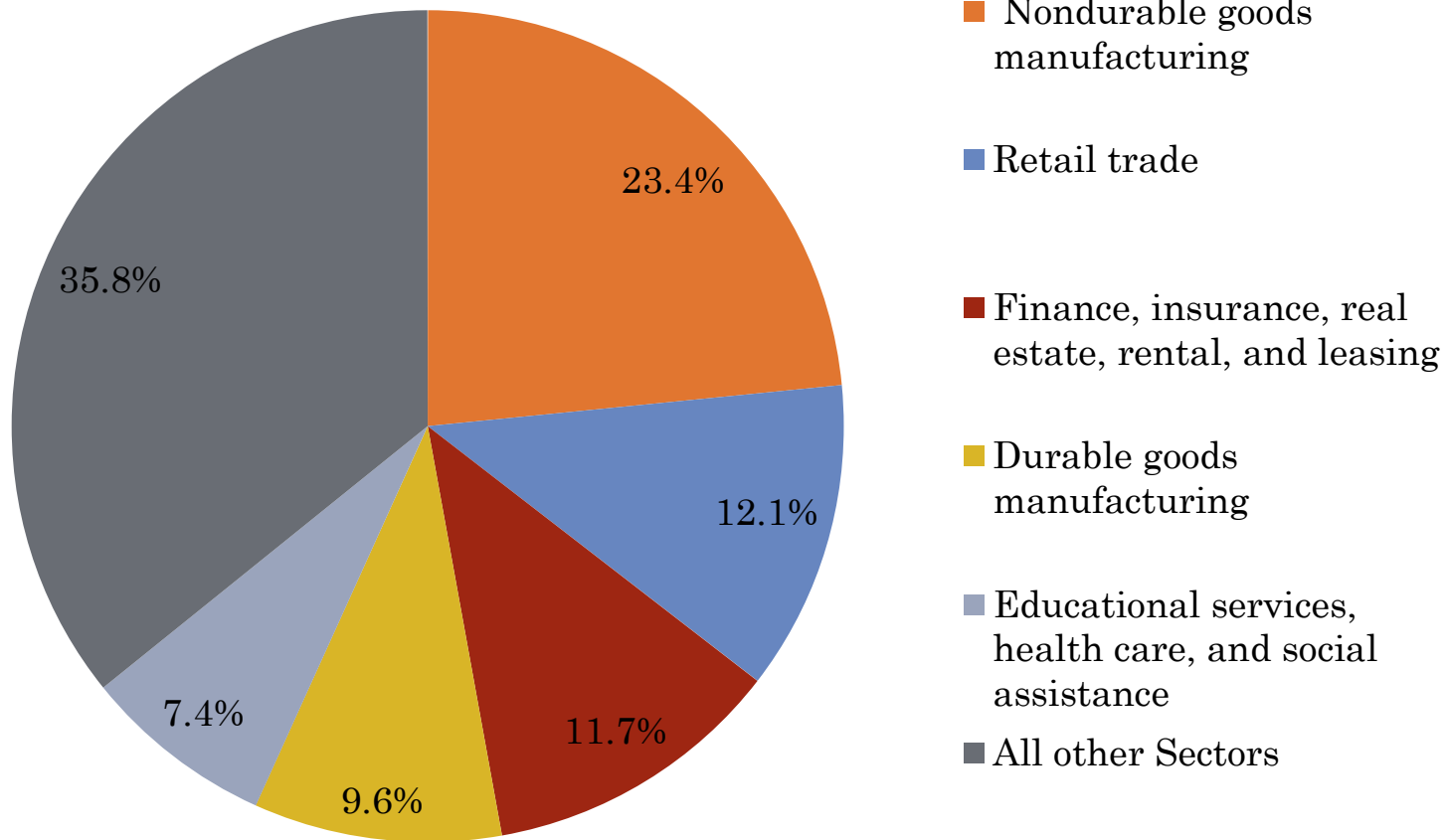


PRIVATE SECTOR GDP RANKINGS 2002 AND 2014

Industry	2002	2014
Nondurable goods manufacturing	1	1
Retail trade	3	2
Finance, insurance, real estate, rental, and leasing	2	3
Durable goods manufacturing	7	4
Educational services, health care, and social assistance	6	5
Construction	4	6
Professional and business services	5	7
Arts, entertainment, recreation, accommodation, and food services	9	8
Wholesale trade	11	9
Utilities	10	10
Agriculture, forestry, fishing, and hunting	8	11
Transportation and warehousing	12	12
Information	13	13
Mining	14	14



TOP SECTORS FOR GDP - 2014



GDP MESSAGES

- Overall GDP has increased slightly from 2001 but below high point in 2005 – Petroleum
- Private w/o Petroleum has increased from 2001 but has not grown beyond the highs of 2006/2007
- Increased over last four years
- Economy has changed structure – Durable goods manufacturing grown significantly and now ranks 4th consistently
- Agriculture has dropped consistently through the time period to lows in 2012 and 2014 and ranks 11th in 2014 compared to 8 in 2002
- Major growth sectors (2001 to 2014) - Durable goods, Retail trade, and Education



GROSS BUSINESS INCOME

(NOMINAL DOLLARS)

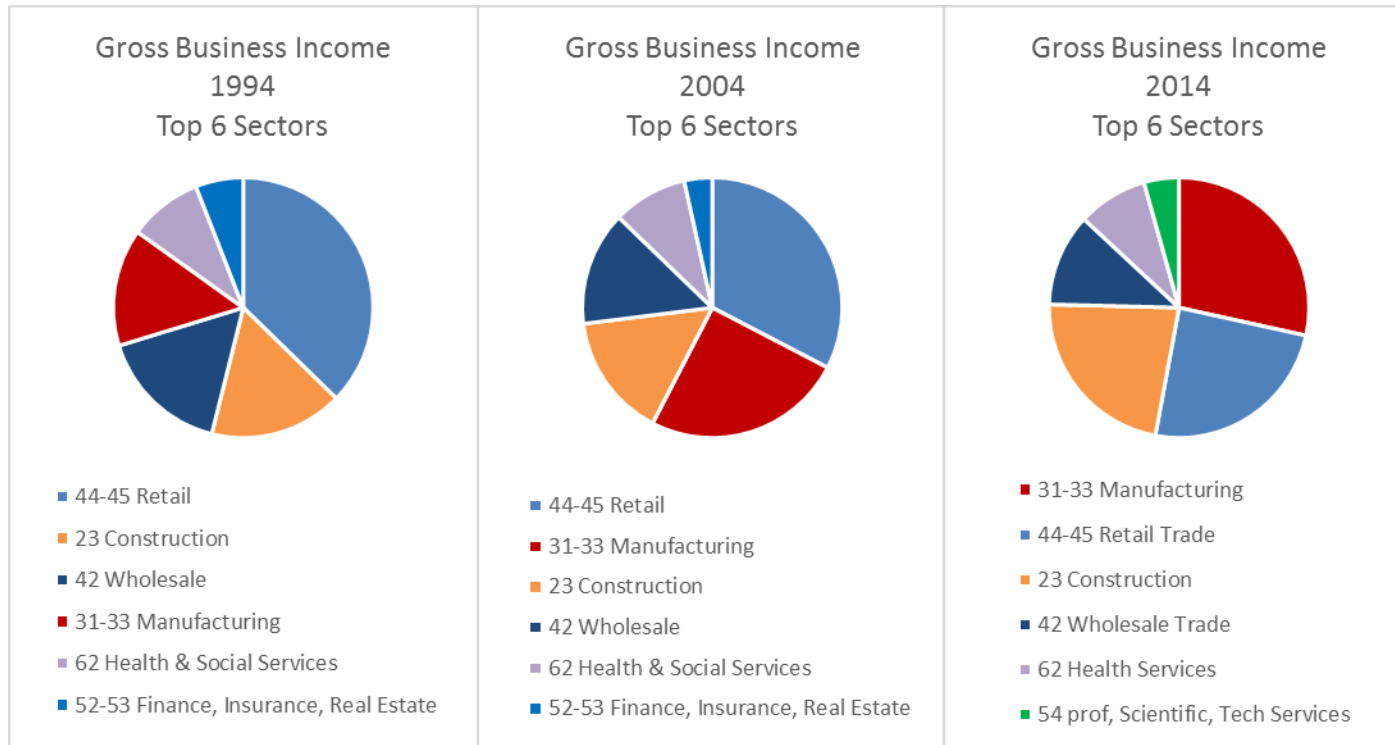
Skagit County % Change in Gross Business Income 2004 - 2014			
NAICS	2004	2014	% Change
11-21 Ag, Forest, Fish & Mining, Quarrying, Extracting	\$ 55,650,413	\$ 94,074,126	69%
22 Utilities	\$ 27,735,618	\$ 58,243,603	110%
23 Construction	\$ 425,449,405	\$ 987,985,678	132%
31-33 Manufacturing	\$ 688,538,069	\$ 1,253,213,654	82%
42 Wholesale	\$ 391,487,751	\$ 507,136,904	30%
44-45 Retail	\$ 900,292,339	\$ 1,083,950,521	20%
48-49 Transportation, Warehousing	\$ 90,762,050	\$ 178,386,043	97%
51 Information	\$ 16,104,597	\$ 14,553,977	-10%
52-53 Finance, Insurance, Real Estate	\$ 95,839,542	\$ 125,346,076	31%
54 Prof, Scientific, Tech Services	\$ 73,037,630	\$ 159,866,144	119%
55-56 Mgmt, Admin, Support of Companies	\$ 30,923,421	\$ 66,568,289	115%
61 Educ Services	\$ 7,617,588	\$ 13,130,297	72%
62 Health & Social Services	\$ 256,754,977	\$ 382,949,169	49%
71 Arts, Entertainment, Recreation	\$ 23,195,343	\$ 27,368,868	18%
72 Lodging and Food Services	\$ 84,544,083	\$ 178,879,981	112%
81-92 Other Services & Public Admin	\$ 75,308,074	\$ 120,806,399	60%
Total	\$ 3,243,242,904	\$ 5,252,461,743	62%
Source: Department of Revenue			



GBI FOR MANUFACTURING

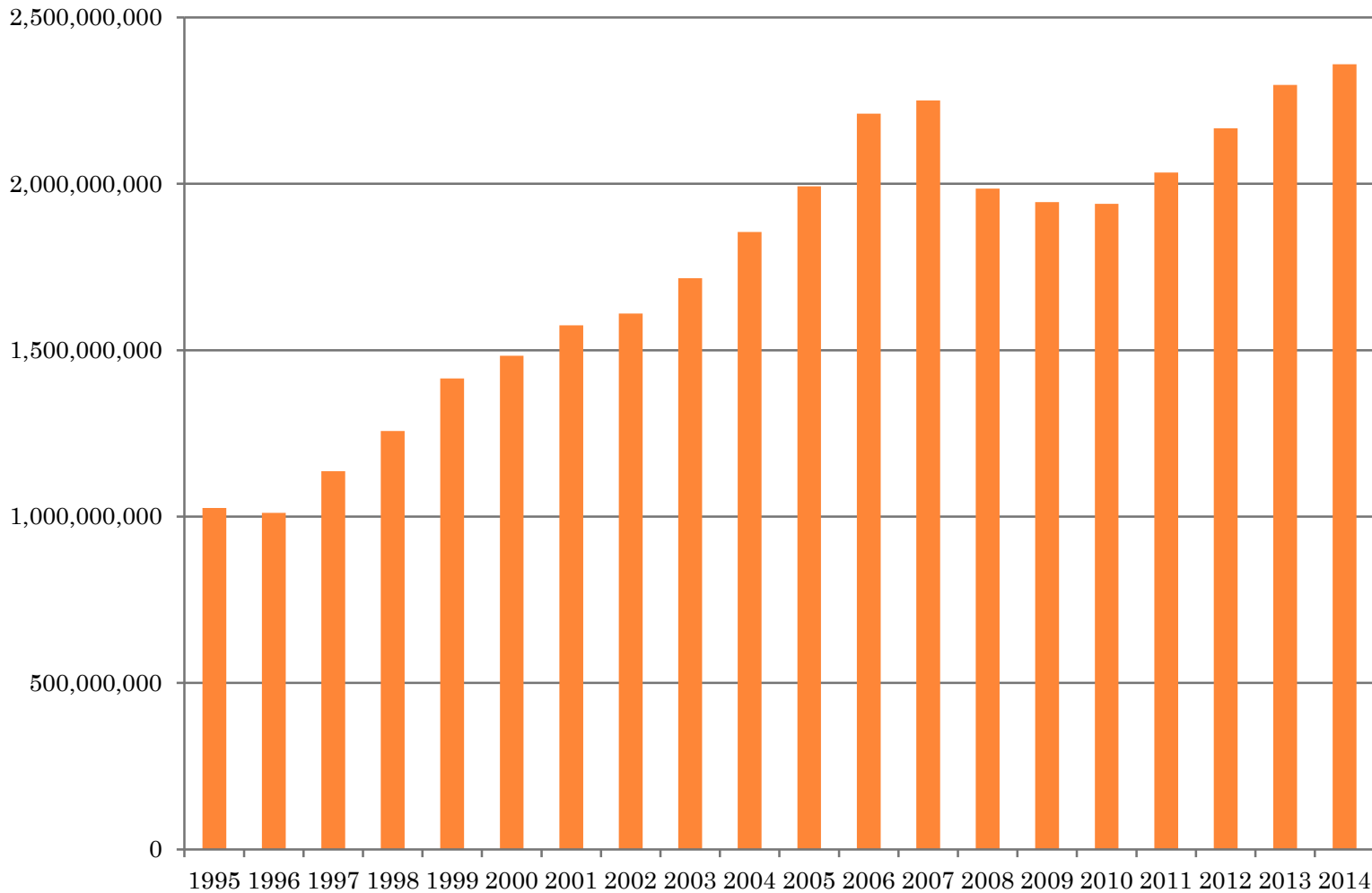
	1994 Gross	2004 Gross	2014 Gross
Durable			
321 Wood Products	22,396,452	249,917,597	214,165,050
331 Primary Metals	D	D	D
332 Fabricated Metal Products	4,099,217	12,319,770	52,573,649
333 Machinery	2,803,001	86,528,246	376,152,371
334 Computers & Electronics	D	22,649,287	46,366,655
335 Electrical Equipment & Appliances	D	D	3,413,101
336 Transportation Equipment	16,921,459	83,582,635	159,322,469
337 Furniture & Related Products	4,613,199	9,276,032	14,229,482
339 Miscellaneous Manufacturing	6,914,186	13,499,107	23,161,502
Durable Total	57,747,514	477,772,674	889,384,279
Non-Durable			
311 Food Products	46,101,143	130,399,652	281,595,696
312 Beverage and Tobacco Product	D	D	2,797,917
313-314 Textiles	266,612	5,258,600	9,690,184
315 Apparel	D	D	27,460
316 Leather & Allied Products	-	-	D
323 Printing and Related Support Activities	557,459	2,210,247	2,653,318
325 Chemicals	6,186,940	17,745,253	12,828,368
326 Plastics & Rubber Products	4,920,968	3,760,026	15,690,191
327 Nonmetallic Minerals	16,678,508	28,485,853	33,543,371
Non-Durable Total	74,711,630	187,859,631	358,826,505

TOP 6 SECTORS FOR GBI



TAXABLE RETAIL SALES

(NOMINAL DOLLARS)



Source: Washington State Department of Revenue

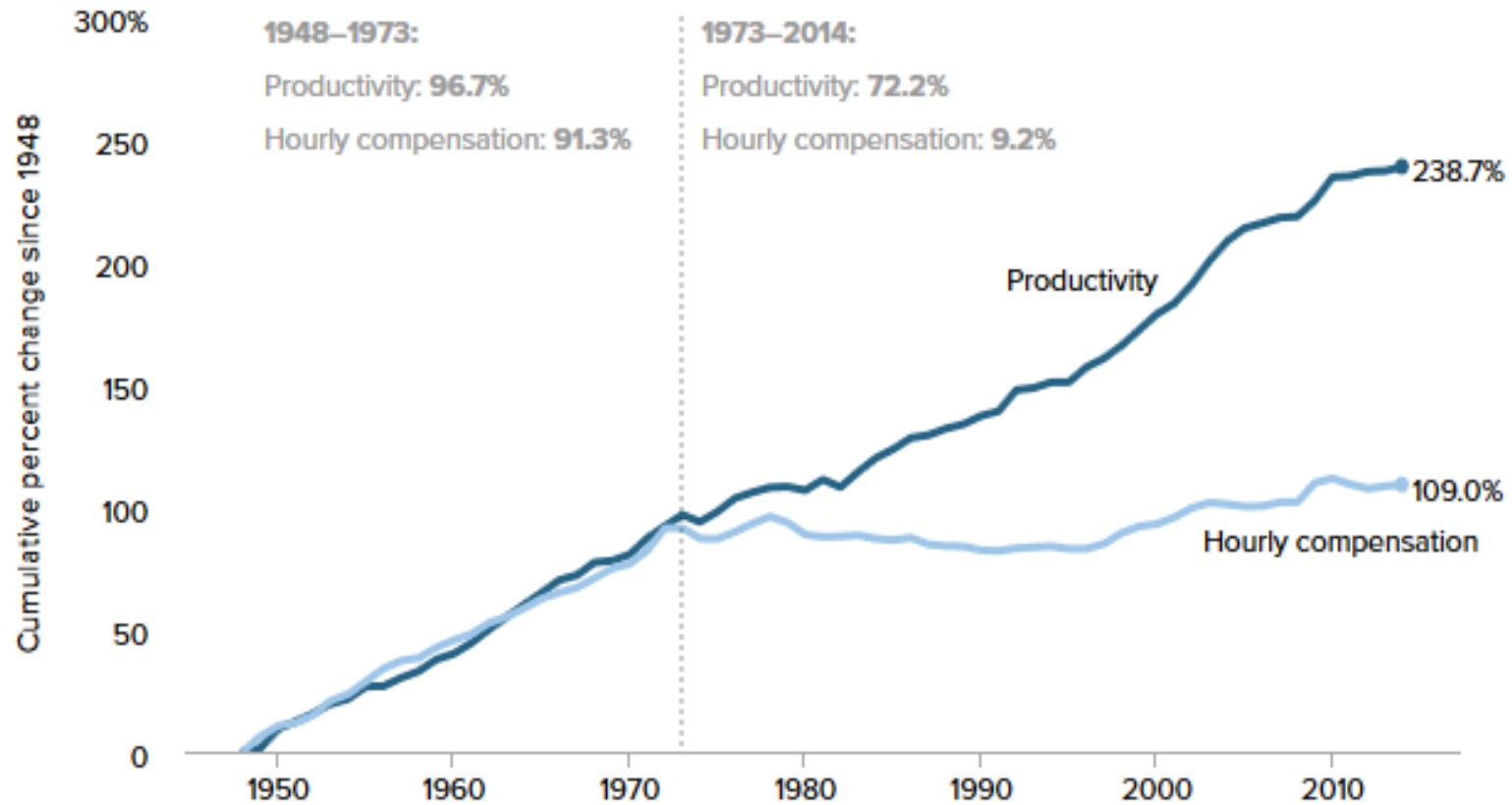
GROSS BUSINESS INCOMES AND RETAIL SALES MESSAGES

- Overall GBI has increased \$2.1 billion and from 2004 to 2014
- Retail contributes the most but it's share has declined overtime from 31% in 1994 to 20% in 2014
- Manufacturing share has increased from 12% in 1994 to 24% in 2014
- Construction also increased from 14% in 1994 to 19% in 2014. Also largest % increase from 2004 to 2014.
- 2013/2014 gross taxable retails sales exceed 2006/2007

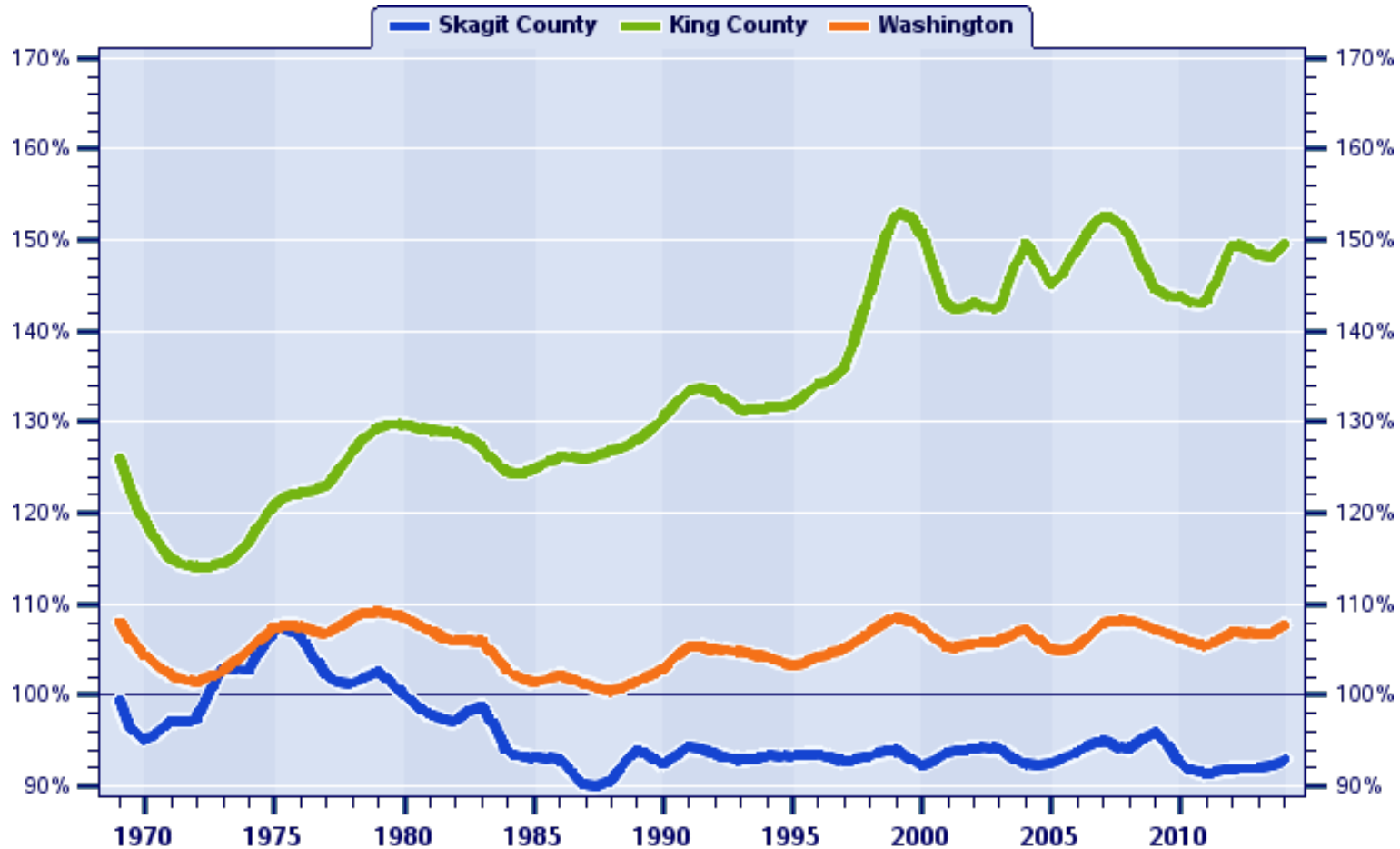


PRODUCTIVITY AND EARNINGS

(US GOODS PRODUCING SECTORS)



WAGE AND GROWTH OVERTIME

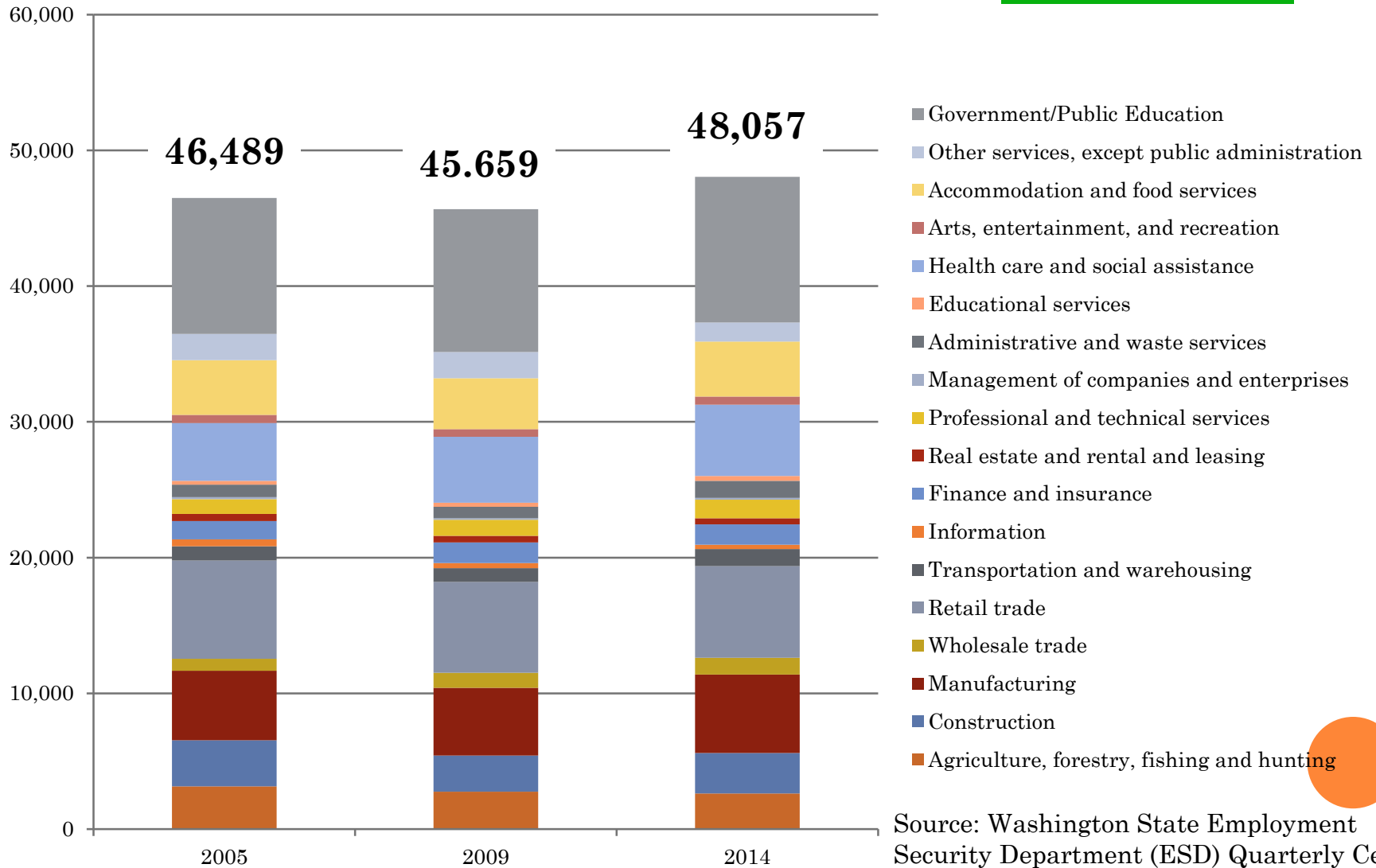


Source: Washington.REAProject.org
Data: Regional Income Division, BEA (11-19-2015)



EMPLOYMENT

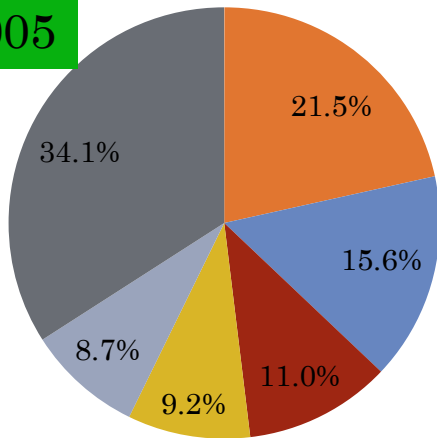
2007 = 48,969



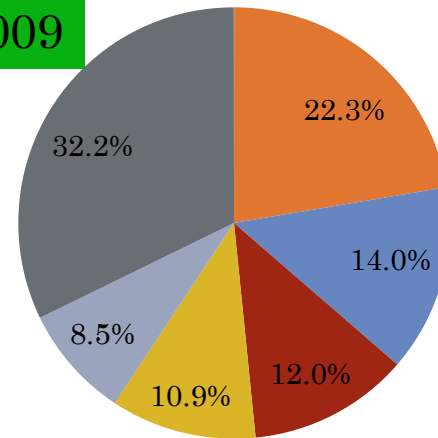
Source: Washington State Employment Security Department (ESD) Quarterly Census of Employment and Wages (QCEW)

PERCENT SHARE OF EMPLOYMENT

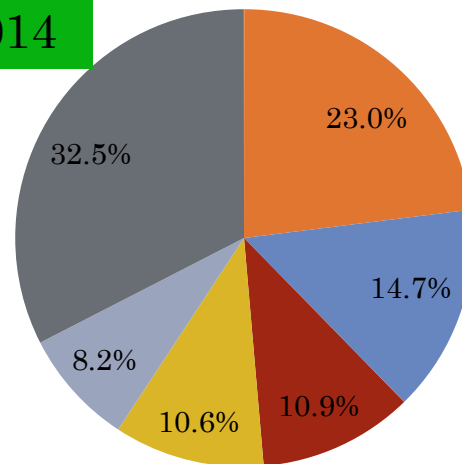
2005



2009



2014



- Government/Public Education
- Retail trade
- Manufacturing
- Health care and social assistance
- Accommodation and food services
- All other Sectors



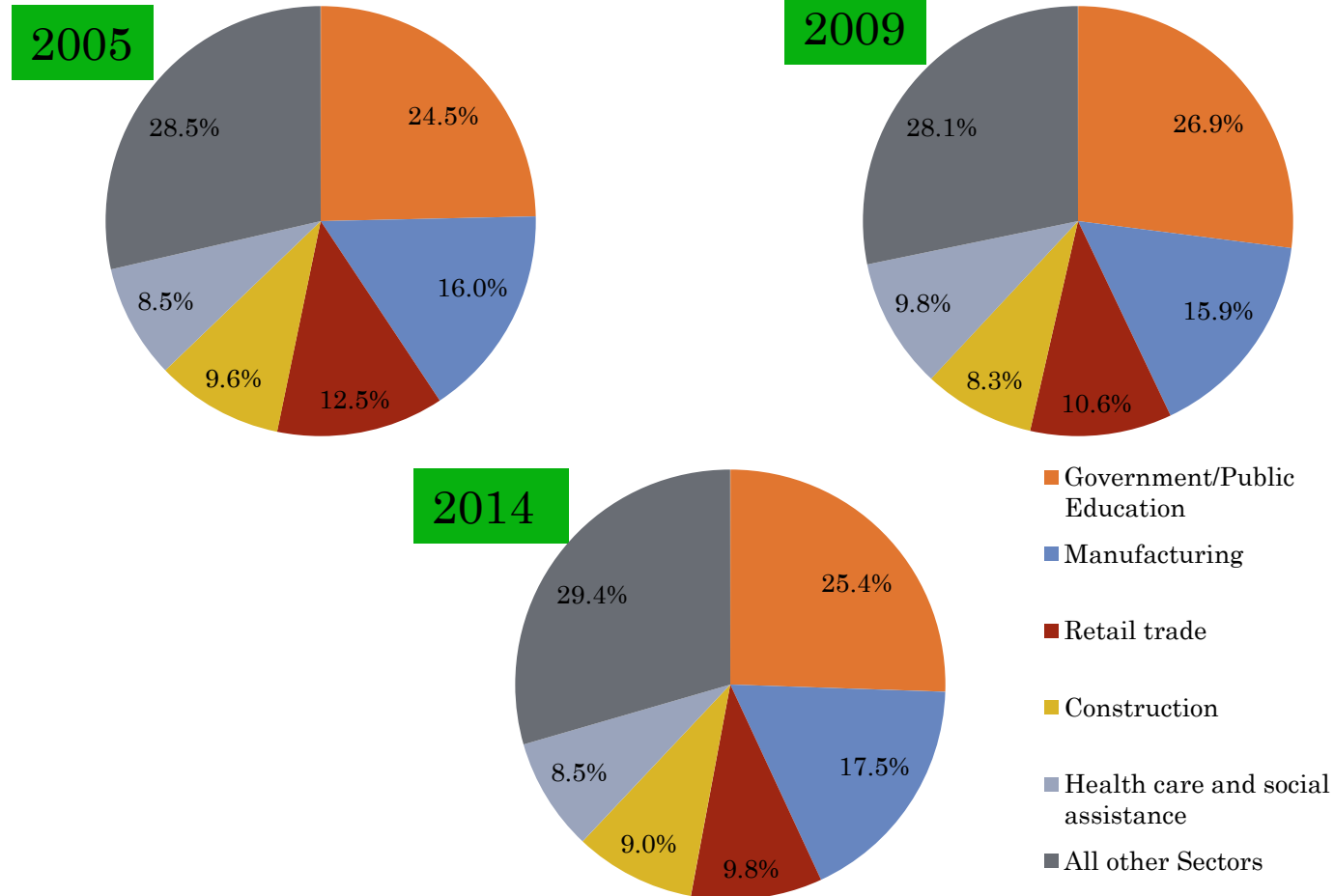
Source: ESD QECW

WAGES

Sector	2005	2009	2014	% Change 2005 to 2014
Agriculture, forestry, fishing and hunting	24,243	28,993	33,724	39.1%
Construction	40,984	52,888	60,347	47.2%
Manufacturing	45,625	53,792	60,048	31.6%
Wholesale trade	38,153	42,806	53,392	39.9%
Retail trade	25,243	26,805	28,931	14.6%
Transportation and warehousing	32,505	37,128	43,801	34.8%
Information	37,297	39,450	43,071	15.5%
Finance and insurance	41,282	48,963	52,551	27.3%
Real estate and rental and leasing	20,712	23,452	25,562	23.4%
Professional and technical services	39,012	46,231	56,326	44.4%
Management of companies and enterprises	50,544	66,452	91,597	81.2%
Administrative and waste services	22,820	28,544	31,174	36.6%
Educational services	21,129	27,697	27,932	32.2%
Health care and social assistance	29,194	34,121	32,016	9.7%
Arts, entertainment, and recreation	18,711	17,777	20,002	6.9%
Accommodation and food services	12,664	14,886	16,958	33.9%
Other services, except public administration	22,988	24,808	33,491	45.7%
Government	35,779	43,316	47,054	31.5%
Overall Average	31,382	37,101	41,318	31.7%
Total Wages	1,465,653,436	1,703,195,607	1,995,163,584	36.1%

Source: ESD QECW

PERCENT SHARE OF WAGES



Source: ESD QECW

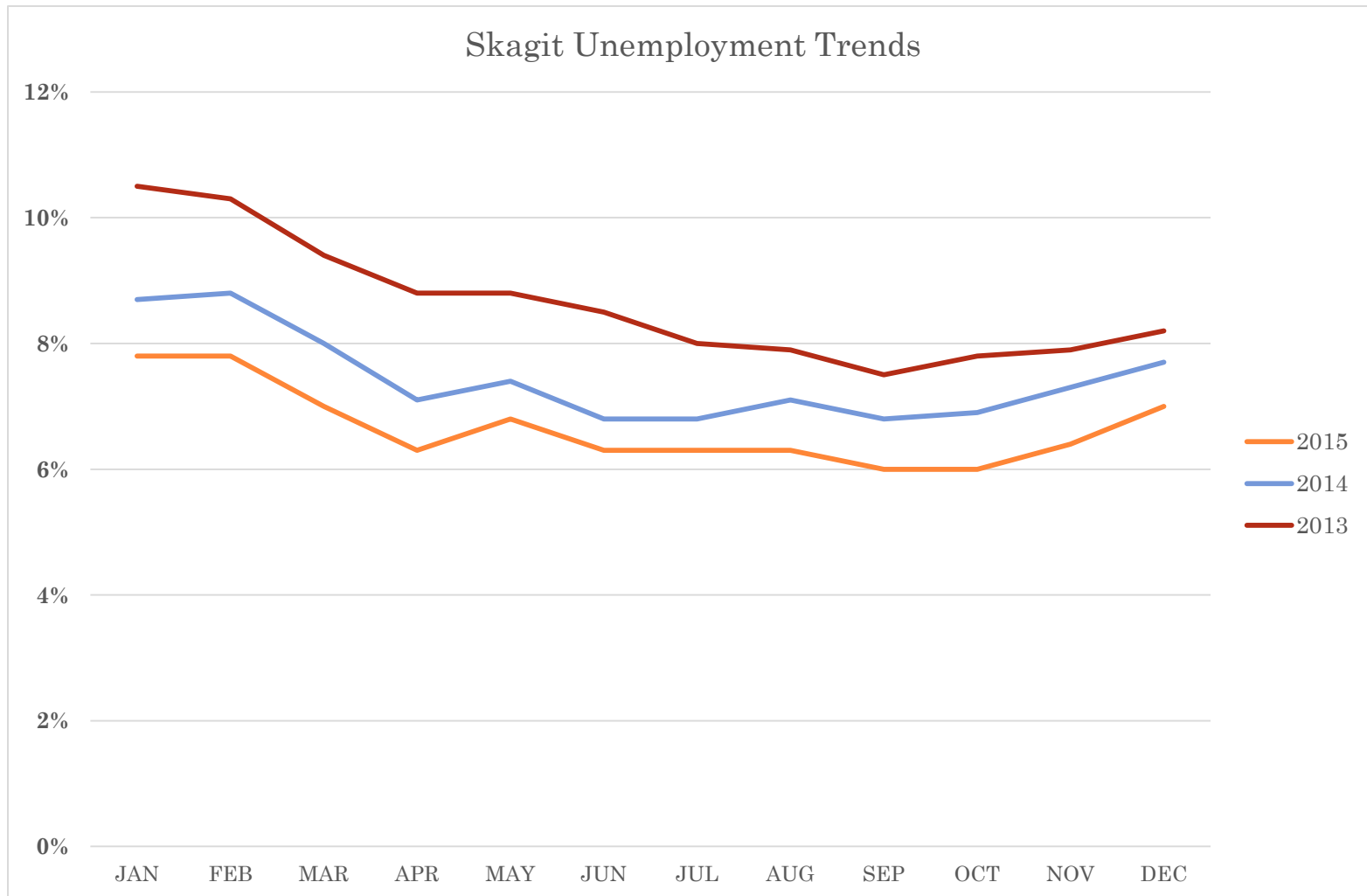
EMPLOYMENT AND WAGES MESSAGES

- Overall employment has increased 3.4% and wages by 32% since 2005
- Agriculture, Construction, Information, Real Estate, and Other Services all declined by over 10% in employment since 2005
- Wholesale Trade, Administrative Services, and Educational Services all experienced an increase in employment by 30% or more since 2005
- Change in Average Wages in the Health Care and Arts sectors were less than 10% increase, well below the 32% average



UNEMPLOYMENT

2007 = 5.3%



Source: ESD – Local Area Unemployment Statistics

MAJOR SECTORS OF SKAGIT COUNTY'S ECONOMY

- Manufacturing – Durable and nondurable
- Retail Trade
- Government/Public Education
- Finance, Insurance, Real Estate
- Education Services
- Health Care
- Construction



OVERALL MESSAGES

- Many areas not back to pre-recession levels
 - Unemployment
 - Total Employment
 - GDP (constant \$)
- Taxable Retail Sales exceed 2007 levels (nominal dollars)
- Structure appears to be adjusting
 - Agriculture Sector (crop production) continues to decline
 - Durable Goods Manufacturing significant part of economy now
 - Retail Trade major component but has declined in employment, slow wage increase and share of GBI smaller now – holding on GDP



DATA SOURCES AND LINKS

- GDP – Bureau of Economic Analysis

For Mount Vernon-Anacortes Metropolitan Statistical Area (Skagit County) <http://www.bea.gov/regional/index.htm>

- GBI and Taxable Retail Sales – Department of Revenue

Gross business income equals a firm's combined reported gross income for the retail sales, business and occupation (B&O), and public utility taxes

<http://dor.wa.gov/content/aboutus/statisticsandreports/TID/StatisticsReports.aspx?query=gbinaics>

- Productivity and Earnings – Economic Policy

Institute - <http://www.epi.org/productivity-pay-gap/>

- Wage growth – Washington Regional Economic Analysis Project - <https://washington.reaproject.org/>



DATA SOURCES AND LINKS- CONTINUED

- Employment and Wages for Skagit County – Employment Security Department (ESD) Quarterly Censuses of Employment and Wages (QCEW)
 - <https://fortress.wa.gov/esd/employmentdata/reports-publications/industry-reports/quarterly-census-of-employment-and-wages>
- Unemployment – ESD
 - <https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/local-unemployment-statistics>

